

Agenda
Sacramento Suburban Water District
Regular Board Meeting

3701 Marconi Avenue, Suite 100
Sacramento, California 95821

Monday, February 23, 2015
6:30 p.m.

Where appropriate or deemed necessary, the Board may take action on any item listed on the agenda, including items listed as information items. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

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

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 679.3972. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Call to Order

Roll Call

Announcements

Public Comment

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

Consent Items

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

1. Minutes of the January 12, 2015 Regular Board Meeting
Recommendation: Approve subject minutes.

2. Investment Policy (PL - Fin 003)
Recommendation: Adopt subject policy.

Items for Discussion and Action

3. Proposition 84 Drought Grant for Enterprise Intertie Improvements
Consider entering into a cost-sharing agreement with the City of Sacramento and authorizing the General Manager to execute the cost-sharing agreement subject to legal review and approval.
4. Water Conservation Stage Declaration
Consider amending the District's current mandatory watering schedule.
5. Resolution No. 15-01 Accepting Grant of Easement and Right of Way for 7031 Watt Avenue – Grace Family Church
Recommendation: Adopt subject resolution to receive an easement and right of way for the subject site.
6. Out of State Travel – Frederick Gayle and Kevin Thomas
Recommendation: Approve Directors' request for out of state travel.
7. Letter Of Credit Extension with Sumitomo Mitsui Banking Corporation
Consider approving letter of credit extension terms and authorize preparation of legal documents.
8. Nomination of Paul E. Dorey for Election to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA)
Consider requesting staff to prepare a resolution supporting nomination of Paul Dorey for future board consideration.

Information Items

9. District Activity Reports
 - a. Water Operations and Exception Report
 - b. Customer Service Report
 - c. Water Conservation and Regional Water Efficiency Program Report
 - d. Community Outreach Report
10. Engineering Report
 - a. Major Capital Improvement Projects
 - b. County and City Projects/Coordination

- c. McClellan Business Park
 - d. Developer Projects
 - e. Other
11. Financial Report – December 2014
- a. DRAFT – Financial Statements – December 2014
 - b. Investments Outstanding and Activity – December 2014
 - c. Cash Expenditures – December 2014
 - d. Credit Card Expenditures – December 2014
 - e. Directors Compensation and Expense Accounting – Through December 2014
 - f. Market Report Yields – January 2010 through DRAFT December 2014
 - g. DRAFT – District Reserve Balances – December 2014
 - h. DRAFT – Information Required by Bond Agreement
12. Financial Report – January 2015
- a. DRAFT – Financial Statements – January 2015
 - b. Investments Outstanding and Activity – January 2015
 - c. Cash Expenditures – January 2015
 - d. Credit Card Expenditures – January 2015
 - e. Directors Compensation and Expense Accounting – Through January 2015
 - f. Market Report Yields – January 2010 through DRAFT January 2015
 - g. DRAFT – District Reserve Balances – January 2015
 - h. DRAFT – Information Required by Bond Agreement
13. Summary of 2014 Investment Performance and Portfolio Review
14. New Policy Review – Debt Obligation Continuing Disclosure Policy (PL - Fin XXX)

15. Upcoming Policy Review – Electronic Mail Management and Retention Policy (PL - IT 003)
16. City of Sacramento and Sacramento Metro Fire – Fire Training Update
17. Distribution System Flushing
18. Bid Item Comparison Between Master Service Contract Contracts and Competitive Bid Contracts
19. California Special District (CSDA) Call for Nominations – Sierra Network, Seat C
20. Status of Phase 2A Reorganization Study
21. Miscellaneous District Issues – General Manager’s Report
22. Legislative and Regulatory Update

General Counsel’s Report

23. General Counsel’s Report Regarding Bond Insurance Litigation Settlement

Committee Reports

24. a. Facilities and Operations Committee (Director Wichert)
Draft Minutes from January 21, 2015 meeting.
- b. Finance and Audit Committee (Director Locke)
No report.
- c. Government Affairs Committee (Director Wichert)
Draft Minutes from the February 5, 2015 meeting.
- d. 2x2 Water Management Ad Hoc Committee (Director Schild)
See separate agenda item – Status of Phase 2A Reorganization Study.
- e. Ad Hoc Water Banking and Transfer Committee (Director Locke)
No report.

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

- 25. a. Regional Water Authority (Director Schild)
Agenda from January 8, 2015 meeting.

Regional Water Authority Executive Committee (General Manager Roscoe)
Agenda from January 28, 2015 meeting.
- b. Sacramento Groundwater Authority (Director Schild)
Agenda from February 12, 2015 meeting.
- c. Water Forum Successor Effort (General Manager Roscoe)
No report.
- d. San Juan Water District Ad Hoc Committee (Assistant General Manager York)
No report.
- e. Other Reports

Miscellaneous Correspondence and General Information

- 26. Correspondence received by the District
- 27. General Information

Director's Comments/Staff Statements and Requests

The Board and District staff may ask questions for clarification, and make brief announcements and comments, and Board members may request staff to report back on a matter, or direct staff to place a matter on a subsequent agenda.

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

- 28. Public employee performance evaluation involving the General Manager under Government Code section 54954.5(e) and 54957.

Adjournment

Upcoming Meetings

Monday, March 16, 2015 at 6:30 p.m., Regular Board Meeting

Monday, March 30, 2015 at 6:00 p.m., Facilities and Operations Committee Meeting

Monday, April 20, 2014 at 6:30 p.m., Regular Board Meeting

I certify that the foregoing agenda for the February 23, 2015 meeting of the Sacramento Suburban Water District Board of Directors was posted by February 19, 2015 in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was freely available to the public.

Robert S. Roscoe
General Manager/Secretary
Sacramento Suburban Water District

Agenda Item: 1

Minutes

Sacramento Suburban Water District
Regular Board Meeting
Monday, January 12, 2015

Call to Order

President Schild called the meeting to order at 6:30 p.m. and announced that Director Locke is absent.

Roll Call

Directors Present: Frederick Gayle, Neil Schild, Kevin Thomas and Robert Wichert.

Directors Absent: Craig Locke.

Staff Present: General Manager Robert Roscoe, Dan York, Dan Bills, Christine Bosley, Jim Arenz, Greg Bundesen, Heather Hernandez-Fort, Annette O'Leary, John Valdes and Lynne Yost.

Public Present: William Eubanks, Brenda Washington-Davis and Avery Wiseman.

Announcements

- Director Locke was unable to attend this meeting. Director Locke is also expected to be absent from the February regular Board meeting.
- The District office will be closed on Monday, January 19, 2015 in observance of Martin Luther King Day and February 16, 2015 for President's Day.
- The Facilities and Operations Committee will meet on January 21, 2015 at 6:00 p.m.
- The January regular Board meeting is being held a week earlier than usual; therefore, the Financial Reporting for December is unavailable. Both the draft December and January Financial Statements will be presented at the February regular Board meeting.
- President Schild commented that he received a notice regarding electronic submission of PPC Form 700. The County will host a meeting January 21.
- On January 20, 2015, ACWA/JPIA will have a presentation on the topic of "Cadillac Tax" on health insurance for 2018.
- ACWA/JPIA will be electing three new Executive Committee members at their May Board meeting.

Public Comment

Avery Wiseman voiced his disappointment that Director Locke, as a new Director, was not present. Mr. Wiseman commented that he is unhappy with the rate increase, the handling of the 218 rate hearing, and stated his concern with regard to the potential consolidation with San Juan Water District. Mr. Wiseman reminded the Board of their responsibility to their constituents and opined that Directors must reject items that do not benefit District ratepayers. Mr. Wiseman also shared his thoughts on a recent Del Paso Manor Water District's Board meeting.

Consent Items

1. Minutes of the December 15, 2014 Regular Board Meeting

President Schild pulled item 1 from Consent to question why the individual votes were not reported for the election of the Board President. General Manager Roscoe explained the vote was cast by blind ballot and, therefore, the individual names were not available.

Director Thomas moved to approve the minutes of the December 15, 2014 Board meeting; Director Wichert seconded. The motion carried by unanimous vote.

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

Items for Discussion and Action

2. **Water Conservation Stage Declaration for 2015**

GM Roscoe provided a summary of the report and stated staff's concern with regard to changing the District's declaration at this time.

The Regional Water Authority has made great strides in coming up with common stage declarations for its member agencies which will help avoid the public's confusion over different messaging efforts in the region. Also, the State Water Resources Control Board (SWRCB) is seriously considering suggesting a statewide irrigation schedule. The SWRCB reports the region has been hugely successful in reducing its water use per capita/per day, mainly because many agencies have a two day watering schedule.

Staff explained that to advertise a three days per week watering schedule now, and then possibly advertising again in spring should the District have to go back to a two days per week watering schedule, may not be cost effective and could be very confusing to the public. Additionally, irrigation during the winter is needed much less given the shorter days and cooler temperatures.

Director Wichert stated he was pleased with the staff report. Director Wichert stated he liked El Dorado Irrigation District's approach with regard to more watering days in the summer and less in the winter; he also noted that no other districts have increased their watering schedules during the winter.

William Eubanks stated that he found the report contradictory. Mr. Eubanks question why the District didn't have a more flexible watering schedule. Staff responded that the Governor's drought declaration called for districts statewide to adopt the water stage in their water management plan that required mandatory water restrictions. Mr. Eubanks stated that given recent rains, he believes it would be okay to put off any change in the stage declaration until May, but would then recommend going to a three day per week watering schedule.

Staff's recommendation is to take no action at this time.

President Schild stated his concern over the District's flushing of the distribution system when ratepayers are doing their part to conserve water. Staff responded that District flushes in response to water quality issues only. Director Wichert requested an information item regarding the District's flushing activity be brought to the Board at the February Board meeting. Staff concurred.

Director Thomas stated he would still like to see the watering schedule be increased to three days per week and moved to increase the current mandatory two day per week watering schedule to three days per week and not spend additional money for advertising; President Schild seconded.

Director Wichert stated he is opposed to the motion as it goes against the grain to offer more watering days when it is unnecessary during the winter time.

Directors Gayle and Wichert opposed. The vote was tied; the motion lost.

AYES:	Schild and Thomas.	ABSTAINED:	
NOES:	Gayle and Wichert.	RECUSED:	
ABSENT:	Locke.		

This item will be brought back to the Board at the February regular Board meeting.

Information Items

3. District Activity Reports

Director Schild requested page numbers be added to the report.

a. *Water Operations and Exception Report*

A written report was provided.

b. *Customer Service Report*

A written report was provided.

c. *Water Conservation and Regional Water Efficiency Program Report*

A written report was provided.

d. *Community Outreach Report*

A written report was provided.

4. Engineering Report

A written report was provided. There was a brief, non-substantive discussion regarding manganese in wells. Director Thomas questioned if there had been a response from SMUD regarding Net Zero metering. Engineering Manager John Valdes responded

he had heard from SMUD and all meters are now Net Zero meters and suitable for feeding energy back to the grid. There was a brief non-substantive discussion on the procedure of feeding that energy back to the grid.

- a. *Major Capital Improvement Projects*
A written report was provided.
 - b. *County and City Projects/Coordination*
A written report was provided.
 - c. *McClellan Business Park*
A written report was provided.
 - d. *Developer Projects*
A written report was provided.
 - e. *Other*
A written report was provided.
5. **Human Resources Quarterly Report**
A written report was provided.
 6. **Upcoming Policy Review - Investment Policy (PL - Fin 003)**
A written report was provided. Directors' comments are due by February 9, 2015.
 7. **Financial Markets Quarterly Report**
A written report was provided.
 8. **Year-to-Date Interest Expense Quarterly Report**
A written report was provided.
 9. **2014 Final Budget Reallocations**
A written report was provided. Director Thomas requested staff report back on status of reshuffling main replacement projects. Mr. Bills will look into the amount of money left in reserves after the audit and report back.
 10. **CIP Projects Quarterly Report**
A written report was provided.
 11. **Award of Construction Contract for 2015 Meter Retrofit Project**
A written report was provided.
 12. **Proposition 84 Drought Grant for Enterprise Intertie Improvements**
A written report was provided. President Schild stated he is opposed to ratepayers paying for this intertie as he believes there is no benefit to the ratepayers. There was discussion related to costs associated with water transfers and that the cost to the District, after the grant monies received, would be \$30,000 but provides for mutual aid for both agencies. Staff will have a discussion with City of Sacramento and report back.

13. **City of Sacramento Emergency Water Delivery**
A written report was provided. GM Roscoe provided a brief summary.
14. **Preventive Maintenance Annual Report**
A written report was provided. GM Roscoe stated this program has been very successful. There was a brief non-substantive discussion regarding a GPS system.
15. **Rio Linda/Elverta Community Water District Interconnection Update**
A written report was provided.
16. **Status of Phase 2A Reorganization Study**
A written report was provided.
17. **Legislative and Regulatory Update**
A written report was provided.

Committee Reports

18. a. Facilities and Operations Committee
No report.
- b. Finance and Audit Committee
No report.
- c. Government Affairs Committee
No report.
- d. 2x2 Water Management Ad Hoc Committee
See separate agenda item – Status of Phase 2A Reorganization Study.
- e. Ad Hoc Water Banking and Transfer Committee
No report.

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

19. a. *Regional Water Authority*
President Schild provided an oral report regarding the January 8, 2015 meeting.

Regional Water Authority Executive Committee
No report.
- b. *Sacramento Groundwater Authority*
No report.
- c. *Water Forum Successor Effort*
President Schild provided an oral report regarding the January 8, 2015 Water Caucus meeting.

d. *San Juan Water District Executive Committee*
No report.

e. *Other Reports*

President Schild provided an oral report regarding a January 9, 2015 meeting with the Finance Director and Phase 2A Study Consultant John O'Farrell.

Director Wichert provided an oral report regarding a January 9, 2015 meeting with San Juan Water District staff, SSWD staff and Phase 2A Study Consultant John O'Farrell.

Miscellaneous Correspondence and General Information

20. **Certain correspondence received by the District was provided.**

21. **General Information related to District business was provided.**

Director's Comments/Staff Statements and Requests

President Schild discussed committee assignments and requested that any Directors wishing to take on more assignments to let him know.

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

The Board convened in closed session at 8:11 p.m. to discuss the following:

22. Public employee performance evaluation involving the General Manager under Government Code section 54954.5(e) and 54957.

Return to Open Session

The Board reconvened in open session at 8:36 p.m. There was no reportable action.

Adjournment

President Schild adjourned the meeting at 8:37 p.m.

Robert S. Roscoe
General Manager/Secretary
Sacramento Suburban Water District



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Agenda Item: 2

Date: February 9, 2015

Subject: Investment Policy (PL - Fin 003)

Staff Contact: Daniel A. Bills, Finance Director

Recommended Board Action:

Approve the attached updated Investment Policy (PL – Fin 003).

Discussion:

At last month’s board meeting, an updated version of the Investment Policy (PL – Fin 003) was presented to the Board for review and comment. As of the date of this report, no director comments have been received.

As discussed last month, the addition of “Supranationals” as a permitted investment vehicle in the District’s portfolio was requested by the Board now that such investments are permitted under California Government Code section 53600, et seq. Other recommended changes to the Policy include a few minor technical changes as recommended by staff. See updated policy attached.

Fiscal Impact:

None.

Strategic Plan Alignment:

Finance – 4.E. Provide responsible cash and investment management and other prudent financial practices in order to meet the District’s needs and maintain reserves within District policies.

Sacramento Suburban Water District

Investment Policy

Adopted: December 16, 2002

Revised: August 20, 2007; August 17, 2009; August 15, 2011; December 17, 2012;
November 17, 2014, February XX, 2015**100.00 Investment Authority**

In accordance with section 53600 et. seq. of the Government Code of the State of California (Government Code), the authority to invest public funds is expressly delegated to the Board of Directors for subsequent re-delegation to the Finance Director /District Treasurer. Investments by the Finance Director /District Treasurer, or his designee, pursuant to the delegation made by this Investment Policy are limited to those instruments described herein (the "Policy").

200.00 Statement of Objectives

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

210.00 Safety of Principal

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

220.00 Liquidity

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

230.00 Interest Rate Risk Hedging

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

240.00 Return on Investment

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

300.00 Prudent Investor Standard

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

400.00 Portfolio Management

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

410.00 Maturity Limitations

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

420.00 Purchase and Sale of Securities

- a. Information concerning investment opportunities and market developments will be gained by maintaining contact with the financial community together with information provided by financial advisors to the District.
- b. The purchase of any investment other than those purchased directly from the issuer will be, to the extent possible, purchases from a firm designated as a Primary Dealer (dealers) by the Federal Reserve Bank of New York.
- c. All dealers will be required to provide confirmations of all purchases or sales directly to the Finance Director /District Treasurer.
- d. Initially, and when there are material changes to this Policy, the Finance Director /District Treasurer will transmit a copy of the current Policy to its professional portfolio manager or financial advisor, requiring them to return a signed statement indicating receipt and understanding of the Policy.
- e. When practicable, the Finance Director /District Treasurer will solicit more than one quotation on each trade. Investment trades will be awarded on a competitive bid basis.
- f. Prohibited investments include inverse floaters, range notes, interest-only strips derived from a pool of mortgages (Collateralized Mortgage Obligations), and any security that could result in zero interest accrual if held to maturity. (Zero interest accrual means the security has the potential to realize zero earnings through its maturity.)
- g. If the District uses a professional portfolio manager, the portfolio manager may use its own list of approved brokers, dealers, and financial institutions to conduct security transactions on behalf of the District subject to the provisions of Government Code section 53601.5.

430.00 Exchange of Securities

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

440.00 Portfolio Adjustments

- a. District portfolio percentage limitations for each category of investment are applicable only at the date of purchase. Should an investment percentage of portfolio limitation be exceeded due to an incident such as a fluctuation in portfolio size, the affected securities may be held to maturity, if deemed necessary, to avoid losses.
- b. When no loss is indicated, the Finance Director /District Treasurer will consider restructuring the portfolio basing his/her decision in part on the expected length of time the portfolio will be imbalanced.
- c. In the event a security held by the District is subject to a ratings change that brings it below the minimum ratings specified in this Policy, the Finance Director /District Treasurer shall notify the Board of the change. The course of action to be followed will be decided on a case-by-case basis, subject to Board approval, considering such factors as the reason for the ratings drop, prognosis for recovery or further ratings drops, and the market price of the security.
- d. The Finance Director /District Treasurer may at any time further restrict the securities approved for investment as deemed appropriate.

450.00 Safekeeping

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

500.00 Authorized Investments

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

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

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

502.00 Municipal Obligations

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

503.00 Bankers' Acceptances

Restrictions are as follows:

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

504.00 Negotiable Certificates of Deposit

Restrictions are as follows:

- a. Investments in negotiable certificates of deposit will not exceed 30 percent of the total portfolio in effect immediately after any such investment is made.
- b. No more than 5 percent of the District's portfolio may be invested in the securities of any one non-government issuer regardless of security type.
- c. To be eligible, a certificate of deposit must be issued by a nationally or state-chartered bank, a state or federal savings and loan association or savings bank, or a federally- or state-licensed branch of a foreign bank.
- d. Eligible negotiable certificates of deposits will be rated "A" long-term or "A-1" short-term, or its equivalent, or better by at least one NRSRO.
- e. The investment will not exceed the Districts' equity in any depository bank. For the purpose of this constraint, shareholders' equity will be deemed to include capital notes and debentures.
- f. The investment will not exceed the total of the net worth of any depository savings and loan association, except that investments up to a total of \$500,000 may be made to a savings and loan association without regard to the net worth of that depository, if such investments are insured or secured as required by law.
- g. The District's Board and the Finance Director /District Treasurer or other official of the District having legal custody of the moneys are prohibited from investing District funds, or funds in the custody of the District, in negotiable certificates of deposit issued by a state or federal credit union if a member of the District's Board, or a person with investment decision making authority at the District also serves on the board of directors of the credit union, or any committee appointed by the credit union board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.
- h. The maximum maturity will be limited to five years.

505.00 Commercial Paper

Restrictions are as follows:

- a. Only commercial paper of prime quality of the highest ranking or of the highest letter and numerical rating, at the time of purchase, as provided by Moody's Investors Services or Standard & Poor's Corporation, may be purchased.

- b. Investment of the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):
 - (1) The entity meets the following criteria:
 - a. Is organized and operating in the United States as a general corporation.
 - b. Has total assets in excess of five hundred million dollars (\$500,000,000).
 - c. Has debt other than commercial paper, if any, that is rated “A” or higher by a nationally recognized rating service.
 - (2) The entity meets the following criteria:
 - a. Is organized within the United States as a special purpose corporation, trust, or limited liability company.
 - b. Has program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.
 - c. Has commercial paper that is rated “A-1”, its equivalent, or higher, by a nationally recognized rating service.
- c. Investments in commercial paper will not exceed 25 percent of the District’s portfolio.
- d. Each investment will not exceed 270 days maturity.
- e. No more than 10 percent of the outstanding commercial paper of an issuing corporation may be purchased.
- f. No more than 5 percent of the District’s portfolio may be invested in the securities of any one non-government issuer regardless of security type.

506.00 Repurchase Agreements

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

- a. The percentage limit for investment in repurchase agreements will be 50 percent of the total portfolio.
- b. Repurchase agreements will be made only with primary dealers of the Federal Reserve Bank of New York or with a nationally- or state-chartered bank that has had a significant banking relationship with the District. The bank must be rated in the highest short-term ratings category by an NRSRO.

- c. Such investments will provide for purchased securities with a market value of at least 102 percent of the amount of the invested funds. The value will be adjusted not less than quarterly.
- d. Purchased securities are limited to those protected by United States Bankruptcy Code, Treasury bills, bonds and notes, or other investments that are direct obligations of or fully guaranteed as to principal and interest by the United States or any agency thereof. Zero coupon and stripped coupon instruments are not acceptable.
- e. Such investments will provide for transfer of ownership and possession of the purchased securities either to the District directly or to a custodian depository institution which will take record title and will establish and maintain a sub-account in its financial records for the securities in the District's name, and such custodian will not be the dealer from which the securities were purchased.
- f. Each repurchase agreement will have a valid and perfected first security interest therein under the California Commercial Code or pursuant to the book entry procedures described by 31 C.F.R. Part 306 and/or 31 C.F.R. Part 357.
- g. The term of a repurchase agreement may not exceed one year.

507.00 Time Deposits

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

- a. Must have been in existence for at least five years.
- b. Must have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities. Eligibility for deposits will be limited to those financial institutions that have a branch in the State of California and maintain a rating equivalent to Thompson BankWatch Service of "B" or better. Credit requirements may be waived for a time deposit that is federally insured.
- c. The deposit will not exceed the shareholders' equity of any depository bank. For the purpose of this constraint, shareholders' equity will be deemed to include capital notes and debentures.
- d. The deposit will not exceed the total of the net worth of any depository savings and loan association, except that deposits not exceeding a total of \$500,000 may

be made to a savings and loan association without regard to the net worth of that depository, if such deposits are insured or secured as required by law.

- e. Deposits must be insured up to the FDIC's current limit. For uninsured deposits, the financial institution will maintain in the collateral pool securities having a market value of at least 10 percent in excess of the total amount deposited. The District, at its discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. The District shall have a signed agreement with any depository accepting District funds. Promissory notes secured by real estate mortgages or deeds of trust are not acceptable as collateral.
- g. When other factors are equal, appropriate consideration will be given to a financial institution that either individually or as a member of a syndicate bids on or makes a substantial investment in the District's securities, contributes service to the District, and offers significant assistance to the District, so as to provide for distribution of total deposits among eligible financial institutions.
- h. Purchased time deposits will be limited to a maximum maturity of one year.

508.00 Medium-Term Notes

Restrictions are as follows:

- a. Investment in medium-term notes are limited to corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
- b. Notes eligible for investment under this subdivision will be rated "A" or better by at least one NRSRO.
- c. Purchases of medium-term notes may not exceed 30 percent of the District's portfolio.
- d. Purchases of medium-term notes will be limited to a maximum maturity of five years.

509.00 Mortgage Obligations and Asset Backed Securities

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

Restrictions are as follows:

- a. A maximum of five years to maturity.
- b. Securities eligible for investment must be rated in a rating category of “AA” or better by an NRSRO, and issued by an issuer having an “A” or higher rating for the issuer’s debt as provided by an NRSRO~~the issuer must have a rating of “A” or higher.~~
- c. Purchase of securities authorized by this subdivision may not exceed 20 percent of the District’s portfolio.

510.00 Local Agency Investment Fund Deposits

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

511.00 Shares of Beneficial Interest (Money Market Funds)

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

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

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

Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (o) of Government Code Section 53601, inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria: (1) The adviser is registered or exempt from

registration with the Securities and Exchange Commission. (2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (o) Government Code Section 53601, inclusive. (3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

513.00 **Supranationals**

Beginning January 1, 2015. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB).

Restrictions are as follows:

- a. A maximum of five years to maturity.
- b. Must be eligible for purchase and sale within the United States.
- c. Notes eligible for investment under this subdivision will be rated “AA” or better by at least one NRSRO.
- d. Purchases of these securities may not exceed 30 percent of the District’s portfolio.

600.00 Reporting

On a monthly basis, the Finance Director /District Treasurer will provide a report to the Board of Directors showing the holdings and investment transactions, issuers, maturity dates, par and dollar amounts invested, cash balances, amounts held by the Local Agency Investment Fund and any other amounts under the management of contracted parties.

700.00 Grandfather Clause

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

800.00 Conflicts of Interest

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

900.00 Conflicts

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

1000.00 Policy Review

This policy shall be reviewed at least biennially.

APPENDIX A

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

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

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

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

- (1) California Government Code provides authority to the Board to permit maturities beyond five years with certain restrictions. The current Policy provides for maturities longer than five years for funds established by Indentures of Trust.
- (2) Maximum allowed by LAIF is \$50 million for general reserve funds. There is no limit for bond-proceed funds.

APPENDIX B

Securities of Government-Sponsored Enterprises, Agencies and International Institutions

<u>Issuer</u>	<u>Explicit U.S. Govt. Guarantees</u>	
Agency for International Development	(AID)	Yes
Export-Import Bank		Yes
Farmers Home Administration	(FmHA)	Yes
Federal Housing Administration	(FHA)	Yes
Financial Assistance Corporation	(FAC)	Yes
General Services Administration	(GSA)	Yes
Private Export Funding	(PEFCO)	Yes
Small Business Administration	(SBA)	Yes
U.S. Department of Housing & Urban Development	(PHAs)	Yes
U.S. Maritime Administration		Yes
Veterans Administration	(VA)	Yes
Washington Metropolitan Area Transit		Yes
Government National Mortgage Association	(GNMA)	No
Federal Farm Credit Bank	(FFCB)	No
Federal Home Loan Bank	(FHLB)	No
Federal Home Loan Mortgage Corporation	(FHLMC)	No
Federal National Mortgage Association	(FNMA)	No
Financing Corporation	(FICO)	No
Resolution Funding Corporation	(Refcorp)	No
Tennessee Valley Authority	(TVA)	No
U.S. Postal Service	(USPS)	No
World Bank	(WB) (IBRD)	No



Agenda Item: 3

Date: February 11, 2015

Subject: Proposition 84 Drought Grant for Enterprise Intertie Improvements

Staff Contact: John E. Valdes, Engineering Manager

Recommended Board Action:

It is recommended that the Board of Directors: 1) Approve entering into a cost sharing agreement with the City of Sacramento to equally share the non-grant funded share of project costs related to the Enterprise Intertie Improvements project; and 2) Authorize the General Manager to execute a cost sharing agreement with the City of Sacramento subject to legal counsel review and approval.

Background:

In July 2014, the Regional Water Authority (RWA) applied for \$9,765,000 in grant funding from a Proposition 84 Drought Grant Implementation Program as administered by the Department of Water Resources (DWR). The District had two projects included in the grant application: the Antelope Pump Back Booster Pump Station Project (a joint project with San Juan Water District) and the Enterprise Intertie Improvements.

In November 2014, DWR released their funding recommendations and RWA was recommended for full funding. As part of this grant, the District will receive \$710,625 in additional grant funding for the Antelope Pump Back Booster Pump Station Project and \$118,125 in grant funding for the Enterprise Intertie Improvements.

An existing intertie (service connection) already exists between the District and the City of Sacramento (City) at the District's Enterprise Reservoir site. However, this intertie was designed only for SSWD to take delivery of treated surface water from the City. The intertie was never intended to allow the District to supply the City with water. However, by reversing an existing check valve, and manually modulating the flow via a 24" butterfly valve, District staff discovered it was possible to deliver water to the City at this existing intertie. Actual flow tests and a hydraulic modeling analysis have been performed to confirm this. From the flow tests, it was determined that a peak instantaneous supply of 20.0 million gallons per day (mgd) or 13,900 gallons per minute (gpm) can be delivered to the City at this intertie. Likewise, over a 90-day summer period, modeling has shown that an estimated 5,850 acre-feet (AF) of water could be delivered to the City through the intertie. Note also that the District has already delivered emergency water supplies to the City at this location in both 2013 and 2014.

Although water can be delivered with the current situation (with the existing check valve reversed and manually modulating flow via a 24" butterfly valve), there is no way to remotely control the flow of water or system pressures, leaving both systems at risk. In order to safely control the flow of water through this intertie to ensure adequate pressure is maintained in both systems; additional above-ground piping, isolation valves, a flow control valve, instrumentation and controls, and Supervisory Control and Data Acquisition integration and programming are needed to make this a permanent, automated intertie. The estimated total cost of this project is \$178,700. As indicated above, grant funding will pay for \$118,125 or 66% of the estimated total cost. Therefore, the District would be obligated to pay the remaining amount, which is \$60,575.

One advantage to a reversed intertie that would allow emergency groundwater to be delivered to the City is that the City would "credit" the District with an equal amount of more expensive surface water which the District must now purchase for over \$300 per acre-foot. And, while the District is taking credited surface water from the City, the District's wells are being rested and therefore, in-lieu groundwater recharge is being achieved. Automation of this intertie will also facilitate potential future multi-party groundwater substitution water transfers in cooperation with the City of Sacramento.

Discussion:

At the December 2014 Board Meeting, the Board asked for additional information on the Enterprise Intertie Improvements including what portion of the total project cost would be paid by the District versus the amount that is being grant funded. This information was provided to the Board at the January 2015 Board Meeting. The Board then directed staff to meet with the City of Sacramento to see if they would be willing to pay for all or a portion of the non-grant cost share. District staff met with City of Sacramento staff on February 6, 2015, and they offered a 50-50 cost split for the non-grant cost share. The City's cost share would be \$30,287 based on the current estimated cost of the project.

Fiscal Impact:

The City of Sacramento has offered to pay one-half of the non-grant share of the estimated project costs or \$30,287. Based on the estimated total cost of the project, the District's cost share would also be \$30,287. Funds for this project were included in the approved CY2015 CIP budget. With a small budget contingency, the District's cost share would not exceed \$35,000.

Strategic Plan Alignment:

Finance - 4.I. Pursue opportunities for grant funding and cost savings activities with collaborative entities.

Leadership - 5.C. Participate in regional, statewide and national water management partnerships.

This project aligns with the above stated goals as the project has been selected to obtain partial grant funding and it would be part of an established emergency water supply and water transfer program with the City of Sacramento.



Agenda Item: 4

Date: February 9, 2015

Subject: Water Conservation Stage Declaration

Staff Contact: Greg Bundesen, Water Conservation Supervisor

Recommended Board Action:

Suspend action on the Water Conservation Stage Declaration until the May 2015 regular Board meeting.

Discussion:

At the January 12, 2015 Sacramento Suburban Water District (District) regular board meeting District staff was directed to continue investigating the possibility of increasing the amount of allowed watering days from the current 2 days per week schedule to a 3 days per week schedule. Staff has performed their investigation and found several concerns about changing the current 2 days per week watering schedule to 3 days per week.

Staff's main concern when considering a revision to the current 2 day per week watering schedule is timing. The State Water Resources Control Board's (SWRCB) current emergency drought regulations are scheduled to retire in April 2015. The SWRCB met on February 3, 2015 in Sacramento to discuss the current water reductions for the total water savings for the state and the local water savings based on hydrological region. The results show that the State, as a whole, achieved a 22% savings in December 2014. SWRCB Chair Felicia Marcus stated: "*Today's announcement is welcome news that demonstrates the importance of outdoor water savings*" (Exhibit 1). The SWRCB is considering recommendations it received during their December 2014 Drought Workshop regarding water use restrictions. The water reduction results from December 2014, as well as the water use data from December 2014, to possibly generate further water use restrictions. In April 2014 California Governor Jerry Brown stated that "...*all Californians should be watering two (2) days per week*". The notion to make Governor Brown's recommended watering day schedule a mandatory action was again discussed during the February 3, 2015 SWRCB meeting. The announcement that stricter water use restrictions could soon be approved comes on the heels of the Department of Water Resources' announcement that our region's Sierra snowpack is just 12% of the historical average for this time of year (Exhibit 2). The SWRCB will consider all comments before making any additions or alterations to their current drought regulations. Recommendations to alter the current statewide water use restrictions are tentatively scheduled to be discussed and possibly voted on by the SWRCB in March 2015.

If the District should make the decision to change from 2 watering days per week to 3 before learning the decisions of the SWRCB, unnecessary confusion will be brought to District customers that will have to adjust back to what could be a 2 days per week schedule.

Timing will also play a part in regards to the District's pending revision of Regulation No. 15. Due to the Region's varying water shortage contingency plans (Plans) the Regional Water Authority (RWA) asked that agencies meet and attempt to align their plans to lessen public confusion in the Sacramento region. Agencies from around the Region met on November 20, 2014 and were able to reach an agreement on the language that should be included in each stage of an agencies Plan. Recommended watering day schedules will be part of the completed recommendation. A draft document outlining the language was sent out to the Region's water agencies for comment in December 2014. The RWA is expected to release the document in late February or early March.

District staff was requested to review the watering restriction policies of water agencies in California. Staff reviewed the watering restrictions of 107 different agencies throughout the State, including 30 coastal agencies, 39 inland agencies and 38 southern agencies. See Exhibit 3 for a graphical representation of the data. Of the agencies with outdoor watering day restrictions fifteen (15) agencies allowed only 2 days of outdoor watering per week, thirty (30) agencies allowed only 3 days of outdoor watering per week, one (1) agency allowed 4 days of outdoor watering per week, forty five (45) agencies did not regulate outdoor watering days (all of these agencies were 100% metered and could track required water reductions through metered use.), three (3) agencies allowed outdoor watering every other day, eight (8) agencies had outdoor watering day restrictions that varied throughout the year (1 day in the winter, 2 days in the spring and fall, 3 days in the summer), and five (5) agencies have resorted to water rationing. Of the agencies that have watering day restrictions, no agency had a policy that would increase the number of watering days during the fall or winter seasons.

Action to direct staff to bring back an amended drought response plan to change from the current practice of two day per week watering failed on a 2-2 vote (Director Locke absent) in January. Staff was instructed to bring this item back in February.

Fiscal Impact:

No fiscal impacts would be realized from suspending the decision to alter the current Water Stage Declaration to May 2015. If the watering schedule is changed, increased funding for public outreach & notification will be incurred.

Strategic Plan Alignment:

Water Supply – 1.B. Provide for the long-term futures needs of the District through prudent planning that will ensure sufficient capacity to serve all customers.

Water Supply – 1.C. Continue to implement and support demand management strategies and water conservation that comply with federal, state and regional programs, support Water Forum Agreement goals and efficiently meet the needs of the District customers.

Water Supply – 1.E. Ensure the safety and security of the water system.

Leadership – 5.D. provide leadership within the community in a positive and progressive manner for the mutual benefit of the area (service groups, adjacent water purveyors, county/city/local government).



Media Release

STATE URBAN WATER USERS EXCEED 20 PERCENT CONSERVATION GOAL FOR DECEMBER *INDIVIDUAL WATER USE CONTINUES TO DECLINE*

**For Immediate Release
Feb. 3, 2015**

Contact: George Kostyrko
gkostyrko@waterboards.ca.gov

SACRAMENTO – While much of California has so far endured an exceptionally dry 2015, the State Water Resources Control Board announced that the statewide urban water conservation rate climbed to 22 percent in December, aided by a very wet end of 2014.

Additionally, total water use by individual Californians continued to decline in December, another positive development as the state is threatened by a fourth consecutive dry year. Encouraged by the newest data, State Water Board officials called on Californians to continue conserving as the drought persists.

“Today’s announcement is welcome news that demonstrates the importance of outdoor water savings,” said State Water Board Chair Felicia Marcus. “We have just gone through the driest January on record and it appears we are entering a fourth year of drought, which is awful to contemplate but we must. Conservation is still the smartest and most cost effective way to deal with this difficult drought.”

In the most recent survey of nearly 400 urban water retailers, the amount of water conserved by the state’s large urban water agency customers statewide jumped from 10 percent in November to 22 percent in December, in year-over-year water use comparisons. While wet conditions in December reduced the need for outdoor water use, likely contributing to the dramatic reduction, the results reflect a steady improvement in water conservation among nearly all the state’s hydrologic regions.

“This was a wet December in most of the state, and people got the message not to water on top of the rain – that is good news,” Marcus said. “Our challenge will be to keep outdoor irrigation to a minimum as we move into the warmer spring months.”

The December data represents the highest water savings rate since the state’s largest retail water suppliers began reporting in July, when the State Water Board adopted the Emergency Water Conservation Regulation which requires water suppliers and residents to work together to save water during the drought, primarily through reduced outdoor water use.





Since data collection began in July, more than 134 billion gallons of water have been saved compared with last year – enough to supply 1.8 million California residents for a year. For December, nearly all of the state’s hydrologic regions exhibited the best water conservation numbers since data reporting began.

As part of its efforts to build on conservation gains statewide, State Water Board members held a water conservation workshop in Los Angeles in December to consider additional conservation ideas and get input from water districts, environmentalists, and water policy experts. At its next board meeting on Feb. 17, the Board will hear presentations by staff on what ideas were suggested and what actions could be implemented by the State Water Board to sustain and possibly improve statewide water conservation efforts during 2015.

While board members were pleased to see improved water conservation in December, they discussed the importance of the State Water Board having measures in place for 2015 to assist water districts and their customers to ensure water conservation remains a priority for all Californians.

Reducing outdoor water use will be one focus of those measures. On average, in peak warmer months, outdoor water use contributes to 50 percent on average of the water used every day by urban residents. Other steps for consideration could include reinforcing habits and practices aimed at reducing indoor water use. These measures could also include extending or strengthening the current regulations, adding new limitations, or focusing on specific practices or geographies.

“We need to treat water as the precious resource that it is. We need to be sensitive to the fact that many Californians don’t have or barely have enough water to drink, cook and bathe,” said Marcus. “Hundreds of thousands of acres of agriculture have been fallowed, thousands of people are out of work, and fish and wildlife are struggling. Each individual act of conservation – such as letting the lawn go brown or fixing leaks – can add up to huge savings if enough people act.”

Water Conservation Efforts Net Water Savings

Year over year monthly residential water savings statewide increased to 22.2 percent in December, up substantially from 9.9 percent in November. Broken down by hydrologic region, the results show that some parts of the state saved more water in December than any month since reporting requirements began over the summer.

For example, the Central Coast hydrologic region decreased water use by 29 percent in December compared to the same time in 2013, achieving the highest savings of any hydrologic region. Central Coast was followed by: Tulare Lake hydrological region (27.42 percent water use decrease over December 2013); South Coast hydrologic region (23.18



Media Release

percent water use decrease over December 2013); San Francisco Bay hydrologic region (21.61 percent water use decrease over December 2013); Sacramento River hydrologic region (21.37 percent water use decrease over December 2013); San Joaquin River (18.94 percent water use decrease over December 2013); North Coast (15.92 percent water use decrease over December 2013); North Lahontan (14.19 percent water use decrease over December 2013), and Colorado River (6.69 percent water use decrease over December 2013).

The South Coast hydrologic region showed impressive gains, with 23.18 percent savings for December, compared to the 3.2 percent water conservation for November. With 56 percent of all the residential water customers statewide in the South Coast region, this conservation result significantly improved the December statewide average for residential water savings.

Prior to December, the highest statewide conservation rate was the 11.6 percent water savings rate for August, compared with August 2013 water use. California urban water use is generally the highest June through October.

The report also found that in December, 94 percent of the water agencies reporting had instituted outdoor water use restrictions. Outdoor water use restrictions are a key requirement for urban water suppliers under the Emergency Water Conservation Regulation because outdoor watering accounts for as much as 80 percent of urban water use in some areas.

Decline in Per Capita Daily Water Use Continues Statewide

In addition to the December conservation data, the State Water Board also reported residential gallons per-capita per day (R-GPCD) for December. The report estimates daily water use by residential customers for nearly 400 urban water agencies statewide.

The statewide R-GPCD average for December was 67.2 gallons per person – a significant drop from November, when the statewide average use was 88.9 gallons per person, per day. State Water Board staff continues to study this trend in an effort to understand what is driving the reduction in water use in some hydrologic regions, but not others. Some of the R-GPCD drop was expected as outdoor watering tends to go down when cooler temperatures or precipitation arrive.

The water use reports are a requirement of the Emergency Water Conservation Regulation adopted by the State Water Board in July and are provided to the Board monthly by urban water suppliers, along with total water conservation for each month. The complete report is posted [here](#).

According to the R-GPCD data, water use varies widely by hydrologic region and showed consistent declines in water use during this fourth month of reporting. At the low end, the San Francisco Bay region averaged 53 gallons per person per day. On the high end, the Colorado River region averaged 151 gallons per person per day.



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Examples of some communities with the respective R-GPCD averages for December 2014 in various hydrologic areas (in parenthesis) include: California-American Water Company Monterey District (Central Coast) with 33 R-GPCD; San Francisco Public Utilities Commission (San Francisco Bay) with 40 R-GPCD; City of Santa Cruz (Central Coast) with 41 R-GPCD; City of San Diego (South Coast), with 46 R-GPCD; San Jose Water Company (San Francisco Bay), with 53 R-GPCD; City of Santa Rosa (North Coast) with 56 R-GPCD; City of Stockton (San Joaquin River) with 57 R-GPCD, Los Angeles Department of Water and Power (South Coast), with 62 R-GPCD; City of Fresno (Tulare Lake), with 62 R-GPCD; City of Sacramento (Sacramento River) with 63 R-GPCD; City of Riverside (South Coast), with 63R-GPCD Sacramento County Water Agency (Sacramento River), with 78 R-GPCD, and California Water Services Company, Bakersfield (Tulare Lake) with 81 R-GPCD).

For additional information on water use, please visit the following resources:

- The Pacific Institute has an R-GPCD mapping tool [here](#).
- The State Drinking Water Program has an urban water R-GPCD Calculator [here](#).

Background

In his Jan. 17, 2014, Emergency Drought Proclamation, Governor Brown called for Californians to voluntarily reduce their water use by 20 percent. The trend of increasing reductions and specific local data shows that many California communities have met and even exceeded the call to conserve. However, more can and must be done to protect water supplies should the drought persist. Current forecasts indicate that Californians cannot count upon a wet winter to end the drought.

The Emergency Water Conservation Regulation will be in effect until April 25, 2015, and will likely be extended if drought conditions persist. The State Water Board will closely monitor the implementation of the regulations and the weather over the coming months to determine if further restrictions are needed.

During 2014, the State Water Board took action to increase access to recycled water in an effort to augment scarce water supplies. Water recycling is the use of treated municipal wastewater for beneficial purposes, such as agricultural and landscape irrigation, industrial processes, and replenishing ground water basins. In March, the Board approved new low-interest financing terms for water recycling projects to help California produce an additional 150,000 acre-feet of recycled water annually. The effort makes \$800 million available for projects that will be eligible for funding such as recycled water treatment, distribution and storage facilities that can be completed by 2017. In June, the Board adopted a general order that makes it easier for communities to use non-potable recycled water for agriculture, landscape and golf course irrigation, and other uses. During the year, various regional boards took action to approve the use of recycled water for local projects under their jurisdiction.



Media Release

Visit SaveOurWater.com to find out how everyone can do their part, and visit Drought.CA.Gov to learn more about how California is dealing with the effects of the drought.



CALIFORNIA DEPARTMENT OF WATER RESOURCES

NEWS FOR IMMEDIATE RELEASE

January 29, 2014

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Scant Precipitation, Warm Temperatures Produce Weak Snowpack

SACRAMENTO –The absence of precipitation in January, normally California's wettest month, has combined with warmer-than-average temperatures to produce a dismally meager snowpack for a drought-stricken state.

Today's second manual snow survey of the season found a snow water equivalent of just 2.3 inches in the scant snowpack near Echo summit approximately 90 miles east of Sacramento. That is just 12 percent of the long-term average for this time of year at that particular snow course. Statewide, the snow water equivalent as measured by more than 100 sensors was 4 inches today, or 25 percent of the historical average. That's down from December 30 when DWR conducted the winter's first manual survey; the statewide snow water equivalent was 50 percent of that date's long-term average.

The Department of Water Resources (DWR) has measured the winter snowpack's water content for decades. In normal years, the snowpack supplies about 30 percent of California's water needs as it melts in the spring and early summer. The greater the snowpack water content, the greater the likelihood California's reservoirs will receive ample runoff to meet the state's water demand in the summer and fall.

Unfortunately, today's manual snow survey makes it likely that California's drought will run through a fourth consecutive year. DWR managers said heavy precipitation and cooler temperatures in the next three months would be required for the snowpack to build and give Californians hope for beginning to recover from drought this year.

Results of today's manual readings by DWR near Echo Summit off Highway 50 are as follows:

Location	Elevation	Snow Depth	Water Content	% of Long-Term Average
Alpha	7,600 feet	5 inches	1 inch	11
Phillips Station	6,800 feet	7.1 inches	2.3 inches	12
Lyons Creek	6,700 feet	15.5 inches	4 inches	20
Tamarack Flat	6,500 feet	13.4 inches	2.7 inches	14

After December storms delivered above-normal precipitation in the northern Sierra, virtually no rain has fallen there in the past month, and even less has been recorded in Central California. The 8-station index in the northern mountains was at 146 percent of normal after those storms but now is only 88 percent of normal for today's date. Just a few tenths of an inch of rain have fallen there since Christmas. The San Joaquin 5-station precipitation index is at 46 percent of normal.

The state's major water supply reservoirs reflect that meager precipitation record. Lake Oroville in Butte County, the State Water Project's (SWP) principal reservoir, now holds 41 percent of its 3.5 million acre-foot capacity (62 percent of its historical average for the date). Shasta Lake north of Redding, California's and the federal Central Valley Project's (CVP) largest reservoir, is at 44 percent of its 4.5 million acre-foot capacity and 65 percent of its historical average. San Luis Reservoir, a critical south-of-Delta pool for both the SWP and CVP, is faring better due to recent water deliveries to the reservoir as a component of the agencies' drought management strategy. San Luis holds 53 percent of its 2 million acre-foot capacity (68 percent of normal for the date).

State Climatologist Michael Anderson has said that to have a chance at ending the drought, California would have to record precipitation that is at least 150 percent of normal by the end of the water year on September 30, or 75 inches as measured by the 8-station index. As of today, only 23.1 inches have been recorded at the stations.

Governor Edmund G. Brown Jr. declared a drought State of Emergency on January 17, 2014 and directed state officials to take all necessary actions to prepare for water shortages. He called on all Californians to voluntarily reduce their water usage by 20 percent. Conservation – the wise, sparing use of water – remains California’s most reliable drought management tool. Each individual act of conservation – such as letting the lawn go brown or replacing a washer in a faucet to stop a leak – makes a difference over time.

Join other Californians at SaveOurWater.com to learn easy ways to save water every day, and visit drought.ca.gov to learn more about how California is dealing with the effects of the drought.

Electronic snowpack readings are available on the Internet at:

<http://cdec.water.ca.gov/snow/current/snow/index.html>

Reservoir conditions are found here:

<http://cdec.water.ca.gov/cgi-progs/reservoirs/RES>

For a broader snapshot of current and historical weather conditions, see DWR’s “Water Conditions” and “Drought” pages:

Water Conditions Page:

<http://www.water.ca.gov/waterconditions/waterconditions.cfm>

Drought Page:

<http://www.water.ca.gov/waterconditions/index.cfm>

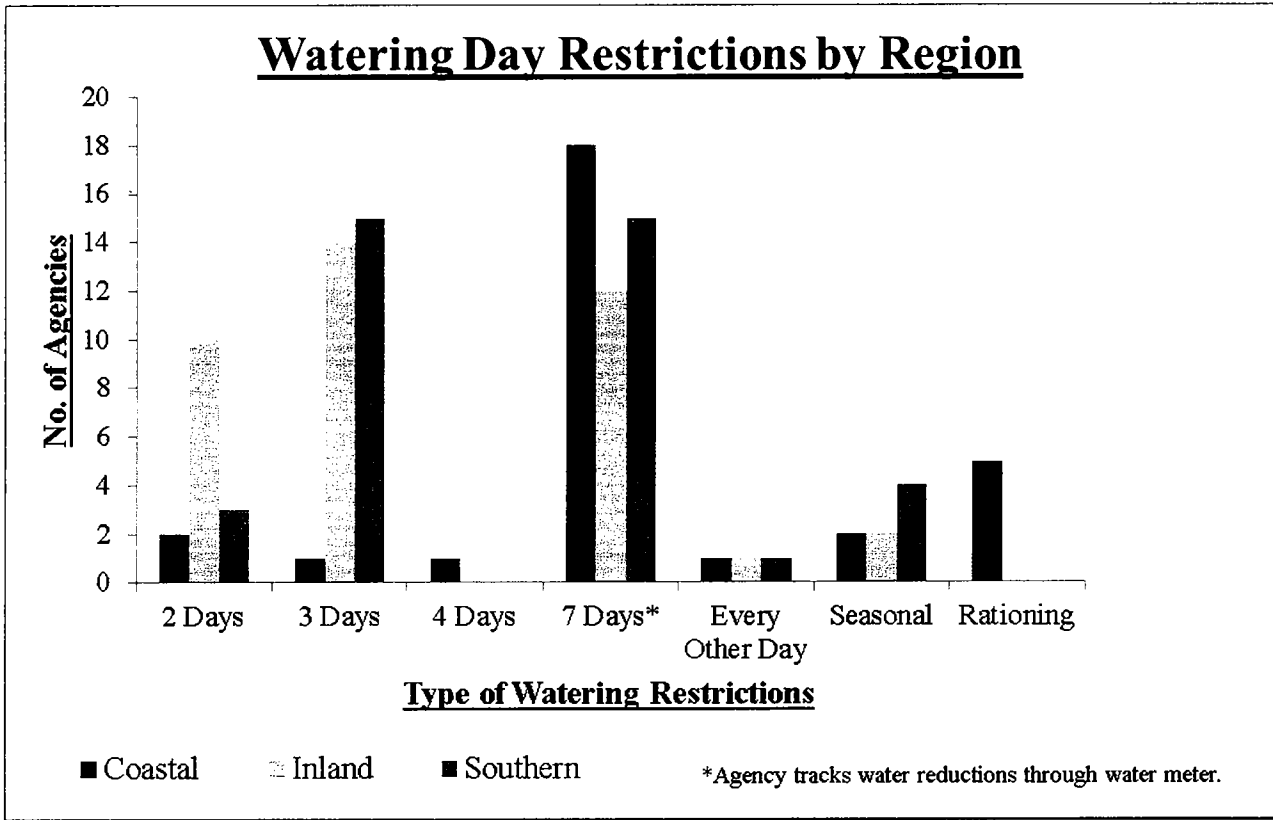
Everyday water conservation tips may be found by clicking on Save Our Water at:

<http://www.saveourwater.com>

– 30 –

Visit SaveOurWater.com to find out how everyone can do their part, and visit <http://drought.ca.gov> to learn more about how California is dealing with the effects of the drought. The Department of Water Resources operates and maintains the State Water Project, provides dam safety and flood control and inspection services, assists local water districts in water management and water conservation planning, and plans for future statewide water needs.







[Back to Agenda](#)

Agenda Item: 5

Date: February 9, 2015

Subject: Resolution No. 15-01 Accepting Grant of Easement and Right of Way for 7031 Watt Avenue – Grace Family Church

Staff Contact: David Espinoza, Associate Engineer

Recommended Board Action:

Adopt Resolution No. 15-01, accepting Grant of Easement and Right of Way for 7031 Watt Avenue – Grace Family Church.

Discussion:

The District has received a grant of easement and right of way for existing water facilities located at 7031 Watt Avenue (See Location Map, Exhibit 1). The project is within Division 1 of the Sacramento Suburban Water District service area.

The property is located on the west side of Watt Avenue, approximately 1,680 feet north of Elkhorn Blvd. in the North Highlands community. A Use Permit was issued by the County to allow a private school within the Grace Family Church Facility, on approximately 3.3 acres. The private school will consist of 110 pre-school through seventh grade students within an approximately 8,086 square-foot portion of the existing 32,000 square-foot building. A condition of the project was for the property owner to upgrade the existing water services as well as separate the irrigation service from the domestic service. In the process of reviewing District records, staff discovered the lack of an easement for the existing 8-inch water main on the property. District staff requested and the owner has provided a 20 foot wide easement encompassing the existing District owned and maintained 8-inch water main.

Access to the easement can be obtained from Watt Avenue (See Proposed Easement, Exhibit 2). The two exhibits are for general information and are not part of the legal documents for recordation.

The Grant of Easement and Right of Way is provided for Board approval and acceptance. The easement is in a parking lot, providing sufficient area for operation and maintenance of the water facilities off of Watt Avenue.

Fiscal Impact:

There is no fiscal impact to the District. The costs incurred in staff processing this easement have been captured through plan review fees.

Strategic Plan Alignment:

Facilities and Operations – 2.B. Monitor and improve the District’s efficiencies in operating and maintaining system infrastructure.

The proposed easement allows the District the right to access the new water main and facilities for maintenance of the infrastructure and operation of the system.

RESOLUTION NO. 15-01

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SACRAMENTO SUBURBAN WATER DISTRICT
ACCEPTING GRANT OF EASEMENT AND RIGHT OF WAY
FOR 7031 WATT AVENUE**

WHEREAS, the below named Grantor, the owner of record of certain real property has conveyed to Sacramento Suburban Water District, a political subdivision of the State of California, the real property of interest therein which is more particularly described in the following instrument of conveyance:

GRANTOR: GRACE FAMILY CHURCH, A CALIFORNIA NON-PROFIT RELIGIOUS CORPORATION

INSTRUMENT: GRANT OF EASEMENT AND RIGHT OF WAY

EXECUTED AND DATED: DECEMBER 16, 2014

AND WHEREAS, it has been duly determined by the Board of Directors of Sacramento Suburban Water District that it is in the public interest for the District to acquire and accept the said real property or interest therein.

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

1. The District General Manager is hereby authorized and empowered to consent to and accept on behalf of the District, as presented to the Board of Directors on February 23, 2015, the real property or interest therein conveyed by the aforementioned instrument of conveyance.
2. The property subject to this resolution is more fully described in the attached legal description and map, attached hereto and incorporated herein as though fully set forth.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on this 23rd day of February, 2015 by the following vote:

AYES:
NOES:
ABSENT:

By: _____
Neil W. Schild
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 23rd day of February, 2015.

(SEAL)

By: _____
Robert S. Roscoe
General Manager/Secretary
Sacramento Suburban Water District

CERTIFICATE OF ACCEPTANCE

This is to certify that SACRAMENTO SUBURBAN WATER DISTRICT, a political subdivision of the State of California, acting by and through its General Manager, hereby accepts for public purposes the real property, or interest therein, conveyed by the within document and consents to the recordation thereof pursuant to authority conferred by:

Resolution No. 15-01 adopted on the 23rd day of February, 2015.

By: _____
Robert S. Roscoe
General Manager/Secretary
Sacramento Suburban Water District

Dated: February 23, 2015

Recording Requested By, And When
Recorded, Please Mail Document To:

SACRAMENTO SUBURBAN WATER DISTRICT
Attn: General Manager
3701 MARCONI AVENUE, SUITE 100
SACRAMENTO, CA 95918

Official Document, Exempt from Recording
Fees Pursuant to Gov't Code §§ 6103 & 27383

No Document Transfer Tax
Per R&T Code § 11922

Assessor's Parcel No(s):

-- This Space for Recorder's Use Only --

GRANT OF EASEMENT AND RIGHT OF WAY

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged Grace Family Church Grantor, hereby grants to **Sacramento Suburban Water District**, a political subdivision of the State of California, Grantee, a permanent easement and right of way, including the perpetual right to enter upon the real property described below at any time that Grantee may deem necessary, to locate, construct, install, operate, maintain, repair, modify, replace and remove underground pipelines, water mains and all necessary below- and above-ground appurtenances for the purpose of conveying water over, across, through, and under the lands hereinafter described, together with the right to excavate and refill ditches or trenches for the location of said pipelines, water mains and appurtenances, and the further right to remove trees, bushes, undergrowth, ground covering, pavement, and any other obstructions interfering with the location, construction, installation, operation, maintenance, repair, modification, replacement and removal of said pipelines, water mains and appurtenances.

The land burdened by this Grant of Easement and Right of Way is located in the County of Sacramento, State of California, and is more particularly described as follows:

**See Exhibit(s) "A" (and "B", etc.)
attached to and made a part of this Grant of Easement and Right of Way**

As a condition of this Grant of Easement and Right of Way, Grantor reserves the right to use such land for purposes that will not interfere with Grantee's full enjoyment of the rights hereby granted; provided that Grantor shall not erect or construct any building, wall, fence, or other permanent structure, or drill or operate any well, or construct any reservoir or any other obstruction on said land, or to diminish or substantially add to the ground cover lying over the easement and right-of-way granted herein.

The provisions of this Grant of Easement shall run with the land and inure to the benefit of and bind the heirs, successors, and assigns of the Grantor and Grantee.

Executed this 16 day of December, 2014

By: Yevgeniy Nedorezov

By: _____

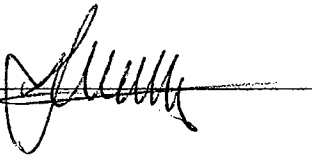
NOTARY ACKNOWLEDGEMENT

STATE OF California }
COUNTY OF Sacramento }

On December 16th, 2014, before me, Sergey N. Klimov personally appeared Yevgeniy Nedorcow who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: 

[Notary Seal]



EXHIBIT "A"

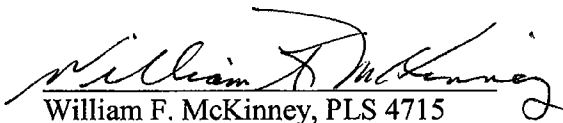
Description of
Water Easement

Situated in the County of Sacramento, State of California and being a portion of Parcels "A", "B" and "C" of that certain Parcel Map filed for record in the Office of the Recorder of Sacramento County in Book 56 of Parcel Maps, at Page 23, described as follows:

Beginning at the point of intersection of the north line of said Parcel "C" with the westerly right of way line of Watt Avenue, a public street shown on said Parcel Map, from which Point of Beginning, the northeast corner of said Parcel "C" bears North 89° 02' 12" East 55.00 feet, said northeast corner being on the centerline of said Watt Avenue; thence from said Point of Beginning along said westerly right of way line South 01° 46' 30" East 20.00 feet; thence along a line parallel to and 20.00 feet southerly of, measured at right angles to, the north line of said Parcel "C" South 89° 02' 12" West 205.91 feet; thence North 01° 46' 30" West 10.00 feet; thence along a line parallel to and 10.00 feet southerly of, measured at right angles to, the north line of said Parcel "C" South 89° 02' 12" West 190.41 feet; thence North 01° 46' 30" West 20.00 feet; thence along a line parallel to and 10.00 feet northerly of, measured at right angles to, the north line of said Parcel "C" North 89° 02' 12" East 210.40 feet to the east line of that certain Grant Deed to Grace Family Church, filed for record in the Office of said Recorder in Book 20140609 of Official Records, at Page 0558; thence along said east line South 01° 46' 30" East 10.00 feet to the north line of said Parcel "C"; thence along said north line North 89° 02' 12" East 185.91 feet to the Point of Beginning; containing 8,126 square feet, more or less.

End of Description

See Exhibit "B" (attached hereto and made a part hereof) for delineation.


