

Agenda
Sacramento Suburban Water District
Regular Board Meeting

3701 Marconi Avenue, Suite 100
Sacramento, California 95821

Monday, March 16, 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 February 23, 2015 Regular Board Meeting
Recommendation: Approve subject minutes.

2. Resolution No. 15-02 Concurring in Nomination to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority (“ACWA/JPIA”)
Recommendation: Consider concurring in the nomination of Paul E. Dorey to the ACWA/JPIA Executive Committee.
3. New Debt Obligation Continuing Disclosure Policy (PL - Fin 013)
Recommendation: Adopt subject policy.
4. Electronic Mail Management and Retention Policy (PL - IT 003)
Recommendation: Adopt subject policy.

Items for Discussion and Action

5. Groundwater Update
Receive presentation by Rob Swartz of Sacramento Groundwater Authority on recent trends in groundwater elevations and Hexavalent Chromium.
6. Disposal of Surplus District Property at El Sutton/Fulton Well #11
Consider surplusing the subject property.
7. Surplusing of District Vehicle – Truck No. 33
Consider surplusing the subject vehicle.
8. Facility Development Charges
Consider adopting the proposed 2015-2016 FDCs and amending Regulation No. 7, Part H.5., Facility Development Charge.
9. Resolution No. 15-03 Authorizing the Extension of a Letter of Credit in Connection with Its Outstanding 2009a Certificates of Participation, and Approving the Execution and Delivery of Certain Documents in Connection Therewith and Certain Other Matters
Consider adopting subject resolution and approving letter of credit extension terms and authorize Board President or General Manager to execute legal documents.
10. California Special Districts Association Call for Nominations – Board of Directors, Sierra Network, Seat C
Consider nominating Director Gayle for the CSDA Board of Directors, Seat C.

Information Items

11. 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
12. Engineering Report
- a. Major Capital Improvement Projects
 - b. County and City Projects/Coordination
 - c. McClellan Business Park
 - d. Developer Projects
 - e. Other
13. Financial Report
- a. DRAFT – Financial Statements – February 2015
 - b. Investments Outstanding and Activity – February 2015
 - c. Cash Expenditures – February 2015
 - d. Credit Card Expenditures – February 2015
 - e. Directors Compensation and Expense Accounting – Through February 2015
 - f. Market Report Yields – February 2010 through February 2015
 - g. DRAFT – District Reserve Balances – February 2015
 - h. DRAFT – Information Required by Bond Agreement
14. District Credit Rating
15. Upcoming Policy Review – Strategic Plan (PL - BOD 001)
16. Upcoming Policy Review – Improvement Standards and Technical Specifications (PL - Eng 001)

17. California Special Districts Association Call for Nominations - Board of Directors, Seat A
18. State Water Resources Control Board Emergency Drought Regulations
19. San Juan Unified School District Partnership
20. Antelope Pump Back Operation and Maintenance Agreement Update
21. Statewide National Pollutant Discharge Elimination System (NPDES) Permit for Drinking Water Systems
22. CEQA Exemption for Loehmann's Plaza Waterline Upgrade Project
23. Status of Phase 2A Reorganization Study
24. Report Back Items
25. Legislative and Regulatory Update

Committee Reports

26. a. Facilities and Operations Committee (Director Wichert)
No report.
- b. Finance and Audit Committee (Director Locke)
No report.
- c. Government Affairs Committee (Director Wichert)
No report.
- 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.
- f. Ad Hoc Water Rights Review Committee (Director Schild)
Notes from March 4, 2015 meeting.

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

27. a. Regional Water Authority (Director Thomas)
Agenda from March 12, 2015 meeting.

Regional Water Authority Executive Committee (General Manager Roscoe)
Agenda from February 25, 2015 meeting.

- b. Sacramento Groundwater Authority (Director Schild)
No report.
- c. Water Forum Successor Effort (General Manager Roscoe)
Agenda from March 11, 2015 Water Caucus meeting and March 12, 2015 Water Forum Successor Effort Plenary meeting.
- d. San Juan Water District Executive Committee (Assistant General Manager York)
No report.
- e. Other Reports

Miscellaneous Correspondence and General Information

- 28. Correspondence received by the District
- 29. 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)

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

Adjournment

Upcoming Meetings

- Thursday, March 26, 2015 at 6:00 p.m., 2x2 Water Management Ad Hoc Committee Meeting
- Monday, March 30, 2015 at 9:00 a.m., Finance and Audit Committee Meeting
- Monday, March 30, 2015 at 6:00 p.m., Facilities and Operations Committee Meeting
- Monday, April 20, 2015 at 6:30 p.m., Regular Board Meeting

I certify that the foregoing agenda for the March 16, 2015 meeting of the Sacramento Suburban Water District Board of Directors was posted by March 12, 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, February 23, 2015

Call to Order

President Schild called the meeting to order at 6:30 p.m. Four Directors were present, Director Locke was absent.