William F. McKinney, PLS 4715



Dec 16, 2014
Date

EXHIBIT "B"

WATER EASEMENT

PLAT TO ACCOMPANY EXHIBIT "A"

**PORTION OF PARCELS A, B & C, 56 PM 23
COUNTY OF SACRAMENTO, CALIFORNIA**

DECEMBER 2014 SCALE 1"=60'

N89°02'12"E 419.00' RFE ENGINEERING 155.02'

**GRACE FAMILY
CHURCH**

APN: 208-0142-034

PARCEL "A" 56 PM 23

**GRACE FAMILY CHURCH
APN: 208-0142-032**

PARCEL "B" 56 PM 23

**EASEMENT CONTAINS 8126 SQUARE
FEET, MORE OR LESS**

GRACE FAMILY CHURCH

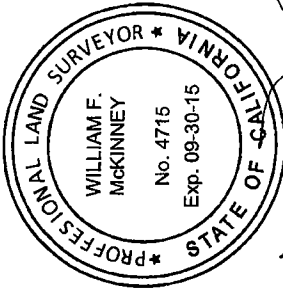
APN: 208-0142-033

PARCEL "C" 56 PM 23

**R.O.W. LINE
PER 56 PM 23**

374.97'

N89°02'02"E 604.89'



William F. McKinney
Dec 16, 2014



C/L

S01°46'30"E 20.00'

N89°02'12"E 185.91'

POB

N89°02'12"E 185.91'

N89°02'12"E 185.91'

S01°46'30"E 10.00'

S01°46'30"E 10.00'

S89°02'12"W 205.91'

S89°02'12"W 205.91'

S01°46'30"E 164.96'

S01°46'30"E 164.96'

S01°46'30"E 164.96'

S01°46'30"E 164.96'

S01°46'30"E 164.96'

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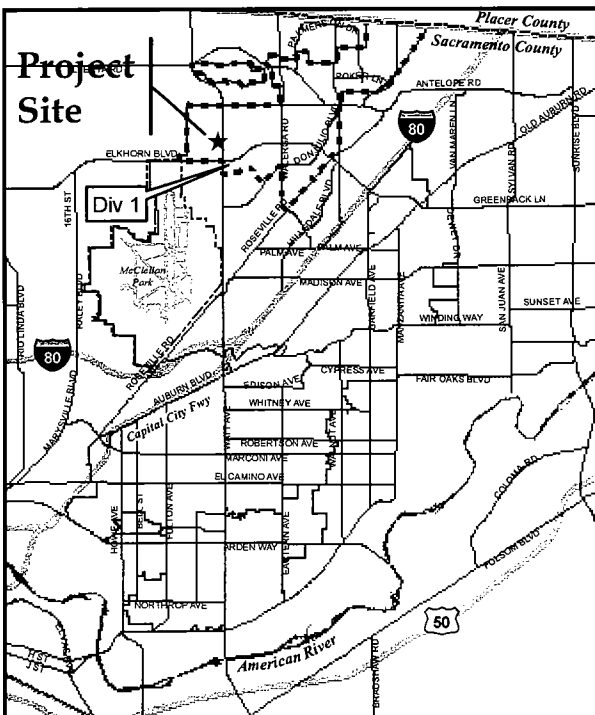
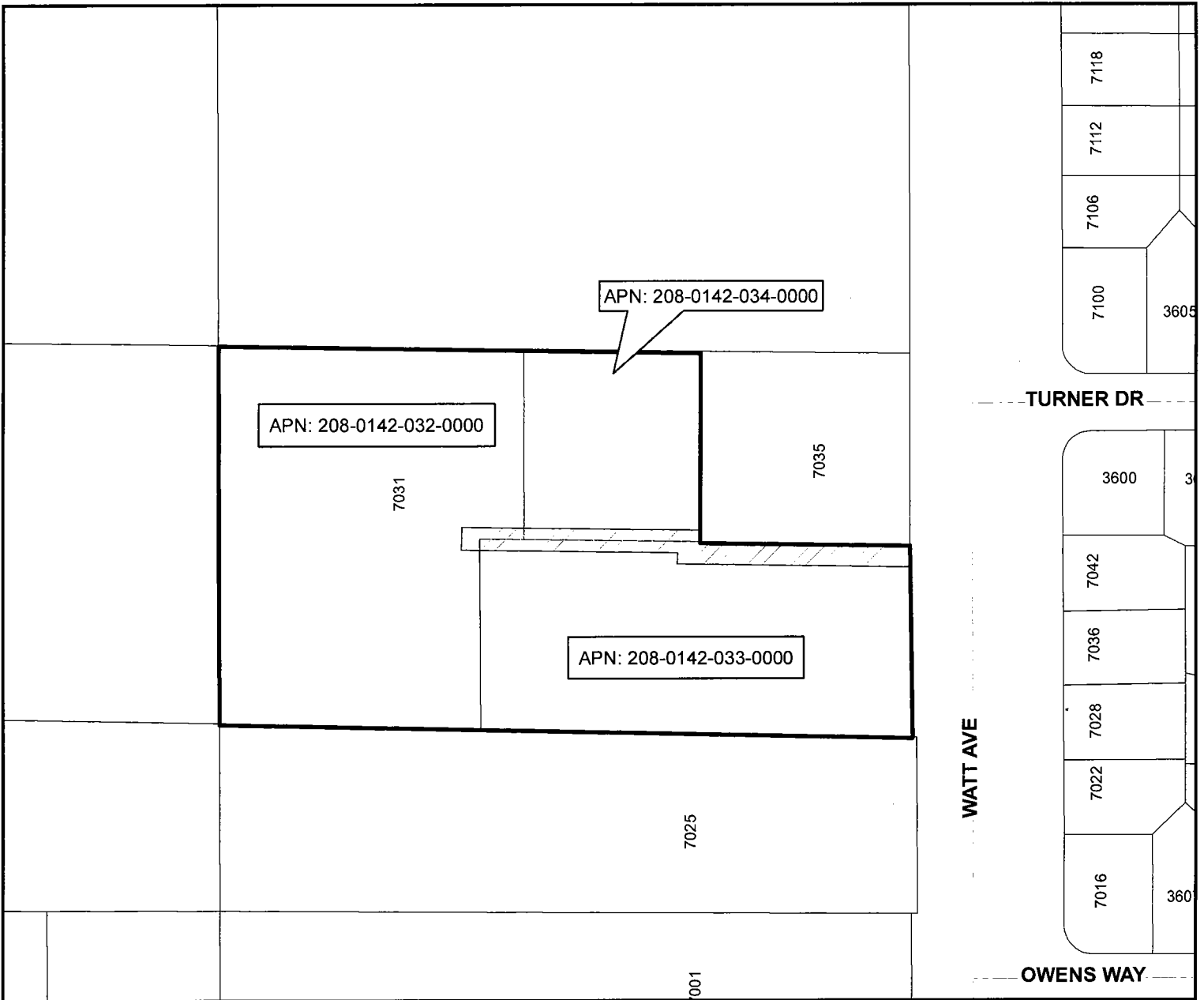
S01°46'30"E 164.96'

S01°46'30"E 164.96'

WATT AVENUE

NE CORNER
PARCEL C

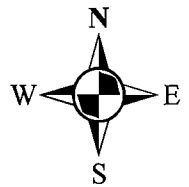
55'



MAP NOT TO SCALE

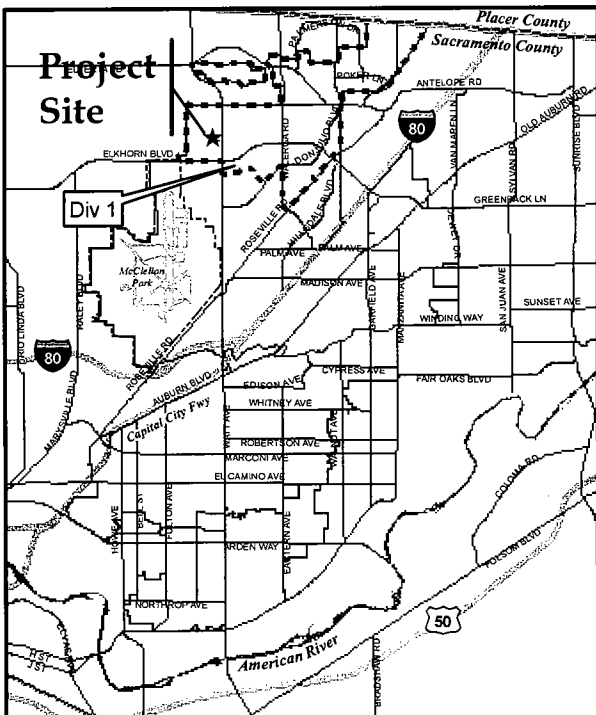
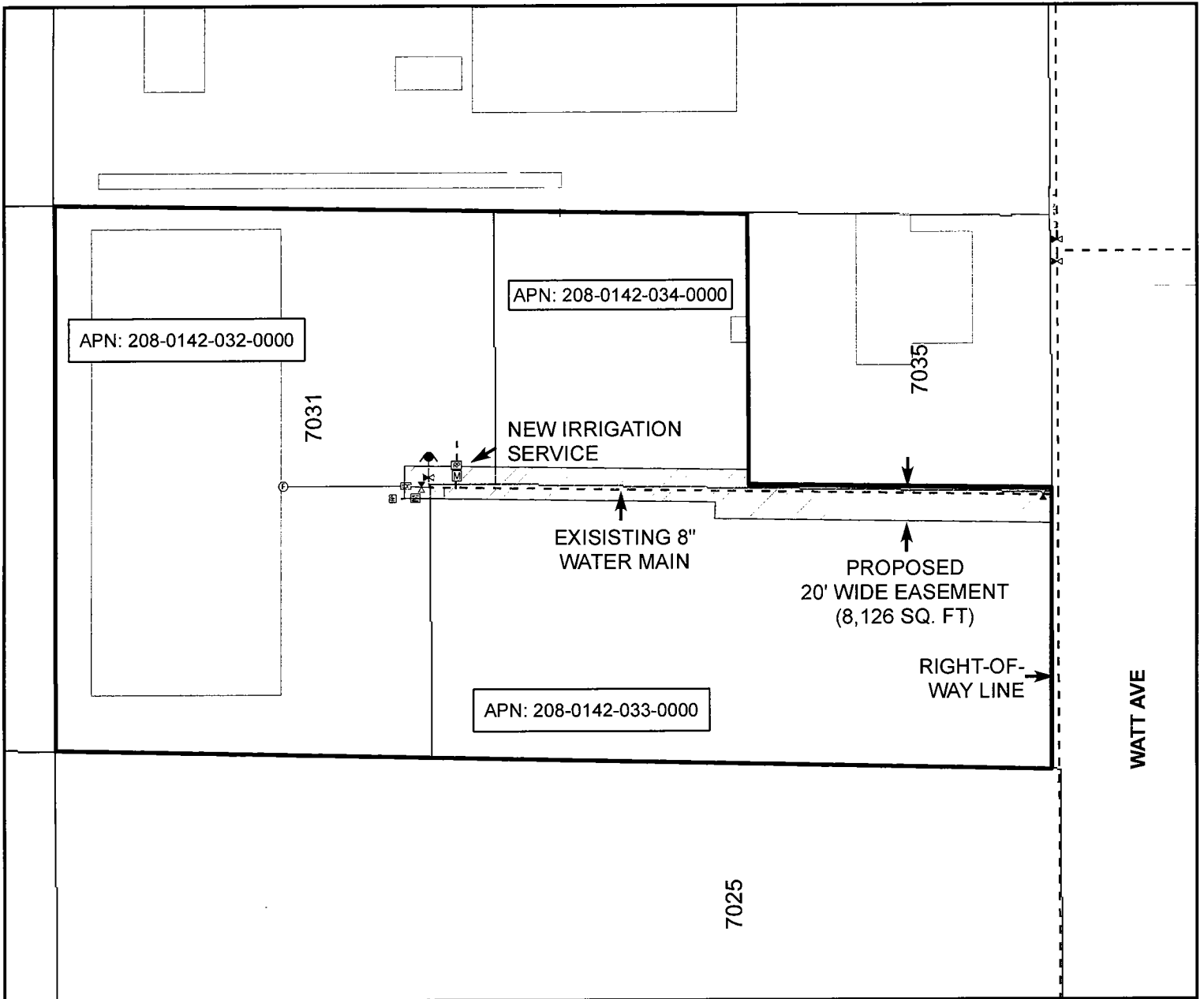
Portion of Sacramento Suburban Water District

EXHIBIT 1
NOT FOR RECORDING
Location Map
of
Grace Family Church
7031 Watt Ave.
(Voting Division 1)



Base Data: Sacramento County Gis Base Map
 Projection: CA State Plane 2, NAD83
 Scale: No Scale
 Prepared by: DAV, SSWD
 Sacramento, CA - February 2015
 Grace Fam_Loc.mxd

THIS MAP SHOWS THE LOCATION OF THE PROJECT SITE AND IS NOT PART OF THE EASEMENT DOCUMENTS



MAP NOT TO SCALE

Portion of Sacramento Suburban Water District

EXHIBIT 2

NOT FOR RECORDING

Proposed Easement

at

Grace Family Church

7031 Watt Ave.

(Voting Division 1)



Base Data: Sacramento County Gis Base Map
 Projection: CA State Plane 2, NAD83
 Scale: No Scale
 Prepared by: DAV, SSWD
 Sacramento, CA - February 2015
 Grace Fam_Service.mxd

THIS MAP SHOWS THE LOCATION OF THE PROJECT SITE AND IS NOT PART OF THE EASEMENT DOCUMENTS



Agenda Item: 6

Date: February 2, 2015

Subject: Out of State Travel – Frederick Gayle and Kevin Thomas

Staff Contact: Christine Bosley, Executive Assistant to the General Manager

Recommended Board Action:

Approve Frederick Gayle and Kevin Thomas' requests for out of state travel to attend Sacramento Metro Chamber's Capitol-To-Capitol Event in Washington, D.C.

Discussion:

The Metro Chamber will hold its annual Capitol-to-Capitol Event in Washington D.C. April 18-22, 2015. This event is in its 45th year and continues to be the largest lobbying effort of its kind in the nation, allowing participants to align with issues concerning the six-county Sacramento region and work directly with congressional delegates along with peer leaders from the region.

Out of state travel for Directors is approved by the Board on a case-by-case basis. Please see attached Directors' Compensation and Expense Reimbursement Policy, specifically 200.20(e). Also attached is an announcement of the conference and a Frequently Asked Questions page.

Fiscal Impact:

Registration fees, hotel accommodations, meals, etc. associated with conference travel. Some costs are not available at this time to provide accurate dollar amounts, but are expected to be within annual budgeted amounts.

Strategic Plan Alignment:

Leadership – 5.A. Engage in legislative affairs on issues affecting the District.

Leadership – 5.C. Participate in regional, statewide and national water management partnerships.

Sacramento Suburban Water District

Directors' Compensation and Expense Reimbursement Policy

Adopted: July 21, 2003

Revised: May 15, 2006; May 19, 2008; May 17, 2010; June 20, 2011; July 15, 2013;
August 18, 2014

100.00 Purpose of the Policy

This document sets forth the policy of the Sacramento Suburban Water District concerning Directors' compensation and the payment of actual and necessary expenses incurred in the performance of official duties and is intended to comply with the requirements of Government Code sections 53232 through 53232.4.

200.00 Directors' Compensation

200.10 Amount of Compensation

Each member of the Board of Directors of the District will be entitled to receive \$100 per day for each day's attendance at meetings of the Board, or for each day's service rendered as a member of the Board by request of the Board, as provided in article 200.20.

200.20 Types of Service for Which Compensation Will Be Provided

Applicable law (Government Code section 53232.1) permits the District to compensate Directors for each day's attendance at meetings of the Board, or for each day's service rendered as a Director, subject to a written policy adopted in a public meeting. A Director can be compensated for up to 10 days per calendar month of service in accordance with the Board's adoption of Ordinance No. 02-01. (Water Code section 20202.) The District encourages Directors to take advantage of opportunities to be informed concerning matters of interest to the District, and to inform others of the activities and interests of the District. The General Manager or his or her designee will provide to the Board on a monthly basis a list of meetings attended by each Director for which the Director was compensated under this policy. Directors will be compensated (for up to 10 days per calendar month) for attending the following types of meetings:

- a. Meetings of the Board of Directors of the District and the Board of Directors of the Sacramento Suburban Water District Financing Corporation;

- b. Committee meetings of the Board, attended as a member of the committee;
- c. Other meetings necessary for the disposition of duties assigned to a Board committee, attended by a member of the committee;
- d. Meetings of other governmental entities, associations or duly-recognized committees on which the District is officially represented, attended by the liaison representative of the Board and/or the liaison representative alternate who has been appointed to represent the District on the governmental entity or committee (both liaison representative and liaison representative alternate should attend all meetings to be informed on the issues and therefore both will be compensated for attending those meetings);
- e. Conferences, seminars, workshops and other events held within the State of California that are sponsored by industry associations or nonprofit entities for the purpose of discussing relevant water issues, including days while attending the conference, seminar, workshop or event, but excluding days in transit to or from the conference, seminar, workshop or event (attendance at conferences, seminars, workshops and events held outside the State of California will be approved by the Board of Directors on a case-by-case basis);
- f. Educational training, seminars, and courses designed to improve Directors' understanding of District business and their obligations as public officials, including ethics training mandated under Government Code section 53235(a) and harassment prevention training under Government Code section 12950.1;
- g. 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; and
- h. In connection with business, educational and ceremonial meetings, functions and conferences for which the District has prepaid for a Director's attendance, the Director shall attend such events. If the Director is unable to attend the pre-paid event, the Director shall immediately notify the District. If the District cannot obtain a refund of fees paid, then the District shall bill the Director for reimbursement for all amounts paid, unless the Director's failure to attend the event arises from circumstances beyond the control of the Director.

300.00 Reimbursement of Directors' Expenses

300.10 Policy and General Rules

The District encourages Directors to attend conferences, seminars and other meetings that require their participation or provide an opportunity to be informed concerning matters of interest to the District. Each Director is entitled to reimbursement for the amount of the reasonable and prudent expenditures (i.e., registration fees, travel, meals, lodging, and other actual and necessary expenses) incurred in the performance of his or her official duties. When a Director pre-pays expenses (e.g. registration, airfare, hotel), the Director may submit such items for expense reimbursement prior to the meeting occurrence as described in article 300.20.

A Director may use his or her personal funds for meeting registration. The District will reimburse the Director for the actual amount of the registration, if properly reported and documented in accordance with article 300.40. If requested, staff will register a Director for qualifying meetings as described in article 200.20.

The District's annual budget will set an appropriate level of funding for payment of Directors' expenses. A Director will not be entitled to receive in excess of \$ 4,000 per fiscal year for reimbursable expenses, exclusive of registration fees, unless the Board of Directors preapproves a Director's request to increase this amount for the applicable fiscal year. A maximum of five paid meeting days per conference will be allowed with the following exception: ancillary programs that are not a part of the main conference (e.g. ACWA/JPIA meetings). The General Manager or his or her designee will be responsible for ensuring that the budgeted amount is not exceeded without prior approval of the Board.

Any exceptions for expenses that do not come within the District's expense reimbursement policy must be approved by the Board in a public meeting in advance of the time when the expense will be incurred. (Government Code, §53232.2, subd. (f).) Any question concerning the propriety of a particular expense should be resolved by the Board before the expense is incurred.

300.20 Reimbursable Expenses

Directors' direct expenses for attendance at meetings and events authorized by this policy, including registration fees, reasonable travel, lodging, and meal costs, and other actual necessary expenses, will be paid by the District in accordance with the guidelines and per diem rates for an accountable expense reimbursement plan as defined in the United States Internal Revenue Service's Publication 463 ("Travel, Entertainment, Gift and Car Expenses") and Publication 1542 ("Per Diem Rates (For Travel Within the Continental United States)") (collectively, the "IRS Publications"). A copy of the current IRS Publications can be obtained from the Finance Director.

The following expenses are authorized business-related expenditures:

- a. **Personal Vehicle Mileage.** A Director will be reimbursed for actual vehicle travel miles at the rate authorized under the IRS Publications for all meetings attended and services provided as defined in article 200.20, Director's Compensation, above. A Director will be considered to have accounted for personal vehicle expenses by indicating the actual miles traveled, the business purpose of the travel, and the date of travel on the approved District expense reimbursement form and submitted in accordance with article 300.40. The District will not reimburse Directors for any other personal vehicle expenses.
- b. **Hotel Expenses.** A Director will be reimbursed for reasonable lodging expenses incurred in accordance with this Policy when a Director attends conferences, seminars or meetings, if the Director stays at the hotel or other lodging listed in the event's registration materials at the group rate obtained for the event. If a Director travels on District business for which no hotel is designated or is unable to book lodging at a specified conference rate, he or she may either (a) be reimbursed at the per diem hotel rate provided in the IRS Publications for the city in which the hotel is located; or (b) use the Director's personal funds to pay for hotel charges, in which case the District will reimburse the Director for actual charges, but only up to three times the maximum per diem hotel rate provided for in the IRS Publications for the event location.
- c. **Meals.** A Director may be reimbursed for the cost of meals while attending authorized conferences, seminars or meetings away from the District based on the per meal rate provided for in the IRS Publications. A Director may either (a) report meals at the IRS per diem rate or (b) use the Director's personal funds to pay for meals, in which case the District will reimburse the Director for actual charges, but only up to three times the maximum per diem meal rates provided for in the IRS Publications. If a Director is not traveling for a full day, defined as from 12:01 a.m. to 12:00 Midnight, the per diem meal/incidental allowance will be prorated according to the actual hours of travel unless a Director uses his or her personal funds to pay for meals, in which case the District will reimburse the Director for actual charges for meals incurred while traveling, but only up to three times the maximum meal rate provided for in the IRS Publications. If the District pre-pays the cost of one or more meals with a meeting, function or conference registration, a Director must attend the prepaid meals. If a Director fails to attend a pre-paid meal, a Director may not submit a claim for reimbursement for an alternative meal taken in lieu of the pre-paid meal.
- d. **Incidental Allowance.** Tips for meals will be reimbursed up to a maximum of 15% of the cost of the reimbursable portion of any meal in accordance with the tip shown on the receipt attached to an expense reporting form. The District will reimburse a Director for tips actually given to cabbies,

baggage porters, bellhops and hotel housekeepers that are reasonable and customary for the area. A Director may be reimbursed for toll charges and parking fees up to the actual amount expended.

- e. Common Carrier Travel. When personal vehicle use for District business is impractical due to time and/or distance, a Director may use regularly-scheduled commercial carriers for travel. Consistent with scheduling needs and the most-direct route, a Director traveling by plane, train, rental vehicle, bus, or taxi will travel by the least-expensive fare actually available for the date and time of the travel. When possible, travel should be planned in advance to permit use of advance fares. Long-term parking must be used at airports for travel exceeding 24 hours. The District will reimburse the Director for the actual amount of the fare and related, necessary expenses (e.g., baggage fees), if properly reported in accordance with article 300.30.
- f. Telephone/Fax/Cellular/Internet. A Director will be reimbursed for actual telephone, fax and reasonable internet expenses incurred for District business. Telephone bills should identify which calls were made for District business. For cellular calls when the Director has a particular number of minutes included in the Director's plan, the Director can identify the percentage of calls made for District business.

300.30 Types of Expenses for Which Reimbursement Will Not be Provided

Director expenses that are not deemed to be reimbursable business expenses may include, but are not limited to:

- a. Barber and/or beauty shop charges**
- b. Fines for traffic or parking violations**
- c. Expenses of any person accompanying a Director on a District-approved trip or event**
- d. Personal telephone calls**
- e. Fitness/Health Facility or Massages**
- f. Alcoholic beverages**
- g. Entertainment expenses (movies, sporting events, etc.)**
- h. Non-Mileage vehicle expenses**
- i. Charitable contributions**

300.40 Expense Reporting Procedures

In order to be reimbursed for any expense authorized under this Policy, within 60 days of incurring the expense, a Director must fill out and sign a District-provided expense report form available from the Finance Department. The expense report form is designed to ensure that Directors' expense reimbursements comply with the requirements of Government Code section 53232.3 and the IRS Publications. Accordingly, the General Manager will review each expense report form, and sign it

to indicate compliance with the requirements of this policy. In all cases when a Director seeks reimbursement for expenses incurred while attending a conference, seminar or other meeting, a copy of the conference registration form must either be attached to his or her expense report or on file at the District (e.g. copy attached to check request or purchasing card paperwork). In addition, a Director will be required to attach the following documentation to his or her expense reimbursement report as a condition of receiving reimbursement for an appropriately-incurred business expense:

- a. **Personal Vehicle Mileage.** To verify mileage, the General Manager or designee will document personal vehicle mileage, using tools such as Google or MapQuest, which will be attached to the Director's expense report.
- b. **Lodging Expenses.** If a Director wishes to be reimbursed for lodging expenses, he or she must attach to the expense report an itemized bill issued by the hotel and a copy of the credit card receipt or other proof of the Director's payment. Except when attending a conference, seminar or other meeting and using the available group rate booked for the event, the District will reimburse a Director only for the actual amount of the hotel expenses incurred up to a maximum amount equal to three times the applicable per diem rate shown in the IRS Publications.
- c. **Meal Expenses.** If a Director wishes to be reimbursed for meal expenses at the IRS per diem rate, he or she may fill out the expense report form and claim the expense without further documentation. If a Director pays for meals with his or her own funds, he or she must attach to the expense report an itemized bill, copy of a credit card receipt or other proof of the Director's payment. In such cases, the District will reimburse a Director only for the actual amount of the meal expense incurred up to a maximum amount of three times the applicable per diem rate shown in the IRS Publications.
- d. **Common Carrier Travel.** A Director must attach to his or her expense report the fare, coupon, or itemized bill from a travel agency, airline, rental vehicle, bus or train showing the actual amount expended for such travel. A boarding pass, conference badge, business receipt from the destination or other documentation indicating the travel occurred must be attached to the Director's expense report.
- e. **Incidental Expenses.** Whenever possible, a Director should obtain a receipt for incidental expenses such as tolls and parking fees. For incidental expenses where no receipt is available, such as tips and parking meter costs, a reimbursement request for such expenses may be claimed on the District approved expense report. Certification that such expenses were related to District business, reasonable, appropriate, and actually incurred by the Director is made when signing the District approved expense report form.

In all cases, the Director will remain responsible for filing an expense report and attaching the appropriate documentation obtained by the Director in conformance with paragraphs a. through e. above. Flat-rate advances or payments of expenses are prohibited under Government Code section 53232.2, except for per diem payments authorized in accordance with the IRS Publications.

A Director must substantiate all expenses on an expense report with the appropriate documentation attached within 60 days of incurring or paying the expense. An expense report submitted after the 60 days will only be paid if approved by the Board at a regular meeting. Any mis- or late-reported expenses incurred by a Director will not meet the requirements of the IRS Publications and will be considered income to the affected Director. To comply with the applicable tax laws, the District will issue to a Director a Form W-2 including all mis- or late-reported expenses as income.

300.50 Disclosure

To comply with reporting requirements of Government Code section 53232.3, the District will prepare a list of the meetings attended by each Director for which the District provided compensation, and a list of the amount and purpose of each expense reimbursement paid by the District to each Director. This information will be included with the agenda materials for each regular monthly Board of Directors meeting. At the next regular Board meeting, Directors also must provide either an oral or written report of meetings and other authorized events attended for which they were compensated by the District. If multiple officials attended the same event, a joint report may be made.

All expenses are subject to verification that they comply with this Policy. Directors should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All District expenditures are public records subject to disclosure under the Public Records Act, except that the District will ensure that no Director personal information, such as credit card numbers and home addresses, is provided to the public in the event of a request for such records.

300.60 Penalties

Government Code Section 53232.4 defines the penalties for falsifying or misusing public funds. The penalties include: (1) loss of the violator's reimbursement privileges; (2) restitution of misused District funds; (3) civil penalties of up to \$1,000 per day for each day of violation and three times the value of the public resources misused; and (4) criminal prosecution and lifetime bar from holding public office. The Board will report any violation of this Policy to the appropriate authorities.

400.00 Policy Review

This Policy shall be reviewed at least biennially.

Date: 4/18/2015 TO 4/22/2015

Time:

Washington, DC

Phone:

(916) 319-4261

Event Description:

WESTERN HEALTH ADVANTAGE PRESENTS THE 45TH ANNUAL
CAPITOL-TO-CAPITOL MMXV
SACRAMENTO, CA TO WASHINGTON, D.C. // APRIL 18-22, 2015

REGISTER HERE ([https://www.regonline.com/Register/Checkin.aspx?](https://www.regonline.com/Register/Checkin.aspx?EventID=1638047)

EventID=1638047)

In its 45th year, the Metro Chamber's Capitol-to-Capitol effort has grown to be the largest travel program in the chamber's history and continues to be the largest lobbying effort of its kind in the nation. Cap-to-Cap, as it's commonly known, provides a unique opportunity for business and community leaders to align around issues concerning the six-county Sacramento region and to work directly with congressional delegates to organize broad-base support for critical initiatives. Participants also value the chance to network and do business with other peer leaders from the region.

Early Bird Program Pricing: \$3495

CAP-TO-CAP – FREQUENTLY ASKED QUESTIONS

- **What does the package include?** The basic price includes round trip flights, round trip transfers from airport to hotel, four (4) night's hotel accommodations, some meals and access to the Hospitality Room.
- **What if I do not need all four (4) nights?** Participants needing less than four (4) nights will be evaluated on a case-by-case basis. Refunds are based on meeting room block commitments to the hotel.
- **What if I need more than four (4) nights?** You can add additional room nights when you register. Please dates as needed and add the number of extra nights in the "Merchandise" section. The cost is \$370 per night and will be added to your total when you finish your registration.
- **What if I do not need flights?** You will have the ability to opt out of the group flights that are listed on the registration and take an air credit, which will be deducted from your total.
- **How do I get to the hotel if I book my own flights?** Should you confirm your own flight arrangements you will also be required to book your own ground transportation from the airport to hotel and return. Cabs are readily available upon arrival or you can book through Super Shuttle in advance.
- **Can I have a Guest/Spouse stay in my room at no charge?** Yes, however keep in mind that the Guest/Spouse will not have access to the Hospitality Suite nor will they be allowed to attend any of the events. They can purchase a ticket to attend the Gala as long as it is purchased at least 2 weeks in advance. The cost of the Gala is \$225. We do offer a Guest/Spouse registration fee that would provide all of the above.
- **How do we get around in DC?** All registered attendees will be offered one (1) Metro Pass that must be picked up at the Hospitality Desk in DC and must be signed for. Each pass has a \$10 dollar value and once it is used, you can add additional funds and continue using the pass as needed. Detailed information on how to use will be provided when you pick-up the pass.
- **Can I make changes if I select one of the group flights?** United Airlines does allow changes on a case-by-case basis but only on return flights. United does not allow any changes on the flight from Sacramento to Washington DC. If you need to change your return flight, you need to email Margarita at margaritac@istours.com with the date and approximate time you wish to return. Requests are based on availability at the time of booking. You will be notified if additional fees may apply.
- **When is the payment due for the registration?** If you are paying by check, it will be due within 30 days of registration and no later than March 31, 2015. If you are paying with a credit card, a non-cash fee of 4.1% will be added to the total fee and will be charged within 2-3 days after completing the registration. Once the credit card is charged, the non-cash fees are non-refundable.
- **If I cannot travel do you allow name changes?** Yes. If an airline ticket has to be changed, then airline fees will apply and are assessed at the time the change occurs. I. S. Tours will email you a name change form that will need to be filled out and emailed to margaritac@istours.com for processing.
- **What if I need to cancel?** Cancel fees will apply. The Terms and Conditions reflect the fees which are based on when the cancellation request is received in writing (email Margarita). Due to strict contract guidelines with airlines, hotel and other vendors the cancellation fees are non-negotiable.
- **When will I get my airline ticket and hotel confirmation?** The Metro Chamber will put together a complete packet that will include the travel information, which will need to be picked up at their offices about one week prior to departure. Please review your e-ticket flight itinerary (if applicable) and enclosed hotel information. You will not receive a separate "Confirmation Number" for the hotel. You will be listed under the legal last name you used to register.
- **Can I call the airline or hotel directly to make any changes?** No, all changes to your registration must be made by I.S. Tours.
- **Can I earn Frequent Flier Miles with United?** Yes. Please make sure you enter this information on your registration.
- **Can I earn points with the Renaissance Mayflower Hotel?** No. Even though this is a Marriott chain, points cannot be earned because this is a group booking and not allowed. You can however earn room night credits.



Agenda Item: 7

Date: February 9, 2015

Subject: Letter of Credit Extension with Sumitomo Mitsui Banking Corporation

Staff Contact: Daniel A. Bills, Finance Director

Recommended Board Action:

1. Authorize the General Manager to:
 - a. Accept the Letter of Credit (LOC) terms currently negotiated with Sumitomo Mitsui Banking Corporation (SMBC) by the District's Financial Advisor's, Fieldman, Rolapp & Associates, to include extending the LOC expiration term to at least June 30, 2018 and the facility fee to no more than 45 basis points (see Exhibit 2 for negotiated terms, and proposed General Manager's acceptance of recommendations).
 - b. Approve District's Financial Advisor's and Bond Counsel, Stradling, Yocca, Carlson & Rauth, to engage with SMBC to develop legal documentation to extend/renew the LOC, recognizing upfront costs are estimated to be approximately \$32,000.
2. Direct staff and District general counsel to review the negotiated terms and legal documentation and return to the Board at a future meeting for consideration.

Discussion:

In December 2004, the District issued \$42 million of variable-rate debt primarily for the purpose of constructing surface water infrastructure assets in the District's South Service Area (SSA). In the municipal financial markets, variable-rate debt and its counter-part – fixed-rate debt, often trade poorly due to the limited number of potential investors and the liquidity concerns of such investors. Accordingly, investors require that municipal debt be liquid (i.e., available/willing buyers). Variable-rate debt meets this test in two ways – 1) rates are reset and sale eligibility is weekly, and 2) when accompanied by a LOC, a willing buyer is always there.

The District currently has a LOC on its variable-rate debt (Series 2009A) with SMBC. The LOC's term will expire on June 30, 2015. The District currently pays SMBC a Facility-Fee for the LOC of 57.5 basis points (bps) per annum or roughly \$245,000 per year. As the LOC expires soon, staff requested the District's Financial Advisor, Fieldman, Rolapp & Associates, to begin discussions with SMBC on extending/renewing the LOC.

After some discussions, SMBC has offered to extend the term of the LOC to June 30, 2018 and reduce the Facility-Fee to 45 bps. Staff is quite pleased with such a favorable offer and desires to bring this offer before the Board for discussion and direction. Please see Exhibit 2 for specific terms of the offer.

By accepting this offer, the District expects the following:

1. LOC Term Expiration - June 30, 2018.
2. LOC Facility-Fee – 45 bps per annum or roughly \$189,000 per year.
3. Term Savings, compared to current Fee of 57.5 bps, approximately \$160,000.
4. Risk to the District – Financial viability of SMBC
 - a. SMBC’s Current Credit Ratings are:

For Comparative Purposes					
	SMBC		Wells Fargo		
	Long-term	Short-term	Long-term	Short-term	Highest Agency Rating
Moody's	A1	P-1	Aa3	P-1	Aaa
Standard & Poor's	A+	A-1	AA-	A-1+	AAA
Fitch Ratings	A-	F1	AA-	F1+	AAA

Two other financing alternatives are available to the District in addition to that presented above. The alternatives are summarized as follows:

1. Issue a Request-For-Proposals (RFP) seeking offers from other liquidity providers. Concerns with this alternative are issuance costs are expected to be roughly \$200,000, which would require the District to obtain a Facility-Fee of 31.4 bps or better to breakeven with the 45 bps offer from SMBC. Currently, the market is operating in the 38 to 50 bps range, see Exhibit 2. This is not a financially viable option for the District.
2. Refund the Series 2009A variable-rate debt with Fixed-Rate debt. Concern with this alternative is the interest-rate swap on the Series 2009A would have to be terminated, at a cost of \$7.5 million. This is not a financially viable option for the District.

Attached to this staff report are a series of explanatory PowerPoint slides (Exhibit 1) and a letter of recommendation from the District’s Financial Advisor - Fieldman, Rolapp & Associates (Exhibit 2).

Fiscal Impact:

Upfront costs are estimated at \$32,000. Estimated net savings of roughly \$160,000 are estimated over the three year term of the LOC.

Strategic Plan Alignment:

Finance - 4.F. Monitor the District’s debt portfolio to manage debt risk and minimize District costs.



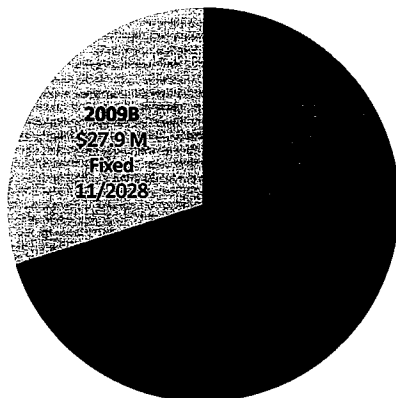
EXHIBIT 1 Debt Management

Board Meeting

February 2015

DISTRICT DEBT TODAY

Total Debt - \$93.4 M



* Interest Rate Swap

- Notional: \$33.3 M
- Termination: 11/2034
- Market Value: \$7.5 M
- **LOC TERMS:**
- Expires 06/30/15
- Fee 57.5 bps/annum
- **Cost Savings Since 04/12**
 - ~ \$1.1 Million
 - Compared to Fixed-Rate

SWAP

WHAT:

In a typical swap, two parties agree to exchange different forms of interest rates for a defined period

Typically, one party pays fixed and the other pays floating

WHY:

Savings: Provide substantially better economic results than those available in the conventional bond market

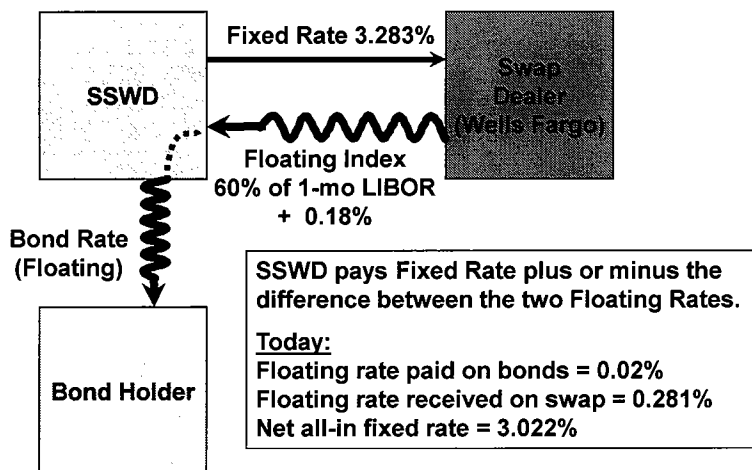
Hedging: Convert floating rate exposure, with unknown cost, to fixed rate exposure

Speed: Take advantage of market opportunities more swiftly than in public bond markets

SSWD EXECUTED ORIGINAL SWAP (April 2005) DUE TO:

- Fixed rate bond rate (all-in): 4.30%
- Swap rate: 3.283% (+/- floating rate differential)

SSWD's SWAP



Swap Financial Group

4

LETTER OF CREDIT (LOC)

WHAT:

Credit and Liquidity support from a bank guaranteeing payment to an investor if the District fails to pay timely.

WHY:

Fixed rate municipal bonds often trade poorly as they are relatively illiquid and the investor base is small

LOC EXTENSION TERMS

- **Current Terms:**
 - Provider: Sumitomo Mitsui Banking Corporation (SMBC)
 - Expiration: June 30, 2015
 - Current Fee: 57.5 bps or \$245,000 annually
- **Extension Offer:**
 - Provider: SMBC
 - Expiration: June 30, 2018
 - Proposed Fee: 45 bps or \$189,000 annually
- **SMBC “Scarcity factor”**

LOC EXTENSION TERMS (cont)

- **Transaction Details:**
 - Issuance Costs ~ \$32,000 (legal, rating agencies, etc.)
 - Net Savings over 3 years ~ \$160,000
 - Offer Expires: March 1, 2015
- **Alternatives:**
 - RFP Process
 - Issuance Costs ~ \$200,000
 - Breakeven: 31.4 bps compared to SMBC offer
 - Current market trades are in the 38 to 50 bps range
 - Refinance to Fixed rate
 - Not financially viable – would have to terminate swap

LOC EXTENSION TERMS (cont)

- **Current Credit Ratings:**

For Comparative Purposes

	SMBC		Wells Fargo		Highest Agency Rating
	Long-term	Short-term	Long-term	Short-term	
Moody's	A1	P-1	Aa3	P-1	Aaa
Standard & Poor's	A+	A-1	AA-	A-1+	AAA
Fitch Ratings	A-	F1	AA-	F1+	AAA

RECOMMENDATION & TIMING

- **Recommendation:**
 - Authorize General Manager to direct Financial Advisor's and Bond Counsel to finalize negotiations with SMBC and prepare requisite legal documentation
 - Direct staff to bring legal documents to future meeting
- **Timing:**
 - February: Terms Finalized with SMBC
 - February/March: SMBC and District Bond and Legal Counsel draw/review legal documents
 - ~ March: Board review/acceptance of legal documents; Authorize Board President to execute documents
 - ~ April or May 1: Amended Agreement effective date

EXHIBIT 2

To: Sacramento Suburban Water District

From: Robert Porr, Senior Vice President and Paul Pender, Vice President
Fieldman, Rolapp & Associates (Independent Financial Advisor)

Re: **Letter of Credit Supporting District's 2009A Certificates**

Date: February 9, 2015

The District has \$42 million of 2009A Certificates of Participation (COPs) outstanding, which pay a variable rate of interest (reset weekly). To facilitate this structure, the COPs must have a letter of credit facility in place to provide investors a source of liquidity and assurance interest will be paid timely. The District currently has such a facility in place from Sumitomo Mitsui Banking Corporation, which is scheduled to expire on June 30, 2015. The District has two primary options to address the expiration: 1) negotiate a renewal of the facility with Sumitomo, or 2) request bids for a substitute, new facility from an alternate bank. Based on initial negotiations with Sumitomo, we estimate a renewal will be the most cost-effective option for the District.

The Sumitomo facility currently costs approximately \$245,000 in annual fees, or 57.5 basis points of the outstanding COPs (plus an interest component). Since the Sumitomo facility was put in place several years ago, the market for such facilities has improved, resulting in lower pricing. Sumitomo has provided an indicative renewal price of 45 basis points (term of 3 years). A renewal would also require upfront costs, estimated at \$32,000. All told, the District would save \$53,200 per year, or \$159,000 over the three year period, compared to the current facility cost.

Alternately, the District could conduct a solicitation requesting bids for pricing from banks. We estimate the current market for such facilities to be 38 – 50 basis points, given the District's strong credit ratings. A substitute provider may be able to offer an annual price on the facility lower than 45 basis points. However, implementing a new facility requires a new bond offering document and related legal, rating agency, and other advisory and bank fees. We estimate these upfront costs to be approximately \$200,000.

With only 3 years to realize annual savings from a lower cost facility, this upfront cost is significant. Our analysis indicates that a substitute facility would need to be priced at 31.4 basis points or lower to "breakeven" with the proposed Sumitomo renewal pricing. Given we estimate the market for such facilities is currently 38 – 50 basis points, we do not believe a substitution is worth pursuing.

We are therefore recommending the District pursue the renewal with Sumitomo. We believe the lowered facility price proposed by Sumitomo is fair given the current market. A process requesting bids for a substitute facility is unlikely to yield a more cost-effective alternative. Further, such a process would result in a delay in putting the new, more cost-effective Sumitomo facility in place. A summary of our analysis of alternatives is provided on the following page.

Summary of Letter of Credit Analysis

Alternatives Summary		Upfront Costs	Annual LOC Costs¹	Total LOC and Upfront Costs (3 year period)	Net Savings v. Status Quo (3 Year Period)²
#1	Renewal with Sumitomo (45 bps)	\$32,000	\$191,581	\$606,742	\$159,650
#2	Substitution Breakeven Rate - 31.4 bps	\$200,000	\$133,526	\$600,578	same as renewal
Notes					
1 3 year average. Principal repayment of 2009A does not occur until November, 2023					
2 Existing Sumitomo fee of 57.5 bps equals average annual LOC costs of roughly \$245,000 per year.					

ACCEPTANCE OF RECOMMENDATION

On behalf of the District, and in light of the analysis and recommendations contained in this Memorandum, Fieldman, Rolapp is hereby approved and directed to engage with Sumitomo Mitsui Banking Corporation to develop legal documentation to extend / renew the current credit facility. Final documentation and terms will be subject to Board approval.

Signed: _____

Robert S. Roscoe, General Manager
 Sacramento Suburban Water District

Date: _____



[Back to Agenda](#)

Agenda Item: 8

Date: February 11, 2015

Subject: Nomination of Paul E. Dorey for Election to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA)

Staff Contact: Christine Bosley, Executive Assistant to the General Manager

Recommended Board Action:

Consider request from Vista Irrigation District to adopt a resolution supporting nomination of Paul E. Dorey.

Discussion:

Vista Irrigation District General Manager Roy A. Coox requested the Sacramento Suburban Water District Board to support Vista Irrigation District Director Paul E. Dorey for election to the ACWA/JPIA Executive Committee. Mr. Coox wishes Sacramento Suburban Water District to consider adopting a resolution concurring in the nomination of Mr. Dorey. If so directed, staff will prepare a resolution and present it for Board action at the March 16, 2015 regular Board meeting.

Concurring resolutions must be received by the ACWA/JPIA office by Friday, March 20, 2015. This action does not commit the District with respect to the future vote for the AWA/JPIA Executive Committee.

Please see attached request from Vista Irrigation District (Exhibit 1).

Fiscal Impact:

None.

Strategic Plan Alignment:

Leadership – 5.D. Interact with the community in a positive and progressive manner for the mutual benefit of the area (service groups, adjacent water purveyors, county/city/local government).

By concurring in nomination, the District is actively participating and advancing the District's position by support of a candidate.

EXHIBIT 1

Received

FEB 02 2015

SSWD

Board of Directors

Jo MacKenzie, *President*

Paul E. Dorey

Marty Miller

Randy L. Reznicek

Richard L. Vásquez

Administrative Staff

Roy A. Coox
General Manager

Eldon L. Boone
Assistant General Manager / Treasurer

Lisa R. Soto
Board Secretary

Joel D. Kuperberg
General Counsel



1391 Engineer Street • Vista, California 92081-8840
Phone (760) 597-3100 • Fax: (760) 598-8757
www.vid-h2o.org

January 28, 2015

ACWA/JPIA Member Agencies

Re: Nomination of Paul E. Dorey to the ACWA/JPIA Executive Committee

Dear General Manager;

The Vista Irrigation District (VID) has nominated Board member Paul E. Dorey to serve on the ACWA/JPIA Executive Committee. Elections will take place at the JPIA Board of Directors meeting on May 4, 2015 at the Spring ACWA Conference in Sacramento, California.

Paul has served as VID's representative to the JPIA Board of Directors for eight years, and he has been a member of the JPIA Liability Subcommittee for five years. We hope your organization will concur with this nomination.

As a member of ACWA/JPIA, Vista Irrigation District requests that your Board submit a resolution of support *concurring* with the nomination of Paul Dorey to serve on the ACWA/JPIA Executive Committee, and to vote for him at the election. As you can see from the attached background information on Paul Dorey, he is well qualified for this position. All concurring nominations must reach the JPIA office to the attention of Sylvia Robinson at P.O. Box 619082, Roseville, CA 95661-9082 by 4:30 p.m. on Friday, March 20, 2015. If you have any questions, please feel free to contact me.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Roy A. Coox".

Roy A. Coox
General Manager

Attachments:

- Statement of candidacy for Paul E. Dorey
- Vista Irrigation District nominating resolution
- Sample concurring resolution

Paul E. Dorey

Statement of Candidacy



I have served on the ACWA/JPIA Board of Directors since 2007. During the last five years, I have had the privilege of serving on the Liability Committee of the JPIA. The Liability Committee has successfully kept its focus on providing member agencies with the most comprehensive, affordable and reliable liability insurance possible. Our Committee has recommended significant reductions in the premiums paid by member agencies while also increasing the insurance coverages provided.

I was elected to the Vista Irrigation District Board of Directors in 2006. The District provides water service to over 120,000 residents in northern San Diego County. I served on the Board of Directors of the Groundwater Resources Association of California, and I currently serve on the Upper San Luis Rey Watershed Authority, the San Luis Rey Watershed Council and the Southern California Water Committee. My wife Nancy and I have lived in Vista since 1971, where we raised our two daughters.

My forty-four years of public service, first in the United States Marine Corps and then in the water industry, have given me the necessary experience and background to serve as a member of the JPIA Executive Committee. This experience has helped me recognize the importance of safety and risk management and the value of developing appropriate policies and procedures, as well as establishing conservative fiscal controls.

As a member of the JPIA's Executive Committee, I will perform my duties and make decisions to guide the organization to most efficiently benefit its member agencies. I will take my responsibility seriously and serve as a very useful and productive member of the Executive Committee. I value your trust and will honor it if elected to the Executive Committee.

Thank you for your support. If you have any questions about my candidacy, feel free to contact me at (760)208-5263 or WN6K@sbcglobal.net.

RESOLUTION NO. 15-03

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
VISTA IRRIGATION DISTRICT
NOMINATING PAUL E. DOREY TO THE EXECUTIVE COMMITTEE
OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY ("ACWA/JPIA")

WHEREAS, Vista Irrigation District is a member district of the ACWA/JPIA that participates in all four of its Programs: Liability, Property, Workers' Compensation, and Employee Benefits; and

WHEREAS, the Bylaws of the ACWA/JPIA provide that in order for a nomination to be made to ACWA/JPIA's Executive Committee, the member district must place into nomination its member of the ACWA/JPIA Board of Directors for such open position;

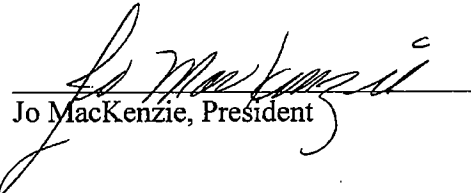
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Vista Irrigation District that its member of the ACWA/JPIA Board of Directors, Paul E. Dorey, be nominated as a candidate for the Executive Committee for the election to be held on May 4, 2015.

BE IT FURTHER RESOLVED that the ACWA/JPIA staff is hereby requested, upon receipt of the formal concurrence of three other member districts, to effect such nomination.

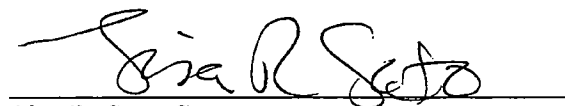
BE IT FURTHER RESOLVED that the District Secretary is hereby directed to transmit a certified copy of this resolution to the ACWA/JPIA at P.O. Box 619082, Roseville, CA 95661-9082, forthwith.

PASSED AND ADOPTED by the following roll call vote of the Board of Directors for the Vista Irrigation District this 21st day of January 2015.

AYES: Directors Miller, Vásquez, Dorey, Reznicek, and MacKenzie
NOES: None
ABSTAIN: None
ABSENT: None


Jo MacKenzie, President

ATTEST:



Lisa R. Soto, Secretary
Board of Directors

VISTA IRRIGATION DISTRICT



Agenda Item: 9.a.

Date: February 09, 2015

Subject: Water Operations and Exception Report

Staff Contact: Jim Arenz, Operations Manager

The following information provides an overview of the Field Operations Department:

1. Monthly Water Production – Page 2
This indicates the amount of water produced, both ground and surface water, in the District’s North Service Area (McClellan Business Park, The Arbors at Antelope, and portions of North Highlands, Antelope, Carmichael, and Citrus Heights) and South Service Area (Portions of Arden Arcade, Carmichael, and City of Sacramento) for Calendar Year 2014 and 2015. Due to the continuing drought conditions, surface water supplies are unavailable in both the North and South Service Areas; therefore, the District continues to rely solely on its ground water sources.
2. Water Wheeled to Other Purveyors – Page 3
This indicates the amount of water the District served to other water purveyors in Calendar Year 2015. The amount is indicated in Million Gallons (MG) and Acre Feet (AF).
3. Water Operations Activity – Page 4
This shows the types and number of activities that are conducted daily in the Production, Distribution and Field Services Departments.
4. Claims Update – Page 5
This is a summary report of claims received by the District that are less than \$10,000, and approved or rejected by the General Manager.
5. Drought Report – (This report has been moved to the Water Conservation and Regional Water Efficiency Program Report)

This Water Operations report typically covers a major portion of the District’s Goals and Principles of its Strategic Plan on a daily basis.

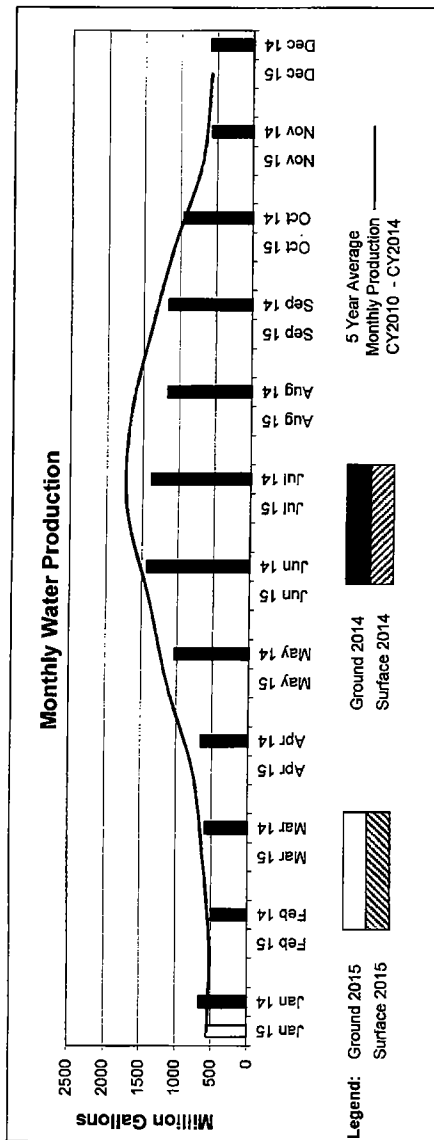
Exception Report for January

See Claims Update report regarding the Timothy Lee Bonds Claim.



Monthly Water Production 2015

Month	North Service Area *		South Service Area **		Sub Total (MG)	Total North & South Service Areas (MG)	Average MG/Day	% Of Total Year to Date Production
	Surface (MG)	Ground (MG)	Surface (MG)	Ground (MG)				
Jan	0.000	351.205	0.000	213.703	213.703	564.908	18.223	100.000
Feb		0.000		0.000	0.000	0.000	0.000	0.000
Mar		0.000		0.000	0.000	0.000	0.000	0.000
Apr		0.000		0.000	0.000	0.000	0.000	0.000
May		0.000		0.000	0.000	0.000	0.000	0.000
Jun		0.000		0.000	0.000	0.000	0.000	0.000
July		0.000		0.000	0.000	0.000	0.000	0.000
Aug		0.000		0.000	0.000	0.000	0.000	0.000
Sep		0.000		0.000	0.000	0.000	0.000	0.000
Oct		0.000		0.000	0.000	0.000	0.000	0.000
Nov		0.000		0.000	0.000	0.000	0.000	0.000
Dec		0.000		0.000	0.000	0.000	0.000	0.000
MG	0.000	351.205	0.000	213.703	213.703	564.908	18.223	
AF	0.000	1,077.809	0.000	665.830	665.830	1,733.639		



* North Service Area (North Highlands, Northridge, McClellan Park and The Arbors)
 ** South Service Area (Town and Country)

Mo/Yr	Million Gallons (MG)			Difference
	Surface	Ground	Total	
Jan 15	0.000	564.908	564.908	-102.447
Jan 14	0.000	667.355	667.355	
Feb 15	0.000	0.000	0.000	
Feb 14	0.000	505.226	505.226	
Mar 15	0.000	0.000	0.000	
Mar 14	0.000	595.094	595.094	
Apr 15	0.000	0.000	0.000	
Apr 14	0.000	657.063	657.063	
May 15	0.000	0.000	0.000	
May 14	0.000	1,029.145	1,029.145	
Jun 15	0.000	0.000	0.000	
Jun 14	0.000	1,433.938	1,433.938	
Jul 15	0.000	0.000	0.000	
Jul 14	0.000	1,387.079	1,387.079	
Aug 15	0.000	0.000	0.000	
Aug 14	0.000	1,165.573	1,165.573	
Sep 15	0.000	0.000	0.000	
Sep 14	0.000	1,165.237	1,165.237	
Oct 15	0.000	0.000	0.000	
Oct 14	0.000	962.686	962.686	
Nov 15	0.000	0.000	0.000	
Nov 14	0.000	574.261	574.261	
Dec 15	0.000	0.000	0.000	
Dec 14	0.000	600.252	600.252	

SACRAMENTO SUBURBAN WATER DISTRICT
Water Wheeled To Other Purveyors

2015

Month	California American Water Company		Citrus Heights Water District		City of Sacramento		County of Sacramento		Rio Linda / Elverta Water District	
	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)
January	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
February										
March										
April										
May										
June										
July										
August										
September										
October										
November										
December										
YTD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000



Water Operations Activity

	January 2015	Monthly Average	CY 2015
<u>Production Department</u>			
<u>Service Orders</u>			
Preventive Maintenance: Work Orders Completed	1,538	1,538	1,538
Corrective Maintenance: Work Orders Completed	10	10	10
<u>Water Quality</u>			
Complaints	0	0	0
Inquiries	18	18	18
<u>Distribution Department</u>			
<u>Service Orders</u>			
Main Leaks	1	1	1
Service Line Leaks	12	12	12
Locate & Expose (L&E)	34	34	34
Determine Responsibility (DR)	30	30	30
<u>Water Main Shutdown</u>			
-- Emergency	1	1	1
-- Scheduled	0	0	0
<u>Preventive Maintenance Program</u>			
Fire Hydrants Inspected	139	139	139
Fire Hydrant Valves Inspected	124	124	124
Fire Hydrant Valves Exercised	95	95	95
Mainline Valves Inspected	30	30	30
Mainline Valves Exercised	30	30	30
<u>Underground Service Alert</u>			
Reviewed	1,248	1,248	1,248
Marked	407	407	407
<u>After Hours Activity (On-Call Technician)</u>			
Calls Received	66	66	66
Calls Responded	38	38	38
Average Call Time Hours	2	2	2
Overtime Hours	65	65	65
<u>Field Services Department</u>			
<u>Meters</u>			
Preventive Maintenance - Meters Tested	0	0	0
Preventive Maintenance - Meters Replaced	2	2	2
Preventive Maintenance - Meter Re-Builds	0	0	0
<u>Customer Service</u>			
Shut Off (non-payment)	229	229	229
Restore Service	171	171	171
Customer Pressure Inquiries	11	11	11
<u>Field Operations Department</u>			
Service Requests Generated	1,784	1,784	1,784
Work Orders Generated	831	831	831



Date: February 9, 2015
Subject: Claims Update
Staff Contact: Jim Arenz, Operations Manager

On December 21, 2009, the District adopted a Claims Processing Policy. The Policy requires any claim in excess of \$10,000 be brought before the Board for approval or rejection of said claim. The General Manager has the authority to approve or reject claims up to \$10,000. The Policy further requires that all claims less than \$10,000 be reported to the Board as an information item.

The following information provides an overview of the claims that have been submitted to the District:

CLAIMS APPROVED/REJECTED BY GENERAL MANAGER

There were no formal claims approved or rejected by the General Manager this month.

CLAIMS UNDER REVIEW/INVESTIGATION

There are no claims under review or investigation at this time.

REQUEST FOR DISMISSAL

On February 10, 2015, the District's insurance carrier, ACWA-JPIA, reviewed a letter (see Exhibit WO-1) from Kayla Villa, of Donahue-Davies LLP, notifying of a Request for Dismissal of the entire action with prejudice of all parties and all causes of action entered on January 15, 2015 by the Sacramento County Superior Court. This letter was in reference to a previous claim submitted on October 15, 2013, from Timothy Lee Bonds c/o Rosenthal Law, requesting approximately \$335,000.00 for injuring himself as a result of slipping on a wet patch of asphalt that was covered in algae on June 3, 2013. Ms. Villa indicated that her firm would be closing the file on this case indicating that no further action on this matter is required.

Exhibit WO-1



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James R. Donahue*
Brian C. Haydon
Michael E. Myers*
William K. Blakemore
Stephen J. Mackey
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1652 West Texas St
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Of Counsel
James E. Donahue*

*Member -
American Board of
Trial Advocates

February 10, 2015

SENT VIA E-MAIL ONLY

CeCe Wuchter
ACWA-JPIA
P.O. Box 619082
Roseville, CA 95661-9082

Re: Bonds v. Sacramento Suburban Water District, et al.
Member: Sacramento Suburban Water District
Date of Loss: 06/03/2013
File No.: 14-0477

Dear Ms. Wuchter:

As previously advised, we received the Request for Dismissal of the entire action with prejudice of all parties and all causes of action entered on January 15, 2015 by the Sacramento County Superior Court, a copy of which was previously forwarded to Mr. Greenfield. I am also enclosing a copy of the Notice of Entry of Dismissal of the SSWD's Cross-Complaint for your files. At this time, we will now close our file. Our final statement for services rendered will follow under separate cover.

Thank you again for referring this file to our office for handling. As always, it is a pleasure working with you.

Very truly yours,

DONAHUE · DAVIES LLP

By: 
KAYLA C. VILLA

KCV
CC: Dan York (SSWD)



Agenda Item: 9.b

Date: February 9, 2015

Subject: Customer Service Report

Staff Contact: Annette O'Leary, Administrative Services Manager

The following items provide a summary of the Customer Service Department activity for the month of January 2015.

1. Customer Service Monthly Activity (see Exhibits CS-1 and CS-2)

- a. Customer Service Activity Report shows Customer Service activity for the month of January 2015.
- b. Call Volume Report shows number of calls received, abandoned calls, and queue times.

2. Customer Service Exceptions

The rate increase, adopted by the Board of Directors on August 27, 2013, took effect on January 1, 2015. Customers were informed of this rate increase in the December and January bill insert.



Exhibit CS-1 - Customer Service Activity

<u>Customer Service Department</u>	<u>January 2015</u>	<u>Calendar Year 2015</u>
<u>Billing</u>		
Water Connections - Total Active	46,173	n/a
Active Flat w/o Meter	11,283	n/a
Active Flat w/Meters	2,145	n/a
Active Meter Non-Residential	6,625	n/a
Active Meter Residential	26,119	n/a
Water Connections - Suspended/Disconnected	639	n/a
Owner/Tenant Billing Agreement	1,144	n/a
E-billing	1,996	n/a
Water Statements Mailed	40,047	40,047
Monthly Calls	3,331	3,331
Customer Changes	222	222
<u>Collections</u>		
15-Day Notices	1,632	1,632
48-hour Door Tags Generated-Federal Express	785	785
Lock-off Door Tags Generated	286	286
Bankruptcy Processed	15	15
<u>Payments</u>		
	<u>% of Total</u>	<u>Count</u> <u>% of Total</u>
Cash/Check Payments (Front Office)	1,501 4.0%	1,501 4.0%
Credit Card Payments (Front Office)	730 1.9%	730 1.9%
SSWD Customer Web Payments	3,474 9.2%	3,474 9.2%
Direct Payment Service (Auto Payment-Checking)	5,024 13.3%	5,024 13.3%
Direct Payment Service (Auto Payment-Credit Card)	1,144 3.0%	1,144 3.0%
IVR (Automated Phone System)	1,298 3.4%	1,298 3.4%
Electronic Payments (Online Banking Payment)*	11,837 31.3%	11,837 31.3%
LockBox (Checks)	12,809 33.9%	12,809 33.9%
Total Payments	37,817 100.0%	37,817 100.0%

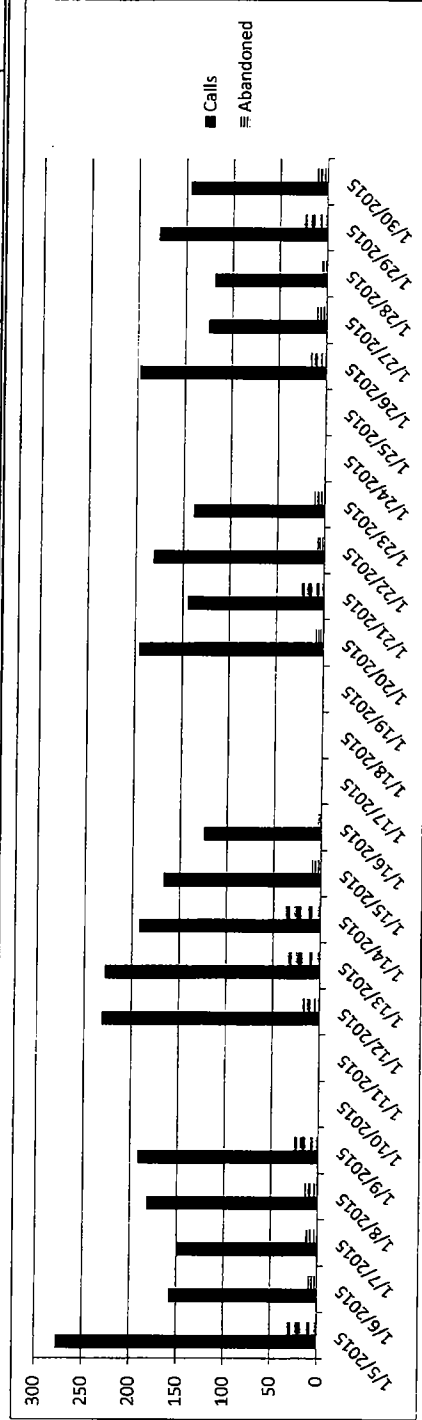
*Electronic payments have been combined into one category



Exhibit CS-2 - Call Volume Report - January 2015

Date Ranges : 01/01/2015 - 01/31/2015
 Time Ranges : 08:00 a.m. - 04:30 p.m.

Date	Calls Accepted	Calls Abandoned	% of Calls Abandoned	Average Wait On Queue	Maximum Wait on Queue	Average Treatment Time	Notes
1/5/2015	277	33	11.91%	0:01:51	0:21:03	0:03:02	Billing Due Date
1/6/2015	158	10	6.33%	0:01:40	0:08:40	0:03:05	
1/7/2015	150	13	8.67%	0:01:56	0:08:05	0:02:27	Collection Lock-off
1/8/2015	182	15	8.24%	0:02:29	0:10:50	0:02:56	
1/9/2015	192	27	14.06%	0:01:49	0:11:31	0:03:00	
1/12/2015	231	19	8.23%	0:02:00	0:08:15	0:03:05	
1/13/2015	228	36	15.79%	0:02:36	0:13:43	0:03:29	
1/14/2015	193	39	20.21%	0:03:39	0:21:38	0:03:38	Collection Lock-off
1/15/2015	167	10	5.99%	0:01:56	0:09:17	0:03:31	
1/16/2015	125	4	3.20%	0:01:36	0:05:26	0:03:16	
1/20/2015	196	9	4.59%	0:01:38	0:07:31	0:03:01	Billing Due Date
1/21/2015	145	25	17.24%	0:01:49	0:13:17	0:03:15	Collection Lock-off
1/22/2015	181	8	4.42%	0:01:21	0:05:05	0:03:33	
1/23/2015	139	12	8.63%	0:01:10	0:04:56	0:02:51	
1/26/2015	198	18	9.09%	0:02:06	0:09:55	0:03:08	Billing Due Date
1/27/2015	125	11	8.80%	0:01:53	0:14:18	0:03:26	
1/28/2015	119	6	5.04%	0:02:41	0:12:11	0:03:36	Collection Lock-off
1/29/2015	179	26	14.53%	0:02:47	0:20:02	0:03:41	
1/30/2015	146	12	8.22%	0:01:21	0:05:24	0:02:55	
GroupTotal	3331	333	10.00%	0:02:09	0:21:38	0:03:12	





Agenda Item: 9.c.

Date: February 9, 2015

Subject: Water Conservation and Regional Water Efficiency Program Report

Staff Contact: Greg Bundesen, Water Conservation Supervisor

Water Production

As part of the ongoing effort to evaluate the success of Sacramento Suburban Water District's (District) Water Conservation Program, staff has developed a data set tracking tool (see Exhibit WC-1) to track the District's monthly water production in comparison to the monthly historical water use averages.

As seen on the graph, specifically for the month of January 2015, District production declined 12% when compared to the historical average for the month of January, 4% from the 10 year average, 9% from the 3 year average, and 18% from the baseline average. In January 2015, a month that saw a record low of 0.04 inches of rain, production decreased 15% when compared to January of 2014. However, the State Water Resources Control Board is using 2013 water use data as a baseline to gauge drought response. Therefore, when using this baseline, the District increased water production by 7% in January 2015 when compared to January 2013.

It appears District customers continue to reduce their water use as stricter water conservation measures have been in affect. December's water consumption tends to be a bit higher as the holiday season tends to drive additional water use.

Drought Report (New to this report)

The Drought Report (see Exhibit WC-2), by the Regional Water Authority (RWA), summarizes the water use reduction in 2014 for the entire Sacramento region, as well as individual member agencies, as a result of the drought. Since the data is gathered and assembled by RWA in the first two weeks of the current month for the previous month, the summary report will always be one month behind. The current report is for December 2014.

Note: This report was moved from the Water Operations and Exception Report to the Water Conservation and Regional Water Efficiency Program Report beginning February 2015 as it better relates to Water Conservation.

Water Conservation Program

As a result of the State Water Recourses Control Board's mandatory water conservation decision on July 15, 2014, the District increased its Water Conservation Stage to a full Stage 2 – Water

Warning asking District customers to reduce their water consumption by 25%. In an effort to ensure that District customers are made aware of the change in the Conservation Stage, District staff continues to implement the following:

- Website updates:
 - Homepage banner updates.
 - Water Conservation Stage Declaration page update, noting mandatory Water Conservation Stage 2 – Water Warning restrictions.
 - Drought Information Page updated with the most recent State Water Recourses Control Board decision.
 - Watering Days page updated to reflect 2 day per week watering schedule.
 - Water Conservation page retooled making navigation easier.
- Water Conservation Stage 2 – Water Warning post card outlining the changes made by the Board of Directors’ decision, including the major changes to the watering days (from 3 down to 2) and restricted watering times (no watering between the hours of 12:00 noon and 8:00 p.m.).
- Updated messages on hold reflecting new Water Conservation Stage 2 – Water Warning.
- Updated Water Conservation brochure to reflect new Water Conservation Stage 2 – Water Warning.
- RWA website update
 - Noted on www.bewatersmart.info asking for a 25% reduction in water consumption.
 - Water Stage Map on www.bewatersmart.info with Water Conservation Stage 2 – Water Warning restrictions.

Staff will continue to promote the District’s Water Conservation Stage through future bill inserts, envelope messages, and newsletters. District staff will also continue to promote water conservation practices with water efficient devices and other promotional items.

District staff continues to promote water conservation directly to the District customers. To date, staff and our contract company have performed 3 indoor residential Water-Wise House Calls and 26 outdoor residential Water-Wise House Calls. Staff has issued 49 notices of Water Waste, a 46% decrease when compared to January 2014. During January 2015, staff conducted 6 Large Landscape water surveys for the various parks districts, Home Owners Associations, and schools, as well as 3 Commercial, Industrial, and Institutional water use surveys.

Staff is reaching out to the community about water conservation issues and information. A Water Conservation Survey (Survey) will be available to the public via the District’s website. The Survey will ask customers what they have done to save water during the drought, how they are getting information regarding water conservation, what the District can do to better assist them with their water conservation goals, and some demographic information. The Survey will be offered to the public until June 1, 2015. Customers who participate in the survey will be rewarded with a Blue Thumb sprinkler repair tool, as well as being entered into a drawing for a \$100 cash prize. The results of the Survey will assist staff in developing the future of the Water Conservation Program. Staff anticipates preparing a final report for the June 2015 regular Board Meeting.

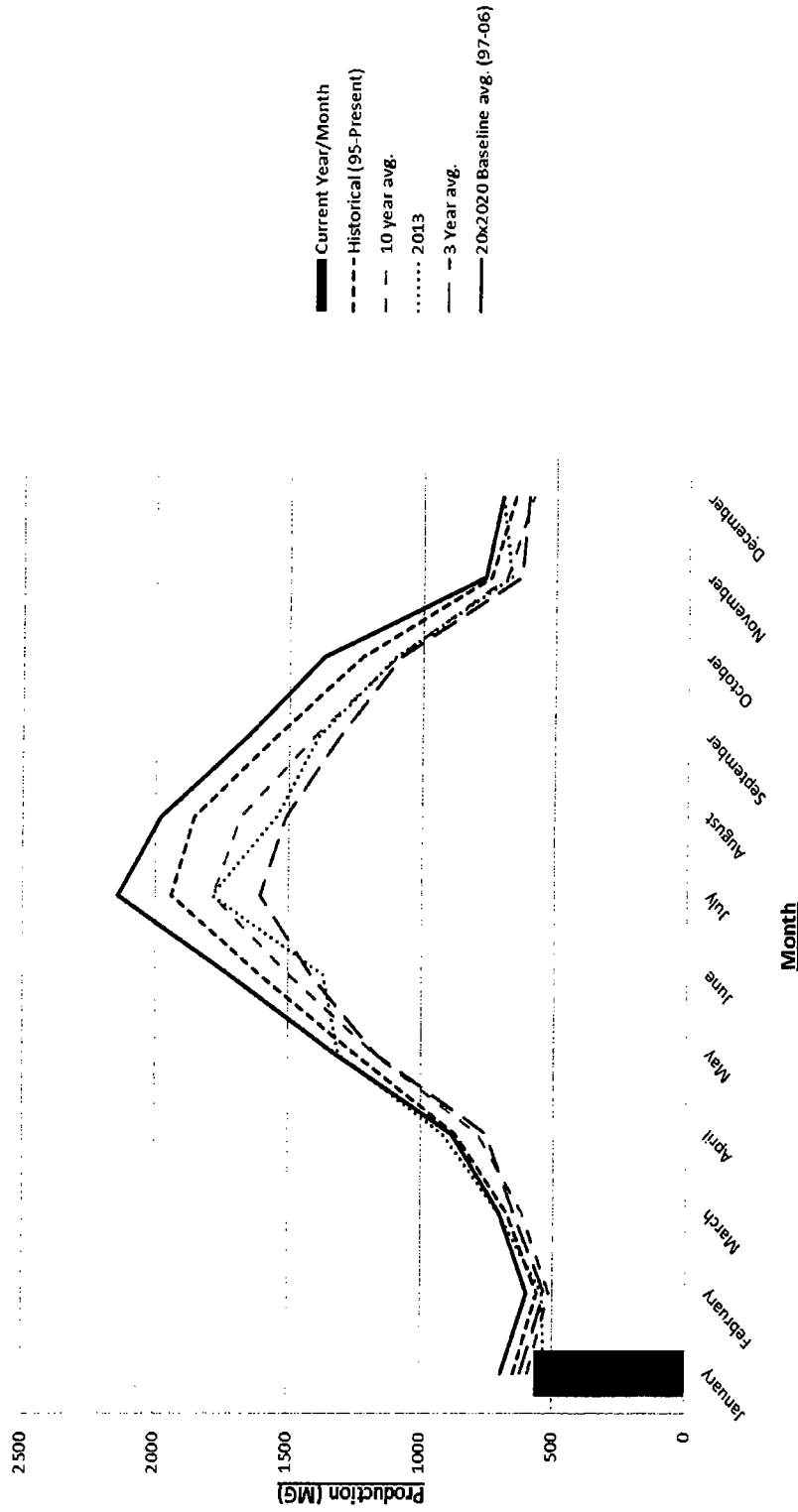
The Department of Water Resources (DWR) released its second Snow Pack Survey results of the 2014/15 winter season (see Exhibit WC-3). The results of the survey showed that the California snow pack was 25% of the multi-year average for December 30. DWR Director Mark Conwin stated: "Although this year's survey shows a deeper snowpack than last year, California needs much more rain and snow than we've experienced over the past 2 years to end the drought in 2015." Staff will continue to monitor and report the most recent snow survey results as they are made available.

Upcoming Events

California Urban Water Conservation Council Board Meeting – February 25, 2015; Los Angeles, CA.

California Urban Water Conservation Council First Quarter Plenary Meeting – March 25, 2015; San Diego, CA.

Exhibit WC-1



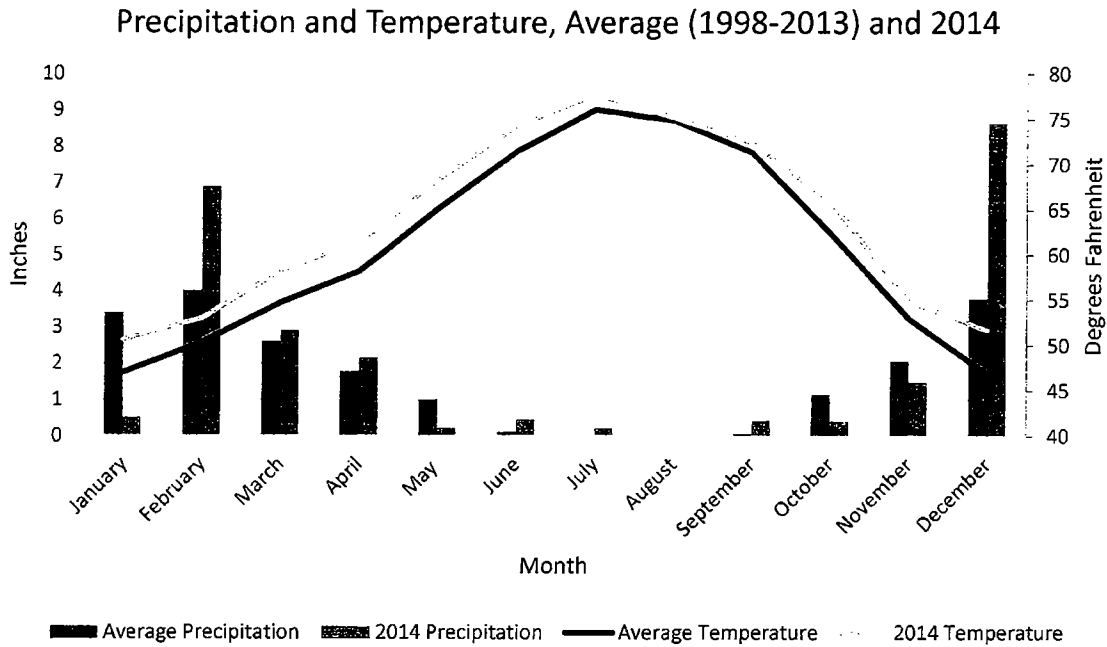
Month	Production (MG)	% Chg. Hist.	% Chg. 10 Yr.	% Chg. 2013	% Chg. 3 Yr.	% Chg. B.L.
Jan-15	564.9	-12%	-4%	-19%	-9%	-18%

RWA Drought Summary December 2014

REDUCTION BY VOLUME (MG)													
	Jan	Feb	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Total
2014	7,528	5,724	6,741	8,034	12,069	15,536	16,196	14,996	13,357	11,201	7,201	6,090	124,675
2013	6,333	6,602	9,218	11,048	16,025	17,968	20,742	19,335	15,975	13,680	9,804	7,729	154,459
%	-18.9%	13.3%	26.9%	27.3%	24.7%	13.5%	21.9%	22.4%	16.4%	18.1%	26.5%	21.2%	19.3%

REDUCTION BY AGENCY (2014 data compared to 2013)			
Water Agency	Jan.-Dec. Reduction	December Reduction	November Reduction
California American Water	20.9%	17.8%	26.2%
Carmichael Water District	19.6%	27.5%	27.7%
Citrus Heights Water District	20.8%	19.7%	25.1%
City of Folsom	19.8%	14.0%	20.8%
City of Lincoln	17.4%	30.8%	30.0%
City of Roseville	19.4%	24.0%	29.4%
City of Sacramento	18.8%	16.6%	25.5%
City of West Sacramento	18.2%	20.1%	27.0%
Del Paso Manor Water District	20.7%	42.7%	24.8%
El Dorado Irrigation District	23.4%	35.0%	36.3%
Elk Grove Water District	18.2%	34.6%	26.9%
Fair Oaks Water District	21.6%	32.2%	35.4%
Golden State Water Company	15.5%	12.5%	19.8%
Orange Vale Water Company	23.5%	28.2%	33.2%
Placer County Water Agency	18.1%	20.1%	27.1%
Rancho Murieta CSD	20.2%	28.7%	24.7%
Rio Linda/Elverta CWD	19.8%	13.8%	27.2%
Sacramento County Water Agency	17.3%	18.1%	25.9%
Sacramento Suburban WD	16.0%	19.2%	13.8%
San Juan Water District	25.9%	43.3%	40.1%
Average	19.8%	24.9%	27.3%
Minimum	15.5%	12.5%	13.8%
Maximum	25.9%	43.3%	40.1%

Exhibit WC-2

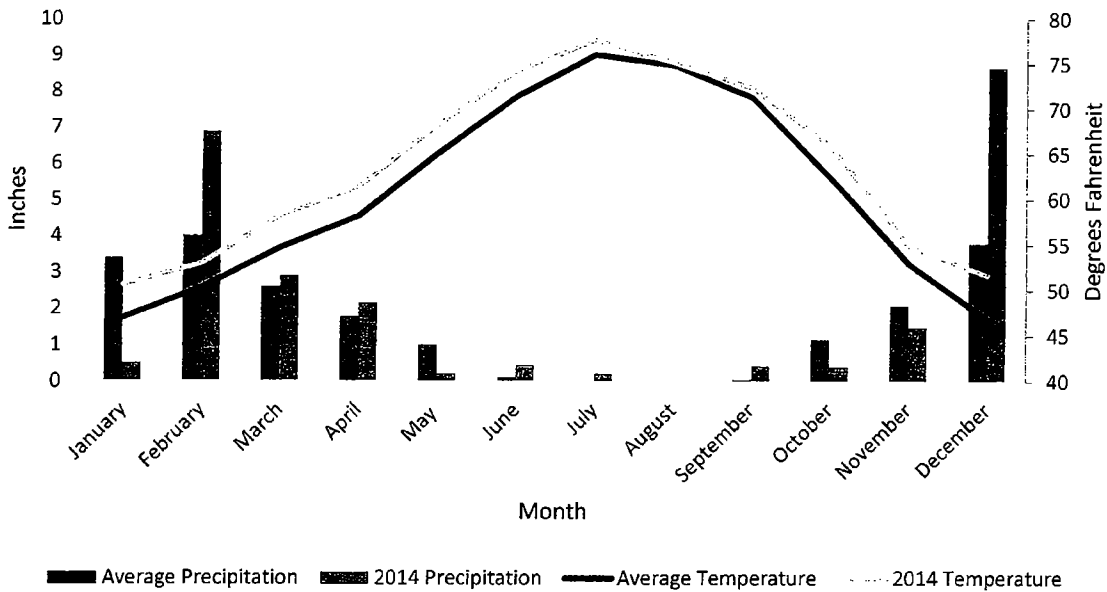


Water Agency	R-GPCD*
California American Water	93
Carmichael Water District	72
Citrus Heights Water District	84
City of Folsom	99
City of Lincoln	70
City of Roseville	57
City of Sacramento	69
City of West Sacramento	93
Del Paso Manor Water District	N/A
El Dorado Irrigation District	69
Elk Grove Water District	84
Fair Oaks Water District	104
Golden State Water Company	109
Orange Vale Water Company	98
Placer County Water Agency	95
Rancho Murieta CSD	N/A
Rio Linda/Elverta CWD	101
Sacramento County Water Agency	78
Sacramento Suburban WD	98
San Juan Water District	82
Regional Average	81

*R-GPCD: Residential Gallons per Day per Capita

Exhibit WC-2 (cont)

Precipitation and Temperature, Average (1998-2013) and 2014



Water Agency	R-GPCD*
California American Water	93
Carmichael Water District	72
Citrus Heights Water District	84
City of Folsom	99
City of Lincoln	70
City of Roseville	57
City of Sacramento	69
City of West Sacramento	93
Del Paso Manor Water District	N/A
El Dorado Irrigation District	69
Elk Grove Water District	84
Fair Oaks Water District	104
Golden State Water Company	109
Orange Vale Water Company	98
Placer County Water Agency	95
Rancho Murieta CSD	N/A
Rio Linda/Elverta CWD	101
Sacramento County Water Agency	78
Sacramento Suburban WD	98
San Juan Water District	82
Regional Average	81

*R-GPCD: Residential Gallons per Day per Capita



CALIFORNIA DEPARTMENT OF WATER RESOURCES

NEWS FOR IMMEDIATE RELEASE

January 29, 2014

Contacts:

Doug Carlson, Information Officer – (916) 653-5114
Paul.Carlson@water.ca.gov

Elizabeth Scott, Information Officer – (916) 712-3904 (on-site mobile)
Elizabeth.Scott@water.ca.gov

Ted Thomas, Information Officer – (916) 653-9712
Ted.Thomas@water.ca.gov

Scant Precipitation, Warm Temperatures Produce Weak Snowpack

SACRAMENTO –The absence of precipitation in January, normally California's wettest month, has combined with warmer-than-average temperatures to produce a dismally meager snowpack for a drought-stricken state.

Today's second manual snow survey of the season found a snow water equivalent of just 2.3 inches in the scant snowpack near Echo summit approximately 90 miles east of Sacramento. That is just 12 percent of the long-term average for this time of year at that particular snow course. Statewide, the snow water equivalent as measured by more than 100 sensors was 4 inches today, or 25 percent of the historical average. That's down from December 30 when DWR conducted the winter's first manual survey; the statewide snow water equivalent was 50 percent of that date's long-term average.

The Department of Water Resources (DWR) has measured the winter snowpack's water content for decades. In normal years, the snowpack supplies about 30 percent of California's water needs as it melts in the spring and early summer. The greater the snowpack water content, the greater the likelihood California's reservoirs will receive ample runoff to meet the state's water demand in the summer and fall.

Unfortunately, today's manual snow survey makes it likely that California's drought will run through a fourth consecutive year. DWR managers said heavy precipitation and cooler temperatures in the next three months would be required for the snowpack to build and give Californians hope for beginning to recover from drought this year.

Results of today's manual readings by DWR near Echo Summit off Highway 50 are as follows:

Location	Elevation	Snow Depth	Water Content	% of Long-Term Average
Alpha	7,600 feet	5 inches	1 inch	11
Phillips Station	6,800 feet	7.1 inches	2.3 inches	12
Lyons Creek	6,700 feet	15.5 inches	4 inches	20
Tamarack Flat	6,500 feet	13.4 inches	2.7 inches	14

After December storms delivered above-normal precipitation in the northern Sierra, virtually no rain has fallen there in the past month, and even less has been recorded in Central California. The 8-station index in the northern mountains was at 146 percent of normal after those storms but now is only 88 percent of normal for today's date. Just a few tenths of an inch of rain have fallen there since Christmas. The San Joaquin 5-station precipitation index is at 46 percent of normal.

The state's major water supply reservoirs reflect that meager precipitation record. Lake Oroville in Butte County, the State Water Project's (SWP) principal reservoir, now holds 41 percent of its 3.5 million acre-foot capacity (62 percent of its historical average for the date). Shasta Lake north of Redding, California's and the federal Central Valley Project's (CVP) largest reservoir, is at 44 percent of its 4.5 million acre-foot capacity and 65 percent of its historical average. San Luis Reservoir, a critical south-of-Delta pool for both the SWP and CVP, is faring better due to recent water deliveries to the reservoir as a component of the agencies' drought management strategy. San Luis holds 53 percent of its 2 million acre-foot capacity (68 percent of normal for the date).

State Climatologist Michael Anderson has said that to have a chance at ending the drought, California would have to record precipitation that is at least 150 percent of normal by the end of the water year on September 30, or 75 inches as measured by the 8-station index. As of today, only 23.1 inches have been recorded at the stations.

Governor Edmund G. Brown Jr. declared a drought State of Emergency on January 17, 2014 and directed state officials to take all necessary actions to prepare for water shortages. He called on all Californians to voluntarily reduce their water usage by 20 percent. Conservation – the wise, sparing use of water – remains California’s most reliable drought management tool. Each individual act of conservation – such as letting the lawn go brown or replacing a washer in a faucet to stop a leak – makes a difference over time.

Join other Californians at SaveOurWater.com to learn easy ways to save water every day, and visit drought.ca.gov to learn more about how California is dealing with the effects of the drought.

Electronic snowpack readings are available on the Internet at:

<http://cdec.water.ca.gov/snow/current/snow/index.html>

Reservoir conditions are found here:

<http://cdec.water.ca.gov/cqi-progs/reservoirs/RES>

For a broader snapshot of current and historical weather conditions, see DWR’s “Water Conditions” and “Drought” pages:

Water Conditions Page:

<http://www.water.ca.gov/waterconditions/waterconditions.cfm>

Drought Page:

<http://www.water.ca.gov/waterconditions/index.cfm>

Everyday water conservation tips may be found by clicking on Save Our Water at:

<http://www.saveourwater.com>

– 30 –

Visit SaveOurWater.com to find out how everyone can do their part, and visit <http://drought.ca.gov> to learn more about how California is dealing with the effects of the drought. The Department of Water Resources operates and maintains the State Water Project, provides dam safety and flood control and inspection services, assists local water districts in water management and water conservation planning, and plans for future statewide water needs.





2015 BMP Activity Report

	<u>Month</u> January	<u>Year</u> 2015
<u>Foundational BMPs - No Measurable Water Savings</u>		
1.1-1 Conservation Coordinator	*	Yes
1.1-2 Water Waste Prevention	*	Yes
1.1-3 Wholesale Agency Assistance	N/A	N/A
1.2 Water Loss Control	N/A	Yes
1.3 Metering/Commodity Rates	102	102
1.4 Retail Conservation Pricing	*	Yes
2.1 Public Information	*	Yes
2.2 School Education	*	Yes
<u>Programmatic BMPs - Demonstrated Water Savings</u>		
3.1 Residential Audits - Indoors	3	3
3.2 Residential Audits - Outdoors	26	26
3.3 Rebates - HE Clothes Washers		0
3.4 Rebates - HE Toilets	*	N/A
3.5 Residential New Development Assist.	*	N/A
4 CII Audits	3	3
5 Large Landscape Audits	6	6
<u>Other Water Savings Measures</u>		
Irrigation Efficiency Rebates	0	0
High Bill Investigations	14	14
<u>Water Waste Calls and Notifications</u>		
Water Waste Calls	15	15
Water Waste via Website	31	31
Notice - Water Waste	47	47
Warning - Water Waste	2	2
1st Violation - Water Waste	0	0
2nd Violation - Water Waste	0	0
3rd Violation - Water waste	0	0

* Not all BMPs are quantifiable. Of those that are not, if the District is implementing them, they are noted as "Yes;" If the District is not implementing them, they are noted as "N/A."



Agenda Item: 9.d.

Date: February 9, 2015
Subject: Community Outreach Report
Staff Contact: Annette O'Leary, Administrative Services Manager

1. March Bill Insert

The March bill insert will begin on February 25, 2015 and continue until March 25, 2015. The bill insert includes the following articles:

- Indoor Water Savings Tips
- Water Conservation Survey
- Community Outreach Day – Creek Week Celebration Event
- Chlorine and Safe Drinking Water
- How to Reduce Chlorine Taste
- SSWD Has Gone Paperless
- Tree Roots, Water Pipes and You

The bill insert is scheduled to be posted on the District's website at the end of February 2015. A sample of the bill insert has been included with this report.

2. February/March Envelope Message

The February envelope informs customers how much a leaking toilet can waste each day and gives them tips on how to check for leaks. This envelope started on January 28, 2015 and will continue until February 18, 2015.

The March envelope informs customers about how much water a garbage disposal uses each minute and encourages them to skip the garbage disposal. This envelope will start on February 28, 2015 and continue until March 18, 2015.

Samples of both envelopes are included with this report.

3. New Public Relations Firm Hired

The District signed a contract with Christine Kohn of IN Communication to assist with the District Public Relations needs. This will include writing articles for the monthly bill inserts and newsletters. Ms. Kohn has been responsible for the Regional Water Authority's Water Efficiency Program. Staff is very excited for Ms. Kohn's assistance in 2015.

4. Community Meetings/Events

Staff, representing SSWD, attended the following agency meetings, conference calls, community meetings, and events in January 2015:

<u>Date</u>	<u>Meeting</u>	<u>Staff</u>
01/06/15	Mtg w/West Yost Engineers – Sacramento River Reliability Project	Robert Roscoe
01/07/15	Assoc. of California Water Agencies Region 4 Board Mtg	Robert Roscoe
01/08/15	Water Forum Successor Effort	Robert Roscoe
01/12/15	Carryover Storage Working Group Meeting	Dan York
01/13/15	Water Caucus Meeting	Robert Roscoe
01/20/15	Regional Water Authority Lobbyist Subscription Program Mtg	Dan York
01/22/15	Sacramento Regional Contamination Issues Committee Meeting	Robert Roscoe
01/23/15	ACWA Sustainable Groundwater Mgmt Act Implementation Grp	Dan York
01/27/15	Regional Water Authority Government Affairs Meeting	Dan York
01/28/15	Regional Water Authority Executive Committee Meeting	Robert Roscoe
01/28/15	Sustainable Groundwater Mgmt Act Cleanup Legislative Mtg	Robert Roscoe
01/29/15	Association of California Water Agencies Board Workshop	Robert Roscoe
01/29/15	Oak Knoll Home Owners Association	Greg Bundesen
01/30/15	Association of California Water Agencies Board Meeting	Robert Roscoe

H₂O on the Go

March 2015

Produced for you by SSWD Staff

00130226



Indoor Water Saving Tip

Install high-efficiency appliances such as toilets, showerheads, faucets, dishwashers and clothes washers.

- One of the best ways to save water indoors is to replace older, water-wasting fixtures with high-efficiency models.
- This is especially true for toilets, clothes washers and showerheads, which together account for the majority of indoor water use.
- By installing high efficiency fixtures you're making a long-term investment in water efficiency as well as your home or business.

One of the easiest ways to make sure you're buying a water-efficient product is to look for EPA WaterSense labeled products.

- WaterSense products are third-party certified to make sure they meet water efficiency and performance standards.
- These products include toilets, urinals, showerheads, faucets and irrigation controllers and can be found at local home improvement stores.
- For more information regarding WaterSense labeled products visit the EPA's website, www.epa.gov/watersense/.

Water Conservation Survey

Sacramento Suburban Water District is interested in your water saving efforts. The District is currently hosting an online survey asking customers what they have done to achieve water savings in and around their home during these times of extreme drought. For participating in the survey, the District is offering its customers a complementary sprinkler repair tool and the opportunity to be entered into a drawing for a cash prize. For more information about the survey, please visit our website, sswd.org. Thank you for your continued water savings efforts!

Community Outreach Day Creek Week Celebration Event

Join staff at the next Community Outreach Day as SSWD participates in the Annual Sacramento County Creek Week Celebration which culminates on Saturday, April 18th.

From 9:00 am to noon, volunteers will clear trash from numerous creek sites in Sacramento County. Clean-up activities help to maintain or improve the riparian habitat and keep our waters clean. To volunteer or learn more, visit creekweek.net.

From 12:00 noon to 2:00 pm, following the morning clean-up is an afternoon celebration event at Carmichael Park. SSWD will have a booth at the afternoon event, please be sure to stop by.

Take this opportunity to meet with SSWD staff and be a part of this community activity. Be sure to check sswd.org for upcoming dates and locations of SSWD's Community Outreach Days.

Sacramento County Creek Week Celebration Event

Saturday
April 18, 2015
12:00 noon to 2:00 pm

Carmichael Park
5750 Grant Ave.
Carmichael



3701 Marconi Avenue, Suite 100 ♦ Sacramento, CA 95821-5546
Phone: 916-972-7171 ♦ Fax: 916-972-7639 ♦ Web: sswd.org
Business Hours: Monday – Friday, 8:00 a.m. to 4:30 p.m.

Chlorine and Safe Drinking Water

Chlorine is a highly effective disinfectant added to public water supplies to kill disease-causing bacteria and micro-organisms. It is considered one of the major public health advances of the 20th century, having greatly reduced water-borne illnesses such as typhoid fever, dysentery and cholera.



Like many public water systems, SSWD adds chlorine to disinfect its water supplies. Added in strict accordance with state and federal regulations, the amount of chlorine in the water is roughly equal to one drop of chlorine in a standard-size bathtub full of water.

The addition of chlorine helps maintain water quality all the way to the tap and keep the water free from any risk of accidental contamination. Drinking water systems that regularly add disinfectants such as chlorine score high marks for water quality and have virtually no occurrence of water-borne diseases.

To see answers to the most frequently asked questions on water quality go to sswd.org and click on "FAQs" on the home page.

Did You Know?

SSWD Has Gone Paperless!

Now you can do your part for the environment by going paperless with SSWD.

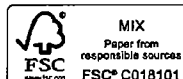
Sign-up for SSWD Online Billing Services and change from paper billing to paperless – SSWD and you; doing our part for the environment.

With SSWD's E-Billing you can now view your statement online without receiving a paper bill. It's a faster, convenient way to receive your monthly water statement.

Enroll in SSWD's free E-Billing service, which allows you to manage your account(s) online. It's easy – register to access your account at sswd.org and then choose "email" as the way to deliver your statement.

E-billing gives you 24/7 access to your account(s) from any computer, and puts 12 months of account history at your fingertips.

Once you have signed up for E-Billing, you can easily view and pay your water statement through Online Bill Pay. It is secure, free and easy. Start today and eliminate paper waste. You're green to go!



How to Reduce Chlorine Taste

Chlorine is extremely effective for disinfecting water and controlling disease-causing micro-organisms and pathogens. At the small doses in which it is added to drinking water it is generally tasteless and odorless. However, some people are able to taste or smell extremely low concentrations of chlorine in water. This can be especially true in the summer months when groundwater sources are slightly warmer, as warm drinking water has more apparent "taste" than cold water.

Simple steps can be taken to tone down the smell and taste of chlorine. The first is to expose water to fresh air in a pitcher or carafe because chlorine will naturally dissipate from your water within a few hours. Additionally, you may want to then cool this water in the refrigerator in a closed container to prevent it from absorbing odors that might be present in the refrigerator. This step can also save water since you won't be tempted to run the faucet until the water gets cooler. A final step is to place ice or a few drops of lemon in your water to reduce the chlorine taste.

Tree Roots, Water Pipes and You

Above and below ground, your landscaping can affect your water service. Tree roots can cause hundreds of dollars worth of damage to water pipes, cause leaks and interfere with your water service. Trees, bushes and vegetation can hinder SSWD staff's access to complete maintenance or emergency work. You can minimize these issues with a few precautions.

When thinking about your landscaping, plan ahead and avoid planting trees, bushes or other vegetation that could interfere with water pipes. Trees, bushes or other vegetation may start out small, but as they grow in size could interfere with underground water pipes. Near water pipes, choose vegetation that is small, slow-growing with a less aggressive root system.

Not sure about the pipes underground? To determine if there is a water main or service line in your front or rear yard call Underground Service Alert (USA) at 8-1-1. Via USA, the District will locate and mark District owned underground waterlines on your property.

Stop Those Leaks!

Leaking toilets can waste anywhere from 30 to 500 gallons a day.

How to check for a toilet leak:



- ❶ Pick up dye tablets available from SSWD's administrative office (no charge!)
- ❷ Place dye tablet in toilet tank and let dissolve for about 15 minutes (do not flush)
- ❸ When you return, look into the toilet bowl to see if dye color is present
- ❹ If dye color is present, you have a leak that requires repair

For more information on how to save water around the house, go to www.sswd.org



H₂O Saving Tip

Skip the Garbage Disposal

Scrape food scraps into the garbage can or a composting bin, rather than rinsing them down your garbage disposal.

A garbage disposal uses up to 2.5 gallons of water per minute.

For more water savings tips visit sswd.org/conservation-tips





Agenda Item: 10

Date: February 10, 2015

Subject: Engineering Report

Staff Contact: John E. Valdes, Engineering Manager

Described below are significant engineering department activities and milestones over the past month. The report is separated into the following sections: Major Capital Improvement Projects, Developer Projects, County and City Projects/Coordination, McClellan Business Park, Developer Projects and Other.

a. Major Capital Improvement Projects

i. Production

Rutland Production Well (#N39) Design and Construction

Well construction is close to being completed by Roadrunner Drilling. The casing, well screen, gravel fill pipe, sounding tubes, and gravel pack have been installed as designed. The annular/sanitary seal has been installed. Airlift well development has been completed. Final well development and test pumping is currently underway. Water quality sampling and testing is also still to be performed.

Various Well Investigation and/or Rehabilitation Projects

Some of the ongoing projects are discussed in more detail below:

- Well #13, Calderwood/Marconi – The only remaining work to be completed at this site is the asphalt replacement that will occur this spring, weather pending. The well can still be put back online and will be scheduled for startup as soon as a permit amendment is approved by the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW).
- Wells #N7 (Rosebud), #N8 (Field), #N12 (St. Johns), #N14 (Orange Grove), #N25 (Sutter) and #N35 (North Antelope) – The work to add flush-to-waste capability at each of these sites is now completed.
- Well #64, Galbrath/Antelope Woods – The well rehabilitation work is completed. The well will be redeveloped and flushed before being placed back on line.
- Well #31A, Watt/Elkhorn – Well redevelopment and flushing/disinfection have been completed. Staff will be scheduling startup activities to get this well back online.

Electrical Arc Flash Hazard Modifications at Various Well Sites

Some of the ongoing projects are discussed in more detail below:

- New Panel Installation – The panels are scheduled to be installed early this year.
- Control Panel Modifications – This work is scheduled to be completed early this spring in coordination with SMUD shutdowns.

Installation of Variable Frequency Drive (VFD) at Auburn/ Yard Well (#40A)

This project is 50% funded by a water energy demonstration grant from SMUD. The estimated total cost of the new VFD and related work is \$46,000 and the grant will pay one-half. Tesco has installed the new VFD and is currently working on the programmable logic controller (PLC) programming. The electrical panel air conditioner (AC) unit is still to be installed by Brower Mechanical. Startup and testing of the new VFD is intended to be conducted in late-February or early-March, 2015.

Elevated Storage Tank Improvements

Various hydraulic modifications have been designed for Elevated Tanks #216, #769, and Capehart to bring them into compliance with DDW inspection requirements. Construction work is currently underway to complete the required modifications. Tank #769 has been isolated from the distribution system with the installation of a new tee and valve. Tank #216 is scheduled to be isolated from the distribution system through the installation of a new cross, three 10-inch valves and a 16-inch valve going to the tank (this tank didn't previously have an isolation valve). Area West Engineers is also providing design work to incorporate tank drains at each of the three sites.

Two Groundwater Monitoring Wells

The District has received a partial Local Groundwater Assistant (LGA) grant from the Department of Water Resources (DWR) that will pay for the majority of the costs related to the construction of two new groundwater monitoring wells. The original location of the two monitoring wells was the District's North/Root Well (#54) and Arden/William Pond Well (#48). However, the location of one of the two wells had to be changed due to site access issues at Well #54. That monitoring well will now be constructed on the site of the District's Eden/Root Well (#32A). The District has received a formal grant amendment from DWR showing this scope change. The grant amendment has been signed and returned to DWR. The District's engineer, Brown and Caldwell (BC), has prepared 90% plans and specifications for the new monitoring wells which are currently under review by District staff. It is anticipated that the new monitoring wells will be constructed this spring.

ii. Distribution

Arden Oaks Main Replacement Project - Phases 1 & 2

The project is completed except for final paving to be completed by the County of

Sacramento (under an agreement with SSWD) in the spring/summer of 2015. A Notice of Completion was prepared and was filed at the County Clerk Recorder's Office on December 30, 2014. There will be no further reporting on this project

North Country Club Estates - Phase 4 Main Replacement Project

All new mainlines have been installed and tested by the contractor (Veerkamp General Engineering). GM Construction still has 40 in-tract lines to complete with an estimated completion date of February 11, 2015. Final paving will be postponed until weather conditions are acceptable. Veerkamp has notified the District that all mainline work is complete pending a few minor punch list items. A Notice of Completion is expected to be filed in February, 2015.

Santa Anita - Phase 2 Main Replacement Project

The District has awarded the mainline contract for the Master Service Agreement to Veerkamp General Engineers via Task Order No. 1. Veerkamp's contract amount is \$2,476,738. Veerkamp has begun potholing the alignment, and will begin installing pipelines in February. GM Construction has also been awarded a contract under the Master Service Agreement with Task Order No. 2 in the amount of \$1,406,407. The project is anticipated to break ground in February with pipe installation and service line installation. Construction work is expected to take six to seven months to complete.

Fair Oaks Estates Main Extension Project

The design for this project has been completed in-house. The final engineer's cost estimate is pending. One or two easements will need to be acquired for this project. The District has also applied for an Encroachment Permit from the County of Sacramento. Construction is anticipated to begin in mid-spring 2015 if easement acquisition is successful.

Belcot Way (ROW) Improvement Project

Performance Piping has completed the mainline installation, abandonment, and tie-ins on Belcot Road. Rawles Engineering has completed the service line cross overs on Belcot Road. The project is awaiting acceptable weather conditions to complete final paving.

2014 Heatherdale Main Extension Project

The Heatherdale project has been completed. The District is waiting for the final billing from Rawles Engineering. A Notice of Completion is expected to be filed at the County Clerk/Recorder's Office in February, 2015.

2015 Fulton Avenue R.O.W. Improvement Project - Phase 2 (Edison Avenue to Auburn Blvd.)

The Fulton Avenue Phase 2 project will complete the abandonments of undersized main in Fulton Avenue ahead of the County's 2015 paving project. This work is outside of the scope of the 2015 Fulton/El Camino R.O.W. Improvement Project and will include the installation of approximately 100-linear feet of 6, 8, and 12-inch ductile iron pipe. Additionally, it will include the cross-over of existing services from backyard to front

yard, and the installation of backflow devices for commercial businesses. The District has bid and awarded the job to GM Construction with a contract amount of \$204,922. GM intends to complete all work by April, 2015.

Water Meter Retrofit Plan Update

An updated and revised draft Water Meter Retrofit Plan (“Plan”) has now been prepared which is an updated version of the adopted 2007 plan. This Plan provides a plan and strategy for retrofitting the District’s remaining existing flat rate residential customers with water meters. As required by state law (AB2572), the District must install water meters on all remaining flat rate customer accounts by January 1, 2025. The draft Plan was presented to the Facilities and Operations (F&O) Committee at their meeting on January 21, 2015. It was suggested that the Plan could be changed to a Water Meter Asset Management Plan by adding a section on existing meter replacement. The committee asked that the revised draft Plan be presented to them again before it goes to the full Board for consideration and approval. Staff intends to present a revised draft Plan to the F&O Committee at their next scheduled meeting.

2014 Meter Retrofit Project

The District’s contractor, Flowline Contractors, Inc., is 100% complete with the 2014 project. A Notice of Completion has been filed at the County Clerk Recorder’s Office.

2015 Meter Retrofit Project

A Notice to Proceed was issued to the District’s contractor, Flowline Contractors, Inc., for an effective start date of January 19, 2015. A preconstruction meeting was held on January 29, 2015. Construction work was underway as of February 2, 2015.

iii. Other Projects

Antelope Pump Back Project

Construction work is underway by W.M. Lyles Co. Work to date includes trenching and installation of electrical conduits along Antelope North Road per SMUD’s requirements for electrical service. Other work to date includes various shop drawing submittals and Value Engineering (VE) discussions and negotiations to achieve cost savings. These VE items include, but are not limited to, eliminating the permanent standby generator, changing two flow meters from mag meters in large concrete vaults to direct bury mag meters, and changing manufacturers for the two variable frequency drives (VFD) for the larger pump back pumps. Steps are currently underway to rectify a conflict with an existing 30-inch storm drain that was not shown on the plans. The County of Sacramento did not record the 30” storm drain in an easement. Staff will work with the County to rectify the easement issue. It appears that the pump station building can be shifted slightly to the south to alleviate the conflict.

A formal agreement for the ownership, operation and maintenance (O&M) of the pump back facility is currently being prepared. Staff from both SSWD and San Juan Water District (SJWD) have provided input into the current form of draft agreement. It is

currently anticipated that a draft O&M agreement will be brought to both boards for approval. Note that both boards previously adopted a Memorandum of Understanding dated October 20, 2014, that documents the primary principles that will be incorporated into the formal O&M agreement. In addition, a second MOU was adopted (and later revised and adopted) by both boards that outlines the responsibilities of each agency during the design and construction phases of the project. Also, as there are a number of important principles within each board adopted MOU that financially obligate each district, it is important that each district properly financially manage and account for the project. In that light, SSWD Finance Director Dan Bills has drafted a set of accounting procedures. This draft set of procedures is currently under review by both agencies.

b. County and City Projects/Coordination

There are several Sacramento County and/or City of Citrus Heights projects on file. These projects are in various stages of design ranging from A-Plans to C-Plans. C-Plans are projects that are approved for construction or are under construction.

c. McClellan Business Park

There is nothing new to report.

d. Developer Projects

General

There are approximately 44 projects in various stages of the approval process within the District. The majority of these are commercial projects. Currently there are 17 projects approved for construction, 15 of which have started or are under construction, and 2 that are scheduled, but have not provided the required deliverables prior to start of construction.

Total fees collected for CY 2014 were \$196,250, of which Facilities Development Charges accounted for \$150,181. No projects have been approved for CY 2015, thus no fees have been collected to date.

e. Other

North Highlands Community Planning Advisory Council (CPAC)

The regular North Highlands CPAC Meeting regularly scheduled for January 27, 2015 was canceled. The next regularly scheduled North Highlands CPAC meeting will be held on February 24, 2015.



[Back to Agenda](#)

Agenda Item: 11

Date: February 6, 2015

Subject: Financial Report – December 2014

Staff Contact: Daniel A. Bills, Finance Director

Eight reports are attached for your information. They are:

- DRAFT - Financial Statements – December 2014
- Investments Outstanding and Activity – December 2014
- Cash Expenditures – December 2014
- Credit Card Expenditures – December 2014
- Directors Compensation and Expense Accounting – Through December 2014
- Market Report Yields – January 2010 through December 2014
- DRAFT - District Reserve Balances – December 2014
- DRAFT - Information Required by Bond Agreement

Financial Statements

These Financial Statements and certain other reports noted above and below are presented in Draft form. As December 31 is the District's year-end for financial reporting purposes, amounts presented in this report will remain "Draft" until the external auditor's financial audit is complete and the Board accepts the audited 2014 annual report (CAFR). The results of the audit and the CAFR are expected to be complete and brought to the Board at the April Board meeting.

DRAFT - Balance Sheet:

District cash and cash equivalents have decreased to \$1.3 million as of December 31, 2014, down from \$5.4 million at December 31, 2013. Cash and cash equivalents have largely been reduced due to the combination of a \$2.5 million reduction in net income after capital contributions and increased capital project expenditures during 2014. Cash held in the District's bank accounts (\$2.7 million as of December 31) is held in accordance with state and federal regulations, which state that cash held in the District's bank accounts above the FDIC insured limits must be fully collateralized with government securities that are equal to or greater than 110% of the District's cash balance in the bank at anytime.

Investments have increased since year-end 2013 by \$1.6 million to a total of \$40.0 million, largely reflecting the reinvestment of interest received in 2014 of \$0.46 million and a \$1.0 million transfer from operating cash.

Capital assets grew \$22.4 million to a total of \$412.8 million since year-end 2013, reflecting expenditures on distribution system replacements, meter retrofits and well rehabilitation and replacement projects during 2014. Capital assets are primarily funded by monthly remuneration from customers through “capital facilities charges,” developer contributions, as well as grant funds, when available, and District reserves when necessary.

Net position stands at \$220.4 million as of December 31, 2014, compared to \$208.7 million at year-end 2013 for an increase of \$11.7 million.

DRAFT - Income Statement:

The net position increase of \$11.7 million in 2014, when compared to \$14.2 million in 2013, shows:

1. Reduced operating revenue of \$2.5 million, due primarily to a decrease in water consumption revenues as water deliveries have decreased by 6,226 acre feet (16.0%) compared to 2013, thought to be the result of general conservation efforts by District customers, the Governor’s Drought Declaration and the District’s modified Stage 2 Conservation Stage Declaration.
2. An operating expense decrease of \$0.5 million due primarily to reduced surface water purchases of \$0.34 million as surface water was largely unavailable to the District in 2014.
3. Increased depreciation expense of \$0.5 million.
4. Increased investment revenue of \$0.5 million due primarily to increased unrealized market value gains on investments.
5. Increased facility development charges of \$0.4 million relative to the same period a year ago.
6. Increased developer contribution revenue of \$0.3 million compared to the same period in 2013.
7. Reduced capital grant revenue of \$1.3 million compared to 2013.

DRAFT - Budgets:

The District’s operating and maintenance expenditures for 2014 were less than the amended budget of \$16.6 million by \$0.7 million. Most of this positive variance was due to lower electrical and chemical costs than budgeted as actual water consumption in 2014 was lower due to water conservation efforts as noted above.

Operating capital project expenditures for the year were \$0.88 million compared to an annual budget of \$0.94 million.

The District's amended capital improvement project (CIP) budget for 2014 was \$21.0 million. For 2014, nearly all of the amended budget was spent - \$20.5 million. Expenditures continue to be primarily in distribution system replacements, meter retrofits and well rehabilitation and replacement projects.

Debt – December 2014

This report shows District activity in repaying its long-term debt obligations. During the year principal and interest payments of \$3.7 million and \$3.9 million, respectively, were made. Total principal outstanding as of December 31 is \$93.4 million.

Investments Outstanding and Activity – December 2014

Reserve funds are invested in diverse investments that consist of corporate notes, Federal Agency bonds and discount notes, U.S. Treasury bonds, notes and bills, commercial paper, municipal bonds, negotiable certificates of deposit and LAIF (Local Agency Investment Fund). The market portfolio is currently earning a rate of 1.02% per annum, while LAIF is earning 0.27% per annum. Unrealized market value losses on the District's investment portfolio are valued at \$0.31 million as of December 31. The unrealized market value loss reflects the rise in rates and a lengthening of the portfolio's duration. District staff monitors investment assets quarterly and reviews/approves the effective duration of the District's portfolio against its benchmark index on a quarterly basis as well.

During December, the District purchased a U.S. Treasury Note for \$0.45 million (par) and two Federal Agency Notes for \$0.8 million (par). The District sold three US Treasury Notes for \$1.1 million (par). See "Investment Activity" section in the attached report for further details, including net gain (loss) on sale.

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

Cash Expenditures – December 2014

During December, the District made cash payments totaling \$7.1 million. The primary expenditures were – \$5.2 million for capital improvement projects, \$0.2 million for pumping and chemical costs, \$0.2 million for construction and contract services, \$0.1 million for debt service and \$0.7 million for payroll, pension and health benefits.

Purchasing Card Expenditures – December 2014

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 \$14,872 for various purchases on the six District purchasing cards. Details by vendor and purpose are included in this report.

Directors Compensation and Expense Accounting – December 2014

Director meetings attended during the month of December and expenses are attached in accordance with the District's Directors' Compensation and Expense Reimbursement Policy (PL – BOD 003) and Government Code Section 53065.5. Director's who have not reported their meetings attended to District staff are expected to make an oral report at the Board meeting.

Market Report Yields – January 2010 through December 2015

The first page in this report shows current market rate data. The overall yield curve remained unchanged compared to the prior month. The yield on 30-year Treasury Bonds increased by 2 basis points from the prior month to 2.52%, and short-term rates dropped 1 basis point to 0.02%. The slope of the curve continues to remain steep in the 2 to 5 year range. Compared to one year ago, the 30-year Treasury bond yield was 3.67% while the short-term rate was at 7 basis points as the Federal Reserve Target Rate remained unchanged at 25 basis points.

The second page in this section shows the holdings of the District's investment portfolio by maturity as a percentage of the total portfolio. The District's portfolio is compared to the Merrill Lynch UST Zero-to-5 year index (the District's benchmark index) for purposes of broadly illustrating the District's investment strategy in terms of its duration.

The final page shows the monthly (unannualized) returns of the District's portfolio relative to its benchmark index, as well as the annualized returns of the portfolio at month-end. This final page is an attempt to evaluate the District's portfolio strategy on a rate-return basis (as opposed to a total return or a risk basis) relative to the market.

DRAFT - District Reserve Fund Balances

The District's Reserve Policy, PL – Fin 004, requires the District to maintain a certain level of cash and investments on hand at any one time, as determined by the Board annually. Balances as of December 31 are \$44,812,011 compared to \$47,307,695 at December 31, 2013.

DRAFT - Information Required by Bond Agreement

Per Article 5.2 (b) of the 2009A COP Reimbursement Agreement with Sumitomo Mitsui Banking Corporation, year-to-date net revenues available for the payment of debt service costs and an estimate of debt service payments for the upcoming six months are provided.