Roll Call

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

Directors Absent: Craig Locke.

Staff Present: General Manager Rob Roscoe, Dan York, Dan Bills, Christine Bosley, Jim Arenz, Greg Bundesen, David Espinoza, Heather Hernandez-Fort, Chantelle Garvin, Dave Jones, Annette O’Leary and John Valdes.

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

Announcements

- There will be a Facilities and Operations Committee meeting on Monday, March 30, 2015 at 6 p.m.
- The next community outreach event will be the Creek Week Celebration Event held at Carmichael Park on April 18, 2015 from noon to 2 p.m.

Public Comment

None.

Consent Items

1. Minutes of the January 12, 2015 Regular Board Meeting
2. Investment Policy (PL - Fin 003)

President Schild requested item 2 be pulled from the Consent calendar.

Director Thomas moved to approve item 1; Director Wichert seconded. The motion carried by unanimous vote.

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

Regarding item 2, Director Wichert stated that investments of supranationals of 30% seemed high and would prefer they were less than 20%. Staff replied that the law allows up to 30% and lots are

typically sold in \$5 million increments. There was discussion among the Board as to an appropriate limit.

Director Wichert moved to approve the policy with an amendment to limit the supranationals to 15%. Director Thomas seconded. The motion carried by unanimous vote.

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

Items for Discussion and Action

3. Proposition 84 Drought Grant for Enterprise Intertie Improvements

General Manager Roscoe introduced the item. There was discussion related to costs of the project as well as ongoing maintenance and the benefit to the District versus the City of Sacramento.

Director Wichert moved to direct staff to return to negotiations of the cost-sharing agreement with the City of Sacramento; Director Gayle seconded. The motion carried by unanimous vote.

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

4. Water Conservation Stage Declaration

GM Roscoe introduced the item. The item was brought before the Board at the January 12, 2015 regular Board meeting. There had been a 2/2 vote; Director Locke was absent from the January Board meeting.

Director Wichert stated his position has remained the same; less water is needed to irrigate in the winter months so there should be no change. Director Thomas stated he agreed but believes ratepayers would like to water more than two days per week. President Schild stated he didn't believe the Governor's statement used the word "mandatory". William Eubanks commented that an increase in watering days allows customers more flexibility.

There was discussion related to various outreach measures and costs associated with outreach and the potential for conservation measures to change again as early as March.

Director Gayle moved to change the District's current watering schedule from a mandatory two days per week to three days per week with minimal cost on outreach efforts, to be made effective immediately; Director Thomas seconded. The motion carried by 3/1 vote.

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

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

GM Roscoe introduced the item. President Schild stated the easement was not enough to allow for ease of maintenance or repair and suggested staff speak with the owner at 7035 Watt to gain an additional easement. Staff recommended adopting the subject resolution and directing staff to approach the owner of the neighboring property as requested.

Director Thomas moved to adopt the subject resolution to receive an easement and right of way for the subject site; Director Wichert seconded. The motion carried by 3/1 vote.

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

6. **Out of State Travel – Frederick Gayle and Kevin Thomas**

GM Roscoe introduced the item. There was discussion on the merits of attending the annual Capitol to Capitol lobbying trip to Washington, D.C. Director Thomas stated that he had attended some meetings but was not sure he would be going to the conference.

Director Wichert moved to approve Directors' request for out of state travel; Director Thomas seconded. The motion carried by unanimous vote.

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

7. **Letter Of Credit Extension with Sumitomo Mitsui Banking Corporation**

GM Roscoe introduced the item. Dan Bills provided a presentation on the bond swap process and details of the letter of credit. Mr. Bills summarized the benefits of accepting the present offer to extend the letter of credit from Sumitomo.

Director Wichert moved to approve the staff recommendation to accept the letter of credit extension terms and authorize preparation of legal documents; Director Gayle seconded. The motion carried by unanimous vote.

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

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)**

GM Roscoe introduced the item. A resolution concurring in the nomination will be brought before the Board at the March regular Board meeting.

Information Items

9. District Activity Reports

- 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.

10. Engineering Report

- 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.

11. Financial Report – December 2014

Dan Bills introduced the item. Mr. Eubanks stated there was a decrease of \$2.5 million in revenue due to conservation which is approximately equal to the rate increase. Staff explained that the decrease in revenue was partially offset by a decrease in costs as less water was pumped, less electricity and chemicals used, etc.

- a. *DRAFT – Financial Statements – December 2014*
A written report was provided.
- b. *Investments Outstanding and Activity – December 2014*
A written report was provided.
- c. *Cash Expenditures – December 2014*
A written report was provided.

- d. *Credit Card Expenditures – December 2014*
A written report was provided.
- e. *Directors Compensation and Expense Accounting – Through December 2014*
A written report was provided.
- f. *Market Report Yields –January 2010 through DRAFT December 2014*
A written report was provided.
- g. *DRAFT – District Reserve Balances –December 2014*
A written report was provided.
- h. *DRAFT – Information Required by Bond Agreement*
A written report was provided.

12. **Financial Report – January 2015**

GM Roscoe reminded those present that this report was a draft until the audit has been completed.

- a. *DRAFT – Financial Statements – January 2015*
A written report was provided.
- b. *Investments Outstanding and Activity – January 2015*
A written report was provided.
- c. *Cash Expenditures – January 2015*
A written report was provided.
- d. *Credit Card Expenditures – January 2015*
A written report was provided.
- e. *Directors Compensation and Expense Accounting – Through January 2015*
A written report was provided.
- f. *Market Report Yields –January 2010 through DRAFT January 2015*
A written report was provided.
- g. *DRAFT – District Reserve Balances – January 2015*
A written report was provided.
- h. *DRAFT – Information Required by Bond Agreement*
A written report was provided.

13. **Summary of 2014 Investment Performance and Portfolio Review**

A written report was provided.

14. **New Policy Review – Debt Obligation Continuing Disclosure Policy (PL - Fin XXX)**

A written report was provided. Directors' comments are due by March 2, 2015.

15. **Upcoming Policy Review – Electronic Mail Management and Retention Policy (PL - IT 003)**

A written report was provided. Directors' comments are due by March 2, 2015.

16. **City of Sacramento and Sacramento Metro Fire – Fire Training Update**

Jim Arenz provided a summary of the report and stated staff will observe the next training session.

17. **Distribution System Flushing**

Director Wichert stated he was pleased with the report and was confident staff was doing their best to minimize discharge quantities.

18. **Bid Item Comparison Between Master Service Contract Contracts and Competitive Bid Contracts**

Director Wichert questioned if staff has looked into a union presidents contract. Staff responded District projects are generally less money and duration than would be considered for such a contract but could investigate if there was interest.

19. **California Special District (CSDA) Call for Nominations – Sierra Network, Seat C**

Director Gayle expressed his interest in running for the seat. A resolution will be brought back to the Board at the March regular Board meeting.

20. **Status of Phase 2A Reorganization Study**

Director Schild stated he believes there is a need to find outside legal counsel to review San Juan Water District (SJWD) water service contracts. President Schild also expressed his concern regarding groundwater conditions related McClellan Business Park.

GM Roscoe suggested appointing an ad hoc committee to work with staff on this issue. President Schild appointed himself and Director Wichert to the newly formed Ad Hoc Water Rights Review Committee. It was agreed the first meeting will be held Wednesday, March 4, 2015 at 6 p.m.

Mr. Eubanks voiced his dissatisfaction with the SJWD website, his inability to locate critical information on SJWD, and differing information with regard to how much surface water is surplus to their needs. There were also questions related to savings in efficiency and staffing if no staff is to be laid off. Director Thomas agreed there were still many questions to be answered.

21. **Miscellaneous District Issues – General Manager's Report**

A written report was provided.

22. **Legislative and Regulatory Update**

A written report was provided. February 27 is the deadline for bills to be introduced.

General Counsel's Report

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

A written report was provided.

Committee Reports

24. a. *Facilities and Operations Committee*
Director Wichert provided an oral report regarding the January 21, 2015 meeting.
- b. *Finance and Audit Committee*
No report.
- c. *Government Affairs Committee*
Director Wichert provided an oral report regarding the February 5, 2015 meeting.
- 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)

25. a. *Regional Water Authority*
This meeting was reported at January regular Board meeting.