DRAFT
Financial Statements
December 31, 2014

**Sacramento Suburban Water District
Balance Sheet**

As Of

 **DRAFT**

	Month End 12/31/14	Year End 12/31/13
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$1,313,305.30	\$5,413,906.83
Restricted Cash and cash equivalents	32,245.65	31,396.57
Accounts receivable, net of allowance for uncollectible accounts	2,022,296.79	1,917,720.77
Interest receivable	105,770.14	95,875.02
Restricted Interest receivable	10,807.98	10,807.98
Grants receivables	33,969.64	877,392.71
Other receivables		112,638.70
Inventory	570,864.13	581,685.30
Prepaid expenses and other assets	536,206.62	590,561.44
TOTAL CURRENT ASSETS	4,625,466.25	9,631,985.32
NONCURRENT ASSETS		
Investments	39,959,089.90	38,373,316.32
Restricted Investments	3,497,003.35	3,478,267.30
Fair value of interest rate swaps	2,564,670.00	2,564,670.00
TOTAL NONCURRENT ASSETS	46,020,763.25	44,416,253.62
Property, plant and equipment	412,800,325.76	390,441,923.50
Accumulated depreciation	(141,158,981.48)	(130,324,266.83)
TOTAL CAPITAL ASSETS	271,641,344.28	260,117,656.67
TOTAL ASSETS	322,287,573.78	314,165,895.61
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on long-term debt refunding	8,607,461.99	9,250,585.91
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	330,895,035.77	323,416,481.52
LIABILITIES		
CURRENT LIABILITIES		
Current portion of long-term debt and capital leases	3,795,000.00	3,675,000.00
Accounts payable	1,944,229.00	1,046,899.30
Accrued interest	463,384.08	474,503.08
Deferred revenue and other liabilities	677,939.39	1,189,232.92
Accrued expenses	367,700.90	824,496.14
TOTAL CURRENT LIABILITIES	7,248,253.37	7,210,131.44
NONCURRENT LIABILITIES		
Long-term debt	99,733,879.08	104,162,562.28
Compensated absences	921,934.18	800,989.88
TOTAL NONCURRENT LIABILITIES	100,655,813.26	104,963,552.16
TOTAL LIABILITIES	107,904,066.63	112,173,683.60
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow of effective swaps	2,564,670.00	2,564,670.00
NET POSITION		
Invested in capital assets, net of related debt	162,467,433.24	161,530,680.30
Restricted	3,544,009.66	3,520,471.84
Unrestricted	54,414,856.24	43,626,975.78
TOTAL NET POSITION	220,426,299.14	208,678,127.92
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	330,895,035.77	323,416,481.52

**Sacramento Suburban Water District
Income Statement**

Period Ended

 **DRAFT**

	<u>Month</u> <u>12/31/14</u>	<u>Year-To-Date</u> <u>12/31/14</u>	<u>Month</u> <u>12/31/13</u>	<u>Year-To-Date</u> <u>12/31/13</u>
OPERATING REVENUES				
Water consumption sales	\$792,120.49	\$10,826,599.16	\$731,153.03	\$12,451,284.05
Water consumption sales - raw water				536,218.00
Water service charge	569,638.13	6,300,575.43	609,767.56	6,649,663.54
Capital facilities charge	1,990,669.52	20,677,852.80	1,963,151.57	20,650,099.52
Wheeling water charge	302.94	5,551.11	383.94	6,126.90
Other charges for services	68,305.55	1,113,268.32	81,991.02	1,067,868.65
TOTAL OPERATING REVENUES	3,421,036.63	38,923,846.82	3,386,447.12	41,361,260.66
OPERATING EXPENSES				
Source of supply	4,029.28	59,663.39	4,029.28	278,757.81
Source of supply raw water				127,154.88
Pumping	596,522.63	4,630,983.15	902,807.79	4,705,822.06
Transmission and distribution	874,672.81	3,640,682.04	691,369.12	3,885,986.59
Water conservation	44,506.79	399,292.39	44,437.30	321,564.44
Customer accounts	110,253.50	1,122,122.42	120,122.02	1,086,079.06
Administrative and general	870,655.61	6,052,241.81	987,201.33	5,961,233.78
TOTAL OPERATING EXPENSES	2,500,640.62	15,904,985.20	2,749,966.84	16,366,598.62
Operating income before depreciation	920,396.01	23,018,861.62	636,480.28	24,994,662.04
Depreciation and amortization	(900,512.52)	(10,886,409.34)	(859,401.74)	(10,423,858.33)
OPERATING INCOME	19,883.49	12,132,452.28	(222,921.46)	14,570,803.71
NON-OPERATING REV. (EXP.)				
Rental income	19,620.04	286,217.23	25,150.43	306,472.56
Property Taxes				426.55
Interest and investment income	(89,119.37)	548,337.89	(126,396.46)	89,154.61
Interest expense	(319,536.92)	(3,807,316.79)	(398,990.85)	(3,913,616.95)
Other non-operating revenues	27,249.24	58,728.88	26,082.08	91,920.07
Grant revenue pass-through to sub recipients		947,563.00		
Other non-operating expenses	0.04	(149.05)	0.10	(54.72)
Sub recipient grant expenses		(947,563.00)		
Gain(loss) on disposal of capital assets		20,934.00		
NON-OPERATING REV. (EXP.)	(361,786.97)	(2,893,247.84)	(474,154.70)	(3,425,697.88)
NET INCOME (LOSS) BEFORE CAPITAL	(341,903.48)	9,239,204.44	(697,076.16)	11,145,105.83
CAPITAL CONTRIBUTIONS				
Facility development charges	32,785.00	589,162.00	(46,811.60)	187,246.40
Developer contributions	566,259.00	1,893,996.01	1,084,455.48	1,553,212.48
Federal, state and local capital grants	941.26	25,808.77	1,335,593.77	1,355,782.77
TOTAL CAPITAL CONTRIBUTIONS	599,985.26	2,508,966.78	2,373,237.65	3,096,241.65
CHANGE IN NET POSITION	258,081.78	11,748,171.22	1,676,161.49	14,241,347.48
Net position at beginning of period	220,168,217.36	208,678,127.92	207,001,966.43	194,436,780.44
NET POSITION AT END OF PERIOD	220,426,299.14	220,426,299.14	208,678,127.92	208,678,127.92

Sacramento Suburban Water District
Amended Operations and Maintenance Budget
 Period Ended

DRAFT

	Month Of December			2014 YTD		
	Actual	Budget	Variance	Actual	Budget	Variance
BUDGETED OPERATING EXPENSES						
Board of Directors	\$58,578.77	\$3,982.10	(\$54,596.67)	\$96,193.88	\$69,965.20	(\$26,208.68)
Administrative	188,287.68	169,991.88	(18,295.80)	1,867,521.01	2,051,815.00	184,293.99
Finance	82,238.81	72,437.30	(9,801.51)	814,128.67	887,730.43	73,601.76
Customer Services	110,253.50	94,828.18	(15,425.32)	1,122,122.42	1,137,938.16	15,815.74
Field Operations	43,771.13	42,014.83	(1,756.30)	398,333.87	402,937.96	4,604.09
Production	600,551.91	527,305.61	(73,246.30)	4,690,646.54	4,988,906.32	298,259.78
Distribution	382,069.33	172,148.30	(219,921.03)	2,182,133.67	2,113,867.60	(68,266.07)
Field Services	113,704.16	113,987.60	283.44	1,086,353.55	1,371,393.20	285,039.65
Maintenance	93,335.72	55,091.07	(38,244.65)	631,536.60	654,192.68	22,656.08
Water Conservation	44,506.79	45,082.46	575.67	399,292.39	532,506.52	133,214.13
Engineering	627,049.34	82,213.01	(544,836.33)	1,293,749.80	970,661.08	(323,088.72)
GIS/CAD	31,692.11	28,068.66	(3,623.45)	313,966.07	345,423.92	31,457.85
Human Resources	18,026.55	13,004.57	(5,021.98)	170,128.58	179,999.84	9,871.26
MIS	74,098.08	67,243.37	(6,854.71)	676,061.62	758,720.44	82,658.82
Community Outreach	22,476.74	14,407.00	(8,069.74)	162,816.53	172,844.00	10,027.47
TOTAL OPERATING EXPENSES	2,500,640.62	1,501,805.94	(998,834.68)	15,904,985.20	16,638,922.35	733,937.15

SACRAMENTO SUBURBAN WATER DISTRICT
OPERATING CAPITAL BUDGET
12/31/2014

DRAFT

Project Number	Project Name	Total Approved 2014 Budget	Total Approved Reallocated Budget	Current Month Expenditures	Expenditures Year-To-Date	Committed Year- To-Date	Remaining Balance
SF14-278	CUST INFO SOFTWARE-TRUEPOINT	\$ 255,000.00	\$ 185,000.00		\$ 184,153.47		\$ 646.53
SF14-280	REMOVE ASBESTOS MATERIAL@W/SIT	58,000.00	15,000.00	11,154.32	15,993.00		(183.00)
SF14-281	ASPHALT REPAIR@REPL-WELL SITES	30,000.00	16,000.00	1,450.00	10,762.00		3,238.00
SF14-282	NSA FLOW MTRVALVE RELOCATIONS	55,000.00	20,000.00	184.17	90,872.30		(872.30)
SF14-293	PROD METER REPL@MGMETERS	30,000.00	20,000.00		27,998.09		1,201.91
SF14-294	CHEMICAL FEED SYS REPL@FLUORID	81,000.00	64,850.00	10,181.19	64,486.08		383.92
SF14-295	COVERS FOR WEIR TANK	15,000.00	16,100.00	0	19,070.28		(2,370.28)
SF14-296	EPA REQUIRED UCMR3 MONITORING	80,000.00	80,000.00	1,800.00	81,100.00		6,900.00
SF14-297	WATERTRAX SOFTWARE MODIFICATION	22,500.00	12,500.00	6,000.00	6,000.00		6,500.00
SF14-298	HYDRANT METER@PACKFLOW ASSEMB	25,500.00	40,500.00	6	39,183.20		1,316.80
SF14-299	AIRSTAR 7500BALLCOON LIGHT ASSEM	3,000.00	3,000.00		2,433.70		566.30
SF14-300	ICS 16" DIAMOND WET CHAIN SAW	3,000.00	4,000.00		2,843.60		1,156.50
SF14-301	MAKITA DEMO HAMMER PACKAGE	1,500.00	1,500.00		874.78		625.22
SF14-302	DECANT BASIN MODIFICATIONS	22,000.00	22,000.00		21,800.00		200.00
SF14-303	OFFICE FURNITURE REPLACEMENT	2,500.00	2,500.00	112.60	2,760.77		(260.77)
SF14-304	2 STEEL STORAGE LOCK BOXES	7,000.00	7,000.00	6,566.20	5,566.20		1,433.80
SF14-305	REFRESH PROGRAM - 6 DESKTOPS	15,000.00	19,500.00	3,811	8,893.00		238.14
SF14-306	REFRESH PROGRAM - 7 LAPTOPS	15,500.00	20,000.00	1,815.16	14,571.52		556.59
SF14-307	REFRESH PROGRAM - 3 SERVERS	42,000.00	87,900.00	18,114.18	43,460.27		4,517.47
SF14-308	MODIFICATION ESRI & CITYWORKS	25,000.00	35,000.00	11	12,280.00		14,387.00
SF14-309	REPL VEHICLE TRACKING SOFTWARE	25,000.00	25,000.00	6	20,613.00		913.00
SF14-310	REPL ANTELOPE GARDEN SOFTWARE	7,500.00	4,020.00		24,087.00		-
SF14-311	NEW ACCTG SOFTWARE ASSESSMENT	15,000.00	4,000.00	2,780.00	2,780.00		1,210.00
SF14-312	INTL ANTELOPE MONITOR SYSTEM	5,000.00					-
SF14-313	SCANNER & SOFTWARE@INVENTORY	20,000.00					-
SF14-314	IMPR LABOR@TIME TRACKING SYS	10,000.00					-
SF14-315	ENHANCE TO CAPTURE PROD DATA	15,000.00	15,000.00	2,945.00	2,945.00		12,055.00
SF14-316	DEVELOPE DEPT & BOARD REPORTS	20,000.00					-
SF14-317	REPLACE BACKFLOW PROGRAM	25,000.00					-
SF14-318	NEW DIFFUSER - ENG DEPT TRUCK# 62		1,500.00				1,500.00
SF14-319	METRO TECH EQUIPMENT		7,000.00				7,000.00
SF14-320	UPS@WALNUT SCADA SERVERS RACK		3,500.00				3,500.00
SF14-321	WALNUT UNITS HVAC REPLACEMENT		5,000.00				5,000.00
SF14-322	ONBASE UNITY CLIENT SERVER		13,020.00				13,020.00
SF14-323	WALNUT MEETING ROOM CHAIRS		1,800.00				1,800.00
SF14-324	ONBASE ESRI@CITYWORKS SERVER		27,900.00				27,900.00
SF14-325	PUMP CRYSTAL VALVE PROTECTION BLANKETS		10,000.00				10,000.00
SF14-326	TABLET REFRESH		6,500.00				6,500.00
SF14-327	AWWA STANDARDS SOFTWARE		5,000.00				5,000.00
SF14-328	INSTAL LANDSCAPE MULCH @ WALNUT YARD		10,200.00				10,200.00
SF14-329	EXT LIGHTING WITH LED @ WALNUT YARD		23,800.00				23,800.00
SF14-330	2 CHAIRS - CUSTOMER SERVICE DEPT		1,900.00				1,900.00
SF14-331	FIRE SERVICE BACKFLOW @ WALNUT YARD		2,000.00				2,000.00
SF14-332	NPDES FIELD MONITORING EQUIPMENT		6,000.00				6,000.00
		\$ 944,000.00	\$ 944,000.00	\$ 35,412.71	\$ 632,603.37		\$ 60,287.44



**Sacramento Suburban Water District
Amended Capital Improvement Project Budget
12/31/2014**

Project No.	Project Name	Total Approved FY 14 Budget	Total Approved Reallocated Budget	Current Month Expenditures	Expenditures Year-To-Date	Committed Year- To-Date	Remaining Balance
SC14-007	GROUNDWTR MONITORING/MODELING	\$ 210,000.00	\$ 30,000.00	\$ 4,751.13	\$ 4,751.13	\$ -	\$ 25,248.87
SC14-009	WELL REHAB/PUMP ST IMPROVEMENT	890,000.00	890,000.00	\$238,553.11	\$908,209.50	-	(18,209.50)
SC14-010	SCADA RTU/COMMUN IMPROVEMENT	100,000.00	100,000.00	-	103,134.33	-	(3,134.33)
SC14-010A	SCADA IMRPV & MOD/MASTER PLAN	400,000.00	400,000.00	301,052.99	301,667.74	-	98,332.26
SC14-011	WELLHEAD TREATMENT/CHEM FEED	275,000.00	275,000.00	155,465.77	155,609.11	-	119,390.89
SC14-012	WELL REPLACEMENT	698,000.00	398,000.00	93,505.20	377,974.01	-	20,025.99
SC14-013	ELEC ARC FLASH MOD@WELL SITES	270,000.00	270,000.00	130,329.54	229,579.42	-	40,420.58
SC14-018	DISTRIBUTION MAIN REPLACEMENTS	11,200,000.00	13,900,000.00	3,157,581.38	13,914,953.46	-	(14,953.46)
SC14-019	DIST MAIN IMPRV/EXT/INTERTIES	750,000.00	1,200,000.00	745,027.37	1,200,810.61	-	(810.61)
SC14-022	LOWERING/RAINSING VALVES BOXES	150,000.00	150,000.00	24,975.00	123,904.79	-	26,095.21
SC14-024	METER RETROFIT PROGRAM	1,950,000.00	2,100,000.00	261,140.09	2,060,561.19	-	39,438.81
SC14-024A	VOLUNTARY METER RETROFIT PROGR.	75,000.00	90,000.00	12,551.75	94,182.97	-	(4,182.97)
SC14-027	DISTRIBUTION MAJOR REPAIRS	350,000.00	450,000.00	38,968.09	441,569.48	-	8,430.52
SC14-034	RESERVIOR/TANK IMPROVMENT	100,000.00	-	-	-	-	-
SC14-034A	CORROSION CONTRL/CMLC WTR MAIN	50,000.00	50,000.00	52,626.44	65,991.44	-	(15,991.44)
SC14-035	PROFESSIONAL/SPECIAL PROJ	200,000.00	150,000.00	27,646.48	114,222.10	-	35,777.90
SC14-038	LARGE WTR METER >3" REPL	140,000.00	140,000.00	53,012.62	142,517.92	-	(2,517.92)
SC14-039	FIRE HYDRANT REPL/REHAB/ADD	100,000.00	150,000.00	16,771.48	117,738.98	-	32,261.02
SC14-040	ENGINE GENERATOR COMPLIANCE	75,000.00	30,000.00	-	-	-	30,000.00
SC14-041	PERMIT/OPER OF AQUIFER STORAGE	90,000.00	-	-	-	-	-
SC14-042	METER REPLACE/REPAIR - WMP	75,000.00	75,000.00	38,708.84	80,975.24	-	(5,975.24)
SC14-043	ANTELOPE PUMP BACK	100,000.00	100,000.00	16,293.84	21,095.79	-	78,904.21
SC14-044	CAPITAL IMPRV CTRP(SJWD AGREEM)	7,000.00	7,000.00	-	-	-	7,000.00
Totals		\$ 18,255,000.00	\$ 20,955,000.00	\$ 5,368,960.12	\$ 20,459,449.21	\$ -	\$ 495,550.79



**Sacramento Suburban Water District
Debt
12/31/2014**

Current Month

	Series 2009A COP	Series 2009B COP	Series 2012A	Total
Beginning Balance	\$ 42,000,000	\$ 27,915,000	\$ 23,440,000	\$ 93,355,000
Additions:				
Reductions:				
Payment				
Ending Balance	<u>\$ 42,000,000</u>	<u>\$ 27,915,000</u>	<u>\$ 23,440,000</u>	<u>\$ 93,355,000</u>

Year-To-Date

	Series 2009A COP	Series 2009B COP	Series 2012A	Total
Beginning Balance	\$ 42,000,000	\$ 29,700,000	\$ 25,330,000	\$ 97,030,000
Additions:				
Reductions:				
Payment		(1,785,000)	(1,890,000)	(3,675,000)
Ending Balance	<u>\$ 42,000,000</u>	<u>\$ 27,915,000</u>	<u>\$ 23,440,000</u>	<u>\$ 93,355,000</u>

**Investments Outstanding and Activity
December 2014**

**Investment Activity
December 2014**



Managed Account Security Transactions & Interest

For the Month Ending December 31, 2014

SACRAMENTO SUBURBAN WATER DISTRICT 76850100

Transaction Type	Trade Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
BUY	12/03/14	FREDDIE MAC NOTES	3137EADG1	400,000.00	(404,544.00)	(58.33)	(404,602.33)			
		DTD 04/16/2012 1.750% 05/30/2019								
	12/03/14	FNMA BENCHMARK NOTE	3135G0ZY2	400,000.00	(402,580.00)	(136.11)	(402,716.11)			
		DTD 11/07/2014 1.750% 11/26/2019								
	12/29/14	US TREASURY NOTES	912828A75	450,000.00	(449,560.55)	0.00	(449,560.55)			
		DTD 12/31/2013 1.500% 12/31/2018								
Transaction Type Sub-Total				1,250,000.00	(1,256,684.55)	(194.44)	(1,256,878.99)			
INTEREST										
	12/01/14	MONEY MARKET FUND	MONEY0002	0.00	0.00	0.65	0.65			
	12/05/14	CHEVRON CORP (CALLABLE) GLOBAL NOTES	166764AA8	150,000.00	0.00	828.00	828.00			
	12/05/14	CHEVRON CORP (CALLABLE) GLOBAL NOTES	166764AA8	220,000.00	0.00	1,214.40	1,214.40			
	12/10/14	BANK OF NOVA SCOTIA HOUS CD	06417HMU7	875,000.00	0.00	914.80	914.80			
	12/12/14	JOHN DEERE CAPITAL CORP NOTES	24422ESN0	670,000.00	0.00	3,768.75	3,768.75			
	12/23/14	HSBC USA INC	40434CAA3	290,000.00	0.00	1,885.00	1,885.00			
	12/24/14	CHEVRON CORP GLOBAL NOTES	166764AE0	680,000.00	0.00	5,841.20	5,841.20			
	12/29/14	FREDDIE MAC GLOBAL NOTES	3137EADH9	1,890,000.00	0.00	9,450.00	9,450.00			
	12/29/14	FREDDIE MAC GLOBAL NOTES	3137EADH9	500,000.00	0.00	2,500.00	2,500.00			
	12/30/14	FHLB (EX-CALLABLE) GLOBAL NOTES	3130A0GK0	750,000.00	0.00	1,406.25	1,406.25			
	12/31/14	US TREASURY NOTES	912828MD9	825,000.00	0.00	13,406.25	13,406.25			
		DTD 12/31/2009 3.250% 12/31/2016								





Managed Account Security Transactions & Interest

For the Month Ending December 31, 2014

SACRAMENTO SUBURBAN WATER DISTRICT 76850100

Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Transaction Type Sub-Total										
				6,850,000.00	0.00	41,215.30	41,215.30			
SELL										
12/01/14	12/03/14	US TREASURY NOTES DTD 01/17/2012 0.250% 01/15/2015	912828RZ5	650,000.00	650,203.13	622.62	650,825.75	1,091.80	238.26	SPEC LOT
12/29/14	12/31/14	US TREASURY NOTES DTD 01/17/2012 0.250% 01/15/2015	912828RZ5	250,000.00	250,029.30	287.02	250,316.32	371.10	34.01	SPEC LOT
12/29/14	12/31/14	US TREASURY NOTES DTD 03/01/2010 2.375% 02/28/2015	912828MR8	200,000.00	200,765.63	1,600.83	202,366.46	(10,804.68)	133.64	SPEC LOT
Transaction Type Sub-Total										
				1,100,000.00	1,100,998.06	2,510.47	1,103,508.53	(9,341.78)	405.91	
Managed Account Sub-Total										
					(155,686.49)	43,531.33	(112,155.16)	(9,341.78)	405.91	
Total Security Transactions										
					(155,686.49)	43,531.33	(112,155.16)	(9,341.78)	405.91	



PFM Asset Management LLC

**Cash Expenditures
December 2014**

Sacramento Suburban Water District
Cash Expenditures
December-14

Type	Payee	# Inv	Purpose	Amount
SSWD CIP PROJECTS				
	Affinity Engineering	2	ARC Flash Mitigation	\$ 28,695.00
	Ahstrom Construction	10	Inspection Services	13,520.00
	Aqua Tech Company	3	Clean and Inspect Tanks	10,350.00
	Area West Engineers	9	Engineering Services CIP Projects	34,697.00
	Brown & Caldwell	6	Well Evaluation/Rehab Generators	33,791.25
	Coleman Engineering	1	Regulation Review	5,874.28
	County of Sacramento	11	Project Inspections/Recorder Fees	13,743.79
	County of Sacramento	1	Pavement Restoration Costs	827,000.00
	Doliver Company Inc	11	McClellan System Repairs/Large Meters	98,528.90
	Domenichelli & Associates	5	Arden Oaks/Country Club Estates Main Eng.	33,152.00
	Double B Demolition	2	Well Site Destruction	7,000.00
	Doug Veerkamp General Engineering	18	McKinney Main Ext./Conveyance Work	577,152.24
	Energy Systems Inc	3	Well Gas Engine Maintenance	11,431.96
	Flowline Contractors	2	2014 Meter Retrofit	263,550.80
	Fox Loomis	3	Well Destruction	58,180.13
	Geospace Technologies	1	Meter Replacement - WMP	572.84
	GM Construction	1	Dale Avenue	121,410.05
	GM Construction	1	North Country Club Estates	261,734.00
	GM Construction	1	Meter Replacement/Hydrant Replacement	50,226.49
	GM Construction	5	Emergency Repairs - Various Locations	51,666.00
	GW Demolition	2	Well Destruction	19,500.00
	Industrial Service and Supply Inc	1	Powerpro 3012 Chlorinator	80,801.69
	JDH Corrosion Control Consultants	1	Corrosion Control/CMLC Water Main	4,185.00
	Kirby Pump and Mechanical	1	Hydrau Improvements at Elevated Tanks	9,685.80
	Loewen Pump Maintenance	7	Pump Rehabilitation	89,752.00
	M.A. Long Construction	3	Fullon/EI Camino Main Replacement Project	439,493.59
	Martin Brothers Construction	1	County Project # 4196	24,975.00
	Prodigy Electric	35	SCADA Remote Terminals Various PS	141,167.50
	Rawles Engineering	8	Heatherdale Main Extension/Kentfield Main Ext	275,272.50
	Roadrunner Drilling and Pump Co	2	Well Work 31A	82,908.75
	S&S Fence Company	1	Temp Fencing Rutland Well	9,155.00
	Sierra Valley Contractors	2	CIP Inspection Services	7,345.00
	T & T Valve and Instrument	1	Hydrau Improvements at Elevated Tanks	18,540.35
	Technofo Systems	3	Pump Rehabilitation Materials	15,319.35
	Tesco	7	SCADA Panels Various PS	291,850.00
	Tetra Tech	3	Required Water Sampling	10,508.44
	VE Solutions	1	Well 54 Engineering	300.00
	Pace Supply Corp	9	Inventory/CIP Supplies (Pipe)	1,198,078.60
INVENTORY				
	Armorcast	1	Inventory/CIP Supplies	1,283.48
	Badger Meter	2	Inventory/CIP Supplies	16,016.77
	Conix Water Products	18	Inventory/CIP Supplies	35,704.44
	Groeniger and Company	3	Inventory/CIP Supplies	930.05
	HD Supply	3	Inventory/CIP Supplies	1,889.72
	Ward Technical Products	3	Inventory/CIP Supplies	85,922.92
SSWD OPERATIONS & MAINT. / OPERATING CAPITAL PROJ.				
	A&A Stepping Stone Inc	3	Top Soil	247.86
	A1 Fabrication & Welding	2	Equipment Repair and Maintenance	3,525.00
	Abel Ramirez	1	Certification Renewal	50.00
	ACWA	1	Regions 2 & 4 Meeting	30.00
	ACWA/JPIA Vision Insurance/EAP	1	Employee Assistance Program	155.86
	ADP Inc	3	Payroll Processing Fees	1,808.28
	Advanced Integrated Pest Management	4	Pest Management	309.50
	Advanced Roof Design	2	Roof Repairs	726.00
	AFLAC	1	Supplemental Insurance Plan	435.55
	Airgas Safety	6	Safety Supplies	2,145.95
	Airgas USA LLC	1	Field Supplies	57.15
	All Pro Backflow	8	Backflow Testing Services	14,150.89
	AM Conservation Group Inc	2	Conservation Materials	7,659.67
	American Public Works Association	1	CU Credits	7.00
	Amerilas/Vision	1	Vision Insurance	1,788.72
	AnswerMe/Signius	1	Answering Service	274.61
	AT&T Calnet2	8	Phone Service	179.55
	Atlas Disposal	1	Trash Removal Services	156.48
	Avalon Custodial Care	3	Janitorial Services	2,120.00
	Batteries Plus	1	Equipment Supplies	4.31
	Bay Alarm Company	1	Building Maintenance	116.55
	Brian Henson	1	Backflow Testing Services	424.00
	Brower Mechanical	1	HVAC Services	124.00
	BSK Analytical Labs	1	Lab Services - Water Quality	4,717.50
	Bud's Tri County Tree Service	3	Tree Removal	4,700.00
	Burts Lawn & Garden	6	Landscape Services PS Aug & Sept	3,409.50
	California Diesel and Power	35	Pump Maintenance	29,620.56
	California Electronic Asset Recovery	1	Electronic Disposal	4,846.00
	California Surveying & Drafting	1	GIS/CAD Supplies	68.05
	Capitol Rubber CO LTD	1	Replenish Stockroom Supplies	298.45
	Capitol Elevator Company	4	Monthly Elevator Maintenance Contract	432.00
	CBA Custom Benefit Administrators	1	Benefits Administrator	40.00
	CDWG	9	IT Equipment/Supplies	47,187.73
	Ce# Energy Inc.	1	Equipment Batteries	101.60

Sacramento Suburban Water District
Cash Expenditures
December-14

<u>Type</u>	<u>Payee</u>	<u># Inv</u>	<u>Purpose</u>	<u>Amount</u>
SSWD OPERATIONS & MAINT. / OPERATING CAPITAL PROJ.				
	Central Valley Engineering & Asphalt	2	Pavement Restoration Services	37,412.00
	CIGNA/Dental	1	Dental Benefits	10,770.59
	CIGNA Healthcare	1	Life/LTD	3,381.87
	CINTAS	14	Uniforms and Janitorial Supplies - Walnut	2,502.04
	Cintas Document Management	2	Document Disposal Services	145.31
	Citrus Heights Water District	1	Conservation Event	124.67
	Cityworks Azteca Systems	1	Annual Licensing Renewal	3,290.00
	Classic Awards and Trophy	1	Name Plates for New Directors	18.45
	Clear Vision Window Cleaning	1	Building Maintenance	225.00
	Cold Control	2	Equipment Repair and Maintenance	1,659.79
	Comcast	1	Cable - Marconi	27.31
	Consolidated Communications	1	Phone Service	370.31
	Cotton Shoppe	1	Uniform Supplies	108.39
	County of Sacramento Utilities	5	Monthly Service Billings	866.04
	County of Sacramento / Enviro Mgt	14	Permit Renewals for PS	7,690.50
	County of Sacramento / Voter Reg	1	2014 Board of Director Elections	49,698.49
	Customer Refunds	163	Customer Refunds	31,518.54
	Dan Bills	1	Misc. Out of Pocket Expense Mlgs/Mileage	136.48
	Dan York	1	Misc. Out of Pocket Expense Mlgs/Mileage	42.56
	Databank IMX	1	ESRI Integration	26,040.00
	Dell Marketing LP	4	Computer Equipment and Supplies	23,434.52
	Delta Wireless	1	Phone Service	1,288.04
	Direct TV	1	Walnut Service	38.93
	Domco Plumbing	2	Customer Plumbing Repairs	1,018.00
	Don Pezzuto Lighting	3	Building Maintenance	23,441.93
	Doug Cater	2	Certification Renewal/Safety Shoe Reimb	534.74
	DST Output	25	Customer Billing Services	42,068.56
	DST Postage	12	Billing Postage	15,583.61
	Edward Formosa	1	Reimb. Medical	1,332.48
	Element Payment Services	1	Customer Payment Services	349.74
	Emigh Hardware	7	Field Supplies	549.42
	Employee Relations Network	2	HR Services	296.20
	Eurofins Eaton Analytical	26	Lab Services	5,054.00
	Federal Express	1	Express Shipping Services	266.55
	Fieldman Rolapp & Associates	1	SWAP Policy	760.00
	Franchise Tax Board	2	Garnishment	800.00
	Frederick Gayle	2	ACWA and CSDA Conferences	1,427.90
	Genesis Window Tinting	1	Building Maintenance	770.15
	GM Construction	14	System Repairs/Concrete Restoration	87,635.93
	Golden State Towing	2	Towing Services	164.00
	Grainger	5	Field Supplies	2,968.56
	Greg Bundesen	2	Conference Attendance - CUWCC	323.58
	H2H Properties	1	Parking Lease Walnut	1,020.00
	Hach Company	1	Production Supplies	6,896.81
	Hannah Dunrud	1	Certification Renewal	183.92
	Harrington Plastics	5	Production Supplies	5,732.90
	Harrold Ford	7	Vehicle Maintenance	2,768.58
	Hazard Management Services	1	Employee Training	600.00
	Hector Segoviano	1	Safety Footwear Reimbursement	179.82
	Hydrabo	2	Production Supplies	268.70
	Iron Mountain Offsite Data Protection	1	Backup Storage	346.50
	J.A. Snyder Pacific West	1	Hydrant Meter Deposit Refund	2,288.12
	Jan Gentry	1	Medical Reimbursement	313.56
	Jerry's Paint and Supply	1	Paint Supplies	217.28
	John E Valdes	1	Misc. Out of Pocket Expense	527.90
	John O'Farrell and Associates	2	Reorganization Study	10,500.00
	Katz and Associates	2	Public Relations Services	15,030.00
	Kevin Thomas	1	Conference Attendance - ACWA	1,535.00
	Les Schwab Tire Center	2	Vehicle Maintenance	1,022.89
	Life Guard First Aid	1	First Aid Supplies	27.86
	Loprest Water Treatment Co	1	Production Services	2,250.00
	Matt Underwood	1	Safety Footwear Reimbursement	214.95
	McCrometer	1	Ring Assemblies	812.68
	Michael Phillips Landscaping	6	Landscaping Services	18,760.00
	Michelle Hirt	1	Safety Footwear Reimbursement	77.23
	Mike Jenner	1	Safety Footwear Reimbursement	250.00
	Miles Treaster	1	Office Chairs	1,558.23
	MMS Strategies	2	Public Relations/Reorganization 50% SJWD	12,979.75
	National Notary Association	1	Annual Notary Insurance Renewal	33.00
	Neil Schild	2	Conference Attendance - ACWA	1,188.76
	Newberry's Mobile Lock	1	Locksmith Services	148.05
	Nicola Weideman	1	Education/Exams for Certification	343.00
	Normac	1	Field Supplies	262.17
	Office Depot	18	Office Supplies	2,895.09
	Office Max	1	Office Supplies	122.49
	One Stop Truck Shop	7	Vehicle Maintenance	4,151.36
	Pacific Coast Flag	1	Flag	330.65
	Pacific Copy & Print	3	Printing Services	3,058.62
	Paladin Private Security	2	Marconi After Hours Security	920.00
	Paul Miller	1	Safety Shoe Reimbursement	250.00
	PERS Health	1	PERS Health Insurance	89,063.81
	PFM Investment Services	2	Investment Management	8,130.73
	PG&E	1	Gas Power	1,074.28

Sacramento Suburban Water District
Cash Expenditures
December-14

Type	Payee	# Inv	Purpose	Amount
SSWD OPERATIONS & MAINT. / OPERATING CAPITAL PROJ.				
	Pitney Bowes Leases	1	Postage Machine/Meter Lease	374.16
	Placer County Water Agency	1	American River Joint Defense	1,466.13
	Protection One	1	Walnut Fire Line Monitoring	443.37
	Quantum	1	Annual Maintenance	1,600.00
	RD Builders	1	Hydrant Meter Deposit Refund	2,296.33
	R & B Company	1	14DI Pipe	3,147.12
	Ray Morgan Co	4	Copier Maintenance	1,423.60
	Regional Water Authority	1	Prop 84 Drought Grant	10,000.00
	Resource Telecom	1	Quarterly Technical Support	652.50
	Rick Franz	1	Safety Shoe Reimbursement	106.78
	River City Painting	4	Well Site Epoxy Coating	22,940.00
	River City Staffing	2	Temp Employee Services	2,228.16
	Robert Ames	2	Certification Renewal/Safety Shoe Reimb	450.89
	Robert Roscoe	3	Misc. Out of Pocket Expense	238.05
	Robin Geiger/Petty Cash	3	Petty Cash Replenishment	1,241.94
	Rockhurst University	1	Employee Training	149.00
	Roseville Auto Upholstery	3	Polar Bags for Pump Sites	9,985.64
	Rue Equipment inc	11	Equipment Repair/Maintenance	5,883.49
	Sacramento Area Creeks Council	1	Annual Membership/Dues	2,000.00
	Sacramento Co Dept of Child Support	1	Garnishment	160.60
	Safety Center	1	Employee Training	100.00
	San Juan Water District	1	Lobbying	1,285.00
	Service Master Restoration Services	1	Water Damage Repairs	819.12
	Shawn Chaney	1	Certification Renewal	90.00
	Shawn Shedenhelm	1	Safety Shoe Reimbursement	250.00
	Sierra Chemical Company	22	Chemical for Pump Stations	29,865.69
	Signs in One Day	1	District Signage	96.75
	Silicon Shelving and Equipment	1	Work Table	505.79
	SMUD	4	Power - Electricity	164,030.08
	Sonitrol	2	Alarm Services	1,480.25
	Sophos Solutions	3	IT Management Support	8,912.50
	State of CA Industrial Relations	1	Conveyance Permit	225.00
	State Water Resource	1	Annual Permit Fees	1,996.00
	Store II Mobile	1	Storage Containers	52,186.20
	Sutter Medical Foundation	1	Preemployment Physicals	178.00
	Thompson S & S Collision	1	Vehicle Repair	999.80
	Tina Lynn Design	4	Design Services	534.12
	Todd Atrip	1	Certification Renewal	220.95
	Tom Dickinson	1	Safety Footwear Reimbursement	223.50
	Tom Fox	1	Safety Footwear Reimbursement	250.00
	Tony Shedenhelm	1	Backflow Services	183.00
	Tri-City Fence Co In	1	Well N 29 Fencing	6,323.00
	United Parcel Service	1	Express Shipping Services	15.42
	URS Corp	1	Hydrant Meter Deposit Refund	2,209.58
	Utility Service Associates	1	Leak Detection Services	5,308.00
	US Bank Corporate Payment Systems	2	Calcard	32,816.23
	Valley Redwood & Yard Supply	1	Top Soil	319.68
	Verizon Wireless	4	Wireless Services Phones/Modems	4,943.24
	Vision Internet Providers	1	Internet Support	220.50
	Vocantas	1	Annual Maintenance Support Agreement	8,127.00
	Voyager Fleet Systems	2	Vehicle Fuel	17,274.87
	Waste Management	3	Carbage Service	945.93
	Water Environment Federation	1	Annual Membership	472.00
	Waterwise Consulting	2	Water Audits	2,175.00
	Watertrax	1	Annual Maintenance Support Agreement	6,000.00
	Wells Sweeping	1	Monthly Maintenance	88.75
	Wholesale Trailer Supply	1	Equipment & Vehicle Maintenance	38.37
	Wienhoff Drug Testing	1	Annual DOT	650.00
	Wonderware Norcal	1	Invensys Customer First/Renewal Support	8,690.49
DEBT SERVICE PAYMENTS				
	COP		COP Payments	62,731.19
LEGAL & AUDIT				
	Bartkiewicz, Kronick & Shanahan	1	Legal	7,700.12
PAYROLL & PENSION				
	Payroll & Pension	2	December 2014	547,143.89
BANK CHARGES				
	Bank Analysis Charges	1	Analysis Charge	5,343.55
	Credit Card Processing Statement	1	Credit Card Processing Charges	6,698.73
EMPLOYEE RETENTION/MORALE FUND				
	James Arenz	1	Department Lunch	60.54
	Matt Underwood	1	Department Lunch	250.00
	Robert Ames	1	Department Lunch	322.37
	Tom Dickinson	1	Achievement Event	234.22
Total Cash Expenditures				\$ 7,136,574.06

**Credit Card Expenditures
December 2014**

Sacramento Suburban Water District
 US Bank Purchasing Card Program
 CalCard Expenditures
 December-14

Vendor	Purpose	Cost	Coding
CA-NV AWWA	Employee Training	285.00	15-51406
Groundwater Resources Association	Employee Training	515.00	15-51406
Raley's	Employee Training	13.90	17-51406
Hannibals	Employee Training	190.30	17-51406
Flashpoint Studios	Messages On Hold	79.00	19-54506
Payflow Pro	Credit Card Monthly Processing Fee	59.95	04-54503
ACWA	Fall Conference Registration	510.00	01-55001
ACWA	Fall Conference Registration	510.00	01-55001
Southwest	Fall Conference Airfare	494.20	01-55001
Amazon.com	Safety Supplies	95.93	07-52101
Pollard Water	Storeroom Restock - Water Quality	6,532.17	05-52101 \$ 07-52101 \$159.376253.20 -
incurtis.com	Storeroom Restock	160.62	05-52101
Hach.com	Storeroom Restock	466.13	06-52101
Pollard Water	Not in Service Bags	92.90	17-52101
Lowes	Storeroom Restock	100.40	05-52101 \$85.31 07-52101 \$15.09
Southwest	CUWCC Airfare	236.20	13-55001
Iuline	Stencils for Equipment	215.43	07-52101
incurtis.com	Storeroom Restock	65.00	05-52101
Home Depot	Storeroom Restock	134.03	05-52101 \$114.60 07-52101 \$19.43
Lowes	Ladder	128.52	06-52101
Light Bulbs Plus	Building Lighting	50.43	12-52101
Kellyco Metal Detectors	Metal Detector	523.95	12-54003
J&J Locksmith	Keys	27.00	12-54008
Lowes	Facilities Maintenance	70.50	12-52101
County of Sacramento	Hazardous Waste Disposal	143.55	12-54010
Light Bulbs Plus	Building Lighting	247.15	12-54008
Batteries Plus	Equipment Supplies	388.71	12-54003
Lowes	Building Maintenance	3.54	12-52101
Midway USA	Weather Station Supplies	21.96	12-52101
Home Depot	Building Maintenance	150.12	12-54008
Home Depot	Building Maintenance	42.15	12-52101
Valley Tool Repair	Equipment Repair	141.42	12-54003
Azteca Systems	Employee Training	800.00	15-51406
EZ Truck Store	Fuel Labels	32.75	12-54004
O'Reilly Auto Parts	Vehicle Supplies	78.06	12-54005
J&J Locksmith	Keys	19.44	12-54005
Drawtite.com	Snapper Chain	38.50	12-54005
Light Bulbs Plus	Building Lighting	210.95	12-52101
J&J Locksmith	Keys	18.90	12-54005
Etrailer.com	Trailer Lights	227.25	12-54006
Home Depot	Kitchen Stock	109.06	12-54008
Employee Morale Fund			
Haggin Oaks Golf Shop	Employee Recognition	50.00	02-51403
Joann Fabric & Crafts	Employee Recognition	50.00	02-51403
Panera Bread	Employee Recognition	50.00	02-51403
Bettay's Flowers	Employee Life Event	149.04	02-51403
Savemart	Employee Recognition	33.30	02-51403
Chipote	Employee Recognition	75.00	02-51403
Raley's	Employee Recognition	130.00	02-51403
Trader Joes	Employee Recognition	80.00	02-51403
Starbucks	Employee Recognition	25.00	02-51403
		<u>14,872.41</u>	

Short Paid \$371.20 Sac Bee Unidentified Item

Matt Winans Card

Nov-14

Credit Still Not Showing in December

**Directors Compensation and Expense Accounting –
Through December 2014**

Sacramento Suburban Water District
 Board of Directors Meetings Attended (1)
 Pay Rate per Diem is \$100.0
 December 2014

Director Locke: 12/15/2014 12/16/2014	SSWD Regular Board Meeting Joint SSWD/SJWD Board Meeting	Director Schild: 12/01/2014 12/02/2014 12/03/2014 12/04/2014 12/05/2014 12/10/2014 12/10/2014 12/11/2014 12/15/2014 12/16/2014 12/18/2014	JPIA Executive Committee JPIA Training GW Comm Mtg/Federal Affairs Mtg ACWA Conference ACWA Conference – Drought Operations ACWA Conference Joint ACWA/JPIA Mtg RWA Drought Workshop Budget Meeting with Dan Bills (no pay) SGA Board Meeting SSWD Regular Board Meeting Joint SSWD/SJWD Board Meeting 2X2 Meeting with San Juan Water
Director Weichert: 12/02/14- 12/05/14 12/10/2014 12/11/2014 12/15/2014 12/16/2014 12/18/2014	ACWA Conference Budget Meeting with Dan Bills Meeting with General Manager SSWD Regular Board Meeting Joint SSWD/SJWD Board Meeting 2X2 Meeting with San Juan Water	Director Gayle: 12/02/14- 12/05/14 12/09/2014 12/10/2014 12/15/2014 12/16/2014	ACWA Conference Reclamation Meeting LAFCo SSWD Regular Board Meeting Joint SSWD/SJWD Board Meeting

(1) Meetings during the current month reported by individual directors. This report meets the reporting requirements of Government Code section 53065.5. This information will be included with the agenda materials for each regular monthly Board of Directors meeting.

**Directors Expense Report
Calendar Year 2014
Expenses For December 2014**

Event/Purpose	Gayle	Robison	Fellenz	Thomas	Schild	Total
ACWA Fall Conference	812.96			1,535.00		812.96
CSDA Conference	614.94					614.94
1,427.90	-	-	1,535.00	-	-	1,427.90

**Directors Expense Report
Calendar Year 2014
Expenses Reflected January 1, 2014 - December 31, 2014**

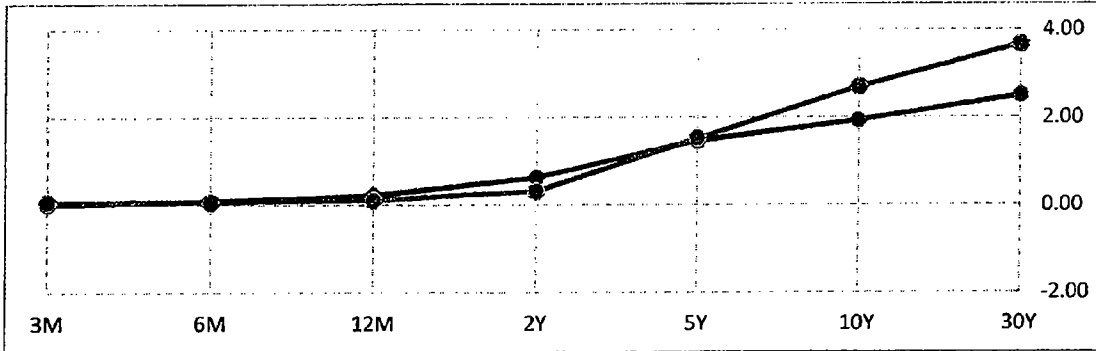
Event/Purpose	Gayle	Robison	Fellenz	Thomas	Schild	Total
Meeting Mileage	17.63				670.06	687.69
ACWA Hotel				408.70		408.70
ACWA Conference May 2014	1,131.71			870.00	1,507.84	3,509.55
ACWA/JPIA San Diego					345.20	345.20
Registration Regional 2 & 4 Mitg					25.00	25.00
Parking/Meal					32.50	32.50
ACWA Fall 2014 Conference	812.96			1,535.00	1,188.76	3,536.72
CSDA Conference	614.94					614.94
2,577.24	-	-	-	2,813.70	3,769.36	9,160.30

This report meets the reporting requirements of Government Code sections 53065.5 and 53232.3 and is in conformance with District Policy. This information will be included with the agenda materials for each regular monthly Board of Directors meeting.

**Market Report Yields -
January 2010 through December 2014**

Sacramento Suburban Water District
United States Treasury and Federal Reserve Yields/Rates
As of: February 6, 2015
(Source: Bloomberg Market Data)

US Treasury Yields



Tenor	Coupon	Price	Last	1 Month	1 Year	Time
3 Month	0.0000	0.0150	0.02%	-1	-5	14:02:52
6 Month	0.0000	0.0800	0.08%	-1	+2	14:02:12
12 Month	0.0000	0.2350	0.24%	+4	+12	14:02:03
2 Year	0.5000	99-23¼	0.64%	+1	+31	14:06:12
5 Year	1.2500	99-00	1.46%	-3	-7	14:01:58
10 Year	2.2500	102-25½	1.93%	+1	-75	13:48:43
30 Year	3.0000	110-01	2.52%	+2	-115	14:06:14

Change shown in basis points

Federal Reserve Rates

Rate	Current	1 Year Prior	Rate	Current	1 Year Prior
Fed Funds Rate	0.13	0.06	Fed Reserve Target	0.25	0.25
Prime Rate	3.25	3.25			

**Sacramento Suburban Water District
District Maturities Compared to Average Market Maturities
(Market is Merrill-Lynch 0-5 Year U.S. Treasury Index)**

<u>12/31/2014</u>	<u>SSWD Holdings</u>	<u>ML 0-5 Year UST Index</u>
Under 6 Months	10.9%	13.2%
6 - 12 Months	1.9%	10.7%
1 - 2 Years	27.2%	24.1%
2 - 3 Years	32.9%	20.1%
3 - 4 Years	17.8%	15.7%
4 - 5 Years	9.3%	16.2%
TOTAL	<u>100.0%</u>	<u>100.0%</u>

Sacramento Suburban Water District
District Monthly Yield and Return Compared to Average Market
(Market is Merrill-Lynch 0-5 Year U.S. Treasury Index)

	<u>Unannualized Monthly Returns</u>		<u>Yield to Maturity at Cost</u>
	<u>SSWD</u>	<u>ML 0-5 Year UST Index</u>	<u>SSWD Operating Fund</u>
1/31/2010	0.65%	0.87%	2.41%
2/28/2010	0.27%	0.25%	2.41%
3/31/2010	-0.24%	-0.38%	2.45%
4/30/2010	0.45%	0.38%	2.36%
5/31/2010	0.47%	0.63%	2.18%
6/30/2010	0.67%	0.67%	2.17%
7/31/2010	0.51%	0.49%	2.09%
8/31/2010	0.32%	0.39%	2.06%
9/30/2010	0.24%	0.22%	1.96%
10/31/2010	0.38%	0.31%	1.95%
11/30/2010	-0.35%	-0.33%	1.84%
12/31/2010	-0.49%	-0.52%	1.84%
1/31/2011	0.22%	0.27%	1.85%
2/28/2011	-0.08%	-0.18%	1.82%
3/31/2011	-0.01%	-0.05%	1.79%
4/30/2011	0.68%	0.59%	1.79%
5/31/2011	0.47%	0.57%	1.73%
6/30/2011	-0.01%	0.03%	1.69%
7/31/2011	0.52%	0.59%	1.57%
8/31/2011	0.43%	0.62%	1.43%
9/30/2011	-0.12%	-0.11%	1.41%
10/31/2011	0.14%	0.09%	1.40%
11/30/2011	0.01%	0.12%	1.30%
12/31/2011	0.19%	0.13%	1.29%
1/31/2012	0.48%	0.25%	1.28%
2/29/2012	0.07%	-0.24%	1.19%
3/31/2012	-0.09%	-0.16%	1.19%
4/30/2012	0.26%	0.39%	1.19%
5/31/2012	0.03%	0.16%	1.18%
6/30/2012	0.06%	-0.07%	1.18%
7/31/2012	0.38%	0.33%	1.18%
8/31/2012	0.10%	0.04%	1.09%
9/30/2012	0.06%	0.01%	1.09%
10/31/2012	-0.02%	-0.10%	1.08%
11/30/2012	0.19%	0.18%	0.98%
12/31/2012	-0.03%	-0.03%	0.91%
1/31/2013	-0.03%	-0.10%	0.90%
2/28/2013	0.20%	0.19%	0.87%
3/31/2013	0.05%	0.04%	0.86%
4/30/2013	0.21%	0.19%	0.81%
5/31/2013	-0.34%	-0.41%	0.79%
6/30/2013	-0.42%	-0.32%	0.80%
7/31/2013	0.25%	0.19%	0.80%
8/31/2013	-0.30%	-0.22%	0.81%
9/30/2013	0.36%	0.41%	0.83%
10/31/2013	0.22%	0.19%	0.87%
11/30/2013	0.15%	0.09%	0.89%
12/31/2013	-0.27%	-0.37%	0.88%
1/31/2014	0.41%	0.34%	0.88%
2/28/2014	0.18%	0.12%	0.88%
3/31/2014	-0.21%	-0.24%	0.87%
4/30/2014	0.25%	0.20%	0.89%
5/31/2014	0.29%	0.32%	0.90%
6/30/2014	-0.02%	-0.08%	0.92%
7/31/2014	-0.11%	-0.17%	0.95%
8/31/2014	0.23%	0.28%	0.98%
9/30/2014	-0.14%	-0.14%	0.97%
10/31/2014	0.32%	0.39%	0.97%
11/30/2014	0.24%	0.25%	0.98%
12/31/2014	-0.19%	-0.27%	1.02%

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District Reserve Balances
December 31, 2014



**Sacramento Suburban Water District
Reserve Fund Balance**

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Debt Service Reserve	\$ 3,540,057	\$ 3,520,472
Facilities Reimbursement	21,873	42,968
Emergency/Contingency	10,317,750	10,317,750
Operating	6,466,000	6,466,000
Rate Stabilization	5,525,000	5,525,000
Interest Rate Risk	-	-
Grant	3,832,000	3,832,000
Capital Asset	15,109,330	17,603,505
TOTAL	<u><u>\$ 44,812,011</u></u>	<u><u>\$ 47,307,695</u></u>

**Cash and Investments
Per District Balance Sheet
(Provided for Reconciliation Purposes)**

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Cash and cash equivalents	\$ 1,312,864	\$ 5,413,907
Investments	39,959,090	38,373,316
Restricted assets	3,540,057	3,520,472
TOTAL	<u><u>\$ 44,812,011</u></u>	<u><u>\$ 47,307,695</u></u>

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Information Required by Bond Agreement

Sacramento Suburban Water District
 Schedule of Net Revenues

 **DRAFT**

As Of

	<u>Actual Year-To-Date 12/31/14</u>	<u>Amended Budget Year-To-Date 12/31/14</u>
REVENUES		
Water sales charges	\$18,245,994.02	\$19,280,000.00
Capital facilities charge	20,677,852.80	20,370,000.00
Facility development charges	589,162.00	200,000.00
Interest and investment income	548,337.89	720,000.00
Rental & other income	1,313,443.11	282,000.00
TOTAL REVENUES	41,374,789.82	40,852,000.00
EXPENSES		
Source of supply	59,663.39	1,448,937.00
Pumping	4,630,983.15	4,054,622.92
Transmission and distribution	3,640,682.04	3,742,657.48
Water conservation	399,292.39	479,905.00
Customer accounts	1,122,122.42	1,125,071.04
Administrative and general	6,052,241.81	6,052,409.13
Other expenses	947,712.05	
TOTAL EXPENSES	16,852,697.25	16,903,602.57
NET REVENUE	24,522,092.57	23,948,397.43

Sacramento Suburban Water District
 6 - Months Debt Service Schedule
 12/31/2014



Month	Principal	Total SSWD Debt Service			Debt Service
		Interest Adjustable/Fixed/Swap	Facility Fee	Remarketing	
Jan-15	\$ -	\$ 84,457.07	\$ -	\$ -	\$ 84,457.07
Feb-15	-	84,457.07	-	-	84,457.07
Mar-15	-	84,457.07	60,375.00	13,125.00	157,957.07
Apr-15	-	84,457.07	-	-	84,457.07
May-15	-	84,457.07	1,188,137.50	-	1,272,594.57
June-15	-	84,457.07	60,375.00	13,125.00	157,957.07

Series 2012A Fixed Rate Bonds (\$27,205,000.00)						
Month	Principal	Interest - Fixed		Facility Fee	Remarketing	Debt Service
		4.25%				
Jan-15	\$ -	\$ -	-	\$ -	\$ -	\$ -
Feb-15	-	-	-	-	-	-
Mar-15	-	-	-	-	-	-
Apr-15	-	-	-	-	-	-
May-15	-	-	-	490,487.50	-	490,487.50
June-15	-	-	-	-	-	-

Series 2009A Adjustable Rate COPs (\$42,000,000.00)						
Month	Principal	Interest, Adjustable		Facility Fee	Remarketing	Debt Service
		0.03%				
Jan-15	\$ -	\$ 1,050.00	-	-	-	\$ 1,050.00
Feb-15	-	1,050.00	-	-	-	1,050.00
Mar-15	-	1,050.00	60,375.00	13,125.00	-	74,550.00
Apr-15	-	1,050.00	-	-	-	1,050.00
May-15	-	1,050.00	-	-	-	1,050.00
June-15	-	1,050.00	60,375.00	13,125.00	-	74,550.00

Series 2009B Fixed Rate COPs (\$31,405,000.00)						
Month	Principal	Interest - Fixed		Facility Fee	Remarketing	Debt Service
		5.00%				
Jan-15	\$ -	\$ -	-	\$ -	\$ -	\$ -
Feb-15	-	-	-	-	-	-
Mar-15	-	-	-	-	-	-
Apr-15	-	-	-	-	-	-
May-15	-	-	-	697,650.00	-	697,650.00
June-15	-	-	-	-	-	-

2012 SWAP Interest, Net (\$33,000,000.00)						
Month	Principal	Interest, Swap Net		Facility Fee	Remarketing	Debt Service
		(3.283-0.09734-0.18)%				
Jan-15	\$ -	\$ 83,407.07	-	-	-	\$ 83,407.07
Feb-15	\$ -	83,407.07	-	-	-	83,407.07
Mar-15	\$ -	83,407.07	-	-	-	83,407.07
Apr-15	\$ -	83,407.07	-	-	-	83,407.07
May-15	\$ -	83,407.07	-	-	-	83,407.07
June-15	\$ -	83,407.07	-	-	-	83,407.07



Agenda Item: 12

Date: February 17, 2015

Subject: Financial Report – January 2015

Staff Contact: Daniel A. Bills, Finance Director

Eight reports are attached for your information. They are:

- DRAFT - Financial Statements – January 2015
- Investments Outstanding and Activity – January 2015
- Cash Expenditures – January 2015
- Credit Card Expenditures – January 2015
- Directors Compensation and Expense Accounting – Through January 2015
- Market Report Yields – January 2010 through January 2015
- DRAFT - District Reserve Balances – January 2015
- DRAFT - Information Required by Bond Agreement

Financial Statements

These Financial Statements and certain other reports noted below are presented in Draft form. As the December 31, 2014 financial audit remains in process, all financial reports for 2015 will be Draft Reports until the audit is complete and the Board accepts the audited 2014 annual report (CAFR). The audit and CAFR are expected to be completed and brought to the Board at the April Board meeting.

DRAFT - Balance Sheet:

District cash and cash equivalents have increased to \$2.0 million as of January 31, 2015, from \$1.3 million at December 31, 2014, primarily due to the liquidation of investments of \$0.6 million for needed operating cash. Cash held in the District's bank accounts (\$1.7 million as of January 31) is held in accordance with state and federal regulations, which state that cash held in the District's bank accounts above the FDIC insured limits must be fully collateralized with government securities that are equal to or greater than 110% of the District's cash balance in the bank at anytime.

Investments have decreased since year-end by \$0.3 million to a total of \$39.6 million, reflecting the decrease of \$0.6 million for cash flow purposes as described above, partially offset by gains in unrealized market value of \$0.3 million.

Capital assets grew \$0.1 million to a total of \$412.8 since year end, reflecting expenditures on distribution main replacement, meter retrofits and the Antelope Pump-Around project to date. Capital assets are primarily funded by monthly remuneration from customers through “capital facilities charges,” developer contributions, as well as grant funds, when available, and District reserves when necessary.

Net position stands at \$221.2 million as of January 31, 2015, compared to \$220.3 million at year-end 2014 for an increase of \$0.9 million.

DRAFT - Income Statement:

The net position increase of \$0.9 million in 2015, when compared to \$0.8 million for the same period in 2014, shows:

1. Reduced operating revenue of \$0.1 million, due primarily to a decrease in water consumption revenues as water deliveries have decreased by 314 acre feet (15.4%) compared to the same period in 2014, thought to be the result of general conservation efforts by District customers, the Governor’s Drought Declaration and the District’s modified Stage 2 Conservation Stage Declaration.
2. Increased investment revenue of \$0.2 million due to increased unrealized market value gains on investments.

DRAFT - Budgets:

The District’s operating and maintenance expenditures through January 2015 are less than budget by \$0.7 million. Most of this positive variance is due to - 1) lower electrical and chemical costs than budgeted as actual water consumption in 2015 is lower than expected, 2) field maintenance and distribution repairs were lower than anticipated, and 3) other positive variances are due to timing differences.

There were no operating capital project expenditures in January.

The District’s capital improvement project (CIP) budget for 2015 is \$18.3 million. For 2015, \$0.1 million has been spent. Expenditures continue to be primarily in distribution system replacements and meter retrofits.

Debt – January 2015

This report shows District activity in repaying its long-term debt obligations. Scheduled principal payments of \$3.8 million are not due until the end of October. Total principal outstanding as of January 31 is \$93.4 million.

Investments Outstanding and Activity – January 2015

Reserve funds are invested in diverse investments that consist of corporate notes, Federal Agency bonds and discount notes, U.S. Treasury bonds, notes and bills, commercial paper, municipal bonds, negotiable certificates of deposit and LAIF (Local Agency Investment Fund). The market portfolio is currently earning a rate of 1.03% per annum, while LAIF is earning 0.26% per annum. Unrealized market value losses on the District's investment portfolio are valued at \$0.03 million as of January 31. The unrealized market value loss reflects the rise in rates and a lengthening of the portfolio's duration. District staff monitors investment assets quarterly and reviews/approves the effective duration of the District's portfolio against its benchmark index on a quarterly basis as well.

During the month, the District purchased a Municipal Bond for \$0.5 million (par) and two Asset-Backed Securities for \$0.7 million (par). A Negotiable Certificates of Deposit of \$0.5 million (par) matured. The District sold another Negotiable Certificates of Deposit for \$0.5 million (par) and one US Treasury Notes for \$0.7 million (par). See "Investment Activity" section in the attached report for further details, including net gain (loss) on sale.

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

Cash Expenditures – January 2015

During the month of January, the District made cash payments totaling \$1.1 million. The primary expenditures were – \$0.2 million for capital improvement projects, \$0.1 million for pumping and chemical costs, \$0.1 million for debt service, and \$0.5 million for payroll, pension and health benefits.

Purchasing Card Expenditures – January 2015

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 \$17,616 for various purchases on the six District purchasing cards. Details by vendor and purpose are included in this report.

Directors Compensation and Expense Accounting – January 2015

Director meetings attended during the month of January and expenses are attached in accordance with the District's Directors' Compensation and Expense Reimbursement Policy (PL – BOD 003) and Government Code Section 53065.5. Director's who have not reported their meetings attended to District staff are expected to make an oral report at the Board meeting.

Market Report Yields – January 2010 through January 2015

The first page in this report shows current market rate data. The overall yield curve increased compared to the prior month. The yield on 30-year Treasury Bonds increased by 28 basis points from the prior month to 2.73%, and short-term rates dropped 2 basis points to 0.01%. The slope of the curve continues to remain steep in the 2 to 5 year range. Compared to one year ago, the

30-year Treasury bond yield was 3.70% while the short-term rate was at 2 basis points as the Federal Reserve Target Rate remained unchanged at 25 basis points.

The second page in this section shows the holdings of the District's investment portfolio by maturity as a percentage of the total portfolio. The District's portfolio is compared to the Merrill Lynch UST Zero-to-5 year index (the District's benchmark index) for purposes of broadly illustrating the District's investment strategy in terms of its duration.

The final page shows the monthly (unannualized) returns of the District's portfolio relative to its benchmark index, as well as the annualized returns of the portfolio at month-end. This final page is an attempt to evaluate the District's portfolio strategy on a rate-return basis (as opposed to a total return or a risk basis) relative to the market.

DRAFT - District Reserve Fund Balances

The District's Reserve Policy, PL – Fin 004, requires the District to maintain a certain level of cash and investments on hand at any one time, as determined by the Board annually. Balances as of January 31 are \$45,157,611 compared to \$44,812,011 at January 31, 2014.

DRAFT - Information Required by Bond Agreement

Per Article 5.2 (b) of the 2009A COP Reimbursement Agreement with Sumitomo Mitsui Banking Corporation, year-to-date net revenues available for the payment of debt service costs and an estimate of debt service payments for the upcoming six months are provided.