Regional Water Authority Executive Committee
GM Roscoe provided an oral report regarding the January 28, 2015 meeting.
- b. *Sacramento Groundwater Authority*
President Schild provided an oral report regarding the February 12, 2015 meeting.
- c. *Water Forum Successor Effort*
No report.
- d. *San Juan Water District Ad Hoc Committee*
No report.
- e. *Other Reports*
Director Gayle provided an oral report regarding the February 7, 2015 and the February 20, 2015 meetings regarding the General Manager's evaluation.

President Schild provided oral reports regarding the February 6, 2015 meeting with the District's Independent Auditor, the February 7, 2015 meeting regarding the General Manager's evaluation, the February 13, 2015 Rio Linda/Elverta Community Water District reservoir dedication, and the February 20, 2015 meeting regarding the General Manager's evaluation.

Director Thomas provided oral reports regarding the January 14, 2015 San Juan Water District Board meeting, the January 15, 2015 Capitol-to-Capitol meeting, and the January 26, 2015 meeting with the General Manager.

Miscellaneous Correspondence and General Information

26. Certain correspondence received by the District was provided.
27. General Information related to District business was provided.

Director's Comments/Staff Statements and Requests

None.

Closed Session

The Board convened in closed session at 9:33 p.m. to discuss the following:

28. 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 9:41 p.m. There was no reportable action.

Adjournment

President Schild adjourned the meeting at 9:42 p.m.

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



Agenda Item: 2

Date: March 2, 2015

Subject: Resolution No. 15-02 Concurring in Nomination 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 adopting Resolution No. 15-02 Concurring in Nomination to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority ("ACWA/JPIA").

Discussion:

Vista Irrigation District General Manager Roy A. Coox requested the Sacramento Suburban Water District Board 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. A copy of the request is included as Exhibit 1

This request was brought before the SSWD Board as an information item at the February regular Board meeting. Staff was directed to prepare this resolution for Board consideration. Staff is not familiar with Mr. Dorey and can offer no recommendation.

Concurring resolutions must be received by the ACWA/JPIA office by Friday, March 20, 2015.

Should the Board adopt a resolution concurring in nomination to the ACWA/JPIA Executive Committee SSWD Director Paul E. Dorey, the action would not commit the District with respect to the future vote for the AWA/JPIA Executive Committee.

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.

RESOLUTION NO. 15-02

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SACRAMENTO SUBURBAN WATER DISTRICT
CONCURRING IN NOMINATION TO THE EXECUTIVE COMMITTEE OF THE
ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY (“ACWA/JPIA”)**

WHEREAS, this district is a member district of the ACWA/JPIA;

WHEREAS, the Bylaws of the ACWA/JPIA provide that in order for a nomination to be made to ACWA/JPIA’s Executive Committee, five member districts must concur with the nominating district; and

WHEREAS, another ACWA/JPIA member district, the Vista Irrigation District has requested that this district concur in its nomination of its member of the ACWA/JPIA Board of Directors to the Executive Committee of the ACWA/JPIA;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sacramento Suburban Water District that this district concur with the nomination of Paul E. Dorey of Vista Irrigation District to the Executive Committee of the ACWA/JPIA.

BE IT FUTHER 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, California 95661-9082, forthwith.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on this 16th day of March 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 16th day of March 2015.

(SEAL)

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

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', is written over a light blue horizontal line.

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;

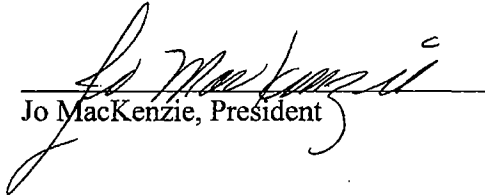
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Vista Irrigation District that its member of the ACWA/JPIA Board of Directors, Paul E. Dorey, be nominated as a candidate for the Executive Committee for the election to be held on May 4, 2015.

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.

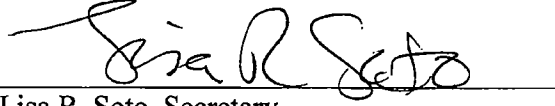
BE IT FURTHER RESOLVED that the District Secretary is hereby directed to transmit a certified copy of this resolution to the ACWA/JPIA at P.O. Box 619082, Roseville, CA 95661-9082, forthwith.

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: 3

Date: March 9, 2015

Subject: New Debt Obligation Continuing Disclosure Policy (PL - Fin 013)

Staff Contact: Daniel A. Bills, Finance Director

Recommended Board Action:

Approve the attached new policy - Debt Obligation Continuing Disclosure Policy (PL - Fin 013).

Discussion:

At last month’s Board meeting, a new policy was presented to the Board for review and comment - Debt Obligation Continuing Disclosure Policy (PL - Fin 013) – attached as Exhibit 1. As of the date of this report, no Director comments have been received. Additionally, as the Policy is new, staff is providing the Procedures (attached as Exhibit 2) for Board information. Please note the Board is not being asked to adopt the Procedure, as procedures are the responsibility of the General Manager.

As presented last month, the attached new Debt Obligation Continuing Disclosure Policy and its accompanying Procedure are necessary due to the bond covenants entered into by the District and Regulatory and Statutory disclosure requirements.

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.

Fiscal Impact:

None.

Strategic Plan Alignment:

Finance – 4.A. Monitor District operation through internal control procedures, documentation and such other processes necessary to ensure effective financial performance.

Exhibit 1

Sacramento Suburban Water District

Debt Obligation Continuing Disclosure Policy

Adopted: 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.

Exhibit 2

Sacramento Suburban Water District

Debt Obligation Continuing Disclosure Procedure

Effective: 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



Agenda Item: 4

Date: March 2, 2015

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

Staff Contact: Daniel A. Bills, Finance Director

Recommended Board Action:

Approve the attached updated Electronic Mail Management and Retention Policy (PL – IT 003).

Discussion:

At last month's board meeting, an updated version of the Electronic Mail Management and Retention Policy (PL – IT 003) was presented for Board review and comment with no staff recommended changes. As of the date of this report, one director provided comments which have been incorporated into the updated Policy. See updated Policy attached.

Fiscal Impact:

None.

Strategic Plan Alignment:

Facilities and Operations:

- E. Provide information technology systems that will facilitate the availability of timely and accurate information and enable provision of superior service.
- F. Safeguard the District's electronic data.

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~~for the employees to ~~facilitate the conduct of~~SSWD business. In return for providing e-mail, SSWD expects ~~its~~the 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 District 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 official 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: 5

Date: March 4, 2015

Subject: Groundwater Update

Staff Contact: Dan York, Assistant General Manager

Following the February 5, 2015 Government Affairs Committee meeting where staff discussed the status of Hexavalent Chromium (HC) in the local aquifer, committee members requested a full Board information presentation on the topic. Staff requested Rob Swartz, Sacramento Groundwater Authority (SGA), make a presentation on the new HC regulation and the status of the requested HC sampling at McClellan Business Park. Mr. Swartz is expected to provide additional information on recent groundwater levels in the SGA area and will be available to respond to any questions Board members may have.



Agenda Item: 6

Date: March 2, 2015

Subject: Disposal of Surplus District Property at El Sutton/Fulton Well #11

Staff Contact: Nicole Weideman, Assistant Engineer
John E. Valdes, Engineering Manager

Recommended Board Action:

It is recommended that the Board take the following actions: 1) Declare the subject parcel (Well #11) as exempt from Government Code Section 54222 statutory notice and offer requirements; 2) Declare the subject parcel as real property surplus; and 3) Authorize the General Manager to offer the subject parcel for sale to contiguous property owners in the amount of \$500.00, to cover administrative costs to transfer the property ownership.

Summary of the F&O Committee Meeting:

During the F&O Committee Meeting on January 21, 2015, General Manager Roscoe presented an update on several District owned properties that have the potential to be surplus. These are generally well site properties that, because of their small size, are of no real value to the District and have to be maintained on a monthly/quarterly basis. They also present a possible liability concern. 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 for consideration.

Discussion:

As reported at the December 2006 and March 2007 Board Meetings, the District currently owns a parcel located at 2500 Marconi Avenue which is the site of the El Sutton/Marconi Well (#11). See Exhibits 1 and 2 attached to this report. The parcel is approximately 1,250 square feet in size, and formerly contained a production well originally permitted in 1948.

Originally, staff was able to access the site through a legal access easement located between the end of Lafayette Drive and the parcel. However, since the early 1990's, staff has not been able to utilize this easement due to the County of Sacramento installing a cinder block wall at the end of Lafayette Drive. The installation of the wall blocked the ingress and egress point to the access easement. In October 2000, the District obtained a Grant of Access Permit from the owner of 2535 El Sutton Avenue to allow staff to ingress and egress the subject well facility (see Exhibit 2).