DRAFT
Financial Statements
January 31, 2015

Sacramento Suburban Water District
Balance Sheet

DRAFT

As Of

	<u>Month End</u> <u>01/31/15</u>	<u>Year End</u> <u>12/31/2014</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	1,959,165.16	\$1,313,305.30
Restricted Cash and cash equivalents	39,459.02	32,270.61
Accounts receivable, net of allowance for uncollectible accounts	1,586,436.44	2,022,296.79
Interest receivable	159,744.16	105,770.14
Restricted Interest receivable	6,172.57	10,807.98
Grants receivables	33,969.64	33,969.64
Other receivables	62,867.69	62,867.69
Inventory	570,864.13	570,864.13
Prepaid expenses and other assets	858,917.37	453,270.56
TOTAL CURRENT ASSETS	5,277,596.18	4,605,422.84
NONCURRENT ASSETS		
Investments	39,635,368.98	39,959,089.90
Restricted Investments	3,517,444.80	3,497,003.35
Fair value of interest rate swaps	2,564,670.00	2,564,670.00
TOTAL NONCURRENT ASSETS	45,717,483.78	46,020,763.25
Property, plant and equipment	412,835,200.83	412,759,799.55
Accumulated depreciation	(142,021,767.79)	(141,121,255.27)
TOTAL CAPITAL ASSETS	270,813,433.04	271,638,544.28
TOTAL ASSETS	321,808,513.00	322,264,730.37
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on long-term debt refunding	8,553,868.33	8,607,461.99
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	330,362,381.33	330,872,192.36
LIABILITIES		
CURRENT LIABILITIES		
Current portion of long-term debt and capital leases	3,795,000.00	3,795,000.00
Accounts payable	886,129.12	1,978,188.86
Accrued interest	607,301.68	458,417.02
Deferred revenue and other liabilities	658,572.95	677,939.39
Accrued expenses	47,705.59	425,832.12
TOTAL CURRENT LIABILITIES	5,994,709.34	7,335,377.39
NONCURRENT LIABILITIES		
Long-term debt	99,680,780.98	99,733,879.08
Compensated absences	918,104.36	921,934.18
TOTAL NONCURRENT LIABILITIES	100,598,885.34	100,655,813.26
TOTAL LIABILITIES	106,593,594.68	107,991,190.65
DEFERRED INFLOWS OF RESOURCES		
Deferred intflow of effective swaps	2,564,670.00	2,564,670.00
NET POSITION		
Invested in capital assets, net of related debt	162,467,433.24	162,467,433.24
Restricted	3,544,009.66	3,544,009.66
Unrestricted	55,192,673.75	54,304,888.81
TOTAL NET POSITION	221,204,116.65	220,316,331.71
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	330,362,381.33	330,872,192.36

Sacramento Suburban Water District
Income Statement

DRAFT

Period Ended

	<u>Month</u> <u>01/31/15</u>	<u>Year-To-Date</u> <u>01/31/15</u>	<u>Month</u> <u>01/31/14</u>	<u>Year-To-Date</u> <u>01/31/14</u>
OPERATING REVENUES				
Water consumption sales	\$372,897.18	\$372,897.18	\$586,754.13	\$586,754.13
Water service charge	476,923.28	476,923.28	423,486.72	423,486.72
Capital facilities charge	1,520,528.86	1,520,528.86	1,493,750.35	1,493,750.35
Wheeling water charge	429.12	429.12	457.04	457.04
Other charges for services	100,490.88	100,490.88	89,096.08	89,096.08
TOTAL OPERATING REVENUES	<u>2,471,269.32</u>	<u>2,471,269.32</u>	<u>2,593,544.32</u>	<u>2,593,544.32</u>
OPERATING EXPENSES				
Source of supply	4,029.28	4,029.28	4,029.28	4,029.28
Pumping	181,967.18	181,967.18	169,252.83	169,252.83
Transmission and distribution	135,447.23	135,447.23	126,216.97	126,216.97
Water conservation	15,271.60	15,271.60	15,534.12	15,534.12
Customer accounts	51,340.68	51,340.68	49,752.91	49,752.91
Administrative and general	358,866.15	358,866.15	410,911.63	410,911.63
TOTAL OPERATING EXPENSES	<u>746,922.12</u>	<u>746,922.12</u>	<u>775,697.74</u>	<u>775,697.74</u>
Operating income before depreciation	1,724,347.20	1,724,347.20	1,817,846.58	1,817,846.58
Depreciation and amortization	(900,512.52)	(900,512.52)	(861,980.23)	(861,980.23)
OPERATING INCOME	<u>823,834.68</u>	<u>823,834.68</u>	<u>955,866.35</u>	<u>955,866.35</u>
NON-OPERATING REV. (EXP.)				
Rental income	22,651.49	22,651.49	18,014.51	18,014.51
Interest and investment income	341,409.20	341,409.20	178,920.51	178,920.51
Interest expense	(320,855.70)	(320,855.70)	(326,856.65)	(326,856.65)
Other non-operating revenues	20,745.27	20,745.27		
Other non-operating expenses			(0.02)	(0.02)
NON-OPERATING REV. (EXP.)	<u>63,950.26</u>	<u>63,950.26</u>	<u>(129,921.65)</u>	<u>(129,921.65)</u>
NET INCOME (LOSS) BEFORE CAPITAL	<u>887,784.94</u>	<u>887,784.94</u>	<u>825,944.70</u>	<u>825,944.70</u>
CAPITAL CONTRIBUTIONS				
CHANGE IN NET POSITION	<u>887,784.94</u>	<u>887,784.94</u>	<u>825,944.70</u>	<u>825,944.70</u>
Net position at beginning of period	220316331.7	220316331.7	208,678,127.92	208,678,127.92
NET POSITION AT END OF PERIOD	<u><u>221,204,116.65</u></u>	<u><u>221,204,116.64</u></u>	<u><u>209,504,072.62</u></u>	<u><u>209,504,072.62</u></u>

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

DRAFT

	Month Of January			2015 YTD		
	Actual	Budget	Variance	Actual	Budget	Variance
BUDGETED OPERATING EXPENSES						
Board of Directors	\$2,270.32	\$3,706.11	\$1,435.79	\$2,270.32	\$3,706.11	\$1,435.79
Administrative	142,204.98	169,522.24	27,317.26	142,204.98	169,522.24	27,317.26
Finance	36,576.24	78,842.15	42,265.91	36,576.24	78,842.15	42,265.91
Customer Services	53,340.68	111,910.92	58,570.24	53,340.68	111,910.92	58,570.24
Field Operations	14,379.14	32,626.63	18,247.49	14,379.14	32,626.63	18,247.49
Production	185,996.46	477,088.49	291,092.03	185,996.46	477,088.49	291,092.03
Distribution	89,131.99	169,164.52	80,032.53	89,131.99	169,164.52	80,032.53
Field Services	46,315.24	89,464.75	43,149.51	46,315.24	89,464.75	43,149.51
Maintenance	16,426.06	56,460.12	40,034.06	16,426.06	56,460.12	40,034.06
Water Conservation	15,271.60	43,338.95	28,067.35	15,271.60	43,338.95	28,067.35
Engineering	51,553.44	84,565.33	33,011.89	51,553.44	84,565.33	33,011.89
GIS/CAD	20,081.04	28,007.86	7,926.82	20,081.04	28,007.86	7,926.82
Human Resources	8,383.55	31,455.18	23,071.63	8,383.55	31,455.18	23,071.63
MIS	64,991.38	69,270.40	4,279.02	64,991.38	69,270.40	4,279.02
TOTAL OPERATING EXPENSES	746,922.12	1,445,423.65	698,501.53	746,922.12	1,445,423.65	698,501.53

SACRAMENTO SUBURBAN WATER DISTRICT
 OPERATING CAPITAL BUDGET
 1/31/2015

DRAFT

Project Number	Project Name	Total Approved 2014 Budget	Total Approved Reallocated Budget	Current Month Expenditures	Expenditures Year-To-Date	Committed Year- To-Date	Remaining Balance
SF15-325	PUMP CNTRL VL PROJECT BLANKETS	\$ 19,000.00	\$ 19,000.00	\$ -	\$ -	\$ 8,752.00	\$ 10,248.00
SF15-333	OFFICE CHAIRS-WALNUT FACILITY	2,500.00	2,500.00	-	-	-	2,500.00
SF15-334	VEHICLE REPL-TRUCK #33	105,825.00	105,825.00	-	-	-	105,825.00
SF15-335	ASPHALT REPAIR/REPL-WELL SITES	27,000.00	27,000.00	-	-	-	27,000.00
SF15-336	PROD METER REPL/MAGNETERS	30,000.00	30,000.00	-	-	-	30,000.00
SF15-337	UCMR3	15,000.00	15,000.00	-	-	-	15,000.00
SF15-338	DEMOLITION HAMMER/2 GENERATORS	6,200.00	6,200.00	-	-	3,120.00	3,080.00
SF15-339	OFFICE FURNITURE REPL/PURCHASE	3,000.00	3,000.00	-	-	-	3,000.00
SF15-340	REPL BARB/RAZOR WIRE-WALNUT YD	10,000.00	10,000.00	-	-	-	10,000.00
SF15-341	REPL PARKING PAVER-ANTELOPE	20,000.00	20,000.00	-	-	-	20,000.00
SF15-342	DISTRICT FACILITIES PAINTING	62,500.00	62,500.00	-	-	-	62,500.00
SF15-343	REPL HVAC/ROOF-DIST FACILITIES	30,000.00	30,000.00	-	-	-	30,000.00
SF15-344	2015 URBAN WATER MASTER PLAN	80,000.00	80,000.00	-	-	-	80,000.00
SF15-345	UPDATE WATER SYS MASTER PLAN	250,000.00	250,000.00	-	-	-	250,000.00
SF15-346	CONSTRUCTION SAFETY EQUIPMENT	25,000.00	25,000.00	-	-	-	25,000.00
SF15-347	REMODEL MARCONI OFFICE	180,000.00	180,000.00	-	-	-	180,000.00
SF15-348	REFRESH PROGRAM - 5 DESKTOPS	12,500.00	12,500.00	-	-	-	12,500.00
SF15-349	REFRESH PROGRAM - 8 LAPTOPS	15,400.00	15,400.00	-	-	-	15,400.00
SF15-350	REFRESH PROGRAM - 3 SERVERS	32,000.00	32,000.00	-	-	-	32,000.00
SF15-351	ADD CAPABILITY/VIEW READ ONWEB	15,000.00	15,000.00	-	-	-	15,000.00
SF15-352	NEW APP TO USE VIA SMART PHONE	10,000.00	10,000.00	-	-	-	10,000.00
SF15-353	STUDY NEW FIN ACCTG SYSTEM	15,000.00	15,000.00	-	-	-	15,000.00
SF15-354	GPS LOCATE ASSET PILOT	50,000.00	50,000.00	-	-	-	50,000.00
SF15-355	REFRESH PROGRAM- REPL 3 COPIERS	50,000.00	50,000.00	-	-	-	50,000.00
SF15-356	ON-DEMAND ROUTING WO/SO	10,000.00	10,000.00	-	-	-	10,000.00
SF15-357	PDC ENHANCEMENTS/PRODUCTION DE	15,000.00	15,000.00	-	-	-	15,000.00
SF15-358	BUS INTELLIGEN/OPER REPORTING	20,000.00	20,000.00	-	-	-	20,000.00
SF15-359	INVENTORY CHECKOUT SCANNING	20,000.00	20,000.00	-	-	-	20,000.00
SF15-360	KVMM/MONITOR/KEYBOARD REPL	10,000.00	10,000.00	-	-	-	10,000.00
		\$ 1,140,925.00	\$ 1,140,925.00	\$ -	\$ -	\$ 11,872.00	\$ 1,129,053.00

Sacramento Suburban Water District
Capital Improvement Project Budget
1/31/2015

DRAFT

Project No.	Project Name	Total Approved FY 14 Budget	Total Approved Reallocated Budget	Current Month Expenditures	Expenditures Year-To-Date	Committed Year-To- Date	Remaining Balance
SC15-007	GROUNDWTR MONITORING/MODELING	\$ 50,000.00	\$ 50,000.00		\$ -		\$ 50,000.00
SC15-009	WELL REHAB/PUMP ST IMPROVEMENT	880,000.00	880,000.00		-	72,719.00	817,281.00
SC15-010	SCADA RTU/COMMUN IMPROVEMENT	300,000.00	300,000.00		-		300,000.00
SC15-011	WELLHEAD TREATMENT/CHEM FEED	270,000.00	270,000.00		-		270,000.00
SC15-011A	CHROMIUM 6 OPERATIONS PLAN	100,000.00	100,000.00		-		100,000.00
SC15-012	WELL REPLACEMENTS	2,450,000.00	2,450,000.00		-		2,450,000.00
SC15-013	ELEC ARC FLASH MOD @WELL SITES	100,000.00	100,000.00	5,000.00	5,000.00		95,000.00
SC15-018	DISTRIBUTION MAIN REPLACEMENTS	9,700,000.00	9,700,000.00	36,578.23	36,578.23	2,618,210.00	7,045,211.77
SC15-019	DIST MAIN IMPRVEXT/INTERTIES	500,000.00	500,000.00	81.97	81.97	27,081.00	472,837.03
SC15-022	LOWERING/RAISING VALVE BOXES	150,000.00	150,000.00		-		150,000.00
SC15-024	METER RETROFIT PROGRAM	1,425,000.00	1,425,000.00	16,529.42	16,529.42	1,408,427.24	43.34
SC15-024A	VOLUNTARY METER RETROFIT PROGR	75,000.00	75,000.00		-	1,800.00	73,200.00
SC15-024B	2013/14CALFED GRANT-MTR RETROF	188,000.00	188,000.00		-		188,000.00
SC15-027	DISTRIB MAJOR REPAIRS	350,000.00	350,000.00		-	62,942.00	287,058.00
SC15-028	DISTRIB SYSTEM IMPRV	375,000.00	375,000.00	16.37	16.37	6,500.00	368,483.63
SC15-034	RESERVIOR/TANK IMPROVMENT	150,000.00	150,000.00	3,481.26	3,481.26	134,092.74	12,426.00
SC15-034A	CORROSION CONTRL/CMLC WTR MAIN	50,000.00	50,000.00		-	3,105.00	46,895.00
SC15-035	PROFESSIONAL/SPECIAL PROJ	200,000.00	200,000.00	257.22	257.22		199,742.78
SC15-038	LARGE WTR METER >3" REPL	140,000.00	140,000.00		-		140,000.00
SC15-039	FIRE HYDRANT REPL/REHAB/ADD	200,000.00	200,000.00		-	23,822.00	176,178.00
SC15-040	ENGINE GENERATOR COMPLIANCE	75,000.00	75,000.00		-		75,000.00
SC15-042	METER REPLACE/REPAIR - WMP	100,000.00	100,000.00		-		100,000.00
SC15-043	ANTELOPE PUMP AROUND	360,000.00	360,000.00	21,120.02	21,120.02	206,488.98	132,391.00
SC15-044	CAPITAL IMPRV CTP(SJWD AGREEM)	7,000.00	7,000.00		-		7,000.00
SC15-045	ENTERPRISE INTERTIE IMPROVEMEN	52,000.00	52,000.00		-		52,000.00
Totals SSWD		\$ 18,257,000.00	\$ 18,257,000.00	\$ 83,064.49	\$ 83,064.49	\$ 4,565,187.96	\$ 13,608,747.55
SC15-043A	ANTELOPE PUMP BACK PROJECT (SJWD)						

**Sacramento Suburban Water District
Debt
1/31/2015**

Current Month

	Series 2009A COP	Series 2009B COP	Series 2012A	Total
Beginning Balance	\$ 42,000,000	\$ 27,915,000	\$ 23,440,000	\$ 93,355,000
Additions:				
Reductions:				
Payment				
Ending Balance	<u>\$ 42,000,000</u>	<u>\$ 27,915,000</u>	<u>\$ 23,440,000</u>	<u>\$ 93,355,000</u>

Year-To-Date

	Series 2009A COP	Series 2009B COP	Series 2012A	Total
Beginning Balance	\$ 42,000,000	\$ 27,915,000	\$ 23,440,000	\$ 93,355,000
Additions:				
Reductions:				
Payment				
Ending Balance	<u>\$ 42,000,000</u>	<u>\$ 27,915,000</u>	<u>\$ 23,440,000</u>	<u>\$ 93,355,000</u>

**Investments Outstanding and Activity
January 2015**

**Investment Activity
January 2015**



Managed Account Security Transactions & Interest

For the Month Ending January 31, 2015

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
BUY											
01/09/15	01/13/15		ORANGE CNTY, CA TXBL REV PO BONDS	68428LDJ0	500,000.00	(500,000.00)	0.00	(500,000.00)			
01/21/15	01/28/15		DTD 01/13/2015 0.780% 05/02/2016 HONDA ABS 2015-1 A2	43814KAB7	165,000.00	(164,991.39)	0.00	(164,991.39)			
01/23/15	01/28/15		DTD 01/28/2015 0.700% 06/15/2017 FORD ABS 2014-C A2	34530PAC6	500,000.00	(499,765.63)	(110.14)	(499,875.77)			
			DTD 11/25/2014 0.610% 08/15/2017								
Transaction Type Sub-Total					1,165,000.00	(1,164,757.02)	(110.14)	(1,164,867.16)			
INTEREST											
01/01/15	01/01/15		CA EARTHQUAKE AUTH TXBL REV BONDS	13017HAD8	215,000.00	0.00	599.13	599.13			
01/02/15	01/02/15		DTD 11/06/2014 1.824% 07/01/2017 MONEY MARKET FUND	MONEY0002	0.00	0.00	0.35	0.35			
01/05/15	01/05/15		SKANDINAVISKA ENSKILDA BY NY FLOAT CD	83051HUD6	1,075,000.00	0.00	1,497.81	1,497.81			
01/15/15	01/15/15		DTD 01/10/2014 0.576% 01/04/2016 WESTPAC BANKING CORP NY LT FLOAT CD	96121TWF1	875,000.00	0.00	918.15	918.15			
01/15/15	01/15/15		DTD 04/17/2014 0.433% 04/15/2016 CREDIT SUISSE NEW YORK CERT DEPOS (FLOAT)	22549TDK1	575,000.00	0.00	926.63	926.63			
01/20/15	01/20/15		DTD 07/15/2013 0.631% 01/15/2015 WELLS FARGO & COMPANY	94974BFL9	650,000.00	0.00	4,062.50	4,062.50			
01/28/15	01/28/15		DTD 07/29/2013 1.250% 07/20/2016 BANK OF NEW YORK MELLON	06406HBX6	350,000.00	0.00	4,025.00	4,025.00			
01/31/15	01/31/15		DTD 07/28/2011 2.300% 07/28/2016 US TREASURY NOTES	912828B41	200,000.00	0.00	375.00	375.00			
01/31/15	01/31/15		DTD 01/31/2014 0.375% 01/31/2016 US TREASURY NOTES	912828B33	830,000.00	0.00	6,225.00	6,225.00			
			DTD 01/31/2014 1.500% 01/31/2019								
Transaction Type Sub-Total					4,770,000.00	0.00	18,629.57	18,629.57			



PFM Asset Management LLC



Managed Account Security Transactions & Interest

For the Month Ending January 31, 2015

SACRAMENTO SUBURBAN WATER DISTRICT 76850100

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method	
MATURITY												
	01/15/15	01/15/15	CREDIT SUISSE NEW YORK CERT DEPOS (FLOAT)	22549TDK1	575,000.00	575,000.00	0.00	575,000.00	0.00	0.00		
			DTD 07/15/2013 0.631% 01/15/2015									
Transaction Type Sub-Total												
					575,000.00	575,000.00	0.00	575,000.00	0.00	0.00		
SELL												
	01/09/15	01/13/15	CREDIT SUISSE NEW YORK CERT DEPOS (FLOAT)	22549TDK1	500,000.00	500,014.18	788.25	500,802.43	14.18	14.18	SPEC LOT	
	01/26/15	01/28/15	DTD 07/15/2013 0.631% 01/15/2015 US TREASURY NOTES	91282BMR8	650,000.00	651,294.92	6,396.75	657,691.67	(36,308.60)	215.72	SPEC LOT	
			DTD 03/01/2010 2.375% 02/28/2015									
Transaction Type Sub-Total												
					1,150,000.00	1,151,309.10	7,185.00	1,158,494.10	(36,294.42)	229.90		
Managed Account Sub-Total												
					561,552.08	561,552.08	25,704.43	587,256.51	(36,294.42)	229.90		
Total Security Transactions												
					\$561,552.08	\$561,552.08	\$25,704.43	\$587,256.51	(\$36,294.42)	\$229.90		



PFM Asset Management LLC

**Cash Expenditures
January 2015**

**Sacramento Suburban Water District
Cash Expenditures
January-15**

<u>Type</u>	<u>Payee</u>	<u># Inv</u>	<u>Purpose</u>	<u>Amount</u>
SSWD CIP PROJECTS				
	Dolver Company Inc	1	McClellan System Repairs/Large Meters	\$ 7,348.50
	Domenichelli & Associates	1	Antelope Pump Back Project	2,120.02
	Energy Management Corp/VFD's	1	Well Site Equipment	3,481.26
	ERC Contracting	2	Meter Data Sheet Collection	10,255.00
	Flowline Contractors	1	2014 Meter Retrofit	16,400.00
	GM Construction	1	Longmont Main Replacement	34,400.00
	Performance Piping	1	Belcot Main Replacement	98,449.45
INVENTORY				
	KP Electronics	1	Inventory/CIP Supplies	28,150.00
	Pace Supply	1	Inventory/CIP Supplies	171.53
SSWD OPERATIONS & MAINT. / OPERATING CAPITAL PROJ.				
	A&A Stepping Stone Inc	1	Top Soil	82.62
	ACWA/JPIA Insurance Authority	1	4th Quarter Workers Comp	28,042.00
	ACWA/JPIA Vision Insurance/EAP	1	Employee Assistance Program	156.86
	ADP Inc	2	Payroll Processing Fees	1,232.58
	Advanced Integrated Pest Management	4	Pest Management	309.50
	AFLAC	1	Supplemental Insurance Plan	869.64
	Airgas USA LLC	1	Field Supplies	58.86
	All Pro Backflow	1	Backflow Testing Services	122.00
	Ameritas/Vision	1	Vision Insurance	1,788.72
	Answernet/Signius	1	Answering Service	252.30
	AT&T Calnet2	2	Phone Service	1,514.80
	Atlas Disposal	2	Trash Removal Services	155.52
	Avalon Custodial Care	3	Janitorial Services	2,120.00
	Bar-Hein	1	Equipment Supplies	35.88
	Burts Lawn & Garden	6	Landscape Services PS Aug & Sept	3,409.50
	CBA Custom Benefit Administrators	1	Benefits Administrator	750.00
	CDWG	2	IT Equipment/Supplies	3,216.00
	CIGNA/Dental	1	Dental Benefits	11,368.61
	CIGNA Healthcare	1	Life/LTD	3,382.31
	CINTAS	9	Uniforms and Janitorial Supplies - Walnut	1,428.56
	Citigroup Gloabal Markets	1	Remarketing Fees	13,232.88
	City of Citrus Heights	1	2015 Annual Encroachment Permit	5,000.00
	City of Sacramento Water	1	Water	55,532.46
	Cold Control	1	Equipment Repair and Maintenance	450.65
	Comcast	1	Cable - Marconi	27.31
	Consolidated Communications	1	Phone Service	379.13
	County of Sacramento WEB	1	Annual Web Access Fees	4,330.00
	County of Sacramento / Enviro Mgt	1	Permit Renewals for PS	2,835.00
	CSMFO	1	Annual Dues	110.00
	Customer Refunds	83	Customer Refunds	11,365.25
	Dig Smart LLC	1	Annual Software Maintenance	9,697.50
	Direct TV	1	Walnut Service	48.99
	Domco Plumbing	1	Customer Plumbing Repairs	475.00
	DST Postage	11	Billing Postage	19,391.21
	Element Payment Services	1	Customer Payment Services	347.73

SSWD OPERATIONS & MAINT. / OPERATING CAPITAL PROJ.

Emigh Hardware	5	Field Supplies	206.50
EMP Services	1	Well Site Production Services	845.40
Franchise Tax Board	1	Garnishment	400.00
Fred Pryor Seminars	1	Employee Training	149.00
GM Construction	1	System Repairs/Concrete Restoration	800.00
Government Finance Officers Assoc	1	Annual Membership/Dues	150.00
Grainger	2	Field Supplies	1,862.50
H2H Properties	1	Parking Lease Walnut	1,020.00
Harrington Plastics	1	Production Supplies	493.97
Harrold Ford	7	Vehicle Maintenance	441.20
Iron Mountain Offsite Data Protection	1	Backup Storage	295.77
James Arenz	1	Certification Renewal	190.00
Les Schwab Tire Center	1	Vehicle Maintenance	1,075.32
Pacific Copy & Print	1	Printing Services	130.20
PERS Health	1	PERS Health Insurance	87,842.82
PFM Investment Services	1	Investment Management	4,135.68
Protection One	1	Walnut Fire Line Monitoring	170.00
Rachel Middlestead	1	Certification Renewal	50.00
Ray C Thompson	1	Customer Claim	85.50
Ray Morgan Co	4	Copier Maintenance	1,188.96
Robin Geiger/Petty Cash	1	Petty Cash Replenishment	473.23
Sacramento Business Journal	1	Publication	102.00
Sacramento Co Dept of Child Support	1	Garnishment	160.60
SAWWA	1	Annual Membership Renewal	1,040.00
Sierra Chemical Company	5	Chemical for Pump Stations	9,039.36
Signs in One Day	1	District Signage	24.57
SMUD	4	Power - Electricity	76,801.57
Sonitrol	1	Alarm Services	931.85
Sophos Solutions	3	IT Management Support	11,780.00
Tina Lynn Design	1	Design Services	254.69
Vision Internet Providers	1	Internet Support	220.50
Waste Management	3	Garbage Service	108.00
Water Research Foundation	1	Annual Membership	6,143.00
Wells Sweeping	1	Monthly Maintenance	88.75
DEBT SERVICE PAYMENTS			
COP		COP Payments	79,209.35
LEGAL & AUDIT			
Bartkiewicz, Kronick & Shanahan	1	Legal	8,407.60
SSWD OPERATIONS & MAINT. / OPERATING CAPITAL PROJ.			
PAYROLL & PENSION			
Payroll & Pension	2	January 2015	409,308.34
BANK CHARGES			
Bank Analysis Charges	1	Analysis Charge	6,567.43
Credit Card Processing Statement	1	Credit Card Processing Charges	7,233.64
EMPLOYEE RETENTION/MORALE FUND			
Total Cash Expenditures			<u>\$ 1,103,722.43</u>

**Credit Card Expenditures
January 2015**

Sacramento Suburban Water District
 US Bank Purchasing Card Program
 CalCard Expenditures
 January-15

December 2014 Expenses

Vendor	Purpose	Cost
Flashpoint Studios	Messages on Hold	79.00
Payflow Pro	Credit Card Processing Fee	59.95
Microsoft Store	Surface Pro 3 Tablet	1,594.68
Microsoft Store	Surface Pro 3 Tablet	531.56
Microsoft Store	Surface Pro 3 Tablet	975.42
Microsoft Store	Surface Pro 3 Tablet	2,926.26
E-filliate	Patch Cables	293.59
Round Table Pizza	Meeting Lunch	54.20
Incipio Technologies	Cases for Laptops	302.36
Groundwater Association	Membership Renewal	315.00
Grand Hyatt - San Diego	ACWA Fall Conference	871.36
Varidesk	Standing Desk	381.45
ACWA/JPIA	HR Group Meeting	20.00
Harbor Freight Tools	Replenish Hand Stock	55.18
Smart & Final	Replenish Kitchen Supplies	86.88
Pep Boys	Replacement Battery	146.30
Gemplers	Replenish PPE	273.68
Pollardwater.com	Credit Overcharge	(327.99)
Smart & Final	Replenish Kitchen Supplies	43.66
Sears	Joint Sockets	50.62
Pianbags.com	Shipping Supplies - Engineering	53.52
AWWA.com	AWWA Standards	5,401.36
Oregonpartsstore.com	Replenish Storeroom Supplies	247.50
CUCC.org	Employee Training	50.00
CUCC.org	Employee Training	100.00
Smart & Final	Replenish Kitchen Supplies	149.30
Lowe's	Replenish Hand Stock	174.42
Home Depot	Distribution Tools	46.41
Envirosupply	Bailer Well 64 Nitrite Sample	46.99
Geoinsight	Bailer Well 64 Nitrite Sample	140.27
California Service Tool	Pry Bar Truck 63	94.80
The Home Depot	Building Maintenance	18.33
Amazon.com	Cell Phone Cases	23.84
Direct TV	Cable - Walnut	100.43
Battery Clearance LLC	Radio Batteries	671.07
Discount Two Way Radio	Radio Batteries	364.37
Work World	Carhartt Jackets	215.96
Gemplers	Carhartt Jackets	100.66
The Home Depot	Maintenance Tools	127.04
Employee Morale Fund		
Aldanbertos	Breakfast Burritos	356.40
Target	\$50 Gift Cards	200.00
The Home Depot	\$50 Gift Cards	200.00
		<u>17,615.83</u>

**Directors Compensation and Expense Accounting –
Through January 2015**

Sacramento Suburban Water District
Board of Directors Meetings Attended (1)
Pay Rate per Diem is \$100.0
January 2015

Director Locke:

Director Schild:
01/08/2015 RWA Board Meeting
01/08/2015 Water Forum (no pay)
01/09/2015 Meeting with Dan Bills & John O'Farrell
01/12/2015 SSWD Regular Board Meeting
01/14/2015 SJWD Regular Board Meeting
01/28/2015 SJWD Regular Board Meeting

Director Weichert:

Director Gayle:

Director Thomas:

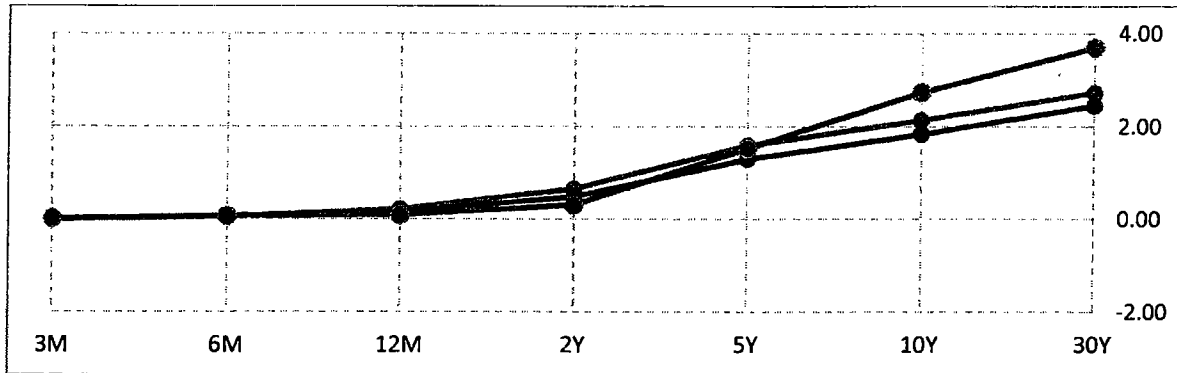
01/12/2015 SSWD Regular Board Meeting
01/14/2015 SJWD Regular Board Meeting
01/15/2015 Cap to Cap Meeting at RWA
01/21/2015 F & O Meeting
01/26/2015 Meeting with General Manager

(1) Meetings during the current month reported by individual directors.
This report meets the reporting requirements of Government Code section 53065.5. This information will be included with the agenda materials for each regular monthly Board of Directors meeting.

**Market Report Yields -
January 2010 through January 2015**

Sacramento Suburban Water District
United States Treasury and Federal Reserve Yields/Rates
As of: February 17, 2015
(Source: Bloomberg Market Data)

US Treasury Yields



Tenor	Coupon	Price	Last	1 Month	1 Year	Time
3 Month	0.0000	0.0100	0.01%	-2	-1	16:11:11
6 Month	0.0000	0.0600	0.06%	-1	-1	16:21:02
12 Month	0.0000	0.2150	0.22%	+6	+12	16:11:35
2 Year	0.5000	99-22	0.66%	+18	+35	16:20:44
5 Year	1.2500	98-10	1.60%	+30	+8	16:19:22
10 Year	2.0000	98-24½	2.14%	+31	-60	16:05:31
30 Year	2.5000	95-12½	2.73%	+28	-97	16:10:14

Change shown in basis points

Federal Reserve Rates

Rate	Current	1 Year Prior	Rate	Current	1 Year Prior
Fed Funds Rate	0.13	0.06	Fed Reserve Target	0.25	0.25
Prime Rate	3.25	3.25			

**Sacramento Suburban Water District
District Maturities Compared to Average Market Maturities
(Market is Merrill-Lynch 0-5 Year U.S. Treasury Index)**

<u>1/31/2015</u>	<u>SSWD Holdings</u>	<u>ML 0-5 Year UST Index</u>
Under 6 Months	6.6%	13.0%
6 - 12 Months	5.1%	10.5%
1 - 2 Years	27.7%	24.7%
2 - 3 Years	32.9%	19.8%
3 - 4 Years	19.3%	15.7%
4 - 5 Years	8.4%	16.3%
TOTAL	100.0%	100.0%

Sacramento Suburban Water District
District Monthly Yield and Return Compared to Average Market
(Market is Merrill-Lynch 0-5 Year U.S. Treasury Index)

	<u>Unannualized Monthly Returns</u>		<u>Yield to Maturity at Cost</u>
	<u>SSWD</u>	<u>ML 0-5 Year UST Index</u>	<u>SSWD Operating Fund</u>
1/31/2010	0.65%	0.87%	2.41%
2/28/2010	0.27%	0.25%	2.41%
3/31/2010	-0.24%	-0.38%	2.45%
4/30/2010	0.45%	0.38%	2.36%
5/31/2010	0.47%	0.63%	2.18%
6/30/2010	0.67%	0.67%	2.17%
7/31/2010	0.51%	0.49%	2.09%
8/31/2010	0.32%	0.39%	2.06%
9/30/2010	0.24%	0.22%	1.96%
10/31/2010	0.38%	0.31%	1.95%
11/30/2010	-0.35%	-0.33%	1.84%
12/31/2010	-0.49%	-0.52%	1.84%
1/31/2011	0.22%	0.27%	1.85%
2/28/2011	-0.08%	-0.18%	1.82%
3/31/2011	-0.01%	-0.05%	1.79%
4/30/2011	0.68%	0.59%	1.79%
5/31/2011	0.47%	0.57%	1.73%
6/30/2011	-0.01%	0.03%	1.69%
7/31/2011	0.52%	0.59%	1.57%
8/31/2011	0.43%	0.62%	1.43%
9/30/2011	-0.12%	-0.11%	1.41%
10/31/2011	0.14%	0.09%	1.40%
11/30/2011	0.01%	0.12%	1.30%
12/31/2011	0.19%	0.13%	1.29%
1/31/2012	0.48%	0.25%	1.28%
2/29/2012	0.07%	-0.24%	1.19%
3/31/2012	-0.09%	-0.16%	1.19%
4/30/2012	0.26%	0.39%	1.19%
5/31/2012	0.03%	0.16%	1.18%
6/30/2012	0.06%	-0.07%	1.18%
7/31/2012	0.38%	0.33%	1.18%
8/31/2012	0.10%	0.04%	1.09%
9/30/2012	0.06%	0.01%	1.09%
10/31/2012	-0.02%	-0.10%	1.08%
11/30/2012	0.19%	0.18%	0.98%
12/31/2012	-0.03%	-0.03%	0.91%
1/31/2013	-0.03%	-0.10%	0.90%
2/28/2013	0.20%	0.19%	0.87%
3/31/2013	0.05%	0.04%	0.86%
4/30/2013	0.21%	0.19%	0.81%
5/31/2013	-0.34%	-0.41%	0.79%
6/30/2013	-0.42%	-0.32%	0.80%
7/31/2013	0.25%	0.19%	0.80%
8/31/2013	-0.30%	-0.22%	0.81%
9/30/2013	0.36%	0.41%	0.83%
10/31/2013	0.22%	0.19%	0.87%
11/30/2013	0.15%	0.09%	0.89%
12/31/2013	-0.27%	-0.37%	0.88%
1/31/2014	0.41%	0.34%	0.88%
2/28/2014	0.18%	0.12%	0.88%
3/31/2014	-0.21%	-0.24%	0.87%
4/30/2014	0.25%	0.20%	0.89%
5/31/2014	0.29%	0.32%	0.90%
6/30/2014	-0.02%	-0.08%	0.92%
7/31/2014	-0.11%	-0.17%	0.95%
8/31/2014	0.23%	0.28%	0.98%
9/30/2014	-0.14%	-0.14%	0.97%
10/31/2014	0.32%	0.39%	0.97%
11/30/2014	0.24%	0.25%	0.98%
12/31/2014	-0.19%	-0.27%	1.02%
1/31/2015	0.71%	0.81%	1.03%

DRAFT
District Reserve Balances
January 31, 2015

DRAFT

Sacramento Suburban Water District Reserve Fund Balance

	<u>January 31, 2015</u>	<u>December 31, 2014</u>
Debt Service Reserve	\$ 3,563,076	\$ 3,540,057
Facilities Reimbursement	28,378	21,873
Emergency/Contingency	10,758,000	10,317,750
Operating	6,468,857	6,466,000
Rate Stabilization	5,870,000	5,525,000
Interest Rate Risk	-	-
Grant	654,000	3,832,000
Capital Asset	17,815,299	15,109,330
TOTAL	<u>\$ 45,157,611</u>	<u>\$ 44,812,011</u>

Cash and Investments Per District Balance Sheet (Provided for Reconciliation Purposes)

	<u>January 31, 2015</u>	<u>December 31, 2014</u>
Cash and cash equivalents	\$ 1,959,165	\$ 1,312,864
Investments	39,635,369	39,959,090
Restricted assets	3,563,076	3,540,057
TOTAL	<u>\$ 45,157,611</u>	<u>\$ 44,812,011</u>

DRAFT
Information Required by Bond Agreement

**Sacramento Suburban Water District
Schedule of Net Revenues**

DRAFT

As Of

	<i>Actual Year-To-Date 01/31/15</i>	<i>Amended Budget Year-To-Date 01/31/15</i>
REVENUES		
Water sales charges	\$950,740.46	\$1,655,000.00
Capital facilities charge	1,520,528.86	1,785,833.00
Facility development charges		16,667.00
Interest and investment income	341,409.20	50,000.00
Rental & other income	43,396.76	24,862.00
	2,856,075.28	3,532,362.00
EXPENSES		
Source of supply	4,029.28	101,982.00
Pumping	181,967.18	375,106.49
Transmission and distribution	135,447.23	258,629.27
Water conservation	15,271.60	43,338.95
Customer accounts	53,340.68	111,910.92
Administrative and general	356,866.15	554,456.02
	746,922.12	1,445,423.65
NET REVENUE	2,109,153.16	2,086,938.35

Sacramento Suburban Water District
 6 - Months Debt Service Schedule
 1/31/2015

DRAFT

Month	Principal	Total SSWD Debt Service			Debt Service
		Interest Adjustable/Fixed/Swap	Facility Fee	Remarketing	
Feb-15	\$ -	\$ 84,001.62	\$ -	\$ -	\$ 84,001.62
Mar-15	-	84,001.62	60,375.00	13,125.00	157,501.62
Apr-15	-	84,001.62	-	-	84,001.62
May-15	-	84,001.62	1,188,137.50	-	1,272,139.12
June-15	-	84,001.62	60,375.00	13,125.00	157,501.62
July-15	-	84,001.62	-	-	84,001.62

Month	Principal	Series 2012A Fixed Rate Bonds (\$27,205,000.00)			Debt Service
		Interest - Fixed 4.25%	Facility Fee	Remarketing	
Feb-15	\$ -	\$ -	\$ -	\$ -	\$ -
Mar-15	-	-	-	-	-
Apr-15	-	-	-	-	-
May-15	-	-	490,487.50	-	490,487.50
June-15	-	-	-	-	-
July-15	-	-	-	-	-

Month	Principal	Series 2009A Adjustable Rate COPs (\$42,000,000.00)			Debt Service
		Interest, Adjustable 0.02%	Facility Fee 0.575%	Remarketing 0.125%	
Feb-15	\$ -	\$ 700.00	-	-	\$ 700.00
Mar-15	-	700.00	60,375.00	13,125.00	74,200.00
Apr-15	-	700.00	-	-	700.00
May-15	-	700.00	-	-	700.00
June-15	-	700.00	60,375.00	13,125.00	74,200.00
July-15	-	700.00	-	-	700.00

Month	Principal	Series 2009B Fixed Rate COPs (\$31,405,000.00)			Debt Service
		Interest - Fixed 5.00%	Facility Fee	Remarketing	
Feb-15	\$ -	\$ -	\$ -	\$ -	\$ -
Mar-15	-	-	-	-	-
Apr-15	-	-	-	-	-
May-15	-	-	697,650.00	-	697,650.00
June-15	-	-	-	-	-
July-15	-	-	-	-	-

Month	Principal	2012 SWAP Interest, Net (\$33,000,000.00)			Debt Service
		Interest, Swap Net (3.283-0.10114-0.18)%	Facility Fee	Remarketing	
Feb-15	\$ -	\$ 83,301.62	-	-	\$ 83,301.62
Mar-15	\$ -	83,301.62	-	-	83,301.62
Apr-15	\$ -	83,301.62	-	-	83,301.62
May-15	\$ -	83,301.62	-	-	83,301.62
June-15	\$ -	83,301.62	-	-	83,301.62
July-15	\$ -	83,301.62	-	-	83,301.62



Agenda Item: 13

Date: February 9, 2015

Subject: Summary of 2014 Investment Performance and Portfolio Review

Staff Contact: Daniel A. Bills, Finance Director

DISCUSSION:

The District invests its Reserve Funds in various financial investment vehicles in accordance with the District's Investment Policy (PL - FIN 003), established pursuant to Government Code section 53600 et. Seq.

As the District's Investment Policy allows for investing in various financial instruments but has constraints on the amount and risk associated with such investments; monthly, staff reports to the Board the portfolio activity and its balance for and at the end of the month. However, as the District's fiscal year has just ended, it is helpful and insightful to look back at the portfolio's performance over the prior year, its current makeup and provide a look forward to the coming year's portfolio management expectations.

To that end, the attached materials, prepared by the District's Investment Advisor – PFM Asset Management, LLC, are provided for Director review and comment. The District's Treasurer will present and discuss the attached materials at the February Board meeting.



Sacramento Suburban Water District



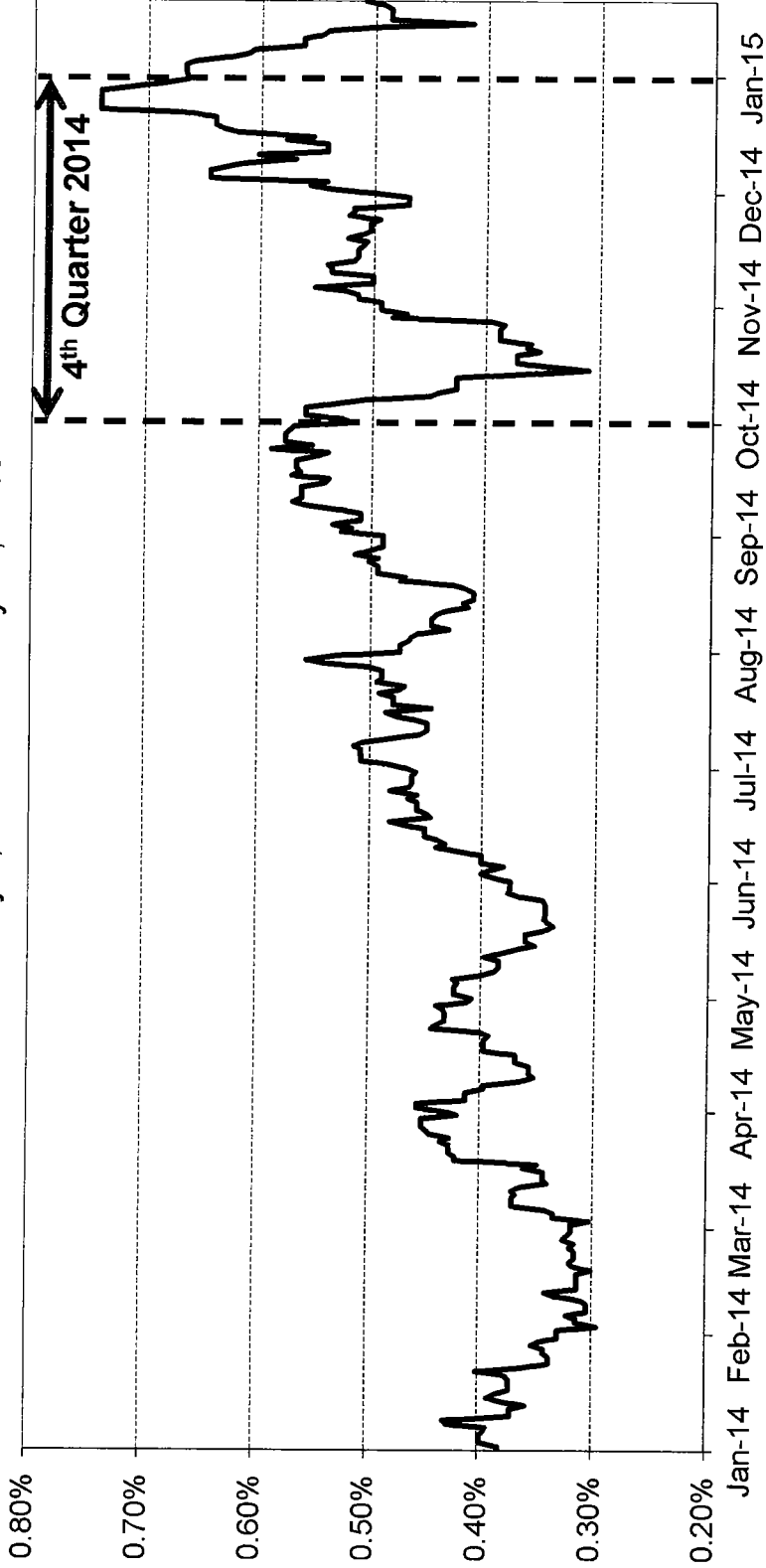
Fourth Quarter 2014 Review of Portfolio

Bob Cheddar, Managing Director
Nancy Jones, Managing Director
Sarah Meacham, Director
PFM Asset Management LLC

Interest Rates Were on the Rise in the Fourth Quarter...

- In 2014, interest rates in certain maturity ranges almost doubled.
- At the end of 2014, as global fears eased, yields on 2-year Treasuries rose to their highest levels since 2011.
- In January 2015, interest rates reversed their upward trend as investors fled to safe-haven investments.

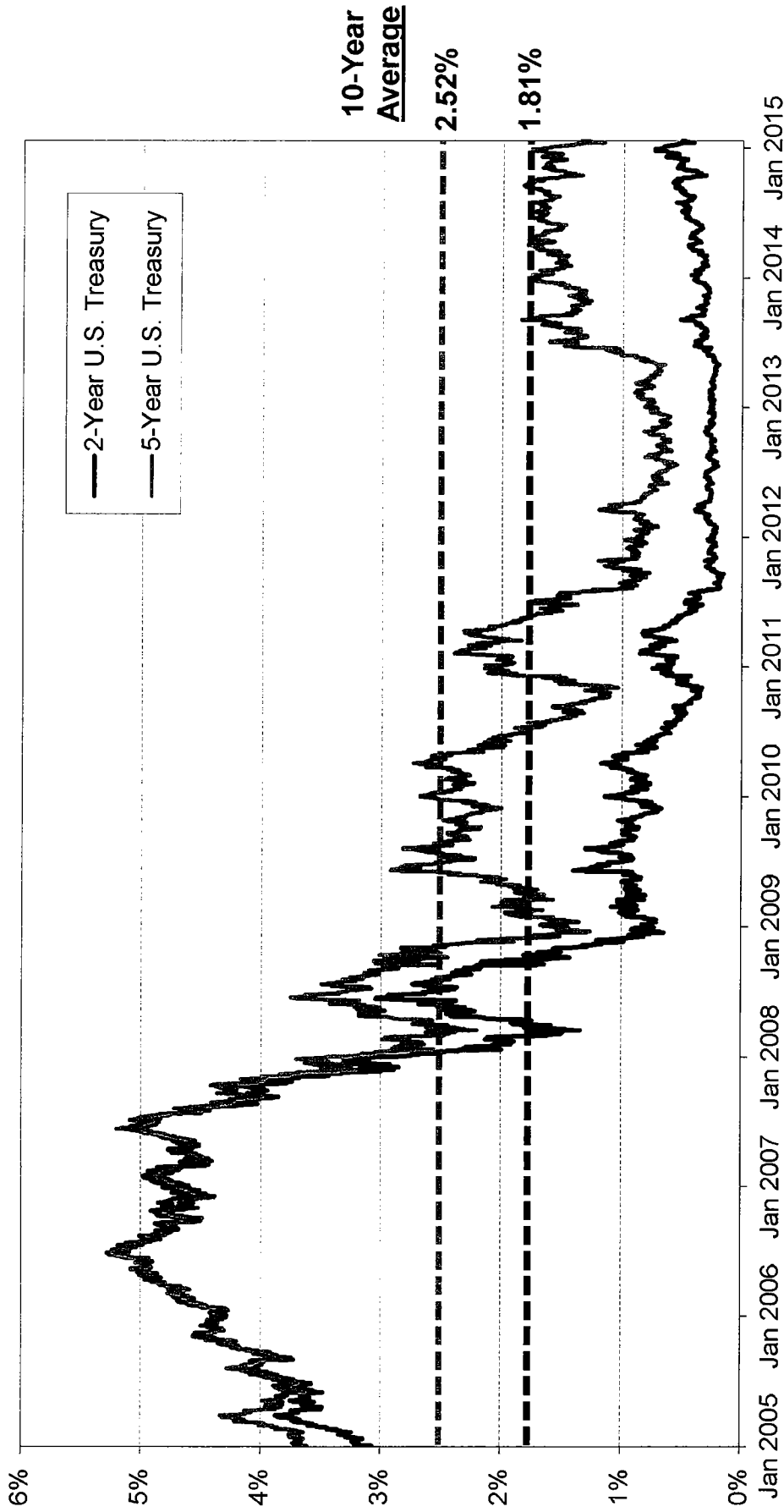
2-Year U.S. Treasury Yield
January 1, 2014 – January 21, 2015



Source: Bloomberg

...But Remain Below Historical Averages

U.S. Treasury Yields
January 1, 2005 – January 21, 2015

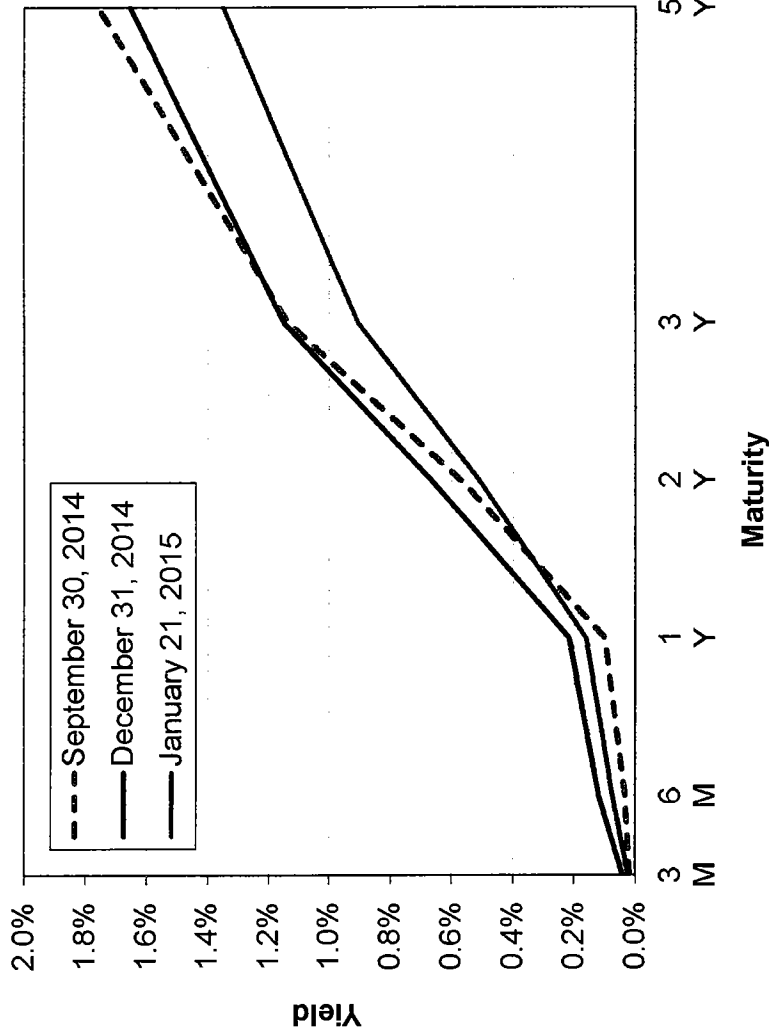


Source: Bloomberg

Steep Yield Curve Presents Opportunities

- The volatile market environment over the past several months has provided opportunities to add exposure to longer-term securities when yields approached the higher ends of recent trading ranges, increasing overall income potential.

U.S. Treasury Yield Curve



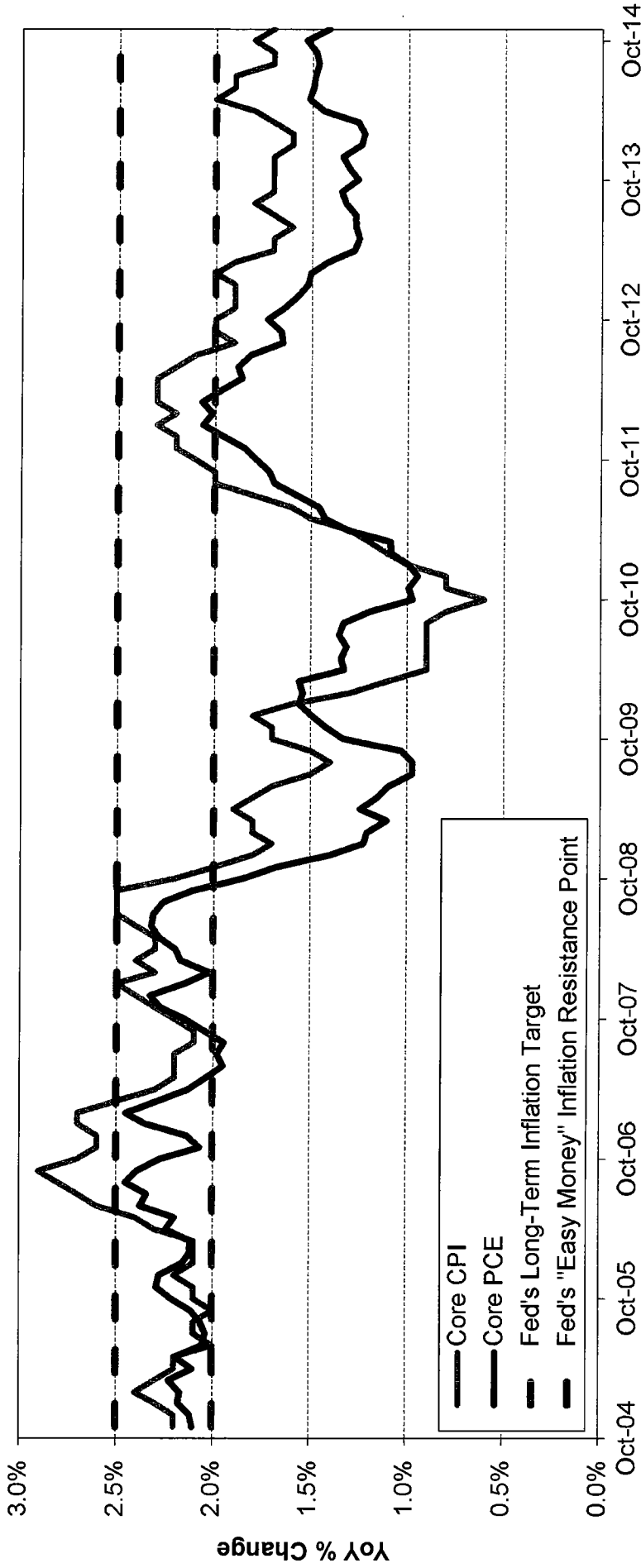
Source: Bloomberg

	9/30/14	12/31/14	1/21/15
3 Month	0.02%	0.04%	0.02%
6 Month	0.03%	0.12%	0.07%
1 Year	0.10%	0.22%	0.16%
2 Year	0.57%	0.67%	0.51%
3 Year	1.14%	1.15%	0.91%
5 Year	1.76%	1.65%	1.35%

Inflation Remains Muted

- The personal consumption expenditures (PCE) price index, the Federal Reserve's preferred gauge of core inflation, continues to be less than the Federal Reserve's 2% target; the PCE index advanced 1.6% year-over-year through October.
- The Core Consumer Price Index (CPI) registered 1.8% year-over-year growth through October.

**Inflation Measures:
Consumer Price Index vs Personal Consumption Expenditures**



Source: Bloomberg

Fourth Quarter 2014 Recap

- U.S. Treasury yields experienced heightened volatility in the fourth quarter as market participants continued to weigh an improving domestic economy against declining growth prospects abroad, global deflationary pressures, and diverging policies from central banks around the world.
- We maintained a modestly defensive duration strategy—keeping the average portfolio maturity shorter than the benchmark—throughout the quarter in an effort to mitigate the impact that rising rates would have on portfolio performance.
- While the broader yield curve flattened further in the fourth quarter, the part of the yield curve under 5 years remained steep, increasing the relative attractiveness of longer investments within that range.

Total Return

- In 2014, the portfolio outperformed the benchmark by 0.25%.

Total Returns for periods ending December 31, 2014

	Duration (years)	Past Quarter	Past Year	Past 3 Years	Past 5 Years	Since Inception
Sacramento Suburban Water District	2.08	0.37%	1.25%	0.98%	1.66%	3.28%
Bank of America Merrill Lynch Treasury Benchmark	2.17	0.38%	1.00%	0.54%	1.46%	2.89%

- Performance on trade-date basis, gross (i.e., before fees) in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
- Bank of America Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Benchmark is Bank of America Merrill Lynch 1-3 Year U.S. Treasury Index through June 30, 2006 and 0-5 Year U.S. Treasury Index thereafter.
- Inception date is third quarter 2005.

Portfolio Composition

- The portfolio complies with the California Government Code and the District's Investment Policy.

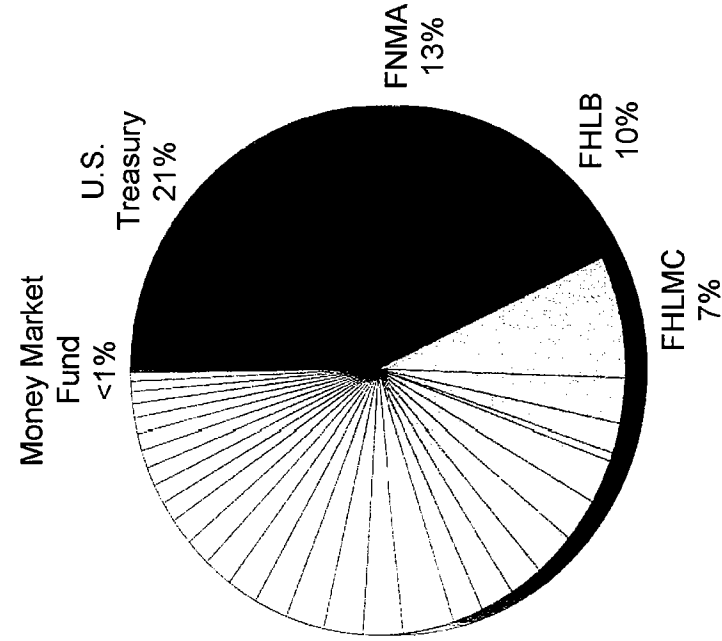
Security Type	Market Value as of December 31, 2014	Percentage of Portfolio	% Change vs. 9/30	Permitted by Policy	In Compliance
U.S. Treasury	\$8,223,921	21%	-1%	100%	✓
Federal Agencies	\$12,067,326	30%	+3%	100%	✓
Negotiable CDs	\$5,777,694	14%	-2%	30%	✓
Municipal Obligations	\$2,027,406	5%	-	100%	✓
Corporate Notes	\$11,967,608	30%	-	30%	✓
Money Market Fund	\$81,268	<1%	-	20%	✓
Totals	\$40,145,223	100%			

Issuer Distribution and Credit Quality

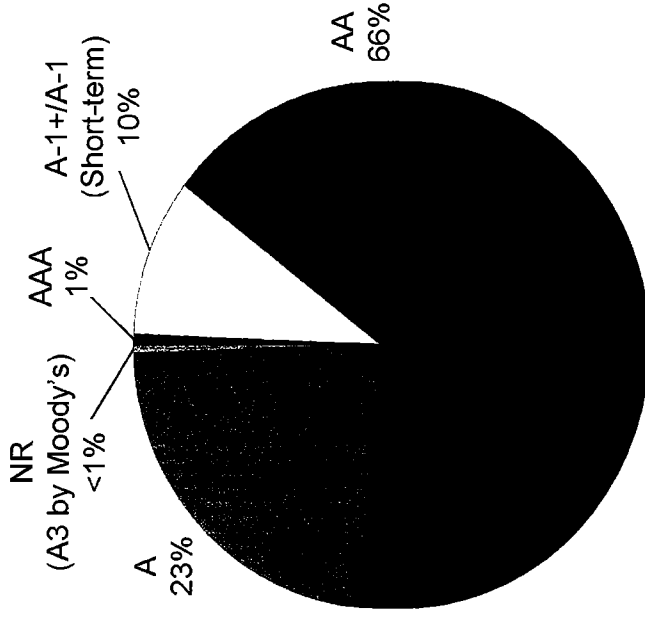
- The portfolio is well diversified and comprises securities with high credit quality.

Corporate Issuers	3%
Apple	3%
Chevron Corp	3%
US Bancorp	3%
JP Morgan Chase	3%
Berkshire Hathaway	2%
American Honda Finance	2%
Bank of New York	2%
Deere & Company	2%
Wells Fargo	2%
GE Capital	1%
IBM	1%
Toyota Motor CC	1%
Caterpillar	1%
Wal-Mart Stores	1%
Cisco Systems	1%
PepsiCo	1%
HSBC USA	1%
Microsoft	<1%
American Express	<1%
CD Issuers	
Skandinaviska Enskilda NY	3%
Credit Suisse NY	3%
Rabobank Nederland NV NY	2%
Westpac Banking Corp	2%
Bank of Nova Scotia Houston	2%
Goldman Sachs Bank	2%
Municipal Issuers	
State of California	3%
University of California	2%
California Earthquake Authority	<1%

Issuer Distribution



Credit Quality

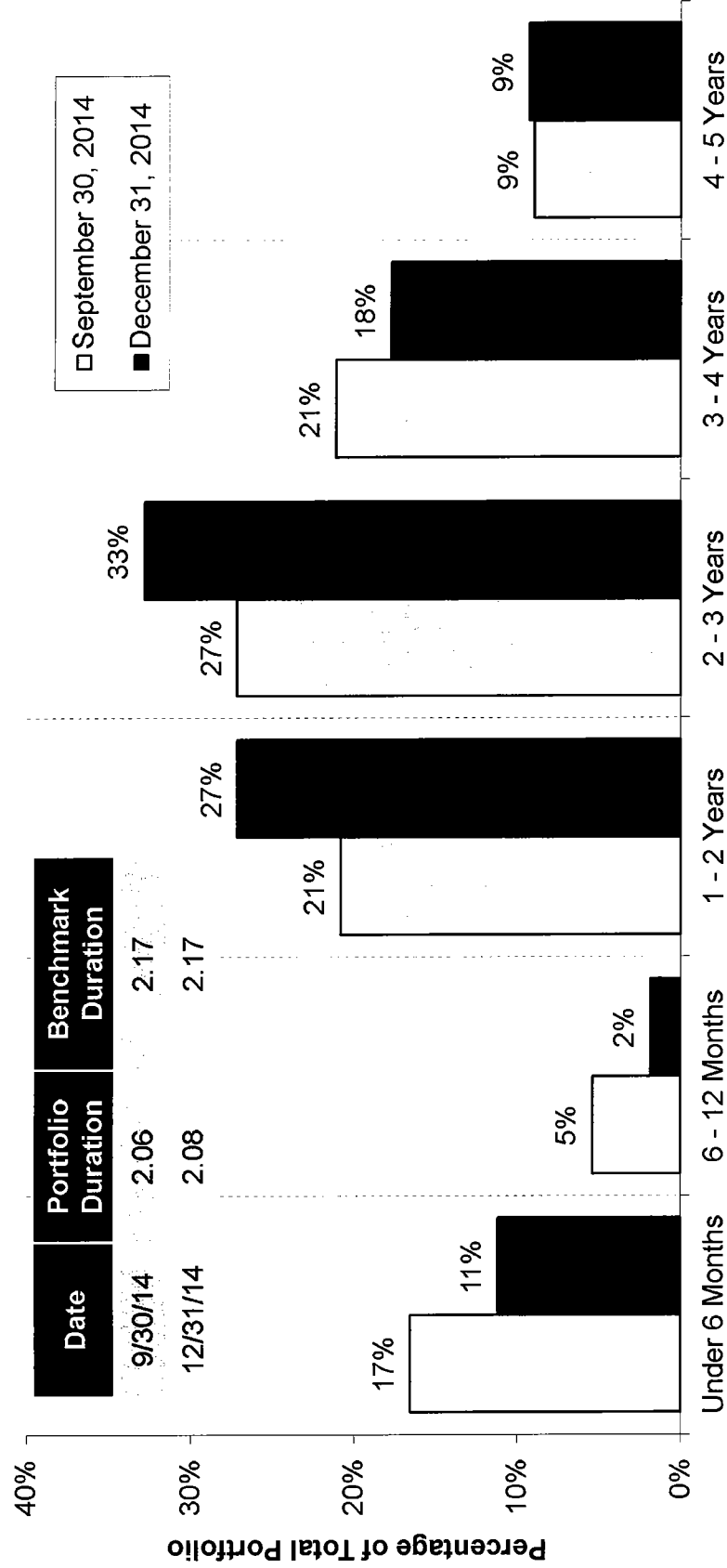


• As of December 31, 2014

• Ratings by Standard & Poor's

Maturity Distribution

- We decreased the portfolio's allocation to securities under 1 year and increased the allocation to securities in the 1-3 year range. This helps take advantage of the steepness of the yield curve in longer-term securities.

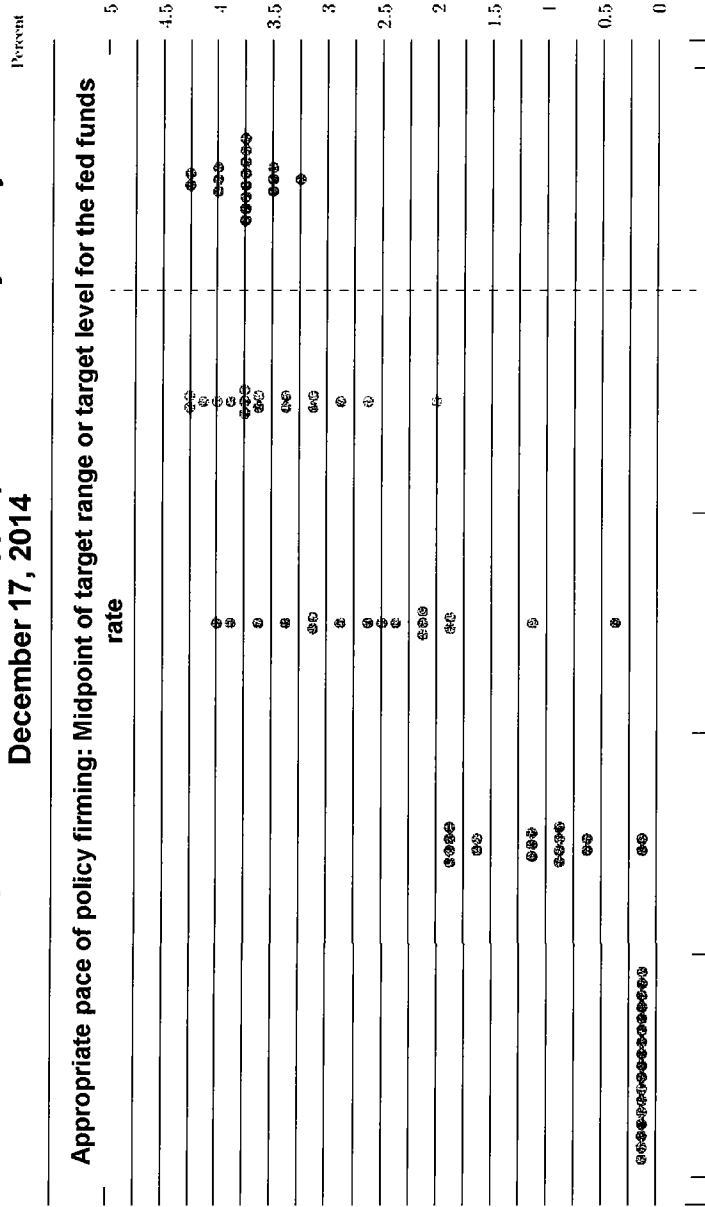


Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.

What's Ahead in 2015

- As economic data continues to signal a growing U.S. economy, it is expected the Federal Reserve will start raising its fed funds target rate this year.
- There is a lot of uncertainty around the pace of increases, the timing, and the impact on the rest of the yield curve.
- Because of this uncertainty, we will continue to favor a defensive duration position for the District's portfolio.
- PFM will navigate the environment with a focus on relative value sector analysis, prudent duration management, and efficient yield curve placement.
- While producing strong investment returns remains a priority, it is secondary to maintaining safety and liquidity.

FOMC Participant's Assessment of Appropriate Monetary Policy December 17, 2014



Source: Federal Reserve



Agenda Item: 14

Date: February 4, 2015

Subject: New Policy Review – Debt Obligation Continuing Disclosure Policy (PL - Fin XXX)

Staff Contact: Daniel A. Bills, Finance Director

Discussion:

The attached new Debt Obligation Continuing Disclosure Policy and its accompanying Procedure are provided for Board consideration, review and comment. It is staff's desire that the Policy be adopted at the March Board meeting. Director comments received on or before March 2nd, will be included in the printed version of the Policy that will appear in the March Board meeting materials. Please note the Board is not being asked to adopt the Procedure as procedures are the responsibility of the General Manager. However, as the Policy is new, staff is providing the Procedures for Board information.

Background

The District currently has outstanding two certificates-of-participations (COPs) and one bond (collectively, "Obligations"), that in total amount to \$93.4 million. These Obligations are refinancing instruments from debt issued prior to 2005 for capital investment acquisition purposes. In offering Obligations to the public, and at other times when the District makes certain reports, the District must comply with the "anti-fraud rules" of federal securities laws. The core requirement of these rules is that potential investors in Obligations must be provided with all "material" information relating to the offered Obligations. The information provided to investors must not contain any material misstatements, and the District must not omit material information which would be necessary to provide to investors a complete and transparent description of the Obligations and the District's financial condition. In the context of the sale of securities, a fact is generally considered to be "material" if there is a substantial likelihood that a reasonable investor would consider it to be important in determining whether or not to purchase the securities being offered.

In connection with the issuance or execution and delivery of Obligations, the District has entered and may enter into a number of contractual agreements ("Continuing Disclosure Certificates") to provide annual reports related to its financial condition (including its audited financial statements) as well as notice of certain events relating to the Obligations specified in the Continuing Disclosure Certificates. The District must comply with the specific requirements of each Continuing Disclosure Certificate. The District's Continuing Disclosure Certificates

generally require that the annual reports be filed within 270 days after the end of the District's fiscal year, and material event notices are generally required to be filed within 10 business days of their occurrence.

Because of these "noticing" and reporting obligations of the District related to these Obligations, their strict requirements and as it is reasonably expected that future Obligations will be issued, a policy statement by the Board is deemed in order.

Sacramento Suburban Water District

Debt Obligation Continuing Disclosure PolicyAdopted: March XX, 2015

100.00 Purpose of the Policy

The purpose of this Debt Obligation Continuing Disclosure Policy (“Policy”) is to memorialize and communicate Board direction in connection with obligations, including notes, bonds and certificates of participation, issued by or on behalf of the Sacramento Suburban Water District (the “District”) so as to ensure that the District continues to comply with all applicable disclosure obligations and requirements under the federal securities laws.

200.00 Policy

The District from time to time issues certificates of participation, revenue bonds, notes or other obligations (collectively, “Obligations”) in order to fund or refund capital investments or other long-term programs. Certain obligations are executed and delivered through the Sacramento Suburban Water District Financing Corporation (the “Financing Corporation”) and others are incurred directly by the District. In offering Obligations to the public, and at other times when the District makes certain reports, the District must comply with the “anti-fraud rules” of federal securities laws. (“Anti-fraud rules” refers to Section 17 of the Securities Act of 1933 and Section 10(b) of the Securities and Exchange Act of 1934, and regulations adopted by the Securities and Exchange Commission under those Acts, particularly “Rule 10b-5” under the 1934 Act.)

The core requirement of these rules is that potential investors in Obligations must be provided with all “material” information relating to the offered Obligations. The information provided to investors must not contain any material misstatements, and the District must not omit material information which would be necessary to provide to investors a complete and transparent description of the Obligations and the District’s financial condition. In the context of the sale of securities, a fact is generally considered to be “material” if there is a substantial likelihood that a reasonable investor would consider it to be important in determining whether or not to purchase the securities being offered.

In connection with the issuance or execution and delivery of Obligations, the District has entered and may enter into a number of contractual agreements (“Continuing Disclosure Certificates”) to provide annual reports related to its financial condition (including its audited financial statements) as well as notice of certain events relating

to the Obligations specified in the Continuing Disclosure Certificates. The District must comply with the specific requirements of each Continuing Disclosure Certificate. The District's Continuing Disclosure Certificates generally require that the annual reports be filed within 270 days after the end of the District's fiscal year, and material event notices are generally required to be filed within 10 business days of their occurrence.

Specific events which require "material event" notices are set forth in each particular Continuing Disclosure Certificate.

The Finance Director shall be responsible for preparing and filing the annual reports and material event notices required pursuant to the Continuing Disclosure Certificates. Particular care shall be paid to the timely filing of any changes in credit ratings on Obligations (including changes resulting from changes in the credit ratings of insurers of particular Obligations).

300.00 Policy Review

This Policy shall be reviewed at least biennially.

Sacramento Suburban Water District

Debt Obligation Continuing Disclosure ProcedureEffective: March XX, 2015

Purpose

The purpose of these Disclosure Procedures (the “Procedures”) is to memorialize and communicate procedures in connection with obligations, including notes, bonds and certificates of participation, issued by or on behalf of the Sacramento Suburban Water District (the “District”) so as to ensure that the District continues to comply with all applicable disclosure obligations and requirements under the federal securities laws.

Procedure**BACKGROUND**

The District from time to time issues certificates of participation, revenue bonds, notes or other obligations (collectively, “Obligations”) in order to fund or refund capital investments or other long-term programs. Certain obligations are executed and delivered through the Sacramento Suburban Water District Financing Corporation (the “Financing Corporation”) and others are incurred directly by the District. In offering Obligations to the public, and at other times when the District makes certain reports, the District must comply with the “anti-fraud rules” of federal securities laws. (“Anti-fraud rules” refers to Section 17 of the Securities Act of 1933 and Section 10(b) of the Securities and Exchange Act of 1934, and regulations adopted by the Securities and Exchange Commission under those Acts, particularly “Rule 10b-5” under the 1934 Act.)

The core requirement of these rules is that potential investors in Obligations must be provided with all “material” information relating to the offered Obligations. The information provided to investors must not contain any material misstatements, and the District must not omit material information which would be necessary to provide to investors a complete and transparent description of the Obligations and the District’s financial condition. In the context of the sale of securities, a fact is generally considered to be “material” if there is a substantial likelihood that a reasonable investor would consider it to be important in determining whether or not to purchase the securities being offered.

When Obligations are issued, the two central disclosure documents which are prepared are a preliminary official statement (“POS”) and a final official statement (“OS”, and collectively with the POS, “Official Statement”). The Official Statement generally consists of (i) the forepart (which describes the specific transaction including maturity dates, interest rates, redemption provisions, the specific type of financing, the leased premises (in certificate of participation financings) and other matters particular to the financing, (ii) a section which provides information on the District, including its financial condition as well as certain operating information (“District Section”), and (iii) various other appendices, including the District’s audited financial report, form of the proposed legal opinion, and form of continuing disclosure

undertaking. Investors use the Official Statement as one of their primary resources for making informed investment decisions regarding the Obligations.

DISCLOSURE PROCESS

When the District determines to issue Obligations directly or through the Financing Corporation, the District Finance Director requests the involved departments to commence preparation of the portions of the Official Statement (including particularly the District Section) for which they are responsible. While the general format and content of the Official Statement may not normally change substantially from offering to offering, except as necessary to reflect major events, the District Finance Director and other relevant staff are responsible for reviewing and preparing or updating certain portions of the District Section which are within their particular areas of knowledge. Once the draft POS has been substantially updated, the entire draft POS is shared with the General Manager for review and input. Additionally, all participants in the disclosure process are separately responsible for reviewing the entire draft POS.

Members of the financing team, including the Bond Counsel and a financial advisor, if one is engaged with respect to the Obligations (the “Financial Advisor”), assist staff in determining the materiality of any particular item, and in the development of specific language in the District Section. Members of the financing team also assist the District in the development of a “big picture” overview of the District’s financial condition, included in the District section. This overview highlights particular areas of concern. Bond Counsel has a confidential, attorney-client relationship with officials and staff of the District.

The Finance Director or a member of the financing team at the direction thereof schedules one or more meetings or conference calls of the financing team (which includes District officials, General Counsel, Bond Counsel, the District’s Financial Advisor, the underwriter of the Obligations, and the underwriter’s counsel), and new drafts of the forepart of the draft POS and the District Section are circulated and discussed. Such communications may occur via electronic means rather than by meetings or conference calls. During this part of the process, there is substantial contact among District staff and other members of the financing team to discuss issues which may arise, determine the materiality of particular items and ascertain the prominence in which the items should be disclosed.

Prior to distributing a POS to potential investors, there is typically a formal conference call which includes District officials involved in the preparation of the POS, members of the financing team and the underwriters and the underwriter’s counsel, during which the POS is reviewed in its entirety to obtain final comments and to allow the underwriters to ask questions of the District’s senior officials. This is referred to as a “due diligence” meeting.

A substantially final form of the POS is provided to the District Board of Directors in advance of approval to afford the Board of Directors an opportunity to review the POS, ask questions and make comments. The substantially final form of the POS is approved by the Board of Directors which generally authorizes certain senior staff to make additional corrections, changes and updates to the POS in consultation with General Counsel and Bond Counsel.

At the time the POS is posted for review by potential investors, senior District officials execute certificates deeming certain portions of the POS complete (except for certain pricing terms) as required by SEC Rule 15c2-12.

Between the posting of the POS for review by potential investors and delivery of the final OS to the underwriter for redelivery to actual investors in the Obligations, any changes and developments will have been incorporated into the POS, including particularly the District Section, if required. If necessary to reflect developments following publication of the POS or OS, as applicable, supplements will be prepared and published.

In connection with the closing of the transaction, one or more senior District officials execute certificates stating that certain portions of the OS, as of the date of each OS and as of the date of closing, does not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained in the Official Statement in light of the circumstances under which they were made, not misleading. General Counsel also provides an opinion letter (generally addressed to the underwriters) advising that information contained in the District Section of the OS (or specified portions thereof) as of its date did not, and as of the date of the closing, does not contain any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. General Counsel does not opine to the underwriters or to other third parties as to any financial, statistical, economic or demographic data or forecasts, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, and certain other customary matters.

DISTRICT SECTION

The information contained in the District Section is developed by personnel under the direction of the Finance Director, with the assistance of the financing team. In certain circumstances, additional officials will be involved, as necessary. The following principles govern the work of the respective staffs that contribute information to the District Section:

- District staff involved in the disclosure process are responsible for being familiar with its responsibilities under federal securities laws as described above.
- District staff involved in the disclosure process should err on the side of raising issues when preparing or reviewing information for disclosure. Officials and staff are encouraged to consult General Counsel, Bond Counsel or members of the financing team if there are questions regarding whether an issue is material or not.
- Care should be taken not to shortcut or eliminate any steps outlined in the Procedures on an ad hoc basis. However, the Procedures are not necessarily intended to be a rigid list of procedural requirements, but instead to provide guidelines for disclosure review. If warranted, based on experience during financings or because of additional SEC pronouncements or other reasons, the District should consider revisions to the Procedures.
- The process of updating the District Section from transaction to transaction should not be viewed as being limited to updating tables and numerical information. While it is not anticipated that there will be major changes in the form and content of the District Section at the time of each update, everyone involved in the process should consider the need for revisions in the form, content and tone of the sections for which they are responsible at the time of each update.
- The District must make sure that the staff involved in the disclosure process is of sufficient seniority such that it is reasonable to believe that, collectively, they are in possession of material information relating to the District, its operations and its finances.

TRAINING

Periodic training for the staff involved in the preparation of the Official Statement (including the District Section) is coordinated by the finance team and the Finance Director. These training sessions are provided to assist staff members involved in identifying relevant disclosure information to be included in the District Section. The training sessions also provide an overview of federal laws relating to disclosure, situations in which disclosure rules apply, the purpose of the Official Statement and the District Section, a

description of previous SEC enforcement actions and a discussion of recent developments in the area of municipal disclosure. Attendees at the training sessions are provided the opportunity to ask questions of finance team members, including Bond Counsel concerning disclosure obligations and are encouraged to contact members of the finance team at any time if they have questions.

ANNUAL CONTINUING DISCLOSURE REQUIREMENTS

In connection with the issuance or execution and delivery of Obligations, the District has entered into a number of contractual agreements (“Continuing Disclosure Certificates”) to provide annual reports related to its financial condition (including its audited financial statements) as well as notice of certain events relating to the Obligations specified in the Continuing Disclosure Certificates. The District must comply with the specific requirements of each Continuing Disclosure Certificate. The District’s Continuing Disclosure Certificates generally require that the annual reports be filed within 270 days after the end of the District’s fiscal year, and material event notices are generally required to be filed within 10 business days of their occurrence.

Specific events which require “material event” notices are set forth in each particular Continuing Disclosure Certificate.

The Finance Director shall be responsible for preparing and filing the annual reports and material event notices required pursuant to the Continuing Disclosure Certificates. Particular care shall be paid to the timely filing of any changes in credit ratings on Obligations (including changes resulting from changes in the credit ratings of insurers of particular Obligations).

Approved by:

General Manager Signature



[Back to Agenda](#)

Agenda Item: 15

Date: February 10, 2015

Subject: Upcoming Policy Review – Electronic Mail Management and Retention Policy (PL - IT 003)

Staff Contact: Daniel A. Bills, Finance Director

Discussion:

Included with this report is the updated Electronic Mail Management and Retention Policy (PL – IT 003) for the Board’s review and comment. The Electronic Mail Management and Retention Policy was last reviewed in March 2013. Staff has no recommended changes, other than one minor technical edit.

This policy will be brought before the Board for consideration at the March meeting. All director comments received by the end of business on Monday, March 2, 2015, will be included in the draft version for the March meeting.

Sacramento Suburban Water District

Electronic Mail Management and Retention Policy

Adopted: February 25, 2008

Revised: February 22, 2010, March 21, 2011, March XX, 2015

100.00 Purpose

The Sacramento Suburban Water District (SSWD) provides electronic mail (“e-mail”) to its employees to facilitate the conduct of SSWD business. In return for providing e-mail, SSWD expects its employees to manage and protect records resulting from their e-mail communications. This policy is adopted by the Board for the purposes of stating the responsibilities of all SSWD employees concerning the creation, removal, storage, and retention of e-mails that are designated as official SSWD records.

SSWD e-mail and e-mail systems are intended solely as a means of communicating information. All SSWD e-mail users are forbidden from using the SSWD e-mail system other than for the storage and maintenance of SSWD records. To ensure the SSWD e-mail system functions as intended, it is imperative that all SSWD employees and e-mail users regularly delete e-mails from the system as provided in this policy.

This policy supplements and is intended to be carried out in concert with SSWD’s Records Inspection, Retention and Disposal, ~~and Storage~~ Policy (PL – Adm 002, “Records Policy”). While not all e-mail communications are SSWD records, all e-mail communications are subject to discovery and can be used as electronic evidence in the event of litigation. Unmanaged and unidentified e-mails residing on SSWD computers could create expensive and unmanageable problems in the event of litigation and pose a threat to SSWD’s ability to properly and coherently document and reconstruct business and decision-making processes.

The Board makes the following findings concerning specific features of SSWD’s computer network and related hardware and software that comprise the SSWD e-mail system:

1. SSWD performs an electronic back-up of its computer network, including the e-mail system, on a regular schedule. Those back-ups are an electronic recording of the status of SSWD’s computer systems at a particular moment in time and cannot accurately capture or reflect all e-mail or other activity that occurred on SSWD’s computer network on a specific day. For

example, a back-up does not capture items on employees' desktops or in their non-networked drives.

2. SSWD maintains a particular computer system back-up for a set period of time, after which that back-up is completely over written. Such overwriting is necessary for management and security reasons and to aid the recovery of the computer system in case of a complete failure. Because the process is transitory, a back-up is not reliable and cannot constitute SSWD records.
3. SSWD maintains an e-mail filter which reduces SPAM, Phishing, viruses, and other unwanted e-mail from entering the District's system. Employees of the District are responsible for reviewing summary e-mail lists from the e-mail filter to determine if valid e-mails were captured by the filter. The e-mail filter system automatically deletes filtered e-mail after a certain set time period.
4. SSWD has implemented a Records Management System (RMS) which serves as the repository of all District records for future storage and retrieval, retention control, and document protection. The RMS will be used to notify District employees of all records that have met retention policy requirements and are available for deletion from the system.

100.10 Scope

E-mail communications are considered public records and therefore, the retention and disposition of public records is governed by SSWD's Records Policy. In general, e-mail communications fall into three categories:

1. E-mails that document official SSWD business, which include without limitation, approvals for staff action initiating a business transaction, requests and replies to a request for public information, and direction to employees or consultants. Such e-mail communications generally should be transferred to the RMS and retained in accordance with SSWD's Records Policy.
2. E-mails that provide general information, such as announcing the date and time of a meeting, responses to professional organizations in which an employee participates, external colleague communications, and for information about SSWD other than for public records. Such e-mail communications are not considered SSWD records that must be managed according to SSWD's Records Policy and shall be routinely deleted from the SSWD e-mail system. If a SSWD employee believes that any e-mail of this type constitutes a SSWD official record, such an e-mail or e-mail attachment should be transferred to the RMS and retained in accordance with the SSWD Records Policy.

3. Electronic documents such as personal e-mail correspondence, informal e-mail communications between SSWD employees, and working notes and drafts (unless intentionally saved for an official purpose). Such documents are not SSWD records and should be deleted from SSWD's computer network as soon as they are received and read, or are otherwise superseded or subject to deletion under this policy.

SSWD's General Manager shall be responsible to develop procedures for SSWD employees regarding this policy.

200.00 Policy

It is the Policy of SSWD that any e-mail communication containing information that documents SSWD business must be saved into the RMS in accordance with the SSWD Records Policy. Responsibility for complying with this policy is imposed on each SSWD employee. If an employee has any question or concern about retaining an e-mail or attachment or other issues of compliance with this policy, he or she should discuss the issue with the General Manager or his/her designee. If deemed necessary, the Assistant to the General Manager may consult with legal counsel about any e-mail retention or removal issue.

200.10 Violation of Policy

While the Board recognizes that occasional lapses in the use and management of e-mail occur in the process of business, a failure to adhere to this policy also could have serious legal and financial consequences for SSWD. Therefore, violations of this policy will be reviewed on a case-by-case basis. In appropriate cases, as determined by the General Manager, a violation may result in disciplinary action against an employee, up to and including termination.

200.20 Procedures

The General Manager will prepare procedures outlining implementation protocols for this policy.

300.00 Policy Review

This Policy shall be reviewed at least biennially.



Agenda Item: 16

Date: February 9, 2015

Subject: City of Sacramento and Sacramento Metro Fire – Fire Training Update

Staff Contact: Jim Arenz, Operations Manager

At the January 12, 2015 Sacramento Suburban Water District (District) regular board meeting District staff was directed to investigate water use by the City of Sacramento Fire Department (SFD) and Sacramento Metropolitan Fire District (SMFD) for Fire Department Academy Training purposes at McClellan Business Park (MBP). As a result of this directive, staff contacted both entities and completed an investigation.

On January 20, 2015, staff contacted staff at the SFD and SMFD facilities at MBP to ask 5 specific questions which are listed below:

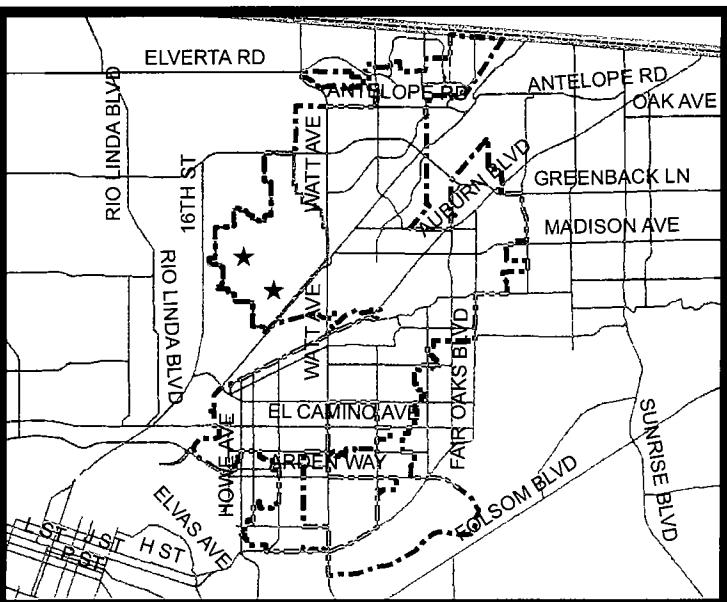
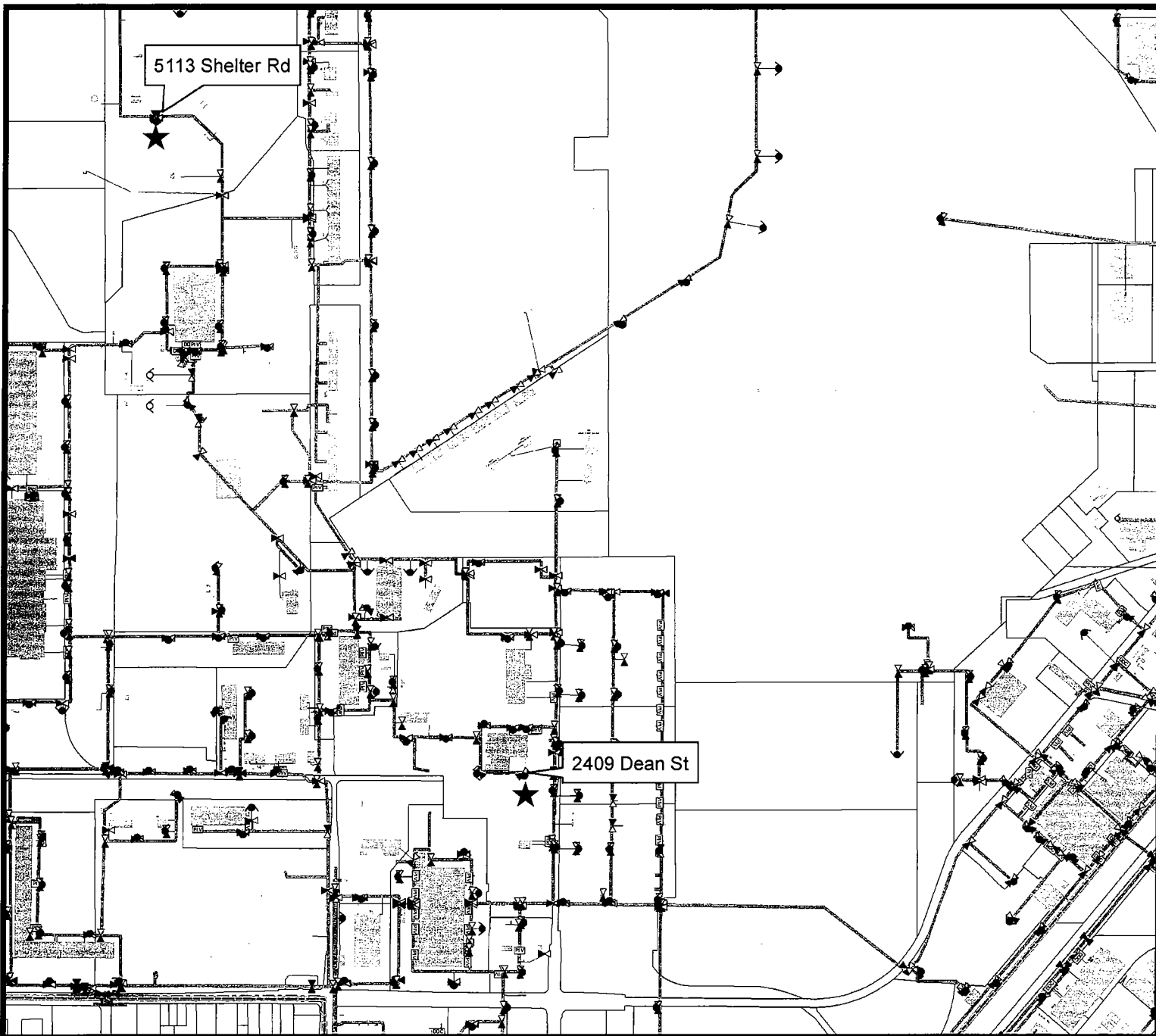
1. Does SFD/SMFD have a training facility located in MBP? If so, how many different properties or facilities are included?
2. Assuming an affirmative answer from Question 1, Does SFD/SMFD utilize water for training purposes at these facilities and if so how frequently?
3. Assuming an affirmative answer from Question 2, where does SFD/SMFD receive the water from (i.e., fire hydrant, metered service, etc.)?
4. If water is used, is there a method at this time for measuring quantities?
5. If water is being drawn from a fire hydrant which nozzle is being used (2½” or 5¼”) and is there a standard flow rate when being drawn?

Representatives from both agencies were very quick and forthright in their responses. However, SFD is the only agency currently performing training on MBP. They train at two facilities (see Exhibit 1). SFD’s classrooms and warehouse are located at 2409 Dean Street, and the hands-on training facility is located at 5113 Shelter Road where they do use water during training exercises. They were unable to pinpoint the frequency of water use as the Academies run for about 24 weeks and they run either 1 or 2 per year depending on demand. Only a portion of this time is spent on hands-on training and not every day involves the use of water. The water used at the Shelter Road facility comes from a fire hydrant and SFD currently has no means of metering this water use. SFD representatives stated that they only use low pressure nozzles on the end of 1¾” and 2½” hoses and generally only flow these nozzles to pressurize the hoses so the fire fighters can practice moving and placing charged hoses in the proper area. They further stated

that when they do flow the hoses, it is for a brief 5 to 10 seconds to check nozzle pressure and stream pattern.

Having received the reply from SFD representatives, staff performed a site investigation at 5113 Shelter Road facility and confirmed it is an unmanned training facility with no improved water related appurtenances (i.e., restrooms, hose bibs, living quarters, etc.)(see photos in Exhibit 2). Staff confirmed there are 3 District fire hydrants on the property that are provided water through 2 separate water mains (see Exhibit 3). Having these fire hydrants served by two separate water mains creates a less than desirable situation when attempting to account for water use at this facility. The most accurate way to account for water use would be to install 2 large turbo meters to register all water used through the 3 hydrants since their location does not seem to provide any actual fire fighting need at MBP. However, the estimated cost to install these 2 meters is \$16,000.

Currently, the District has no policy established for charging fire departments for water used for training purposes. In the interim, staff will coordinate with SFD representatives to schedule a visit of the Shelter Road facility during an active training exercise to determine how many of the hydrants are used. The hydrants being utilized by SFD will be outfitted with fire hydrant construction meters as a temporary measure to determine the quantity of water being used at this facility until a more permanent metering solution is determined.







Exhibit 1
 Portion of Sacramento Suburban Water District
City of Sacramento-Fire Training Update
 (Voting Division 2)



Base Data: Sacramento County GIS Base Maps
 Projection: CA State Plane II NAD83
 Scale: Relative
 Prepared by: K.C.G.
 Sacramento, CA January 2015
 City_Fire_Training.mxd

Exhibit 2

City of Sacramento Fire Department Training Facility at 5113 Shelter Road

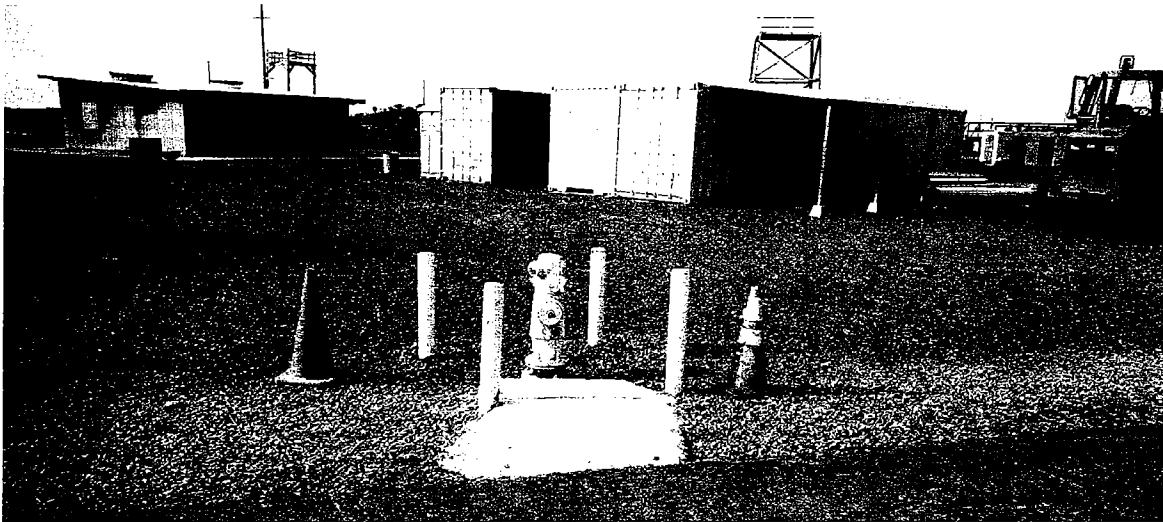
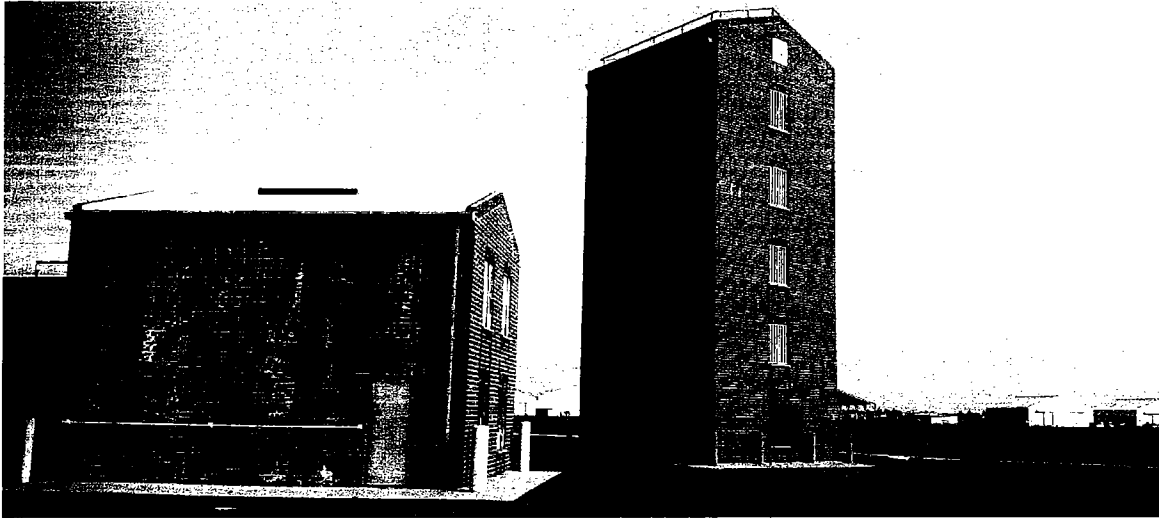
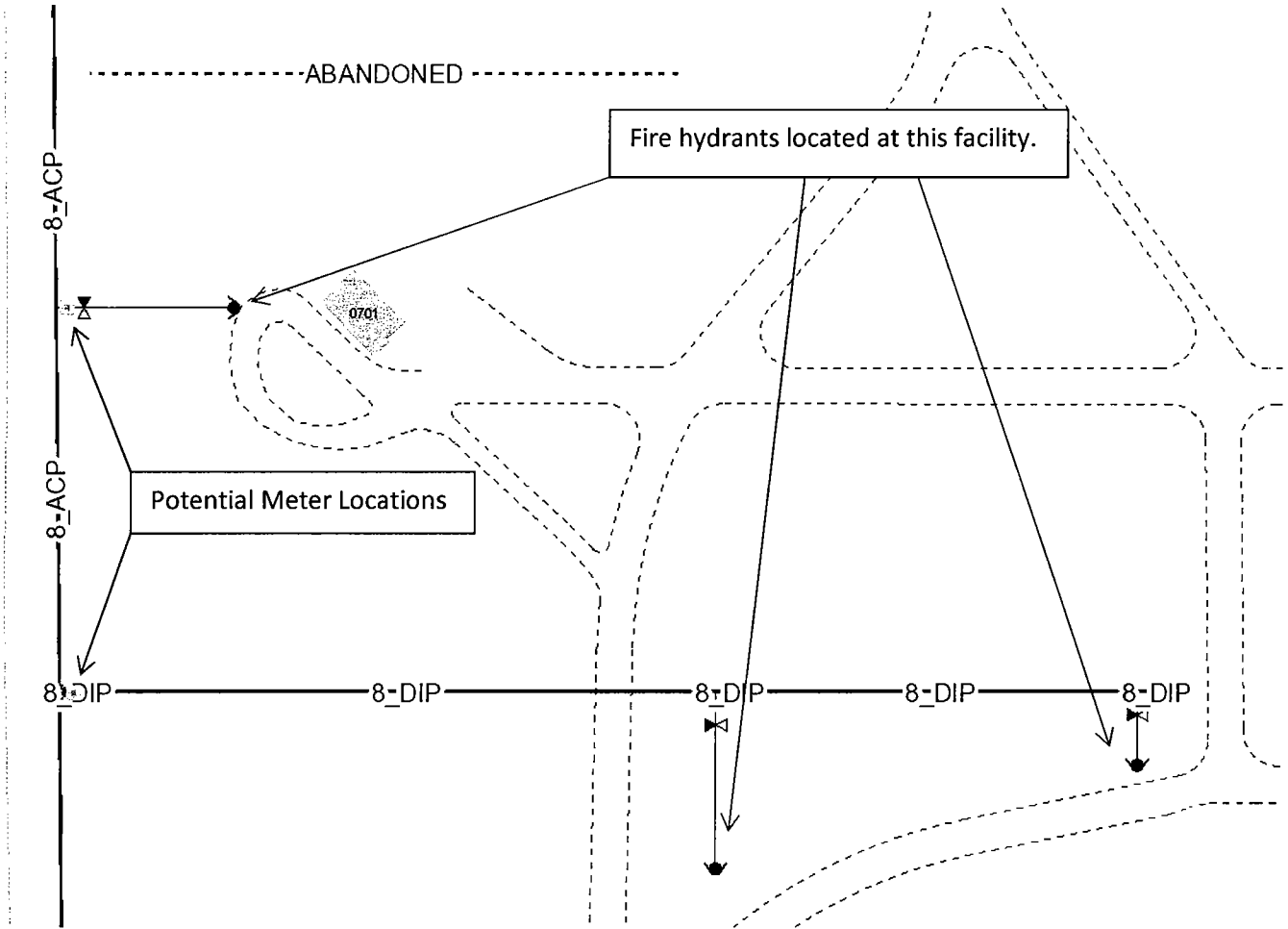


Exhibit 3

City of Sacramento Fire Department Training Facility at 5113 Shelter Road





Agenda Item: 17

Date: February 9, 2015

Subject: Distribution System Flushing

Staff Contact: Jim Arenz, Operations Manager

In light of the outstanding response by District customers to conserve water during the current drought, staff was directed to investigate the District's distribution system flushing practices and report on the quantity of water being discharged to waste on a monthly basis. To that end, staff has created a new monthly report titled *General System Discharges by Category* to quantify the amount of water discharged to waste for each discharge type (see Exhibit 1). This monthly report will be added to the Water Operations and Exception Report as Item #5 to replace the Drought Report which was moved to the Water Conservation and Regional Water Efficiency Program Report. In January 2015, the total volume of water flushed was 0.436 MG or 0.08% of the total water produced for the month.

Towards the end of 2014, staff was instructed to generate a Fire Hydrant Flushing Procedure (Procedure) (see Exhibit 2) to provide written guidelines for performing necessary distribution system flushing from District fire hydrants for the purpose of water quality mitigation, fire flow testing, water main disinfection, and/or bacteriological sampling after the replacement or repair of distribution system infrastructure. These types of distribution system flushes are required for compliance with Title 22 California Code of Regulations; Article 3 - Primary Standards-Bacteriological Quality §64421, Article 5 - Disinfection Requirements-Disinfection of New or Repaired Mains §64580, and Article 16 - Secondary Drinking Water Standards-Distribution System Physical Water Quality §64449.5.

Other types of discharges not specifically itemized in the Procedure are those associated with the District's production and storage facilities. These include well rehabilitation, well development, well pump-to-waste and tank dewatering. While not considered to be distribution system flushing, these types of discharges can account for a large portion of the total water discharged to waste in a given month. However, these too are required under the California Code of Regulations to develop, re-establish or maintain water quality in the District's groundwater wells and/or storage facilities.

Staff was also directed to look into what measures might be implemented to curtail flushing to aid in the conservation effort. One measure, already implemented during the unidirectional flushing of the Arvin Area in 2012 and 2013, was employing available technology to maximize efficiency. During this event, staff enlisted the help of Brown & Caldwell to utilize the District's

Distribution System Flushing

February 9, 2015

Page 2 of 2

hydraulic model to create specific flushing scenarios that maximized the velocity of the water being flushed through a specific section of main to decrease the duration, and thus the total volume of water, to the absolute minimum needed to accomplish the desired objective of scouring the main. Other measures such as routinely turning over reservoirs, and the installation of new equipment at the elevated storage facilities to enable routine turn-over, help maintain water quality in these storage facilities and decrease the need for dewatering.

When performing any of the discharge types noted above, staff as well as District contractors, are always cognizant of the need to minimize discharge quantities, especially in light of the current drought conditions.

General System Discharges by Category January 2015

Distribution System Flushing		Construction Dewatering		Fire Flow Testing		Large Meter Testing		Tank Dewatering		Well Rehabilitation / Development	
Date	Calculated Volume (gal)	Date	Calculated Volume (gal)	Date	Calculated Volume (gal)	Date	Calculated Volume (gal)	Date	Calculated Volume (gal)	Date	Calculated Volume (gal)
1/5/2015	15,000	None	0	None	0	1/8/2015	8	1/23/2015	150,000	None	0
1/6/2015	5,000					1/8/2015	91	1/27/2015	124,960		
1/7/2015	5,000					1/8/2015	150				
1/7/2015	6,000					1/8/2015	91				
1/7/2015	3,000					1/8/2015	600				
1/12/2015	10,000					1/8/2015	10				
1/12/2015	5,000					1/13/2015	78				
1/12/2015	6,000					1/13/2015	800				
1/14/2015	7,500					1/13/2015	75				
1/14/2015	5,000					1/13/2015	8				
1/14/2015	8,000										
1/15/2015	25,500										
1/20/2015	5,000										
1/21/2015	7,500										
1/26/2015	12,000										
1/27/2015	7,500										
1/27/2015	6,000										
1/27/2015	500										
1/27/2015	4,000										
1/28/2015	8,000										
1/29/2015	7,500										
1/29/2015	500										
Subtotal	159,500	Subtotal	0	Subtotal	0	Subtotal	1,910	Subtotal	274,960	Subtotal	0
% of Total	36.6%	% of Total	0.0%	% of Total	0.0%	% of Total	0.4%	% of Total	63.0%	% of Total	0.0%

Total Volume Flushed for all Types of Discharges: 0.436 MG
Total Monthly Production for January 2015: 564,908 MG
Percent of Total Production Discharged to Waste: 0.077 %

Sacramento Suburban Water District

Fire Hydrant Flushing Procedure

Effective: February 17, 2015

Purpose

The purpose of this procedure is to provide guidelines to be followed when performing distribution system flushing from District fire hydrants for the purpose of water quality mitigation, fire flow testing, water main disinfection, and/or bacteriological sampling after the replacement or repair of Distribution System infrastructure. These types of distribution system flushes are necessary to comply with Title 22 California Code of Regulations including: Chapter 15, Article 3 - Primary Standards–Bacteriological Quality §64421; Chapter 15, Article 16 - Secondary Drinking Water Standards-Distribution System Physical Water Quality §64449.5; and Chapter 16, Article 5 - Disinfection Requirements-Disinfection of New or Repaired Mains §64580.

General Duties

Water Quality Mitigation

1. When flushing water from a fire hydrant for the purpose of mitigating water quality issues, staff will review the GIS map to determine the source water, and, if necessary, to confirm which valves may need to be utilized to perform a controlled directional flush.
2. Staff will flush from a specific fire hydrant at a sufficient velocity to remove the water quality issue (i.e., dirty water, sediment, taste and odor, etc.) from the distribution system, while maintaining adequate system pressure within the affected area.

Fire Flow Testing

1. When performing a Fire Flow Test, staff will review the GIS map to determine the appropriate fire hydrant to be utilized for the test.
2. Staff will flush from the specific fire hydrant at the required flow and for an amount of time necessary to acquire the data to ensure an accurate fire flow assessment per NFPA Standard 291 and Sacramento Metropolitan Fire District (SMFD) guidelines. When necessary, staff will coordinate fire flow testing with SMFD.

Water Main Disinfection

1. When flushing water from a fire hydrant for the purpose of removing super-chlorinated water from a pipeline, staff will flush from a specific fire hydrant identified by the inspector/engineer of the project and/or review the GIS map to determine the best method for performing a controlled directional flush.
2. Staff will flush from the appropriate fire hydrant until the super-chlorinated solution has been fully discharged from the pipe. Once staff has verified that the pipeline has been thoroughly flushed, as indicated by a field test to determine that the chlorine residual has returned to normal levels, flushing will continue until a volume of water equal to three times the total capacity of the pipeline being disinfected has been discharged.

Bacteriological Sampling after Replacement/Repair of Distribution System Infrastructure

1. When flushing water from a fire hydrant for the purpose of retrieving a bacteriological water sample staff will review the GIS map in order to determine the appropriate location for pulling the sample and the appropriate fire hydrant to flush in order to draw clean chlorinated water through the affected pipeline and to a specific, predetermined sample point.
2. Staff will flush from the appropriate fire hydrant for the amount of time necessary to ensure the chlorine residual has returned to normal levels and the water is of sufficient quality necessary for retrieving a bacteriological water sample.

Compliance with Discharge Permit Regulations

When performing any of the fire hydrant flushes outlined above, staff will apply all necessary Best Management Practices to ensure compliance with the State Water Resources Control Board's most recent version of the National Pollutant Discharge Elimination System Permit package for Discharges from Drinking Water Systems.

Minimizing Discharge Quantities

When performing necessary flushing, staff will consider current stage declarations due to drought issues, while still meeting necessary purposes for public health and safety. At all times, the quantities of water discharged shall be the minimum required to properly complete the required task.

Approved by:

General Manager Signature



Agenda Item: 18

Date: February 9, 2015

Subject: Bid Item Comparison Between Master Service Contracts and Competitive Bid Contracts

Staff Contact: Dave Jones, Associate Engineer
John E. Valdes, Engineering Manager

At the December 2014 Board Meeting, Board Members asked for a review of negotiated costs for the recent Master Service Contract for the Santa Anita Project – Phase 2 to other, recent competitively bid projects. Staff has reviewed several past and present master service and competitively bid contracts to provide for a comparison.

Staff has reviewed contracts from the three most recent master service contract projects: Santa Anita - Phase 2, Arden Oaks, and North Highlands - Phase 2. Staff has also reviewed two competitively bid main replacement projects, including the most recent two which are the Fulton/El Camino R.O.W. Improvement Project and the North Highlands - Phase 3 Main Replacement Project. The attached Exhibit 1 has been prepared showing the costs for the most common bid items used on both types of main replacement projects.

While no main replacement project is exactly the same, both bid approaches use common bid items to complete the majority of the work associated with the project. These costs associated with the bid items are compared to ensure the District is receiving good construction value and to negotiate upcoming master service contracts. When comparing the costs from project to project, staff considers the degree of difficulty, project location (minor or major roadways), ratio of residential to commercial properties, project size, night work requirements, and special conditions of the project.

For the Santa Anita – Phase 2 project, the bid items submitted by Veerkamp were compared to the Fulton/El Camino ROW project and the recently completed Arden Oaks project. Staff found that costs submitted by Veerkamp for the Santa Anita project decreased significantly from their just completed Arden Oaks Project and were also significantly lower than the Fulton / El Camino competitive bid project. One of the major reasons the Santa Anita costs decreased was that the majority of pipe material for the Santa Anita Project was pre-purchased by the District. Also, the Santa Anita project is not considered to be as difficult, in terms of construction, as either the Arden Oaks or the Fulton/El Camino projects.

As an example of a bid item comparison using Exhibit 1, line item 2 (shown at \$65/foot), “8” pipe installation” comparison; staff assumed a \$6.00/foot adder for degree of difficulty, and \$13.00/foot (actual SSWD cost) adder for pipe material now purchased by the District for a revised and comparable cost of \$83.00/foot. The \$83/foot for 8-inch pipe installation is lower than the bid item

Bid Item Comparison Between Master Service Contracts and Competitive Bid Contracts

February 9, 2015

2 of 2

for the Arden Oaks project and significantly lower than the competitively bid price for the Fulton/El Camino project.

Staff used the same procedure for the remaining bid items noted on Exhibit 1 and found the submitted costs for the master service contract to be reasonable and fair. Costs for the master service contracts were consistently lower than those contracts that were competitively bid. As a note, the North Highlands projects, Phases 2 and 3, also benefited from the District pre-purchasing the pipe material. The Belcot Road project was a small project less than 900 feet in length and had less footage over which to spread administrative and overhead costs resulting in a higher pipe installation cost.

Overall for the last nine years the master service contract approach has proven to be a valuable asset tool for the District, saving both time and money.



Agenda Item: 19

Date: January 30, 2015

Subject: California Special Districts Association (CSDA) Call for Nominations – Sierra Network, Seat C

Staff Contact: Christine Bosley, Executive Assistant to the General Manager

Recently the District received a call for nominations for Sierra Network, Seat C from the California Special Districts Association (CSDA). The CSDA Board of Directors is responsible for all policy decisions affecting CSDA's member services, legislative advocacy, education and resources. Board members are involved in responding to pending legislation and other public policy documents that may impact the operations of special districts.

CSDA has six geographic networks (SSWD is in the Sierra Network). Each division has three seats on the Board with staggered 3-year terms. Seat C term expires in 2017 (a three year term). The current director for Region 2, Seat C is David Pierson, Sacramento Metropolitan Fire District. The incumbent is running again for re-election for the three year term of 2015-2017.

Directors are nominated and elected by network by regular members. Any special district with current CSDA membership is eligible to designate one person, such as a board member or managerial employee, as a nominee for the position of CSDA director. A copy of the District's resolution or minute action must accompany the nomination form. The deadline for submitting nominations is Tuesday, March 31, 2015.

Ballots are scheduled to be mailed by June 5, 2015 and returned by mail to CSDA by August 7, 2015. Successful candidates will be appointed by vote of the CSDA Board.

Time commitment for the CSDA Board includes the following:

1. Board meetings. Usually held the second Friday every other month in Sacramento. One board meeting is typically held during the annual conference (locations vary).
2. Committee meetings. Board members are on at least one committee which typically meets 3-5 times a year in Sacramento. CSDA reimburses directors for their related expenses for Board and Committee meetings per CSDA policy.
3. Annual events. Mandatory attendance at the annual fall conference (locations vary) and the Special Districts Legislative Days (held in the spring). Expenses for these events are not reimbursed by CSDA.

4. CSDA's Special District Leadership Academy. Mandatory completion of all four modules within 2 years.

The CSDA call for nomination information is included with this report; CSDA's memo calling for nominations for Seat C, the network map, nomination form and candidate information sheet.

If a Director wishes to nominate an individual for the position of CSDA director, staff will place a staff report and resolution on the March regular Board meeting agenda for possible Board action. If staff is not contacted by a Director by Monday, March 9, 2015, this item will not be on the March regular Board meeting agenda.

JAN 30 2015

SSWD



**California Special
Districts Association**
Districts Stronger Together

DATE: January 27, 2015
TO: CSDA Voting Members – SIERRA NETWORK
FROM: CSDA Elections and Bylaws Committee
SUBJECT: **CSDA CALL FOR NOMINATIONS – Board of Directors
Sierra Network, Seat C**

CSDA is conducting a call for nominations for a Sierra Network, Seat C Director for the remainder of the 2015-2017 term.

The leadership of CSDA is elected from its six geographical networks. Each of the six networks has three seats on the Board with staggered 3-year terms. Candidates must be affiliated with an independent special district that is a CSDA regular member located within the geographic network that they seek to represent. (See attached Network Map)

The CSDA Board of Directors is the governing body responsible for all policy decisions related to CSDA's member services, legislative advocacy, education and resources. The Board of Directors is crucial to the operation of the Association and to the representation of the common interests of all California's special districts before the Legislature and the State Administration. Serving on the Board requires one's interest in the issues confronting special districts statewide.

Commitment and Expectations:

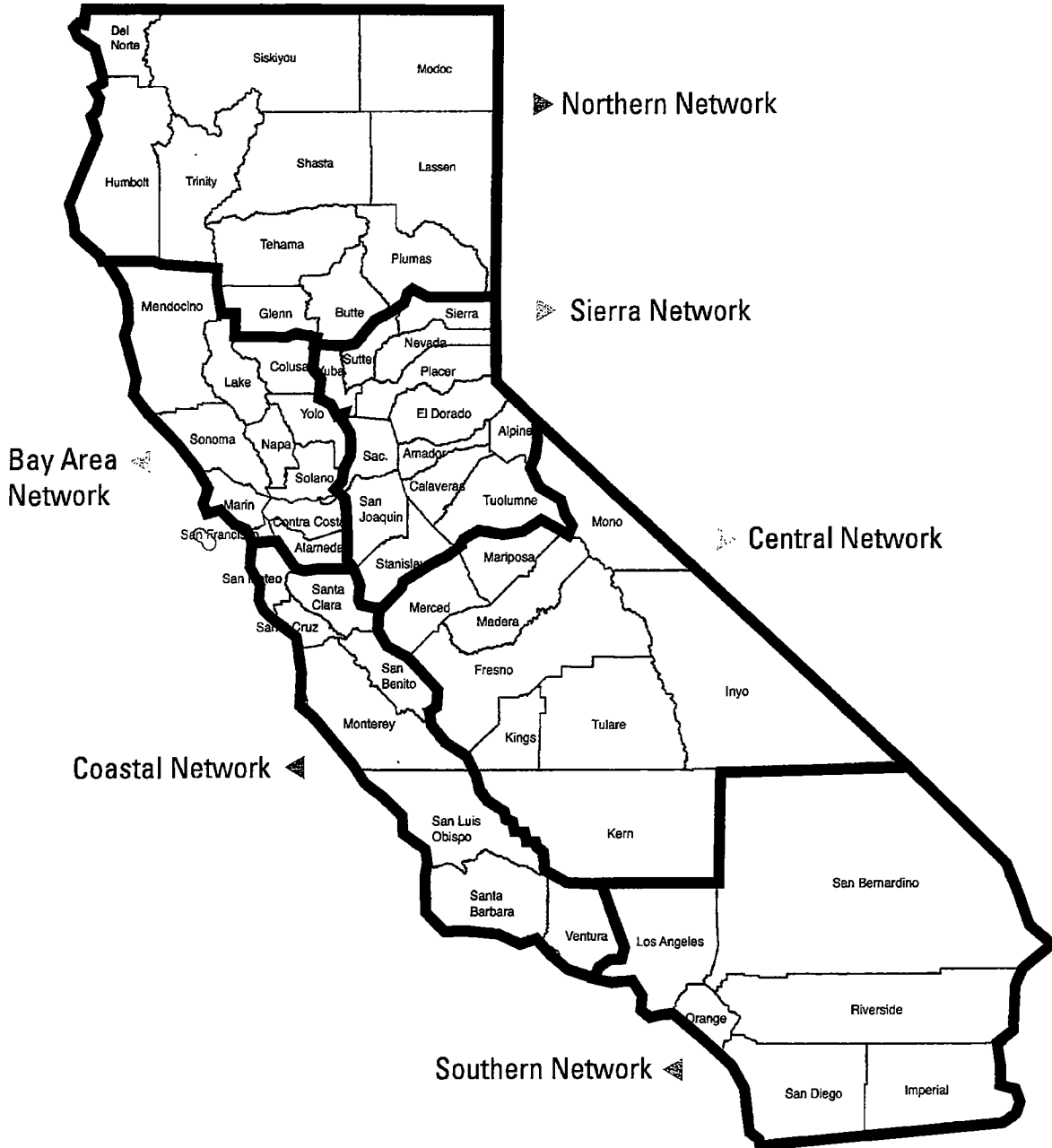
- Attend all Board meetings, held every other month at the CSDA office in Sacramento.
- Participate on at least one committee, meets 3-5 times a year at the CSDA office in Sacramento.
(CSDA reimburses Directors for their related expenses for Board and committee meetings as outlined in Board policy).
- Attend CSDA's two annual events: Special District Legislative Days (held in the spring) and the CSDA Annual Conference (held in the fall).
- **Complete all four modules of CSDA's Special District Leadership Academy within 2 years.**
(CSDA does not reimburse for expenses for the two conferences or the Academy classes even if a Board or committee meeting is held in conjunction with the events).

Nomination Procedures: Any regular member Independent Special District is eligible to nominate one person, a board member or managerial employee (as defined by that district's Board of Directors), for election to the CSDA Board of Directors. **A copy of the member district's resolution or minute action and Candidate Information Sheet**



California Special Districts Association

DISTRICT NETWORKS





**California Special
Districts Association**
Districts Stronger Together

BOARD OF DIRECTORS NOMINATION FORM

PLEASE BE SURE THE CANDIDATE'S PHONE NUMBER IS ONE WHERE WE CAN REACH THE CANDIDATE

Name of Candidate: _____

District: _____

**Mailing
Address:** _____

Network: Sierra Network

Telephone: _____

Fax: _____

E-mail: _____

Nominated by (optional): _____

Return this **form and a Board resolution/minute action supporting the candidate
and Candidate Information Sheet** by fax or mail to:

CSDA
Attn: Charlotte Lowe
1112 I Street, Suite 200
Sacramento, CA 95814
(877) 924-2732 (916) 442-7889 fax

DEADLINE FOR RECEIVING NOMINATIONS – March 31, 2015



**California Special
Districts Association**
Districts Stronger Together

CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: _____

District/Company: _____

Title: _____

Elected/Appointed/Staff: _____

Length of Service with District: _____

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

4. List civic organization involvement:



Agenda Item: 20

Date: February 17, 2015

Subject: Status of Phase 2A Reorganization Study

Staff Contact: Daniel A. Bills, Finance Director

Discussion:

The latest information on the Phase 2A Reorganization Study Process is as follows:

1. There was a 2x2 Water Management Ad Hoc Committee Meeting held on February 5, 2015 at San Juan Water District. Items discussed are on the attached meeting agenda.
2. Future Meetings - Consultant's and staff are busy working on preparations for two upcoming meetings the dates of which have yet to be determined:
 - a. March XX, 2015, 2x2 Water Management Ad Hoc Committee Meeting
 - i. Present "Public Draft for Comment Version of the Phase 2A Report"
 - ii. Begins 30 day public review
 - iii. Present Results of Telephone Survey
 - b. April XX, 2015 Joint Board Meeting
 - i. Final administrative report draft for consideration
 - ii. Present Results of Telephone Survey
 - iii. Opportunity to take actions

Agenda
Sacramento Suburban Water District
and
San Juan Water District
2x2 Water Management Ad Hoc Committee

9935 Auburn-Folsom Road
Granite Bay, CA 95746

February 5, 2015
1:00 p.m.

Where appropriate or deemed necessary, the Committee may take action on any item listed on the agenda, including items listed as information items. Public documents relating to any open session item listed on this agenda that are distributed to members of the Committee 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 Committee concerning an agenda item either before or during the Board's consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The Committee Chair 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 679.3972. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Call to Order

Roll Call

Public Comment

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

Items for Discussion and Action

- 1. Approve Notes of December 18, 2014 Committee Meeting**
- 2. Discuss Policy Items**
- 3. Discuss Meetings Held To-Date and Results**
- 4. Financial Summary of Phase 2A Project To-Date**
- 5. Discuss Upcoming Tasks and Meetings**

2x2 Water Management Ad Hoc Committee
February 5, 2015
Page 2 of 2

I certify that the foregoing agenda for the February 5, 2015, joint Committee meeting of the Sacramento Suburban Water District and San Juan Water District 2x2 Water Management Ad Hoc Committee was posted by February 2, 2015 in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California and the San Juan Water District office, 9935 Auburn Folsom Road, Granite Bay, California and was freely available to the public.

Robert S. Roscoe
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 21

Date: February 12, 2015

Subject: Miscellaneous District Issues – General Manager’s Report

Staff Contact: Robert S. Roscoe, General Manager

1. Hexavalent Chromium 6

At the February 5, 2015 Government Affairs Committee staff presented an update on Hexavalent Chromium 6 (HC). One of the discussion points on HC was regarding Rio Linda/Elverta Community Water District (RLECWD) now having a large percentage of their supply wells that exceed the new Maximum Contaminant Limit for HC. Staff informed the Committee that RLECWD contracted with Wood Rodgers to conduct a study of the occurrence of HC in Northern Sacramento County. The scope of work included a review of well data and hydrogeologic reports, an assessment of water quality, and the identification of potential new well sites. During this study, Wood Rodgers discovered that in the late 1980’s approximately 425 RLECWD customers on the west side of the former McClellan Air Force Base (McClellan) were equipped with backflow devices on their services as a result of actively using private domestic wells as part of their water supply. They also noted an increase in the HC concentration in wells that are in close proximity to McClellan. These findings were reported to the Sacramento Groundwater Authority (SGA). Since then correspondence has been generated between SGA and Central Valley Regional Water Control Board. Following the discussion on HC, the Committee directed staff to determine if a SGA representative could conduct a short presentation at an upcoming Board meeting. Staff contacted Rob Swartz, SGA, and he will be available to attend the District’s March 16, 2015 Board meeting to give an update on HC and status on McClellan sampling.

2. “Net Metering” Considerations for Antelope Pump Back Project

At the December 2014 Board meeting, Director Thomas asked about the SMUD power meter to be installed as part of the Project and, since there are plans to potentially install a small in-conduit turbine at this facility, whether it would make sense to ask SMUD to install a “net metering” type of power meter now rather than later. This type of meter would potentially allow the District to send any surplus power back into SMUD’s power distribution grid.

District staff asked SMUD to address this issue. Mr. Dave Brown, Principal Distribution System Engineer with SMUD has responded that: “All of SMUD’s billing meters are “net metering” ready. Nevertheless, I think what you are asking about is the production meter (“gross” generation output, not net). SMUD does require a production meter, and it would be a good idea to add this meter’s socket/section to your switchgear/panel line-up now, if you

think generation is coming soon. The requirements for this equipment vary with the size of the generator, and in addition telemetry is required if > 500kW. This section usually includes a visible disconnect switch just below the meter to isolate the generator from the panel. SMUD's metering department can help with the requirements for this section of your switchgear, if you are interested at this time."

The electrical engineering subconsultant on the Project, A Teem Electrical Engineering (ATEEM), has discussed the power generation requirements further with Mr. Brown. ATEEM has determined that, at a minimum, the District should install some spare electrical conduits now that would run under the pump station building. These "future" conduits would terminate inside a pull box located outside the building. All of the other items mentioned by Mr. Brown can easily be added in the future if/when an in-line turbine is installed.

3. California Special District Association (CSDA) Special District Leadership Academy

The California Special District Association (CSDA) Special District Leadership Academy is a groundbreaking, curriculum based continuing education program that recognizes the necessity for the board and general manager to work closely toward a common goal. The Academy provides the knowledge base to perform essential governance responsibilities.

Director Gayle completed all four modules of the Special District Leadership Academy which included Governance Foundations, Setting Direction and Community Leadership, Board's Role in Finance and Fiscal Accountability and Board's Role in Human Resources.

4. ACWA/JPIA Webinar

On January 20, 2015, I attended ACWA/JPIA's webinar on "The Future of Health Benefits." The webinar was presented by Thomas Sher of Alliant Services, ACWA/JPIA's benefit broker/consultant. Mr. Sher reported the Affordable Care Act (ACA) has placed a limit on the amount paid by employers and employees for medical premiums that can be exempt from taxation. Effective January 1, 2018, a 40% Excise Tax, also known as the "Cadillac tax," is set to be imposed on annual medical premiums that exceed \$10,200 for individual or \$27,500 for family coverage. This amount will increase based on the consumer price index, which is significantly lower than the medical price index. There is only speculation at this point on whether the tax will be collected from health plans (and passed on in premiums), employers or employees. Mr. Sher also provided information on "high deductible" plans which are currently offered by ACWA/JPIA and expected to be offered by CalPERS as early as January 1, 2016.

To prepare for the "Cadillac tax" and other expected cost increases, Mr. Sher recommended that agencies consider establishing a limit on the amount the employer will pay for employee medical coverage by establishing a "core plan" that will be fully paid by the employer and "buy up plans" for which employees will pay the premium cost that exceeds the "core plan" cost. The Sacramento Suburban Water District has imposed a "cap" on the amount paid by

the District for employee medical insurance since January 1, 2007. Since then, employees who select a medical plan with a cost that exceeds the “cap” amount (which is set at the higher of the lowest cost PPO and HMO plans in the CalPERS Health Benefits Program) are required to pay the difference through a pre-tax payroll deduction.

If any Directors wish to view the webinar and/or receive a copy of Mr. Sher’s presentation, please contact Executive Assistant Christine Bosley or Human Resources Coordinator Lynne Yost.



Agenda Item: 22

Date: February 17, 2015
Subject: Legislative Update
Staff Contact: Dan York, Assistant General Manager

RWA Government Affairs Committee

With the opening of the 2015 Legislative session, the RWA Government Affairs Committee has renewed its efforts to monitor and track new legislation being introduced. The RWA staff has been coordinating the committee activity with the Fernandez Government Solutions lobbying and outreach efforts. Currently 29 bills are under review with more coming in every day, attached as Exhibit 1. The deadline for submitting new bills for consideration in this session is February 27th. It is anticipated that a flurry of bills will be submitted before the deadline. In addition, attached as Exhibit 2, is the listing of pertinent California water committee members in Congress.

State

With a fourth year of drought now unfolding, water agencies around the state are gearing up for continued water use restrictions and ongoing education and outreach on water conservation.

The water levels in state and federal reservoirs have experienced inflow rates which have increased the storage levels of both the state and federal water projects. Lake Shasta is at 55% of total capacity and 78% of historical average capacity; Oroville Reservoir is at 47% of total capacity and 70% of historical average capacity; Folsom Lake is at 56% of capacity and 103% of its historical average capacity for this time of year. While recent rains have improved water storage conditions in major reservoirs, the lack of snowpack in the southern Cascades and Sierra Mountains continues to bode poorly for state water supplies.

On January 23, 2015, the State Water Resources Control Board (Water Board) advised water rights holders today that water diversions may be curtailed in critically dry watersheds again this year if conditions do not improve over the coming months(see Exhibit 3). If hydrologic conditions do not significantly improve in the next several months, the Water Board will once again begin notifying water right holders in critically dry watersheds of the requirement to limit or stop diversions of water under their water right, based on their priority.

The notice warned that even senior riparian and pre-1914 water rights holders could receive curtailment notices if the natural flow of water is not sufficient even after more junior water

rights holders' rights have been curtailed. Last year, more than 9,000 water rights holders received curtailment notices due to the state's ongoing drought.

Federal

A new report was issued this week summarizing a study conducted by John Christy, director of the Earth System Science Center at the University of Alabama, analyzing snowfall data from as far back as 1878. The report suggests that no change in California snowfall amounts over the last 130 years disputes that anything has changed as a result of climate change. Meanwhile, the Central Valley Project reservoir storage report was released showing the system storage totals to be above the 15 year average for this time of year. Current storage levels are at 8.36 MAF with the 15 year average at 7.60 MAF. Total storage capacity for the system is 11.36 MAF. This level will help to offset some of the dry year conditions being experienced to date in 2012.

Raising Shasta Dam by 18.5 feet appears to be feasible and financially justifiable, according to the findings of a draft feasibility report by the U.S. Bureau of Reclamation. The report, released along with a preliminary draft environmental impact statement as part of the Bureau's Shasta Lake Water Resources Investigation, examined the potential impacts, costs and benefits of five alternatives for raising the dam. These alternatives increased storage capacity between 256,000 acre-feet to 634,000 acre-feet. The additional storage capacity would be used to improve the reservoir's ability to provide colder water for winter-run Chinook salmon during drought years. It would also increase water supply reliability for agricultural and municipal users in the state.

Congress wrapped up its 113th session passing several water-related bills of interest. These bills are awaiting President Obama's signature to become laws.

S. 1353, the Cybersecurity Act of 2014 (Rockefeller IV) - Will institute voluntary, industry-led guidelines and best practices for cybersecurity for critical infrastructures, including water.

H.R. 2901, the Senator Paul Simon Water for the World Act (Blumenauer) - Will increase the emphasis on water, sanitation and hygiene-related assistance provided by the U.S. Agency for International Development.

H.R. 4007, the Protecting and Security Chemical Facilities from Terrorist Attacks Act (Meehan) - Reauthorizes the existing CFATS program through 2017 and continues a specific exemption for water utilities. Note that the bill mandates a study of vulnerabilities in the program, which in committee discussions was understood to be the water sector. However, the final bill language says the study is for "covered" facilities, which would seem to exempt again the water sector.

In addition, the Senate passed S. 2785, the Safe and Secure Drinking Water Protection Act, which would mandate that EPA establish a health advisory on microcystins. However, the House did not consider the bill, and EPA is already in the process of establishing such an advisory.

Federal Bills of Interest (113th Congress)

- a. **HR 5781 California Emergency Drought Relief Act of 2014** – This bill was recently introduced in the House of Representatives following failure of a Senate compromise bill, pushed by Senator Feinstein, to gain sufficient support. Several Republican Congressmen Valadao, Nunes, McCarthy, McClintock, Calvert, and La Malfa were joined by central valley Democrat Costa in sponsoring the bill. HR 5781 passed the House but is not expected to pass the Senate this term. Adding bill language to a must-pass omnibus spending bill is being considered.
- b. **HR 1837 – San Joaquin Valley Water Reliability Act (Nunes)** – To address certain water-related concerns on the San Joaquin River, and for other purposes.
- c. **HR 4345 – Domestic Fuels Protection Act of 2012 (Shimkus)** – A bill to provide liability protection for claims on the design, manufacture, sale, offer for sale, introduction into commerce, or use of certain fuels and fuel additives, and for other purposes.
- d. **HR 6484 – SAFE Levee Act (Garamendi)** – To amend the Calfed Bay-Delta Authorization Act to authorize the secretary of the Interior to provide assistance to non-Federal interests for levee stability improvements located within the Sacramento-San Joaquin Delta related to Bureau of Reclamation Central Valley Project water deliveries, and for other purposes.

EXHIBIT 1

RWA Bills As of 2/17/2015

AB 1 (Brown D) Drought: local governments: fines.

Current Text: Introduced: 12/1/2014 [pdf](#) [html](#)

Introduced: 12/1/2014

Status: 1/16/2015-Referred to Com. on L. GOV.

Location: 1/16/2015-A. L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would prohibit a city, county, or city and county from imposing a fine under any local maintenance ordinance or other relevant ordinance for a failure to water a lawn or having a brown lawn during a period for which the Governor has issued a proclamation of a state of emergency based on drought conditions.

AB 10 (Gatto D) Political Reform Act of 1974: economic interest disclosures.

Current Text: Introduced: 12/1/2014 [pdf](#) [html](#)

Introduced: 12/1/2014

Status: 1/16/2015-Referred to Com. on E. & R.

Location: 1/16/2015-A. E. & R.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would increase the thresholds at which a public official has a disqualifying financial interest in sources of income from \$500 to \$1,000, in investments in business entities from \$2,000 to \$5,000, and in interests in real property from \$2,000 to \$10,000. This bill contains other related provisions and other existing laws.

AB 78 (Mathis R) Groundwater basins.

Current Text: Introduced: 1/5/2015 [pdf](#) [html](#)

Introduced: 1/5/2015

Status: 1/6/2015-From printer. May be heard in committee February 5.

Location: 1/5/2015-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law requires the Department of Water Resources to categorize each basin or subbasin as high-, medium-, low-, or very low priority and to establish ground water the initial priority for each basin no later than January 31, 2015. This bill would make technical, nonsubstantive changes to this provision.

AB 85 (Wilk R) Open meetings.

Current Text: Introduced: 1/6/2015 [pdf](#) [html](#)

Introduced: 1/6/2015

Status: 1/26/2015-Referred to Com. on G.O.

Location: 1/26/2015-A. G.O.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would, under the Bagley-Keene Open Meeting Act, specify that the definition of "state body" includes an advisory board, advisory commission, advisory committee, advisory subcommittee, or similar multimember advisory body of a state body that consists of 3 or more individuals, as prescribed, except a board, commission, committee, or similar multimember body on which a member of a body serves in his or her official capacity as a representative of that state body and that is supported, in whole or in part, by funds provided by the state body, whether the multimember body is organized and operated by the state body or by a private corporation. This bill contains other related provisions.

AB 142 (Bigelow R) Wild and scenic rivers: Mokelumne River.

Current Text: Introduced: 1/12/2015 [pdf](#) [html](#)

Introduced: 1/12/2015

Status: 1/26/2015-Referred to Com. on NAT. RES.

Location: 1/26/2015-A. NAT. RES.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered	
1st House				2nd House				Conc.				

Summary: Would require the Secretary of the Natural Resources Agency, in a report analyzing the suitability or unsuitability of a proposed designation of the Mokelumne River, its tributaries, or portions thereof as additions to the system, to consider the potential effects of the proposed designation on future water requirements, as specified, and the effects of climate change. This bill contains other related provisions.

AB 149 (Chávez R) Urban water management plans.

Current Text: Introduced: 1/15/2015 [pdf](#) [html](#)

Introduced: 1/15/2015

Status: 2/2/2015-Referred to Com. on W., P., & W.

Location: 2/2/2015-A. W.,P. & W.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered	
1st House				2nd House				Conc.				

Summary: The Urban Water Management Planning Act requires an urban water supplier to submit to the Department of Water Resources a copy of its urban water management plan and requires the department to prepare and submit to the Legislature, on or before December 31, in the years ending in 6 and 1, a report summarizing the status of plans adopted pursuant to the act. This bill, commencing January 1, 2017, would instead require an urban water supplier to update its plan at least once every 5 years on or before December 31 in years ending in 6 and one. The bill would instead require the department to submit its report to the Legislature, on or before December 31, in years ending in 7 and two.

AB 152 (Bigelow R) Water rights: appropriation.

Current Text: Introduced: 1/15/2015 [pdf](#) [html](#)

Introduced: 1/15/2015

Status: 1/16/2015-From printer. May be heard in committee February 15.

Location: 1/15/2015-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered	
1st House				2nd House				Conc.				

Summary: Under current law, the State Water Resources Control Board administers a water rights program pursuant to which the board grants permits and licenses to appropriate water. Current law requires the board to allow the appropriation for beneficial purposes of unappropriated water under terms and conditions as in its judgment will best develop, conserve, and utilize in the public interest the water sought to be appropriated. This bill would make a technical, nonsubstantive change to these provisions.

AB 153 (Bigelow R) Integrated regional water management planning.

Current Text: Introduced: 1/15/2015 [pdf](#) [html](#)

Introduced: 1/15/2015

Status: 1/16/2015-From printer. May be heard in committee February 15.

Location: 1/15/2015-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered	
1st House				2nd House				Conc.				

Summary: Current law authorizes a regional water management group to prepare and adopt an integrated regional water management plan with specified components. This bill would make a technical, nonsubstantive change to that provision.

AB 237 (Daly D) Local governments: parcel taxes: notice.

Current Text: Introduced: 2/5/2015 [pdf](#) [html](#)

Introduced: 2/5/2015

Status: 2/6/2015-From printer. May be heard in committee March 8.

Location: 2/5/2015-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered	
1st House				2nd House				Conf. Conc.				

Summary: Would require, before the adoption of any new parcel tax, the legislative body of a local agency, as defined, to provide at least 90 days' notice of the vote to enact the proposed parcel tax to the owner of each parcel affected by the tax. This bill would require the notice to include specified information and to be provided to the property owner in a specified manner. This bill would provide that the local agency may recover the reasonable costs of the notice from the proceeds of the parcel tax.

AB 291 (Medina D) California Environmental Quality Act: local agencies: notice of determination: water.

Current Text: Introduced: 2/11/2015 [pdf](#) [html](#)

Introduced: 2/11/2015

Status: 2/12/2015-From printer. May be heard in committee March 14.

Location: 2/11/2015-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered	
1st House				2nd House				Conf. Conc.				

Summary: Would authorize a local agency, for certain water projects, to file the notice with the county clerk of the county in which the local agency's principal office is located in lieu of the county clerk of each county in which the project is located and would, if the local agency exercises this authorization, require the local agency to file the notice with the Office of Planning and Research. This bill contains other existing laws.

AB 300 (Alejo D) Safe Water and Wildlife Protection Act of 2015.

Current Text: Introduced: 2/12/2015 [pdf](#) [html](#)

Introduced: 2/12/2015

Status: 2/13/2015-From printer. May be heard in committee March 15.

Location: 2/12/2015-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered	
1st House				2nd House				Conf. Conc.				

Summary: Would enact the Safe Water and Wildlife Protection Act of 2015, which would require the State Coastal Conservancy to establish and coordinate the Algal Bloom Task Force, in consultation with the Secretary of the Natural Resources Agency, and would prescribe the composition and functions and duties of the task force. The bill would require the task force to review the risks and negative impacts of toxic blooms and microcystin pollution and to submit a summary of its findings and recommendations to the secretary by January 1, 2017.

AB 307 (Mathis R) Graywater: groundwater recharge.

Current Text: Introduced: 2/12/2015 [pdf](#) [html](#)

Introduced: 2/12/2015

Status: 2/13/2015-From printer. May be heard in committee March 15.

Location: 2/12/2015-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered	
1st House				2nd House				Conf. Conc.				

Summary: Would state the intent of the Legislature to enact legislation to explicitly permit the usage of residential, commercial, and industrial graywater for the recharge of a groundwater basin or aquifer.

AB 308**(Mathis R) Graywater: agricultural use.****Current Text:** Introduced: 2/12/2015 [pdf](#) [html](#)**Introduced:** 2/12/2015**Status:** 2/13/2015-From printer. May be heard in committee March 15.**Location:** 2/12/2015-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would state the intent of the Legislature to enact legislation to explicitly permit incorporated and unincorporated communities to sell graywater for agricultural purposes and agriculture to use graywater for agricultural purposes.

AB 311**(Gallagher R) Environmental quality: Water Quality, Supply, and Infrastructure Improvement Act of 2014.****Current Text:** Introduced: 2/12/2015 [pdf](#) [html](#)**Introduced:** 2/12/2015**Status:** 2/13/2015-From printer. May be heard in committee March 15.**Location:** 2/12/2015-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would require the public agency, in certifying the environmental impact report and in granting approvals for specified water storage projects funded, in whole or in part, by Proposition 1, including the concurrent preparation of the record of proceedings and the certification of the record of proceeding within 5 days of the filing of a specified notice, to comply with specified procedures. Because a public agency would be required to comply with those new procedures, this bill would impose a state-mandated local program.

SB 7**(Wolk D) Housing: water meters: multiunit structures.****Current Text:** Introduced: 12/1/2014 [pdf](#) [html](#)**Introduced:** 12/1/2014**Status:** 1/15/2015-Referred to Com. on T. & H.**Location:** 1/15/2015-S. T. & H.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would express the intent of the Legislature to encourage the conservation of water in multifamily residential rental buildings through means either within the landlord's or the tenant's control, and to ensure that the practices involving the submetering of dwelling units for water service are just and reasonable, and include appropriate safeguards for both tenants and landlords. This bill contains other related provisions and other existing laws.

SB 13**(Pavley D) Groundwater.****Current Text:** Introduced: 12/1/2014 [pdf](#) [html](#)**Introduced:** 12/1/2014**Status:** 1/15/2015-Referred to Com. on N.R. & W.**Location:** 1/15/2015-S. N.R. & W.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would provide a local agency or groundwater sustainability agency 90 or 180 days, as prescribed, to remedy certain deficiencies that caused the State Water Resources Control Board to designate a groundwater basin as a probationary basin. This bill would authorize the board to develop an interim plan for certain probationary basins one year after the designation of the basin as a probationary basin. This bill contains other related provisions and other existing laws.

SB 20**(Pavley D) Wells: reports: public availability.****Current Text:** Introduced: 12/1/2014 [pdf](#) [html](#)**Introduced:** 12/1/2014

Status: 1/15/2015-Referred to Coms. on N.R. & W. and E.Q.

Location: 1/15/2015-S. N.R. & W.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered	
1st House				2nd House				Conf. Conc.				

Summary: Current law requires a person who digs, bores, or drills a water well, cathodic protection well, or a monitoring well, or abandons or destroys a well, or deepens or re-perforates a well, to file a report of completion with the Department of Water Resources. Current law prohibits those reports from being made available to the public, except under certain circumstances. This bill would instead require the department to, upon request, make the reports available to the public. The bill would require the department to provide specified disclaimers when providing the reports to the public.

SB 21

(Hill D) Political Reform Act of 1974: gifts of travel.

Current Text: Introduced: 12/1/2014 [pdf](#) [html](#)

Introduced: 12/1/2014

Status: 1/15/2015-Referred to Com. on E. & C.A.

Location: 1/15/2015-S. E. & C.A.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered	
1st House				2nd House				Conf. Conc.				

Summary: Would require a nonprofit organization that pays for specified types of travel for an elected state officer or local elected officeholder to disclose the names of donors responsible for funding the payments, as specified. The bill would require a person who receives a gift of a travel payment from any source to report the travel destination on his or her statement of economic interests. This bill contains other related provisions and other existing laws.

SB 37

(Nielsen R) Water: floods.

Current Text: Amended: 2/12/2015 [pdf](#) [html](#)

Introduced: 12/1/2014

Last Amend: 2/12/2015

Status: 2/12/2015-From committee with author's amendments. Read second time and amended. Referred to Com. on N.R. & W.

Location: 2/12/2015-S. N.R. & W.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered	
1st House				2nd House				Conf. Conc.				

Summary: Would authorize the Department of Water Resources to provide reimbursement to funding recipients that execute a funding agreement under the Urban Flood Risk Reduction Projects program for expenditures associated with continued funding of a project initiated under the Early Implementation Project program and incurred after July 1, 2014, and before issuance of a funding commitment, or amendment or execution of the funding agreement, but no later than December 31, 2015. This bill contains other related provisions.

SB 122

(Jackson D) California Environmental Quality Act: record of proceedings.

Current Text: Introduced: 1/15/2015 [pdf](#) [html](#)

Introduced: 1/15/2015

Status: 2/5/2015-Referred to Com. on E.Q.

Location: 2/5/2015-S. E.Q.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered	
1st House				2nd House				Conf. Conc.				

Summary: CEQA establishes a procedure for the preparation and certification of the record of proceedings upon the filing of an action or proceeding challenging a lead agency's action on the grounds of noncompliance with CEQA. This bill would require the lead agency, at the request of a project applicant and consent of the lead agency, to prepare a record of proceedings concurrently with the preparation of a negative declaration, mitigated negative declaration, EIR, or other environmental document for projects. This bill contains other related provisions.

SB 127

(Vidak R) Environmental quality: Water Quality, Supply, and Infrastructure Improvement Act of

2014.

Current Text: Introduced: 1/20/2015 [pdf](#) [html](#)

Introduced: 1/20/2015

Status: 2/5/2015-Referred to Coms. on E.Q. and JUD.

Location: 2/5/2015-S. E.Q.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: CEQA establishes a procedure by which a person may seek judicial review of the decision of the lead agency made pursuant to CEQA and a procedure for the preparation and certification of the record of proceedings upon the filing of an action or proceeding challenging a lead agency's action on the grounds of noncompliance with CEQA. This bill would require the public agency, in certifying the environmental impact report and in granting approvals for projects funded, in whole or in part, by Proposition 1, including the concurrent preparation of the record of proceedings and the certification of the record of proceeding within 5 days of the filing of a specified notice, to comply with specified procedures.

SB 144

(Pan D) Water development projects: Sacramento-San Joaquin watersheds.

Current Text: Introduced: 1/27/2015 [pdf](#) [html](#)

Introduced: 1/27/2015

Status: 2/5/2015-Referred to Com. on N.R. & W.

Location: 2/5/2015-S. N.R. & W.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law provides for state cooperation with the federal government in the construction of specified flood control projects. Current law adopts and authorizes federally adopted and approved projects, including a 200-year level of flood protection in the Natomas Basin, in areas within the City of Sacramento and the Counties of Sacramento and Sutter. This bill would describe the Natomas Basin flood protection project as further modified by a specified report adopted by Congress. The bill would make technical, nonsubstantive changes.

SB 154

(Huff R) California Environmental Quality Act.

Current Text: Introduced: 2/2/2015 [pdf](#) [html](#)

Introduced: 2/2/2015

Status: 2/3/2015-From printer. May be acted upon on or after March 5.

Location: 2/2/2015-S. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared by contract, and certify the completion of, an environmental impact report, as defined, on a project that may have a significant effect on the environment, or to adopt a negative declaration if it finds that the project will not have that effect. This bill would make technical, nonsubstantive changes to the definition of "environmental impact report."

SB 173

(Nielsen R) Groundwater: de minimis extractors.

Current Text: Introduced: 2/5/2015 [pdf](#) [html](#)

Introduced: 2/5/2015

Status: 2/6/2015-From printer. May be acted upon on or after March 8.

Location: 2/5/2015-S. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law generally excepts a de minimis extractor from the requirement that a person who extracts groundwater from a probationary basin, as prescribed, or extracts groundwater on or after July 1, 2017, in an area within a basin that is not within the management area of a groundwater sustainability agency and where the county does not assume responsibility to be the groundwater sustainability agency has to file a report of groundwater extraction by December 15 of each year for extractions made in the preceding water year with the State Water Resources Control Board. This bill would define a de minimis extractor for the purposes of these provisions as a person who extracts, for domestic purposes, 10 acre-feet or less per year.

SB 188 (Hancock D) Municipal utility district: utility charges: delinquencies.

Current Text: Introduced: 2/9/2015 [pdf](#) [html](#)

Introduced: 2/9/2015

Status: 2/10/2015-From printer. May be acted upon on or after March 12.

Location: 2/9/2015-S. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: The Municipal Utility District Act authorizes a municipal utility district, by resolution or ordinance, to require the owner of record of privately owned real property within the district to pay the fees, tolls, rates, rentals, or other charges for certain utility services rendered to a lessee, tenant, or subtenant, and provides that those charges that have become delinquent, together with interest and penalties, are a lien on the property when a certificate is filed by the district in the office of the county recorder and that the lien has the force, effect, and priority of a judgment lien. This bill would extend the operation of these provisions indefinitely.

SB 208 (Lara D) Integrated regional water management plans: grants: advanced payment.

Current Text: Introduced: 2/11/2015 [pdf](#) [html](#)

Introduced: 2/11/2015

Status: 2/12/2015-From printer. May be acted upon on or after March 14.

Location: 2/11/2015-S. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would require a regional water management group, within 90 days of notice that a grant has been awarded, to provide the state entity administering the grant with a list of projects to be funded by the grant funds where the project proponent is a nonprofit organization, as defined, or a disadvantaged community, as defined, or the project benefits a disadvantaged community. This bill contains other existing laws.

SB 223 (Galqiani D) Division of Boating and Waterways: oversight committee: invasive aquatic plants.

Current Text: Introduced: 2/13/2015 [pdf](#) [html](#)

Introduced: 2/13/2015

Status: 2/13/2015-Introduced. Read first time. To Com. on RLS. for assignment. To print.

Location: 2/13/2015-S. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would require the Division of Boating and Waterways, no later than January 1, 2017, to establish an advisory and oversight committee to monitor the activities of the division relating to the management and control or eradication of invasive aquatic plants in the Sacramento-San Joaquin Delta, its tributaries, and the Suisun Marsh.

SB 226 (Pavley D) Sustainable Groundwater Management Act: groundwater rights.

Current Text: Introduced: 2/13/2015 [pdf](#) [html](#)

Introduced: 2/13/2015

Status: 2/13/2015-Introduced. Read first time. To Com. on RLS. for assignment. To print.

Location: 2/13/2015-S. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would provide, under the Sustainable Groundwater Management Act, that a groundwater sustainability plan or coordinated groundwater sustainability plans establishes a timely method for determining rights to groundwater in furtherance of the objectives of the act. This bill would require the process to be available to any court of competent jurisdiction. This bill would require the boundaries of a basin to be as identified in Bulletin 118, unless other basin boundaries are established, as specified.

SB 228

(Cannella R) Groundwater storage: beneficial use.

Current Text: Introduced: 2/13/2015 [pdf](#) [html](#)

Introduced: 2/13/2015

Status: 2/13/2015-Introduced. Read first time. To Com. on RLS. for assignment. To print.

Location: 2/13/2015-S. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would declare that the recharging of a groundwater basin by a local groundwater management agency or a local groundwater sustainability agency for the purposes of repelling saline intrusion and recovering basin groundwater levels constitutes a beneficial use of water if the recharge is consistent with the local agency's groundwater management plan or groundwater sustainability plan.

Total Measures: 29
Total Tracking Forms: 30

EXHIBIT 2

House Natural Resources:

- Chairman: Rob Bishop (R-UT)
- Ranking Member: Raúl Grijalva (D-AZ)
- California Members:
 - Tom McClintock (R-4)
 - Doug LaMalfa (R-1)
 - Jeff Denham (R-10)
 - Paul Cook (R-8)
 - Grace Napolitano (D-32)
 - Jim Costa (D-16)
 - Jared Huffman (D-2)
 - Raul Ruiz (D-36)
 - Alan Lowenthal (D-47)
 - Norma Torres (D-35)
- Subcommittee on Water, Power and Oceans:
 - Chairman: John Fleming (R-LA)
 - Vice Chairman: Paul Gosar (R-AZ)
 - Ranking Member: Jared Huffman (D-CA)
 - California Members:
 - Tom McClintock
 - Doug LaMalfa
 - Jeff Denham
 - Grace Napolitano
 - Jim Costa
 - Raul Ruiz
 - Alan Lowenthal
 - Norma Torres

House Transportation and Infrastructure:

- Chairman: Bill Shuster (R-PA)
- Ranking Member: Peter DeFazio (D-OR)
- California Members:
 - Duncan Hunter (R-50)
 - Jeff Denham (R-10)
 - Mimi Walters (R-45)
 - Grace Napolitano (D-32)
 - John Garamendi (D-3)
 - Janice Hahn (D-44)
 - Jared Huffman (D-2)
 - Julia Brownley (D-26)
- Subcommittee on Water Resources and Environment:
 - Chairman: Bob Gibbs (R-OH)
 - Ranking Member: Grace Napolitano

- California Members:
 - Duncan Hunter
 - Jeff Denham
 - John Garamendi
 - Jared Huffman

House Energy and Commerce:

- Chairman: Fred Upton (R-MI)
- Ranking Member: Frank Pallone (D-NJ)
- California Members:
 - Anna Eshoo (D-18)
 - Lois Capps (D-24)
 - Doris Matsui (D-6)
 - Jerry McNerney (D-9)
 - Tony Cardenas (D-29)

House Agriculture:

- Chairman: K. Michael Conaway (R-TX)
- Vice Chairman: Randy Neugebauer (R-TX)
- Vice Chairman: Bob Goodlatte (R-VA)
- Ranking Member: Collin Peterson (D-MN)
- California Members:
 - Jeff Denham (R-10)
 - Doug LaMalfa (R-1)
 - Jim Costa (D-16)
 - Pete Aguilar (D-31)

Senate Environment and Public Works:

- Chairman: Jim Inhofe (R-OK)
- Ranking Member: Barbara Boxer (D-CA)

Senate Energy and Natural Resources:

- Chairwoman: Lisa Murkowski (R-AK)
- Ranking Member: Maria Cantwell (D-WA)

Senate Energy and Water Appropriations:

- Chairman: Lamar Alexander (R-TN)
- Ranking Member: Dianne Feinstein (D-CA)

EXHIBIT 3



EDMUND G. BROWN JR.
GOVERNOR



MATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

January 23, 2015

NOTICE OF SURFACE WATER SHORTAGE AND POTENTIAL FOR CURTAILMENT OF WATER RIGHT DIVERSIONS FOR 2015

In January 2014, Governor Edmund G. Brown Jr. proclaimed a State of Emergency and directed state officials to take all necessary actions to prepare for drought conditions. The State Water Resources Control Board (State Water Board), responsible for administering California's water rights system, took a number of key actions to provide for an orderly allocation of much reduced water supplies. These actions included the curtailment of more than 9,000 water rights due to lack of supply. As the drought emergency continues, it appears that supplies this year could be just as limited or more so, if dry weather conditions persist.

The purpose of this notice is to advise all water right holders that if hydrologic conditions do not significantly improve in the next several months, the State Water Board will once again begin notifying water right holders in critically dry watersheds of the requirement to limit or stop diversions of water under their water right, based on their priority. The right to divert surface water in California is based on the type of right being claimed and when the right was initiated. In times of drought and limited supply, the most recent ("junior") right holder is the first to discontinue use. Some more senior riparian and pre-1914 water right holders can also receive a notice to stop diverting water based on their priority or limitation of natural flow. Released stored water is not natural flow, and is not available for diversion unless covered by contractual agreement.

If you are in a water short area, you should be looking into additional conservation measures and alternative water supplies for your water needs. Planting and planning decisions should be made in light of possible curtailment of junior rights. We encourage you to subscribe to the State Water Board's electronic notification updates, as this is the mechanism that will be used to provide drought information, analysis of conditions by watershed and if needed, curtailment information regarding your water right. You may subscribe at:
http://www.waterboards.ca.gov/resources/email_subscriptions/swrcb_subscribe.shtml (select Water Rights and then Drought Updates).

Information on forecasted supply and demand for select watersheds will be updated and posted on the State Water Board's drought webpage by the end of January. To learn more about how water rights work, please view the fact sheet posted at:
http://www.waterboards.ca.gov/waterrights/water_issues/programs/drought/faq.shtml.

Complaints to report illegal diversions, harm to senior water rights holders or adverse impacts to public trust resources can be submitted through the CalEPA Environmental Complaint website at:
http://www.dtsc.ca.gov/database/CalEPA_Complaint/index.cfm.

We hope that significant precipitation occurs in the next few months and the need to curtail water diversions is unnecessary. However, this notice is to encourage you to plan ahead. Whether you are a water right holder or a residential or business customer of a water service provider, all of California's water users are urged to conserve and use water wisely. For more information on the drought and the State Water Board actions, go to:
http://www.waterboards.ca.gov/waterrights/water_issues/programs/drought/index.shtml.

FERDIA MARCUS, CHAIR | THOMAS HOWARD, EXECUTIVE DIRECTOR

1001 I Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, Ca 95812-0100 | www.waterboards.ca.gov

**Bartkiewicz, Kronick & Shanahan**

A Professional Corporation
1011 22nd Street
Sacramento, CA 95816-4907
(916) 446-4254

MEMORANDUM

TO: BOARD OF DIRECTORS, SACRAMENTO SUBURBAN WATER DISTRICT

CC: ROB ROSCOE, GENERAL MANAGER

FROM: JOSHUA M. HOROWITZ

DATE: FEBRUARY 17, 2015

RE: GENERAL COUNSEL'S REPORT FOR THE FEBRUARY 23, 2015 BOARD MEETING

There are two items of interest to report to the Board this month concerning the municipal bond insurance litigation in which the District is one of a number of public agency plaintiffs. Special counsel Cotchett, Pitre & McCarthy is litigating this case for the District and the other public agency plaintiffs. The District and the other public agency plaintiffs claim that the bond insurers failed to provide value for bond insurance premiums paid because the bond insurers caused their AAA credit ratings to be reduced to junk status by entering into the sub-prime mortgage securities market without disclosing such activity to their insureds. The purpose of buying bond insurance for the District and other affected agencies was to increase their stand-alone credit ratings by obtaining the added security of the bond insurers' alleged AAA ratings to reduce the interest rate on their debt and therefore reducing their cost of borrowing.

1. Settlement between SSWD and Assured Guaranty Municipal Corp. and Assured Guaranty Corp.:

The District has received a check from special counsel in the amount of \$20,733.86, which is in full and final settlement of the District's claims against Assured Guaranty Municipal Corp. (formerly Financial Security Assurance, Inc. "FSA") and Assured Guaranty Corp. (collectively "Assured") in the municipal bond insurance litigation. This check is being paid to the District in accordance with the settlement agreement between the District and Assured dated October 3, 2014. A copy of this agreement is available upon request to the General Manager. The settlement terminates the District's claims against Assured only. The municipal bond insurance litigation continues as to all remaining defendants.

2. Confidential Update from Special Counsel on Status of Municipal Litigation:

A copy of a January 27, 2015 memorandum from special counsel is enclosed in an envelope marked "Confidential" included in each Director's agenda packet. The memorandum describes the status of the municipal bond insurance litigation. The memorandum is an attorney-client privileged communication and therefore should not be shared with anyone or disclosed publicly.

Minutes

Sacramento Suburban Water District
Facilities and Operations Committee
Wednesday, January 21, 2015

Call to Order

Chair Bob Wichert called the meeting to order at 6:01 p.m.

Roll Call

Directors Present: Bob Wichert and Kevin Thomas.

Directors Absent: None.

Staff Present: General Manager Robert Roscoe, Assistant General Manager Dan York, Jim Arenz, David Espinoza, Heather Hernandez-Fort, Dave Jones, and John Valdes.

Public Present: William Eubanks.

Public Comment

None.

Items for Discussion and Action

1. Water Meter Asset Management Plan Update

General Manager Robert Roscoe presented background information on the Water Meter Asset Management Plan as well as a description of the updated 2015 Water Meter Asset Management Plan. Staff informed the Committee of the potential budget implications and educated them on the financial differences between retrofitting meters in front yards versus backyards. Chair Wichert asked how often the District opens contractor bids for the Meter Retrofit Program. Staff informed the Committee that the District opens contractor bids once a year around December. Chair Wichert requested a graph representing the actual spending budget for meter retrofits in 2015.

Mr. William Eubanks commented on the durability of the District's meters. He also believes that half of the District's budget is spent on Capital Improvements. He is against accelerating the target to retrofit meters, regardless of inflation. He also commented on his belief that the rate structure will go to a third tier option once construction is complete.

Director Thomas asked if the District still uses Badger meters. Staff informed the Committee that the District currently has several different meters in the system and that all of the District's meters meet the American Water Works Association standards.

Director Thomas inquired which areas plan to be retrofitted next. Staff directed him to the item displaying the areas located on the map in the Plan. Chair Wichert requested that staff make the map a little more legible in the updated report to the full Board.

There was further discussion regarding the details on why the District is implementing backyard meters when eventually those mains will move to the front yards. General Manager Roscoe explained that from an asset management planning standpoint, it is more valuable long term for the District to utilize the full life expectancy of the current mains, before relocating them. Director Thomas asked if the District could expedite the Main Replacement Program in order to not install meters in the backyard. General Manager Roscoe reminded the Committee of the financial impact of relocating backyard mains stating that the District has approximately 270 miles of backyard mains to replace. Currently the District is replacing roughly 8 miles of main per year at roughly \$10-12 million dollars per year. He stated that the District would need to multiply that figure by roughly five times in order for the District to move backyard mains to the front yards to meet the state mandate deadline.

Director Thomas acknowledged the discrepancy between what the Districts projected cost, per the 2009 Water System Master Plan, for the Meter Retrofit Program. He stated that the District estimated approximately \$22 million dollars, however, staff believes the actual cost is closer to roughly \$18 million. Director Thomas recommended for staff to readjust the total project completion budget closer to \$20 million. Chair Wichert agreed and recommended that staff review the budget again at the end of 2015. Staff informed the Committee that the budget discrepancy was due to the projected increase in costs associated with purchasing materials (meters, meter setters, etc.), and that each year staff monitors and makes any necessary budget adjustments.

General Manager Roscoe requested to the Committee that the “Water Meter Retrofit Plan” change to the “Water Meter Asset Management Plan” by adding discussion on meter replacement. Chair Wichert agreed, stating he would like it presented at the next Facilities and Operations Committee and would then suggest staff bring it in front of the full Board for consideration and approval.

2. 2736 Auburn Boulevard – Appraisal of District Property

General Manager Roscoe presented the proposal and requested to move forward with a formal property appraisal of the planned lot line readjustment. He stated the current leaseholder, Mr. Skip Maggiora, is interested in the purchase of the property. Director Thomas inquired about the lease agreement. Assistant General Manager York informed the Committee that Mr. Maggiora has a lease agreement for \$5500.00 dollars a month, and that rate increases every two years up to 2024. He also informed the Committee that Mr. Maggiora has a “first right of refusal” included in the lease agreement.

Director Thomas stated his concern was if the property was sold to Mr. Maggiora, then changed ownership, a prospective new owner may have concern over the District’s easement right. General Manager Roscoe reminded the Committee that this property is

zoned for commercial use, and any potential property owners would have that information regarding the easement restrictions prior to purchasing the property.

General Manager Roscoe recommended that the District obtain a formal appraisal of the District's property. He discourages advancing this process if the District doesn't have a potential buyer. He suggests that the District work with Mr. Maggiora for the benefit of both parties. Chair Wichert stated that he encourages the sale of any surplus property that the District owns, however he doesn't support an approach that is seeking a buyer before putting surplus property on the open market. Chair Wichert recommended that staff determine if it wants to surplus this property prior to bringing it before the full Board.

The Committee directed staff to determine if they want to recommend surplus of this property. If so, then proceed with the guidelines of the District's policy on disposal of surplus property.

3. Antelope Pump Back O&M Agreement Update

General Manager Roscoe provided an update and summarized the history of the Antelope Pump Back Project. He informed the Committee that San Juan Water District's (SJWD) interim Finance Director is showing some concerns on spending money for an intangible asset. General Manager Roscoe was optimistic that staff can conclude negotiations with SJWD providing a mutually agreed upon O&M Agreement to present to both boards for approval.

General Manager Roscoe reminded the Committee that the District is not guaranteeing that it will supply water for SJWD through this agreement, and that SJWD is not buying capacity in our system. SJWD is using the grant money to generate an opportunity for SSWD to provide mutual aid to the SJWD when capacity is available. However, we are unable to provide any mutual aid to this neighboring district without these pumps.

Chair Wichert expressed concern that this may reopen the previous Memorandum of Understanding (MOU). Staff will review the previous MOU to make sure. Chair Wichert requested more information on this topic regarding how percentages were decided and how the District got to its current position on this project.

Director Wichert also suggested that the O&M Agreement is not discussing actual capital cost and General Manager Roscoe stated that the O&M Agreement is based on estimated costs. General Manager Roscoe continued with informing the Committee that the MOU was updated after the Board originally approved it and that the capital costs were through a different MOU. Director Wichert asked staff to provide him with a copy of the approved MOU's.

Director Thomas identified that the cost of standby power should be the responsibility of the SJWD. Further discussion concluded that there should be potential for a pro rata option.

Director Thomas also suggested an option for reimbursement of money versus water under Agenda Item 3, section 10. He recommended an option to request payment in lieu of water prior to the three year suggestion.

The Committee directed staff to continue finalizing the O&M Agreement with SJWD and bring it back to the F&O Committee prior to presenting it to the full Board for approval.

4. District Property Report – Potential Surplus and Purchase

General Manager Roscoe presented an update on the several District owned properties to surplus. He advised that these properties are of no real value to the District and have to be maintained on a monthly/quarterly basis. Staff is recommending the District present this surplus list to the Board which would alleviate the District from maintenance and liability.

Chair Wichert and Director Thomas appreciated the update and are in favor of selling surplus property on the open market. Chair Wichert directed staff to bring this to the full Board with a list of the properties for surplus.

5. Facility Utilization – Suite 300

General Manager Roscoe presented the staff report and recommendation on the efficient utilization of Suite 300 at the Marconi Administration building. He informed the Committee that staff will be utilizing the space without any structural changes, only new carpet, paint, minor electrical/communication wiring and adding partitions. General Manager Roscoe informed the Committee that the full Board approved \$180,000 in the CY2015 Budget for Suite 300 improvements. He stated the District may have to pull a building permit for the electrical wiring component of the project. General Manager Roscoe informed the Committee that if the cost exceeded a certain threshold amount, it may be necessary to renovate improvements for handicapped access from Marconi Avenue to the front office.

Chair Wichert suggested staff consider hiring a space planner to make best use of the space in Suite 300. He also suggested consideration of an architect to see if there is a better solution to the handicap access from Marconi Avenue, should construction of such be necessary.

Mr. William Eubanks expressed his support and further suggested staff considers relocating the existing computer server room.

The Committee approved moving ahead with staff recommendations without presenting to the full Board.

Adjournment

Chair Wichert adjourned the meeting at 7:50 p.m.

Minutes

Sacramento Suburban Water District
Government Affairs Committee
Thursday, February 5, 2015

Call to Order

Chair Wichert called the meeting to order at 6:01 p.m.

Roll Call

Directors Present: Craig Locke and Robert Wichert.
Directors Absent: None.
Staff Present: General Manager Robert Roscoe, Dan York, and Heather Hernandez-Fort.
Public Present: William Eubanks.

Public Comment

None.

Items for Discussion and Action

1. Committee Statement of Purpose

Chair Wichert read the committee's statement of purpose.

Chair Wichert remarked the statement of purpose was good overall but he would like to see it prioritized on both an objectives and monetary basis. General Manager Roscoe stated potential risks and losses are often hard to calculate. Chair Wichert agreed there may be such instances where a risk cannot be quantified but would like to see it when possible.

Chair Wichert requested public comment. There was no further discussion regarding the statement of purpose. No changes were made to the statement.

2. Regional Water Authority Legislation Goals

A written report was provided. GM Roscoe presented the item and provided a verbal summary.

Chair Wichert requested information on highest priority goals with regard to the District. GM Roscoe responded that clean up legislation for Sustainable Groundwater Management and Hexavalent Chromium 6 were high priorities. Chair Wichert requested a report regarding Hexavalent Chromium 6 be brought before the full Board.

Discussion ensued regarding the lobbyist employed by Regional Water Authority (RWA) which included the professional background of the lobbyist firm, how the lobbyist is paid and by which agencies.

There was also discussion regarding the role of the RWA Executive Director; RWA is not a joint powers agency and the District's current cost of membership to RWA is \$37,000.

Mr. Eubanks stated the Association of California Water Agencies (ACWA) and other local agencies are dominated by southern California influence. GM Roscoe stated he is on the Board of Directors for ACWA for Region 4 which provides the District a vote within that organization. GM Roscoe was also appointed to the Groundwater Management Committee which helped to frame legislation on the Sustainable Groundwater Management Act which also allowed for District input.

Chair Wichert requested more information regarding the various legislative organizations the District and staff are involved in be brought back at the next Committee meeting.

3. Hexavalent Chromium 6

A written report was provided. GM Roscoe provided a summary of the report. Assistant General Manager York provided a briefing on the Groundwater Contamination Meeting held at RWA and commented on the effects to Rio Linda/Elverta Community Water District (RLECWD).

Director Locke questioned if the District is in a position to help RLECWD. GM Roscoe provided a background on the history between RLECWD and the District's predecessor district Northridge Water District. The District does offer mutual aid to RLECWD.

Chair Wichert states this issue is a high priority and requested a full briefing be brought to the full Board. GM Roscoe suggested requesting Rob Swartz of RWA or Larry Ernst of Wood Rodgers provide a presentation to the Board.

There was a non-substantive discussion regarding McClellan's efforts at cleanup of the Hexavalent Chromium 6. It was noted that California is the only state with a standard for Hexavalent Chromium 6 and the Environmental Protection Agency doesn't believe that 10 parts per billion is a health threat; only California believes it is a risk sufficient to warrant a separate drinking water standard.

Mr. Eubanks commented that he understood Hexavalent Chromium 6 is treatable and the cost is approximately \$1 million per well which then becomes a budget issue. Mr. Eubanks states this is a significant issue.

4. Statewide National Pollutant Discharge Elimination System (NPDES) Discharge Permit

A written report was provided. GM Roscoe provided a summary.

The State Water Resources Control Board adopted the NPDES in November 2014 as a result of a grass roots effort that began over four years ago by District staff and SJWD staff. This effort was subsequently joined by other local area water purveyors. The District will be hosting a workshop on this topic for local water purveyors on February 19, 2015 at the Antelope Facility.

Chair Wichert requested a full Board briefing on this important topic.

Mr. Eubanks commented that GM Roscoe is an extremely effective spokesperson for the issues affecting the District and northern California in general.

5. Development of Regulations to Implement the Sustainable Groundwater Management Act of 2014 (SGMA) and Potential 2015 Groundwater Legislation

A written report was provided. GM Roscoe provided an update.

Chair Wichert requested staff's recommendation on the SGMA. GM Roscoe replied a change in basin boundary lines will be key to the District. Currently, the North American Groundwater Basin, of which the District is located, is in three different counties. One of those counties is south Sutter County. Coordinating with south Sutter could be more difficult with regard to how to divide the yield of water between the counties and with different land uses.

Chair Wichert requested the Committee be updated on the progress of this effort.

Adjournment

Chair Wichert adjourned the meeting at 7:48 p.m.

Robert S. Roscoe
General Manager/Secretary
Sacramento Suburban Water District

**REGIONAL WATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS**

Thursday, January 8, 2015; 9:00 a.m.

5620 Birdcage Street, Suite 110
Citrus Heights, CA 95610
(916) 967-7692

AGENDA

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

1. **CALL TO ORDER AND ROLL CALL**
2. **PUBLIC COMMENT**
3. **CONSENT CALENDAR**
 - a. Minutes of the November 13, 2014 full board meeting.
 - b. Action: Adopt proposed RWA Board Meeting Schedule for 2015.
Action: Approve Consent Calendar Item.
4. **EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS**
 - a. Information: Final minutes of the October 22, 2014 Executive Committee meeting and draft minutes from the December 10, 2014 Executive Committee meeting.
 - b. **Action: Accept the 2014 RWA financial audit report.**
 - c. **Action: Approve RWA membership for Yuba City.**
 - d. **Action: Approve Affiliate applications of the following entities:
Sacramento Golf Industry Water Conservation Task Force, HDR, Inc.,
RMC Water and Environment, UC Cooperative Extension and
Cosumnes CSD.**
 - e. **Action: Approve 2015 Legislative and Regulatory Policy Principles.**
5. **ELECT 2015 RWA EXECUTIVE COMMITTEE**
Action: Elect the Executive Committee of the RWA Board of Directors.
6. **ELECT 2015 RWA CHAIR AND VICE-CHAIR**
Action: Elect Chair and Vice-Chair of the RWA Executive Committee and RWA Board of Directors.
7. **EXECUTIVE DIRECTOR'S REPORT**
 - a. **Groundwater Management Update**
 - b. **Government Affairs Update**

- c. **Water Efficiency Program Update**
- d. **Grants Update**
- e. **RWA Awards**
- f. **Powerhouse Science Center Update**
- g. **Financial Reports**

8. CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(C) AND 54956.9(D) – UPDATE ON CALPERS CONTINUED OBLIGATION TO PROVIDE PENSION BENEFITS TO RWA EMPLOYEES

9. DIRECTORS' COMMENTS

10. ADJOURNMENT

Upcoming meetings:

Next Executive Committee Meeting – Wednesday, January 28, 2015, and Wednesday, February 25, 2015, 8:30 a.m. at the RWA office.

Next RWA Board of Directors' Meeting – Thursday, March 12, 2015, 9:00 a.m., at the RWA Office.

**REGIONAL WATER AUTHORITY
EXECUTIVE COMMITTEE AGENDA**

**January 28, 2015; 8:30 a.m.
5620 Birdcage Street, Suite 110
Citrus Heights, CA 95610
(916) 967-7692**

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

- 1. CALL TO ORDER AND ROLL CALL**
- 2. PUBLIC COMMENT:** Members of the public who wish to address the committee may do so at this time. Please keep your comments to less than three minutes.
- 3. CONSENT CALENDAR**
 - Minutes of the December 10, 2014 Executive Committee meeting.
Action: Approve Consent Calendar item.
- 4. 2015 RWA EXECUTIVE COMMITTEE MEETING SCHEDULE**
Action: Adopt proposed schedule of Executive Committee meetings for 2015.
- 5. CHANGES TO CALIFORNIA EMPLOYERS RETIREE BENEFIT TRUST (CERBT) ASSET ALLOCATION STRATEGIES**
Information Presentation and Discussion by John Woodling.
Action: Approval for actuaries to model reduced discount rates when commencing the next actuarial report.
Action: Provide staff direction for using CERBT to manage RWA's OPEB asset trust fund.
- 6. DESIGNATE A JPIA DIRECTOR REPRESENTATIVE AND ALTERNATE REPRESENTATIVE**
Action: Appoint a Member Representative to the JPIA Board of Directors.
- 7. IN COMMUNICATION CONTRACT EXTENSION**
Action: Recommend Board approval of In Communication Contract Extension for both the Water Efficiency and Public Relations Programs.

8. **APPROVE CONTRACT FOR FERNANDEZ GOVERNMENT SOLUTIONS**
Action: Approve contract for Fernandez Government Solutions.
9. **RWA AFFILIATE APPLICATION**
Action: Recommend Board approval of RWA Affiliate application from Montgomery Watson Harza.
10. **CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(C) AND 54956.9(D) – UPDATE ON CALPERS CONTINUED OBLIGATION TO PROVIDE PENSION BENEFITS TO RWA EMPLOYEES**
11. **EXECUTIVE DIRECTOR'S REPORT**
 - a) Government Affairs Update
 - b) Water Efficiency Program Update
 - c) Grants Update
12. **DIRECTORS' COMMENTS**

ADJOURNMENT

Upcoming meetings:

Upcoming Executive Committee Meetings – Wednesday, February 25, 2015 and March 25, 2015; 8:30 a.m.; RWA office.

Next RWA Board of Directors' Meeting – Thursday, March 12, 2015, 9:00 a.m.; RWA conference room, 5620 Birdcage Street, Ste. 110, Citrus Heights, CA 95610

**SACRAMENTO GROUNDWATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS**

Thursday, February 12, 2015; 9:00 a.m.

5620 Birdcage Street, Suite 110

Citrus Heights, CA 95610

(916) 967-7692

AGENDA

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

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

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

Minutes of December 11, 2014 meeting.

Action: Approve Consent Calendar item.

4. GROUNDWATER MANAGEMENT PROGRAM UPDATE

Information Presentation: Rob Swartz, Manager of Technical Services.

Action: Authorize the Executive Director to submit a finding of exemption for the update to the SGA groundwater management plan under the California Environmental Quality Act.

5. UPDATE ON IMPLEMENTATION OF THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT

Information Presentation: John Woodling, Executive Director.

6. EXECUTIVE DIRECTOR'S REPORT

- a. Government Affairs Update
- b. Budget Committee
- c. Drought Update

7. CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(C) AND 54956.9(D) – UPDATE ON CALPERS AUDIT OF RWA AND CALPERS CONTINUED OBLIGATION TO PROVIDE PENSION BENEFITS TO RWA EMPLOYEES.

8. DIRECTORS' COMMENTS

ADJOURNMENT

Next SGA Board of Director's Meeting – April 9, 2015, 9:00 a.m., RWA/SGA office, 5620 Birdcage Street, Ste. 110, Citrus Heights.

Agenda Item: 26

DIV 2

From: Annette O'Leary
Sent: Thursday, January 08, 2015 8:47 AM
To: James Arenz
Cc: Rodney Lee
Subject: Compliment for Rodney

Jim,

I spoke with Ms. Lauryl at Herbert Way. She called today and spoke with Rodney about her water bill. She stated that Rodney was very patient because she did not have any of her account information. She went on to say that Rodney was professional, pleasant and knowledgeable. She said that Rodney treated her as his most important customer as well as his favorite customer.

She felt it was important for management to know the type of staff they have hired. She said that she has always had a good experience when calling SSWD.

Good job Rodney.
Annette

Annette O'Leary
Administrative Services Manager

DIV 4

Christine Bosley

Subject: FW: Director Neil W. Schild

From: Bill [mailto: @surewest.net]
Sent: Monday, January 12, 2015 7:39 AM
To: feedback
Subject: Director Neil W. Schild

Director Schild

I hope you enjoyed the holidays with your family and friends.

There are a couple of things that are bothering me after attending the 2X2 meeting on annexation December 18th. The first one is Director Costa's request for the "raw computer data" that will be generated by the telephone poll to be conducted regarding the annexation of SSWD by SJWD. There are only two reasons that I can think of for such a request. The first is to muddy the waters if the results of poll do not turn out the way that he wants. The second is to get free data to be incorporated into targeted mailing data bases that are maintained by him or on his behalf. Director Costa has boasted about the highly sophisticated software that he has for mailings on numerous occasions including the December 18th meeting. Director Costa was gracious enough to include Director Thomas in the request, although Director Thomas appeared to do so reluctantly. Putting aside the issue of the gift of public funds, what legitimate District purpose would Director Thomas and Director Costa use to justify such a request? Will the rate payers that are polled be informed that the "raw computer data" may be used for purposes not related to the District? I was surprised that you and the contract administrator sat mute when the request was made.

The second thing that bothered me is Director Costa's on going lobbying on behalf of Mr. O'Farrell to pay Mr. O'Farrell more money under his current contract. Director Costa apparently feels that Mr. O'Farrell has worked more hours than he contemplated when the contract was signed. Paying for work performed in arrears would be a clear breach of the contract. Again, I was surprised that both you and the contract administrator sat mute when Director Costa made his remarks.

Maybe my problem is that the rules of conduct for elected officials in Special Services Districts are different from Municipal Water Districts. At this time it appears to me that individual elected officials in Special Services Districts can do whatever they want including using district assets for their own purposes. Do you know what differences are between the two types of districts?

William

DIV 4

Dear Mr. William ,

February 10, 2015

In response to your note of January 12, 2015 regarding your observations at the December 18 2x2 meeting at Sacramento Suburban Water District (SSWD), I will take this opportunity to comment on your concerns. The purpose of this 2x2 meeting was to get an update on the status of the Phase 2-A report and determine if the ratepayers should be contacted through a phone survey process to obtain input on the proposed district reorganization.

Your first concern was the request from Mr. Costa, Director San Juan Water District (SJWD), requesting "raw computer data", generated by the telephone survey to gather public support or concerns of the re-organization. I share this concern of anyone having an advantage in obtaining information produced using ratepayers funds. Generally the information is made available to requestors for a fee reimbursing the district for reproduction costs. I will request that SSWD management treat this information in the same manner. As to your concerns as to how Mr. Costa might use the information I tend to agree with your analysis. In relation to Kevin Thomas it will be up to him to define what his intentions might be for use of the information.

Another area of concern is that Mr. Costa was in your mind lobbying for additional funding for the Phase 2-A contractor. It is unique that a director would ask other directors to increase funding for that effort. The request should come from Mr. Farrell be determined on the merit of the request and information that is produced. As to paying someone after work is done seems that the consultant was continuing to work without payment opportunity. Most consultants would have stopped work before reaching this point.

The final comment was the difference in conduct of elected individuals for a Special Service District or Municipal Water Districts there isn't a difference in written rules of conduct. The rules are for all elected officials regardless of what organization they represent. As you can see it varies with individuals and some push the envelope further than others. An action has to be filed by an individual or an entity to determine if rules are violated. If such a hearing indicates violation of the rules there are penalties that can be accessed.

I hope this responds to your areas of concerns that occurred in the Dec. 18 2x2 meeting.



Neil W. Schild, Director, Division 2

Sacramento Suburban Water District

DIV 4

Message to Jim

January 14, 2015

Let me Thank You for attending the Special Joint Board meeting on December 16, 2014. It pleases me that Sacramento Suburban Water District customers (ratepayers) like yourself will attend these meetings to learn of these activities in the district.

In this case there has been discussion with the San Juan Water District (SJWD) to examine the possibility of utilizing some of the surface water (river flow or stored water) that is currently under contract to SJWD. In the past only about 50% of the contracted surface water supply for SJWD has been used. It seemed to make sense that SSWD ratepayers that have invested millions of dollars to bring surface water into the service area to maintain the groundwater levels could pay for and utilize some of this water supply. Supplemental surface water will raise the groundwater level to reduce lift of the groundwater and providing some control of various chemicals moving into the groundwater basin to create undesirable water quality conditions. Historically SSWD has been dependent on groundwater as the primary source of water supply. The initial discussions and investigation into utilization of some of the unused surface water currently has moved to a full blown reorganization/merger of SSWD and SJWD. There are numerous unknowns in this proposed action and additional time and expense of the ratepayers will be required to evaluate and determine the impacts to ratepayers. At this time I am asking for time to allow such an analysis while attempting to control amounts of money expended to determine and examine such an action.

Some of the items that will be impacted are handling of the wholesale customers of SJWD (Fair Oaks Water District, Citrus Heights Water District and Orange Vale Water District), staff costs (the position currently is that nobody would be released), representation of the ratepayers by directors to oversee the management of the new district, office space and location, ongoing and future of capital replacement programs (upgrading and maintaining distribution system), property tax contributions collected by SJWD and many other unidentified and undefined areas where the two district ratepayers have different conditions and expectations. This is a start of unknowns and in no manner a complete list.

Again I want to thank you for your letter of concern and look forward to additional participation by you and other ratepayers. Such attendance shows me there is an interest in water service, water quality and overall cost by your water provider.

I look forward to seeing and meeting you at the next opportunity. If you have further input or questions please free to contact me. Cell phone is

Neil W. Schild, Director Division 2, Sacramento Suburban Water District

-----Original Message-----

From: Neil Schild [<mailto:neil.schild@gmail.com>]

Sent: Thursday, January 08, 2015 4:21 PM

To: James

Cc: Christine Bosley; Kevin Thomas

Subject: SSWD merger with San Juan WD

I appreciate your interest in this proposed reorganization of the two subject districts. It will take some time to give an explanation of benefits and pitfalls of this action.

I will take time to do this but prepare for an upcoming regular board meeting of SSWD on Mon Jan 12. If you would like to talk on the phone prior to that call me at. That's my cell phone.

I'll respond in writing also.

Thanks for your interest.

Sent from my iPhone

-----Original Message-----

From: Jim [mailto:offtrail@]

Sent: Wednesday, December 31, 2014 11:14 PM

To: feedback

Subject: Director Neil W. Schild

Mr, Neil W. Schild,

I have resided for thirty-five years in the area now designated district four of the Sacramento Suburban Water District. I realize that this is not the district that you personally represent.

This last month I attended my first SSWD board meeting to learn more about the possible merging of our district with the San Juan Water District. I was particularly interested to learn how a merger would mutually benefit each water district. Now I wonder why this proposal, which basically allows for the SJWD to take over our district and expose all of us to many potential undesirable consequences, is still on the table. Almost everyone at the meeting was far more concerned with trying to patch together the proposed merger, then they were with preserving the quality of management that the SSWD currently provides its rare-payers. You weren't.

I wanted to thank you for the genuine concern that you expressed for the welfare of the customers. I appreciated that you spoke in support of a plan that could elicit an informed response from the customers.

It may prove useful to produce a report, that was not sugar coated, but actually reported the disadvantages and potential long term risks that the customers of the SSWD could be exposed to.

Thank you,

James

DIV 4

From: Neil Schild [mailto:neil.schild@]
Sent: Tuesday, January 20, 2015 6:40 PM
To: Christine Bosley
Cc: Kevin Thomas; Robert Roscoe
Subject: Re: Director Neil W. Schild

I talked to Mr. last week and explained I had requested a copy of the contract from Mr Bills and I received and reviewed the amendment. I was concerned about the lack of control as to how the data will be collected and the distribution of collection efforts. None of these were of concern to Bill. I also explained to him most information collected with public funds falls under the FOIA. If specific formats were requested it could likely be denied. I discussed this with Kevin today. He wasn't certain of the use Mr Costa was contemplating. I am in Reno and won't return until Fri. I will call mr Eubanks before I return. The letter came in Dec 31 and wasn't sent to Kevin and me until the 12th of Jan. I will copy you on my response. Sent from my iPhone

From: Bill [mailto:wve@]
Sent: Monday, January 12, 2015 7:39 AM
To: feedback
Subject: Director Neil W. Schild

Director Schild

I hope you enjoyed the holidays with your family and friends.

There are a couple of things that are bothering me after attending the 2X2 meeting on annexation December 18th. The first one is Director Costa's request for the "raw computer data" that will be generated by the telephone poll to be conducted regarding the annexation of SSWD by SJWD. There are only two reasons that I can think of for such a request. The first is to muddy the waters if the results of poll do not turn out the way that he wants. The second is to get free data to be incorporated into targeted mailing data bases that are maintained by him or on his behalf. Director Costa has boasted about the highly sophisticated software that he has for mailings on numerous occasions including the December 18th meeting. Director Costa was gracious enough to include Director Thomas in the request , although Director Thomas appeared to do so reluctantly. Putting aside the issue of the gift of public funds, what legitimate District purpose would Director Thomas and Director Costa use to justify such a request? Will the rate payers that are polled be informed that the "raw computer data" may be used for purposes not related to the District? I was surprised that you and the contract administrator sat mute when the request was made.

The second thing that bothered me is Director Costa's on going lobbying on behalf of Mr. O'Farrell to pay Mr. O'Farrell more money under his current contract. Director Costa apparently feels that Mr. O'Farrell has worked more hours than he contemplated when the contract was signed. Paying for work performed in arrears would be a clear breach of the contract. Again, I was surprised that both you and the contract administrator sat mute when Director Costa made his remarks.

Maybe my problem is that the rules of conduct for elected officials in Special Services Districts are different from Municipal Water Districts. At this time it appears to me that individual elected officials in Special Services Districts can do whatever they want including using district assets for their own purposes. Do you know what differences are between the two types of districts?

William

DIV 5

January 3, 2015

Dear Annette -

I wanted to thank you for sorting out our Oct + Dec bills and for working with us every step of the way through our mis-measured pipe/meter installation/billing adjustments! I appreciate your time and attention and you have singlehandedly raised our opinion of SSWD overall! Thank you for your help!

Sincerely, The

Acct. #)

DIV 5

From: Dan York
Sent: Thursday, January 29, 2015 12:08 PM
To: kmb@ **Cc:** Annette O'Leary; Christine Bosley
Subject: Robert Roscoe

Ms.,

Thank you for taking the time to send your message regarding your concerns about fluoride. Mr. Roscoe is currently out of the office, therefore, I will respond in his absence.

As your local water purveyor, we rely heavily on experts at the State Water Resources Control Board, Division of Drinking Water, the Sacramento County Health Officer and the County Department of Health and Human Services on public health issues and the effects of fluoride on public health. We are required to comply with their directives and input and these are the agencies that you may want to talk to with specific health related concerns regarding water fluoridation.

The District started fluoridating water supplies in the SSA in March 2007. However, there were many steps that led to this action. Provided below is information on how fluoridation came about:

State Law

Water fluoridation in the state of California is largely in response to State law (AB 733) which states "In order to promote the public health through the protection and maintenance of dental health, the department (of Public Health) shall adopt regulations..., requiring the fluoridation of public water systems." (California Health and Safety Code Section 4026.7(a)). With some exceptions, AB 733 directs the state Department of Public Health (DPH) to "adopt regulations that require the fluoridation of all public water systems that have at least 10,000 service connections." The only caveat is that the funding for water fluoridation must come from sources other than ratepayers.

Background Information

In 2004, the District entered into an agreement with the City of Sacramento to purchase treated surface water from the City's Fairbairn Water Treatment Plant for delivery to our customers. Due to place of use restrictions, this surface water can only be used in the District's SSA. This is part of an overall conjunctive use strategy within the District and the Sacramento region to utilize surface water in wet years when there is ample surface water available in the American River. This allows the District's groundwater wells to "rest" or recharge with the overall goal of arresting declining groundwater levels. Then in dry years, when surface water is reduced or unavailable, the District goes back to the groundwater supplies.

In 2000, as the result of AB 733, the City of Sacramento began fluoridating their water supplies. Therefore, once the District began providing this water to our customers in the SSA, there would be a mixing of fluoridated surface water with non-fluoridated groundwater. This would have led to some customers receiving varying or "sub-optimum" levels of fluoride depending on the mix of groundwater and surface water at any one time.

SSWD's move toward conjunctive use required a decision regarding what level of fluoride to maintain. The question facing our Board of Directors was: Do we supply water to our customers with a known concentration of fluoride or an unknown concentration? In 2004, SSWD's Board of Directors made a decision to provide an optimum level of fluoride (which is a concentration of approximately 1 milligram per liter) in the water supply serving the SSA at all times. It was believed that this would be best for overall health, would meet the intent of state

law, and would be less confusing to customers. The decision to optimally fluoridate the water supply at all times required adding fluoridation equipment to the District's groundwater wells in the SSA. Funding for the capital improvements necessary to fluoridate was provided by the First 5 Sacramento Commission and was not paid for by the District's ratepayers.

Public Input

The District's Board did not make the decisions to enter into the contract with the City of Sacramento and to optimally fluoridate the water supply without public input. Two public meetings were held. The first public meeting was held on December 8, 2003, to discuss the acquisition of surface water from City of Sacramento and the impacts of receiving fluoridated water. All SSA (formerly known as the Town & Country Service Area) customers were invited to this meeting.

The second public meeting was held on August 23, 2006, with the primary purpose of discussing water fluoridation and the effect on District customers.

At both of these meetings, the District invited public health professionals that could better speak to the health effects of fluoride. Dr. Glennah Trochet, the County of Sacramento's Public Health Officer, was present at both meetings. Also, Dr. David Nelson, of the State Department of Health Services (now called the Division of Drinking Water) was present at the second meeting. Both doctors expressed the opinion that based on their knowledge and research, water fluoridation at the levels planned was perfectly safe for the District's SSA customers.

Voting for Fluoridation

Prior to the adoption of AB 733, adding fluoridation to a public water supply would have required a vote of the affected public. State legislators voted AB 733 into law in 1995. Once AB 733 became law, the Division of Drinking Water was mandated to require fluoridation of public water systems with at least 10,000 service connections. [Note: the District has approximately 46,000 customer connections with approximately 15,000 connections in the SSA.]

Current Situation

This work to install fluoridation equipment on the groundwater wells in the SSA was completed in early 2007. Therefore, the District began delivering optimally fluoridated water to its SSA customers in March 2007. There are many controls and fail safes in place to ensure that fluoride is not overdosed. In fact, in accordance with our water supply permit from the Division of Drinking Water, the water distribution system is tested daily (including weekends) to ensure the correct concentration of fluoride is in the water.

Based on the above information, if you are still uncomfortable with receiving fluoridated water, I will inform Mr. Roscoe and we can make the District's Board of Directors aware that a customer is requesting to place this topic on the agenda for discussion at a future Board Meeting. Please let me know your preference.

Regards,

Dan York
Assistant General Manager

From: Kathleen [<mailto:kmb@>]
Sent: Monday, January 26, 2015 11:50 AM
To: feedback
Cc: michael
Subject: Robert Roscoe

Dear Sir,

There is mounting evidence that fluoride as naturally occurring or as an additive is neurotoxic. If parents would like have to their children receive fluoride treatments or use commonly available fluoride toothpaste, that is their parental responsibility, not the responsibility fiscally, nor morally for all other consumers of a basic commodity.

Fluoride in water could be adding to the causes of serious developmental disorders for some children. If this is even a remote possibility, continuing to fluoridate water when fluoride is available in dental preparations literally in every neighborhood at a cost that is accessible to the least resourced among us, is unethical, immoral, and fiscally wasteful.

I am sure that fluoride has received some debate at board meetings over the years, but it is time to put the item back on the agenda with updated research in an effort to have the practice of adding fluoride be ceased immediately.

This could possibly free some funds used for fluoridation, to invest in infrastructure and save some children's futures.

Thank you,
Kathleen
Mariemont Avenue

DIV 5

From: Regina [mailto:r@s]
Sent: Friday, January 30, 2015 3:45 PM
To: Christine Bosley
Subject: RE: To the Governing Board

Thanks.

From: Christine Bosley [mailto:cbosley@sswd.org]
Sent: Friday, January 30, 2015 3:42 PM
To: Regina
Cc: Annette O'Leary
Subject: RE: To the Governing Board

Good afternoon Ms.

I am Christine and your email has been forwarded to me for follow-up.

I will provide a copy of your message to each of the Directors at the upcoming Board meeting being held February 23, 2015. Your email will also be included in the correspondence item of the Board packet. Should you have any other comments or concerns, please don't hesitate to contact me.

Best regards,
Christine Bosley
Executive Assistant

From: Regina [mailto:r@]
Sent: Wednesday, January 28, 2015 4:58 PM
To: feedback
Subject: To the Governing Board

Suggestion:

I am offended by being told every month that \$54.85 is due, when I have already paid for the entire year. It would be, I believe, a simple fix to:

Change the message to the following:

Reminder: in case you are about to pay your bill for the month, the amount billed is \$54.85, which is due the 17th of February.

If you have already paid, thanks so much for paying promptly! [View billing history or make a payment](#) (etc. closing as is)

It includes all relevant information, and does every customer the honor of being considered someone who may already have paid! It is a more respectful message, in my opinion.

Please reply, as I would like to have an idea if I may at some time in the future look forward to seeing a more respectful message!

Regina
(Paid in full for 2015)

Dear Regina,

Your February 2015 Billing is now ready for your review and/or payment.

Current Charges:

\$54.85

Amount Due:

\$54.85

Due By:

02/17/2015

[View billing history or make a payment](#)

Sincerely,

Sacramento Suburban Water District Customer Service

DIV 5

From: Kathy [mailto:kathy@] **On Behalf Of** kathym@
Sent: Tuesday, February 03, 2015 6:04 PM
To: Greg Bundesen
Cc: Annette O'Leary; James Arenz
Subject: RE: General Comments

Hi Greg.

Thank you for the response and acknowledgement.

I'm coming from the point of view of someone who's already doing everything on your "20%" list.

I would suggest that you not get caught up with the 20% issue.

By doing that, it implies that is all people need to worry about.

Instead, just tell people the practices that they should be doing.

That way, if someone is already doing the "20%" level of conservation, you direct them to what else they should be doing.

Of course, I understand that you need to target your communication to all levels of education, reading comprehension, knowledge and even if they have meters or not.

So I understand that my comments just go into the overall mix of decisions you have to make.

Good luck!

Kathy

From: Greg Bundesen [mailto:gbundesen@sswd.org]
Sent: Tuesday, February 03, 2015 2:57 PM
To: Kathy
Cc: Annette O'Leary; James Arenz
Subject: RE: General Comments

Ms.,

Thank you for your feedback. Your input is very valuable and we will consider your suggestions. We will be soliciting more feedback from our customers via an online survey regarding our water conservation program. Please keep an eye on our website for more details. Again thank you for your feedback.

Regards,

Greg Bundesen
Sacramento Suburban Water District
Water Conservation Supervisor

From: Kathy [] **On Behalf Of** kathym@
Sent: Saturday, January 31, 2015 12:51 PM

To: feedback
Subject: General Comment

Hello.

I am writing about the insert in the monthly bill about "what does 20% reduction look like?"

I have several comments.

First, I think that your suggestion are WAY too minimal!

- a) Especially when it comes to showers, people don't need to have the water running for the whole 5 minutes! People don't need the soap running while they are putting soap on their bodies, or shampoo/conditioner in their hair.

For very little money it's so easy to control the amount of flow.

I recommend something like this:

<http://www.homedepot.com/p/Delta-Shower-Arm-Diverter-for-Handshower-in-Chrome-U4922-PK/203124751?MERCH=REC-NavPLPHorizontal1-1-NA-203124751-N>

It doesn't turn the water totally off, but then, there is no need for that. It allows a small flow so that one could still wash off a razor, wash soap off their face, etc, while doing other things.

There are several styles of these diverters, depending on the type of shower head. <http://www.homedepot.com/s/Shower%2520Arm%2520Diverter?NCNI-5>

This is even something that the water district could buy for people.

But at least don't encourage people to keep the water running down the drain for 5 minutes!

- b) You also don't tell people to use a bucket to catch the water going down the drain while heating up the shower water. I'm really surprised you omitted this! Again, this is such an easy thing to do.

Second, your insert says to go to sswd.org for more tips. There is nothing on your website that makes those tips obvious. There very well may be information posted somewhere on the site. But they aren't a tab; they aren't a prominent graphic; they aren't even on the home page. Someone would get very frustrated and just give up. If you want to encourage water reduction, and you direct people to your website, the information should be very prominent on the home page.

Thank you.
Sincerely,

Kathy kathym@

DIV 5



ARDEN OAKS
NEIGHBORHOOD ASSOCIATION

January 16, 2015

Dave Jones
Project Manager
Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, California 95821-5346

Re: Arden Oaks Main Replacement Project

Dear Dave:

I am writing on behalf of the Arden Oaks Neighborhood Association ("AONA") and to express our sincere appreciation for all of your hard work and all of the others at Sacramento Suburban Water District ("Sac Suburban") on the recently completed Arden Oaks Main Replacement Project. These types of projects inherently cause significant disruption to a neighborhood, like Arden Oaks, but we found that based on all of the planning and outreach done by Sac Suburban prior to initiating the project and the continuing outreach during the construction process resulted in significantly less disruption than we anticipated. We know that such an outcome does not come about by accident and, for that, we thank you.

You and the others at Sac Suburban have been a pleasure to work with and have continually had a "can do" attitude when it came to addressing the inevitable issues that arose during the project. We have also heard from a number of neighbors who similarly expressed to us their positive experiences working with both the contractor and the staff from Sac Suburban. The disruption to the neighborhood was kept to a minimum, the streets were as well maintained as could be expected during the process and the overall positive attitude of those working on the project all combined to make this a very successful project in our opinion.

Thanks again for keeping the lines of communication open and honest and for working with me and the Arden Oaks Neighborhood Association on this project.

Many thanks,

Thomas Harvey, President
Arden Oaks Neighborhood Association
Board of Directors

NO DIV



February 5, 2015

Ms. Felicia Marcus, Chair
Members of the Board
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812-0100

Re: Protection of water rights priority system and stored water supplies

Dear Chair Marcus and Board Members:

This coalition of public water agencies, water companies, water user associations, communities, and landowners urge the State Water Resources Control Board ("Water Board") to uphold and enforce California's long-established water right priority system, including its protections for stored water supplies. This is particularly important in light of the unprecedented stress being placed on the Central Valley Project and State Water Project ("CVP-SWP") to satisfy multiple project purposes.

The California water rights system is orderly, well-established, tested and is intended to protect water rights, including previously stored water. The water rights system is particularly important for managing water supplies during drought periods because it provides a known and well established legal framework, administers water resources in an orderly manner, and protects public trust resources.

Despite periodic storms this water year, California's stored water supply remains at alarmingly low levels. This past year revealed the tremendous value of stored water for all beneficial uses. As we move into 2015, it is critical that the Water Board take action to 1) maximize the opportunities for project operators to store water early in the year for use later in the year; and 2) administer the priority system and protect storage releases from diversion by those not entitled to the water to assure that all diverters are diverting consistent with the water rights priority system.

We stand ready to work with the Water Board in implementing these actions in an efficient and effective manner. We will work with your office to schedule a time to discuss these important actions in more detail.

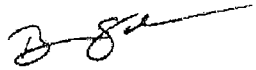
Sincerely,

Jeff Kightlinger
Metropolitan Water District

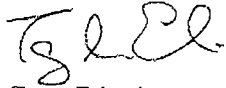
David Guy
Northern California Water Association



Steve Knell
San Joaquin River Tributaries Authority



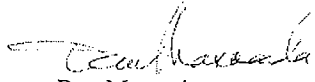
Beau Goldie
Santa Clara Valley Water District



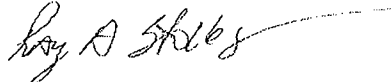
Terry Erlewine
State Water Contractors



Dan Nelson
San Luis & Delta Mendota Water Authority



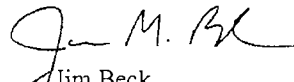
Dan Masnada
Castaic Lake Water Agency



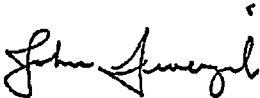
Ray Stokes
Central Coast Water Authority



Tom Birmingham
Westlands Water District



Jim Beck
Kern County Water Agency



John Sweigard
Merced Irrigation District



Kirby Brill
Mojave Water Agency



Steve Knell
Oakdale Irrigation District



Mike Gilkey
Tulare Lake Basin Water Storage District



Jill Duerig
Zone 7 Water Agency

cc: Tom Howard
Michael Lauffer
Michael George



Agenda Item: 27

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Scientists ride the Pineapple Express



Crew member Peter Siegel collects scientific data on a mission over the Pacific Ocean and the Northern California coast on Thursday. The NOAA P3 “Hurricane Hunter” deployed dozens of bathythermograph devices into the ocean, and used onboard atmospheric sensors to gather data about the atmospheric river weather system approaching California. Randall Benton rbenton@sacbee.com

A team of scientists on Thursday flew four aircraft into the torrent of an atmospheric river storm headed toward California. The research ship navigated the Pacific Ocean in a coordinated effort to detect interactions between the atmosphere and the water surface that fuel these storms.

The research effort, called Calwater 2015 and based in Sacramento, is one of the most intensive research projects ever undertaken to study atmospheric rivers.

Sometimes called “Pineapple Express” events, these storms occur when high-altitude winds draw tropical moisture in a narrow band across the Pacific Ocean past Hawaii. They can transport 10 to 20 times as much water volume as the Mississippi River and have been responsible for some of California’s most damaging winter storms.

Atmospheric rivers are also crucial to managing water supplies in California. The state typically experiences five or six such storms every year, and collectively they can provide as much as half of the freshwater supply that the state needs to get through its long, dry summers.

<http://www.sacbee.com/news/local/article9382100.html>

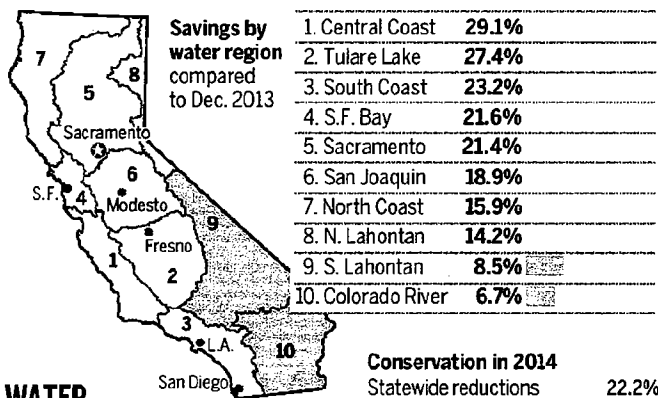
California cut water use more than 20 percent in December

BY MATT WEISER

MWEISER@SACBEE.COM

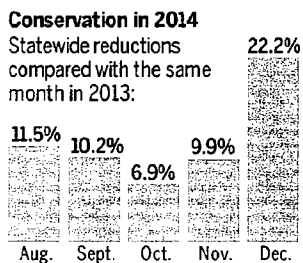
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WATER CONSERVATION

Statewide efforts to reduce water use improved in December, reaching Gov. Jerry Brown's target of a 20 percent savings for the first time since his January emergency drought proclamation.



Source: State Water Resources Control Board

The Sacramento Bee

Comparison photos showing the historic Millerton Courthouse as it sits atop a bluff overlooking Millerton Lake in Friant in 2009, top, with the water at a high point, and on Aug. 5, 2014, where the water isn't visible at the same angle. Currently, the level of water is at 270,284 acre-feet, or 51.9 percent of capacity. Darrell Wong/Craig Kohlruss The Fresno Bee

It took a whole year of trying, but in December California at last achieved Gov. Jerry Brown's directive to slash water use 20 percent in response to the continuing drought.

Californians collectively cut their water consumption by 22.2 percent in December compared to the prior year, based on reports filed by urban water agencies with the State Water Resources Control Board. It was the first time the state as a whole reached that goal since Brown ordered the 20 percent reduction as part of his January 2014 emergency drought declaration.

"That's good news, indeed," water board chairwoman Felicia Marcus said at a meeting Tuesday in Sacramento. "If I had a little sparkler, I would probably be lighting it right now."

The water board ordered local agencies to begin submitting monthly water use data in June so it could track compliance with the 20 percent order. It's been an uncertain path ever since, as conservation efforts improved through August – when water use fell 11.5 percent compared with August 2013 – then waned in October.

Amid California's drought, water chief preaches conservation – and balance
Satellite mission poised to help farmers and water managers, NASA says
Sierra snowpack dismal for January; fourth year of drought looks likely
Rain for Sacramento area on the way, but not much snow for the Sierra
For much of that time, the Sacramento River region – long known for profligate water use – has led the state in cutting consumption. It consistently has posted double-digit conservation progress each month since June. In some months, it was the only region to reach or exceed 20 percent. In December, the region cut water use by 21.4 percent compared to the same month in 2013.

A notable laggard has been the state's South Coast region – including Los Angeles and San Diego – which has not exceeded single digits. That changed in December, however, as the South Coast boosted its conservation progress to 23.2 percent. As the most populous region, this helped the state as a whole surpass the 20 percent goal.

The San Joaquin River region, which includes Fresno and Modesto, cut water consumption by 18.9 percent in December compared with the prior year.

The data also revealed that average per-capita water consumption across California fell to 67 gallons per day in December. That compares with 140 gallons recorded in June, and an annual average of 105 gallons reported in 2009.

Twenty percent of the state in December used less than 55 gallons per person per day. This is what the state Department of Water Resources considers the “performance standard” for indoor water use. The Sacramento River region used 77 gallons per capita per day in December, while the San Joaquin River region was at 74 gallons.

Among the lowest in the state were the cities of San Diego, at 46 gallons, and San Francisco, about 40 gallons.

Katheryn Landau, an environmental scientist at the water board, said Californians over the past seven months have saved more than 413,000 acre-feet of water. That is nearly half the volume of Folsom Reservoir and enough water to serve 1.8 million people for a year.

“It indicates how the water conservation efforts we’ve taken are having a really positive impact,” said Landau.

The data come with a number of caveats, however. The big one is that December 2014 was much cooler and wetter than the same month in 2013, which undoubtedly boosted water conservation by reducing the need for landscape irrigation. December also is typically one of the lowest water use months of the year, so it may not be a good indicator of long-term performance.

January data may not look as good, because the month that just ended was the driest January in recorded history for many locations in the state, including Sacramento. The capital city saw just .01 inch of rainfall in January. The monthly average is about 4 inches.

With that comes virtual certainty that California now faces a fourth straight drought year.

“Obviously, that raises a couple of concerns,” said Eric Oppenheimer, a member of the water board’s office of research and planning. “There’s a chance we could see the

conservation numbers erode for January. We hope that people still will keep their outdoor irrigation off or to a minimum as we move through February, especially if it starts raining again this weekend.”

A series of wet storms is forecast to arrive late Thursday across Northern California, the first since before Christmas. But the storms are expected to be warm, meaning they may not add significantly to the mountain snowpack that helps California survive its long, dry summers.

Officials are turning their attention to revving up their conservation message for 2015. The water board on Feb. 17 plans to consider imposing additional rules on local water agencies to require more savings. This could include, among other things, stricter limits on outdoor landscape irrigation as the warm spring months approach.

Other efforts will focus on expanding the conservation message to target business and industrial users, and encouraging people to turn their newfound conservation practices into permanent habits.

“Our number one plan is making conservation a way of life for California,” said water board member Steven Moore. “Every citizen should know where their water comes from, how much they use, and where their water goes when they’re done with it. That’s going to take incredible effort.”

<http://www.sacbee.com/news/state/california/water-and-drought/article9118931.html>

State considers tighter water limits, hopes for relief this week

By Kurtis Alexander

Updated 12:52 pm, Tuesday, February 3, 2015



California water officials are considering tightening restrictions on outdoor watering, even as they hold out hope that a series of storms late this week will provide some relief for the drought-stricken state.

On Tuesday, the State Water Resources Control Board is scheduled to discuss whether to go beyond the current statewide prohibitions on hosing down driveways and overwatering lawns, and enact additional limits on outdoor water use such as regulating times for sprinklers. The board could also add new rules such as requiring households to be audited for leak detention.

A decision on whether to act — and how — isn't expected until late February or March. "Our goal isn't to keep building a regulatory mousetrap," said Felicia Marcus, chairwoman of the water board, adding that she would rather local agencies act on their own to reduce water use. "Our goal is to figure out how we can get more conservation."

Much of California saw one its driest Januaries in decades. While December was wet, water experts have said the state needs at least 150 percent of average precipitation this rain season to begin climbing out of a three-year deficit — something that's hard to get when a whole month passes with little rain.

San Francisco had no measurable rain the entire month, a first since record-keeping began in 1849. Making matters worse, Bay Area temperatures soared into the 70s over the weekend, setting heat records in many spots.

The dry spell could end with a bang, though. A large plume of tropical moisture is developing over the Pacific, which forecasters say could bring a series of storms to Northern California starting Thursday. It would be the first measurable rainfall in much of the Bay Area since Christmas Eve.

“There will be rain off and on through Monday,” said forecaster Jan Null of Golden Gate Weather Services. “This next week is much more encouraging than the last five.”

How much relief comes depends on where the Pacific storms make landfall, Null said. Points north of the Bay Area are likely to see the brunt of the system, with Santa Rosa forecast to receive at least 4 inches of rain through Monday. The San Francisco area could see 1 to 3 inches, depending on how far south the front tracks.

The same weather pattern, known as an atmospheric river — essentially a narrow band of moisture in the sky that delivers rain — brought heavy downpours to much of the state in early December.

If the storm holds off until Thursday, as forecasters expect, San Francisco will have gone 42 days without rain — tying the second-longest wintertime dry streak in recorded history, Null said. The city saw 42 back-to-back rainless days in the winter of 1976, another drought year.

The longest dry spell was 60 days, from Nov. 17, 1876, to Jan. 15, 1877, Null said.

This week’s storms, like the ones in December, are expected to bring rain but not significant snow.

“It’s going to be relatively warm,” said Matt Mehle, a meteorologist with the National Weather Service.

Snow levels in the Sierra are forecast to be 8,000 feet and higher. Higher-than-average temperatures this year — and the past few — have diminished the state’s snowpack, which is vital for filling California’s biggest drinking-water reservoirs.

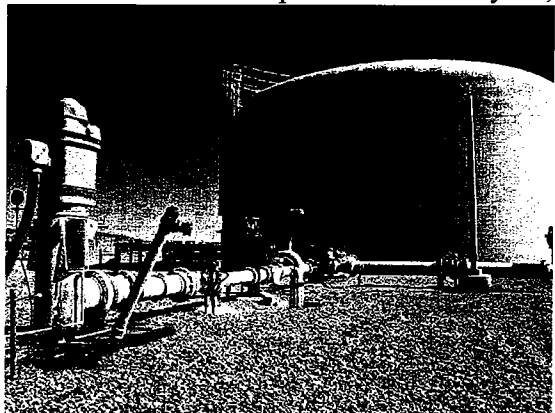
Snowpack statewide Monday was just 22 percent of the average for this time of year.

Kurtis Alexander is a San Francisco Chronicle staff writer. E-mail: kalexander@sfgate.com Twitter: @kurtisalexander

<http://www.sfgate.com/bayarea/article/Storm-to-hit-Bay-Area-after-rainless-January-6056846.php#photo-7464919>

Agency to invest in treating water for chromium-6

The Desert Sun 3:20 p.m. PST January 25, 2015



The well and reservoir at the Coachella Valley Water District's ion exchange water treatment plant near Mecca. CVWD uses two ion exchange treatment plants to remove arsenic from drinking water, and the treatment also removes chromium. Jay Calderon/The Desert Sun(Photo: Jay Calderon/The Desert Sun)

The Coachella Valley Water District is about to embark on its costliest infrastructure project ever, designing water treatment plants to remove a potentially hazardous heavy metal from the water supply in places from Rancho Mirage to Thermal.

The CVWD board on Tuesday will consider spending \$15.5 million to hire a consulting firm to design treatment plants that would remove hexavalent chromium, or chromium-6, from the groundwater pumped from 19 wells. The water agency has estimated the total cost of building those treatment plants could be on the order of \$100 million, and that would be the first of two phases in a project that will likely lead to significantly higher water rates.

The water district, like many others across the state, is taking steps to comply with a new safe drinking water limit for chromium-6 set by the California Department of Public Health. In a portion of the aquifer beneath the Coachella Valley, the groundwater has levels of chromium-6 that exceed the new state standard.

The first phase will involve building about 15 ion-exchange treatment plants in places including Rancho Mirage, Thousand Palms, Palm Desert, Thermal, La Quinta and near Desert Hot Springs, said Steve Bigley, the water district's director of environmental services.

The water agency has determined that the water from 37 of its 96 wells will likely require treatment. The first phase would take care of about half the wells with chromium-6 levels above the state limit.

"It would be a good start, and there's still the other half that is a more complicated assessment because it would involve looking at other options using surface water and groundwater," Bigley said. Those other options could including building facilities to treat water from the Colorado

River for drinking, or including using that imported water to recharge the aquifer and lower the chromium-6 levels through dilution.

The dangers of chromium-6 were highlighted in the 1990s by a court case launched by then-legal clerk Erin Brockovich against Pacific Gas & Electric Company, claiming groundwater contamination in the Mojave Desert town of Hinkley. After the case became widely known through the 2000 film "Erin Brockovich," the state Legislature in 2001 passed a law instructing public health agencies to develop a drinking water standard for hexavalent chromium.

In many areas of the country, chromium-6 has been released into the environment as a pollutant from sources such as chemical plants, leather tanneries and cooling towers. In the Coachella Valley, though, water agencies say chromium-6 occurs naturally, dissolving from rocks into the groundwater.

The new drinking water limit of 10 parts per billion took effect in July. The state's effort to set a drinking water standard for the carcinogen generated debate between environmental groups that argued for a strict limit and water agencies that warned of high costs and questioned the science behind the proposal.

Bigley said it's too early to say how much of an impact the project will have on water rates. But the agency has informed customers at workshops that they could see their bills rise by \$30 a month or more. The Coachella Valley has long had some of the lowest water rates in the state. When CVWD eventually proposes a rate hike, the increase would likely take effect incrementally over several years.

To design the treatment plants, the water district is proposing to hire the New York-based firm Hazen and Sawyer Environmental Engineers & Scientists, which already prepared a related study at a cost of about \$900,000. That company was originally selected through a competitive process for the study, but this time, CVWD managers are recommending the board hire the company without going through an open solicitation of proposals in order to expedite the process.

"We're just trying to move ahead as quickly as possible," Bigley said.

The CVWD board on Tuesday will consider whether to approve a total of \$17.2 million for the design of treatment plants and other related work. In addition to the \$15.5 million for Hazen and Sawyer, that includes \$100,000 to cover CVWD's engineering costs and \$1.6 million in contingency funds to cover any unexpected expenses or cost overruns.

Other water agencies that have large numbers of wells with levels of chromium-6 above the limit include Indio Water Authority and Coachella Water Authority. Representatives of those city agencies, as well as the private Myoma Dunes Mutual Water Company, have met with CVWD officials to discuss how they could work together to reduce the costs of treating water.

Ian James can be reached by email at ian.james@desertsun.com and on Twitter: @TDSIanJames.

<http://www.desertsun.com/story/news/health/2015/01/23/chromium-coachella-valley/22247873/>

Leaky pipes sign of big problems to come

Wednesday, January 14, 2015
OAKLAND, Calif. (KGO) --

It's easy to take for granted that water will when the tap is turned, but many of the pipes that bring water Bay Area homes were put in generations ago and they need to be replaced. It's a nationwide, as well as local problem.

A water main break in San Carlos last week sent water shooting into the sky. The leak was so bad a nearby school closed. In San Francisco, recent storms were blamed for a sinkhole that opened up. That leak left many residents without water.

Both disasters are examples of the increasing vulnerability of the aging water supply.

An East Bay Municipal Utility District (EBMUD) crew in Piedmont was responding to reports of water trickling down the street.

Walter Nobrega, with EBMUD, found one pipe that was installed in the twenties, he said.

Nobrega said it's not unusual to see pipes that old in the Bay Area. Many of the region's water and sewer pipes were installed prior to 1950.

"Old pipes last for a certain amount of time and at some point you have to replace those pipes and were coming up on that timeline," said Nobrega.

It doesn't look like much now, but the trickle down the street takes a full crew of utility workers hours to fix.

First they try to isolate the leak by drilling holes and then using sensitive equipment to listen to the water in the pipe. They narrow it down a small section of roadway to excavate and then bring in a back-hoe to uncover the leak.

One leak they found was caused by ground movement, so they'll put a stainless steel band-aid on it and cover it up.

This is a scene that can be repeated daily, sometimes multiple times. On average, EBMUD repairs 850 water main breaks a year on 4,200 miles of water mains.

And that's just one water agency.

Each year the American Society of Civil Engineers issues a report card on the nation's infrastructure. Nationwide the grade was "D+." California got a "C" partly because of work being done in the Bay Area on the Hetch Hetchy water system. That system supplies water to more than 2 million customers. The repairs will cost taxpayers \$4.6 billion.

That's just pennies compared to what would be needed nationwide.

Greg DiLoreto is with the American Society of Civil Engineers. He said, "We would need to

spend an additional \$84 billion between now and 2020 if we wanted to bring them into a good condition."

He says the need is great and that "some water systems in California loose about 200 billion gallons of water to leaks every year.

The problem will only get worse.

"There are no leaks that get better, they always stay constant, or they get worse," Nobrega.

At its current rate, it would take EBMUD 400 years to replace the current water infrastructure. The agency is now exploring ways to speed that up with a hundred year plan. That of course will cost money. Ratepayers will ultimately have to decide if they will they pay for it now, or risk paying a bigger price later.

Water infrastructure seems to always be the last thing on people's minds, even the federal government. When it was doling out money under the federal stimulus package for major improvements, water projects received just \$5 billion of the \$800 billion handed out.

Written and Produced by Ken Miguel

<http://abc7news.com/news/leaky-pipes-sign-of-big-problems-to-come/475704/>

2014 was California's hottest year, and it wasn't even close

By Kurtis Alexander

Updated 8:07 pm, Thursday, January 8, 2015



California not only sweated through its hottest year on record in 2014 but obliterated the previous mark by nearly 2 degrees, federal scientists said Thursday, while experiencing firsthand some of the worst fears of a warming planet — from intensified drought to melting snowpack.

The state's average temperature last year was 61.5 degrees, more than 4 degrees above the 20th century average, the National Oceanic and Atmospheric Administration reported. The previous hottest year was 1934, at 59.7 degrees, though many of the balmiest periods have come more recently, with seven of the 10 hottest years within the past two decades.

"There's a very clear warming trend in California," said Noah Diffenbaugh, an associate professor of environmental Earth system science at Stanford University who studies climate change. "And not only are we seeing clear evidence of global warming and its impacts, but we're now seeing the impacts of global warming right here in western North America."

Scientists say rising temperatures have sometimes contributed to smoggier air, stunted growth of plants, extreme weather events and other abnormalities in the Golden State, but the biggest impacts recently have come with the crippling drought. Though many are hesitant to blame the state's three-year dry spell on global warming, consensus is that hot weather has exacerbated the situation — for example, by increasing evaporation.

"The warm year in California did make the drought conditions worse," said Jake Crouch, a climate scientist at NOAA's National Climatic Data Center. "The drought and the heat kind of reinforced each other."

While acknowledging the connection between temperature and dry times, a study led by NOAA, released in December, concluded that the cause of the drought was not man-made warming, but naturally changing ocean conditions. Other research, however, has suggested a link between climate change and the high-pressure weather system that hung over the Pacific Ocean in recent years and steered storms away from California.

The state's lack of precipitation also combined with last year's warm temperatures to make for very little snow in the Sierra. As of Thursday, the state's snowpack, which is vital because it provides the bulk of California's water supply, was just 41 percent of average. Long-term studies suggest that snowpack in Western states has been in decline since the 1950s.

Dirty Air

Rising temperatures can also damage air quality. Seyed Sadredin, the executive director of the San Joaquin Valley Air Pollution Control District, said it's hard to parse out the impacts of heat and drought, but that the combination helped make 2014 one of the dirtiest years in decades.

Dry weather fueled stagnation and temperature inversions, Sadredin explained, trapping in pollutants, most significantly in the Central Valley and Los Angeles area. A lack of storms, meanwhile, kept bad air from clearing out, he said.

"Theoretically, of course, if we do get a rise in temperatures that's a recipe for an increase in ozone and smog ultimately," he said. "But we shouldn't reach to broad conclusions yet."

Since the valley air district has little control over the weather, it has sought to cut vehicle and industrial emissions in the region.

"Because of all the work that has been done by business and the public, that's what really saved the day," he said.

Temperatures, of course, have varied over the centuries. But human activities in the past 100 years, namely the burning of fossil fuels and deforestation, have increasingly added carbon dioxide and other greenhouse gases to the atmosphere and trapped heat. Scientists expect temperatures to continue to climb.

On Monday, Gov. Jerry Brown announced a plan for California to attack warming by increasing the amount of electricity derived from renewable sources from 33 to 50 percent and reducing the state's reliance on petroleum products by half.

The state already leads the nation in climate regulation.

Long-term trend

Last year, California was among three other Western states — Nevada, Arizona and Alaska — that experienced their warmest year since NOAA's record-keeping began in 1895, the data show.

Anchorage, Alaska, boasted the anomaly of not seeing a single day last year below zero degrees for the first time in the 101 years of records there.

The heat in the West helped to push the average nationwide temperature above the 20th century average for the 18th year in a row, according to NOAA. The contiguous United States recorded its 34th warmest year in 2014 with an average temperature of 52.6 degrees.

The nationwide average wasn't higher because much of the eastern United States experienced cooler weather last year compared with the rest of the nation — and the world — the data show.

NOAA also reported Thursday that last year's weather included eight disasters in the U.S., each causing more than \$1 billion of damage: six severe storms, flooding in Michigan and the Northeast, and the drought in the West. Scientists generally agree that extreme weather events are more likely as the planet warms.

NOAA plans to release global temperature data next week, but already one of four major international weather services is chalking up 2014 as the planet's hottest.

The Japan Meteorological Agency reported this week that the average worldwide surface temperature was 1.1 degrees warmer last year than the 20th century average — and the warmest since the agency's record-keeping began in 1891.

Kurtis Alexander is a San Francisco Chronicle staff writer. E-mail: kalexander@sfgate.com Twitter: @kurtisalexander

<http://www.sfgate.com/bayarea/article/2014-was-California-s-hottest-year-and-it-6002458.php>

Boxer vows no more ‘secret’ talks on drought bill

By Michael Doyle

McClatchy Washington Bureau January 21, 2015



WASHINGTON — Democratic Sen. Barbara Boxer on Wednesday set down some markers on California water legislation, denouncing “secret negotiations” and stressing the importance of seeking statewide support.

While dismissing as “absurd and ridiculous” Republican charges that she single-handedly sank last year’s anti-drought efforts, Boxer said she’d strenuously fight this year if she must. Her declarations underscore the complications facing the Central Valley lawmakers and others now preparing another bill.

“People in my state don’t like secret negotiations,” Boxer said, “and I will not be part of it. Never. I don’t believe it works, and people don’t trust the process.”

Last year, House Republicans and Democratic Sen. Dianne Feinstein kept tight wraps on their talks designed to craft a California water bill, with Rep. David Valadao, R-Calif., saying in November that members had taken a “vow of secrecy.” Northern California lawmakers complained they were shut out altogether.

The protracted negotiations nearly bore fruit at the end of last Congress, even as they attracted criticism. In December, the House by a largely partisan 230-182 margin passed [a 26-page bill](#) that essentially reflected what Feinstein, the Republicans and Rep. Jim Costa, D-Calif., had agreed to.

The House bill boosted water exports south of the Sacramento-San Joaquin Delta, encouraged the completion of water storage project feasibility studies and sought to capture more runoff from early storms, among other provisions. It dropped some more controversial provisions previously proposed by the House, such as a repeal of an ambitious [San Joaquin River restoration plan](#).

The Obama administration opposed the House bill, as did the administration of California Gov. Jerry Brown, and it was never taken up by the Senate. If the package is the starting point for this year’s efforts, Boxer indicated, it has a ways to go.

“I am not going to pass a bill here that the state opposes,” Boxer said. “That is a 100 percent non-starter.”

In particular, Boxer told reporters that she is “not going to turn Northern California against Southern California, or the Valley against anybody else.” Instead, she is touting her own “Water in the 21st Century Act,” which would set up \$1.95 billion in loans and grants over five years for water conservation, recycling and related projects.

“We need to make more water available,” Boxer said.

Feinstein told Boxer’s office on Wednesday that she would support the bill.

But the grants and loans do not go far enough for California Republicans, with Rep. Tom McClintock, R-Calif., saying in an interview that a water bill serving the state should be “as comprehensive as possible.”

California Republican Rep. Jeff Denham added that he expects to see a broader “Western states” water package arise this year, perhaps with the California measures wrapped inside. The fact that Republicans now control both House and Senate, Denham added, “will strengthen our hand” in negotiating and moving a bill.

Still, as ranking Democrat on the Senate Environment and Public Works Committee, and with the Senate’s byzantine parliamentary rules at her disposal, Boxer retains some clout.

“I’m good at street fights,” Boxer said. “I grew up in Brooklyn.”

Read more here: <http://www.mcclatchydc.com/2015/01/21/253873/boxer-vows-no-more-secret-talks.html#storylink=cpy>

<http://www.mcclatchydc.com/2015/01/21/253873/boxer-vows-no-more-secret-talks.html>

If Drought Persists, California May Dam 3 Sacramento Delta Channels To Protect Drinking Water

January 26, 2015 3:51 PM



SACRAMENTO (CBS/AP) — State water officials say they may dam parts of the Sacramento-San Joaquin Delta in an emergency measure to protect freshwater used by millions of Californians.

The Department of Water Resources said Monday that if the drought persists they may build temporary rocky barriers blocking three channels on the Delta.

They say the dams would decrease the amount of water released from upstream reservoirs to keep saltwater from creeping inland from the San Francisco Bay, contaminating the Delta.

The Delta provides 25 million people with drinking water and irrigates millions of acres of farmland.

Officials say that despite a wet December no major storms have hit California in January to replenish the reservoirs.

Officials considered building the dams last year, but Spring rainstorms made it unnecessary.

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<http://sanfrancisco.cbslocal.com/2015/01/26/if-drought-persists-california-may-dam-3-sacramento-delta-channels-to-protect-drinking-water-rain-storm-conserve/#.VNj-WDUOGsQ>.email

Marcus Reappointed Chair of State Board

Submitted by Lisa Lien-Mager on Fri, 01/02/2015 - 1:10pm



Gov. Jerry Brown has reappointed Felicia Marcus to serve as chair of the State Water Resources Control Board, it was announced Jan. 2.

Marcus, 58, was first appointed to the State Board in May 2012. She became chair in April 2013.

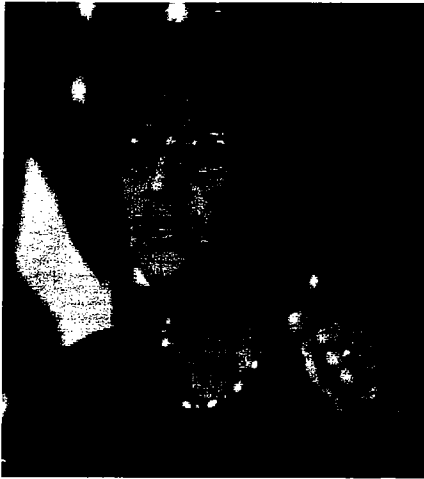
Prior to her appointment, Marcus had been a member of the Delta Stewardship Council since 2010. She served as western director at the Natural Resources Defense Council since 2008 and was executive vice president and chief operating officer at the Trust for Public Land from 2001 to 2008. She served as the administrator for the U.S. Environmental Protection Agency, Region 9 from 1993 to 2001.

The five-member State Water Resources Control Board is responsible for protecting water quality and water supplies in California. It also sets statewide water quality, drinking water, and water rights policy, hears appeals of local regional board water quality decisions, decides water rights disputes, and provides financial assistance to communities to upgrade water infrastructure.

<http://www.acwa.com/news/regulatory-affairs/marcus-reappointed-chair-state-board>

Boxer to Leave Office in 2016

Submitted by Pamela Martineau on Thu, 01/08/2015 - 2:13pm



Sen. Barbara Boxer (D-Calif.) announced today she will not run for re-election in 2016 and will end her Senate career after 24 years in office.

Boxer, 74, made the announcement via a video sent to supporters. In the video, the four-term senator appeared with her eldest grandson, Zach, who asked her questions on camera. Boxer said that she will continue working on issues that matter most to her through her political action committee.

"I'm going to continue working on the issues that I love," Boxer said. "I'll have more time to help other people through my PAC For A Change community, I have to make sure the Senate seat stays progressive -- that is so critical -- and I want to help our Democratic candidate for president make history. But you know what? I want to come home."

Boxer was first elected to the Senate in 1992. That was the last time the state had an open Senate seat. She served in the House of Representatives for a decade before that.

In the Senate, she rose to chair the Environment and Public Works Committee and was a strong voice on environmental rights. She spearheaded efforts to cap climate-changing emissions and focused her work on pollutants, chemicals and nuclear power.

<http://www.acwa.com/news/federal-budget/boxer-leave-office-2016>

DWR Announces Slight Increase in Allocations, Urges Californians to Brace for Fourth Year of Drought

Submitted by Emily Allshouse on Thu, 01/15/2015 - 3:21pm



Saying California is now in a fourth consecutive year of drought, top state and federal officials today briefed reporters on the 2015 outlook and a drought contingency plan submitted to state regulators.

In a conference call with reporters, leaders of the Department of Water Resources, the U.S. Bureau of Reclamation, the State Water Resources Control Board and the Department of Fish and Wildlife highlighted current conditions and the need for ongoing coordination and conservation as the drought picture evolves.

“Californians should brace for a fourth year of drought,” said DWR Director Mark Cowin. “This promises to be another difficult year.”

Despite the dismal outlook for 2015, Cowin announced that DWR has increased estimated State Water Project allocations for 2015 from 10% of requests, announced in December 2014, to 15% of requests – or about 600,000 acre-feet of the 4 million acre-feet of water requested by the 29 public agencies that supply more than 25 million Californians and nearly a million acres of irrigated farmland.

He said the increase was possible because early December storms boosted storage in Lake Oroville, and new management tools and coordination among agencies had allowed more than 450,000 acre-feet of water to be moved into San Luis Reservoir, a key south-of-Delta storage facility.

“We are in slightly better shape than last year when we had no storms,” said Cowin.

He stressed, however, that dry conditions have prevailed since the December storms, and Northern California has had virtually no precipitation since Dec. 21.

In 2013, final SWP allocation was 35%, and in 2012, 65%. The current 15% allocation is the second lowest allocation in SWP history. Last year's 5% allocation was the lowest.

In a statement released following the call, ACWA Executive Director Timothy Quinn credited the agencies for "proactive planning" and "a high level of coordination" that has put the state in a better position for 2015 but called for continued conservation efforts throughout the year.

"The announcements today confirm this historic drought is far from over. While we can't know for certain how the water year will turn out, we must plan for the worst and do all we can to manage through another challenging year," said Quinn. "The modest increase in State Water Project allocations announced today is certainly welcome, but it is still the second-worst allocation in the project's history. Local water managers will have their work cut out for them once again to make the most of existing supplies and meet demands this year."

<http://www.acwa.com/news/ca-drought-update/dwr-increases-state-water-project-allocations-2015-despite-predictions-drough>

Mid-Pacific Region
Sacramento, Calif.

MP-15-012

Media Contact: Erin Curtis, 916-978-5100, ecurtis@usbr.gov

For Release On: Feb. 12, 2015

Reclamation Announces Funding for Bay Delta Restoration Program Grants

SACRAMENTO, Calif. - The Bureau of Reclamation today announces the availability of an additional \$5 million for award under the CALFED Bay-Delta Program: CALFED Water Use Efficiency Grants and the Agricultural Water Conservation and Efficiency Grants Fostering District/Farmer Partnerships. Under the Funding Opportunity Announcement, a maximum of \$8 million is available. The federal funding cap has been increased to \$750,000 per award, not to exceed 50 percent of project costs.

The deadlines for CALFED Water Use Efficiency applications submissions are due on Friday, March 20, 2015. The deadline for Agricultural Water Conservation and Efficiency Grants Fostering District/Farmer Partnerships applications submissions are due on Tuesday, March 24, 2015. Eligibility for Agricultural Water Conservation and Efficiency Grants Fostering District/Farmer Partnerships was changed from the CALFED solutions area to the State of California.

These two Funding Opportunity Announcements invite eligible applicants to utilize their resources by cost sharing with Reclamation on projects emphasizing water use efficiency and conservation activities that will improve ecosystem health, water supply reliability and water quality. Projects that focus on increasing the capability of on-farm water conservation and water use efficiency should be able to be undertaken by farmers and ranchers through irrigation system improvements and irrigation efficiency enhancements.

Proposals must be submitted online at www.grants.gov using Funding Opportunity Number R15AS00026 for Water Use Efficiency Grants or R15AS00030 for Agricultural Water Conservation and Efficiency Grants. Awards will be available summer 2015.

For additional information, please contact, David White, 916-978-5271, dwhite@usbr.gov for the Water Use Efficiency grants and Anna Sutton, 916-978-5214, asutton@usbr.gov for the Agricultural Water Conservation and Efficiency grants.

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Reclamation is the largest wholesale water supplier and the second largest producer of hydroelectric power in the United States, with operations and facilities in the 17 Western States. Its facilities also provide substantial flood control, recreation, and fish and wildlife benefits. Visit our website at www.usbr.gov.



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NEWS RELEASE

February 9, 2015

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FOR IMMEDIATE RELEASE:

Einar Maisch Selected as PCWA General Manager

AUBURN -- Longtime Placer County Water Agency executive and respected leader in the regional water industry Einar Maisch was named Monday (Feb. 9) as PCWA's new general manager.

Maisch, who has worked with the water agency since 1985 and served as Director of Strategic Affairs since 2000, succeeds retiring PCWA General Manager David A. Breninger, who steps down Mar. 6 from a 23-year career with the agency.

PCWA Board Chairman Primo Santini said he and his fellow directors unanimously agreed that Maisch was the best-qualified candidate for the position. "We are confident that Einar's experience, leadership, engineering background and thoughtful recommendations will add immeasurably to PCWA's ongoing efforts to protect our water rights, grow our electrical generation capabilities, improve our water delivery systems, and remain a good steward of our watersheds on behalf of our ratepayers," he said.

Breninger said he and Maisch have worked side by side through the years. "Einar brings vast knowledge and proven leadership to the agency," said Breninger. "Our Board of Directors considered several capable candidates but none matched the skills and knowledge that Einar brings to the table. I'm very happy to be leaving the agency in his good hands."

-more-

*Einar Maisch Selected as PCWA General
Manager Page two*

Maisch pledged to continue the interest-based, collaborative team approach that has been successful for PCWA and to providing the highest quality water and service to PCWA customers and the communities the agency serves.

“I am very proud and humbled by the confidence that this board has put in me to lead this

organization into the future,” he said. “I believe that PCWA has the finest executive management team of any public agency in the entire Sacramento region; a team which was built by David Breninger, to whom we all owe an enormous debt of gratitude.”

Maisch is a U.S. Army veteran who served in Vietnam and returned home to earn a civil engineering degree from California State University, Sacramento, in 1979. He began his engineering career in private industry, working on land development and water resource projects, before joining PCWA in 1985.

He ascended through the ranks at the water agency serving as senior civil engineer, engineering administrator and director of planning and marketing before being named as Director of Strategic Affairs.

He has been at the forefront in the planning and development of several significant water projects that have improved water system capacity and reliability for Placer County, including development of the award-winning American River Pump Station.

He has been a leader in the successful federal relicensing project of the PCWA Middle Fork

American River Project and in negotiations that led to new water supply and power sale contracts with the Pacific Gas and Electric Company.

He has been a leading voice for Placer County in regional water planning efforts including the Sacramento Water Forum Agreement and formation of the Regional Water Authority. Maisch has frequently represented the agency in legislative matters at the state and national levels.

He holds many professional recognitions, including 2013 Regional Water Authority Water Statesperson of the Year, 2009 American Society of Civil Engineers Project of the Year in California Award for the American River Pump Station, and the 2000 Clair A. Hill Award from the Association of California Water Agencies for participation in the Water Forum.

Maisch resides in Roseville with his wife, Susan, who is a city councilwoman and former mayor of Roseville. The couple has three children.