Staff's recommendation is to offer the transfer of ownership of the parcel to one of the owners of contiguous land to the parcel in exchange for \$500.00. The property located at 2535 El Sutton

Avenue is contiguous to the well site parcel on the north and east property lines, and the owner is using the adjacent parcel to store travel trailers and recreation type vehicles as part of his business. See Exhibit 3 attached to this report for an aerial photo showing the well site and the adjacent properties. The \$500.00 would cover the District's administrative costs to make such a transfer of property ownership. Staff can also contact the following property owners adjacent to this parcel:

- Greenbriar Apartments, 2844 Wright Street
- Howell Family Trust, 2471 Tyrolean Way

With direction from the F&O Committee, staff would now like to revisit the topic of selling this property as surplus given that the parcel has no future utility for the District and should be considered surplus. Government Code (section 54222) requires the District to follow certain notice and offer procedures when disposing of surplus real property. In general, the District must offer surplus real property to specified public agencies before it may sell the property to other public agencies or a private party.

However, Government Code 54221 (e) (2) provides an exemption for smaller parcels of District surplus real property if:

1. The parcel is less than 5,000 square feet; and
2. The parcel is not: (a) contiguous to land owned by a state or local agency and used for park, recreational, open-space, low- or moderate-income housing; or (b) located in an enterprise zone or high-density, economically-distressed areas involved in certain redevelopment programs; and
3. The parcel is sold to the owner of contiguous land.

The subject parcel is exempt from Government Code 54222 according to the above statutory rules, if it is sold to a contiguous owner.

The statutes governing disposal of surplus real property do not mandate that the District sell properties at a specified price. Government Code section 54226 provides that the District may sell surplus real property for less than fair market value. In some circumstances such as for the subject parcel, it may be reasonable for the District to dispose of surplus real property for less than fair market value. This parcel is very likely too small and too poorly located for anyone other than the adjacent property owner to be interested in acquisition, and the expense of a property appraisal likely exceeds the appraised value. The parcel is located in the southeast corner of 2535 El Sutton Avenue.

There is an additional requirement under Government Code 54221 (e) (2). Prior to the Board declaring a parcel of real property surplus, District staff must document why the real property is

no longer useful. Listed below the issues surrounding this parcel supporting the determination that it is not useful for District purposes:

- The parcel is too small (approximately 1,250 square feet) and poorly located for improvements necessary to produce additional water and house larger appurtenances (i.e., motor control panel, 5,000 gallon hydropneumatic tank, chemical building and sound enclosure, etc.).
- The District presently incurs ongoing labor costs for staff to visit this site, which is visited once a month.
- Existing transmission mains and well facilities in the surrounding area have been sufficient to meet production demands.

Fiscal Impact:

Annual costs to the District to maintain this parcel will include labor costs for one staff person to visit the subject site once a month to assure no liability issues arise and weed abatement is performed per County requirements. These costs are estimated to be about \$250.00 to \$300.00 per year. Costs to transfer the property are unknown at this time, but estimated to pay for itself in the first year with cost savings for the aforementioned costs.

Strategic Plan Alignment:

Water Supply – 1.A. Protect public health and the environment through compliance with all applicable federal, state and local regulations.

Water Supply – 1.D. Manage the District’s groundwater supply to ensure its quality and quantity.

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

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

Finance – 4.A. Monitor District operations to ensure cost effective and competitive performance.

The subject process can reduce operating costs and liability by determining which well facilities are no longer necessary for daily/peak demand use. These sites can then be sold to one of the contiguous property owners.

North Service Area

South Service Area

El Sutton/Marconi Well No. 11

WATT AVE

ROSEVILLE RD

CAPITAL CITY FREEWAY

EDISON AVE

AUBURN BLVD

WHITNEY AVE

ARCADE BLVD

ROBERTSON AVE

HOWE AVE

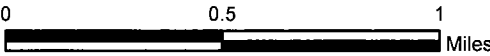
MARCONI AVE

EL CAMINO AVE

BELL ST

FULTON AVE

AL



**South Service Area
El Sutton/ Marconi Well No. 11
Location Map**



Base Data: Sacramento County Gis Base Map
Projection: CA State Plane 2, NAD83
Scale: No Scale
Prepared by: D.A.V. SSWD
Sacramento, CA - March 2015
well11_Location

2426

2444

2464

2500

Temporary Access
(Per Grant of Access Permit)

El Sutton/ Marconi
Well No. 11

Original Access

EL SUTTON LN

2421

2431

2441

2451

2461

2471

2501

2770

2760

New Block Wall
Severing Access

TYROLEAN WY

2750

2420

2430

2450

2460

2470

2500

2740

PARK HILLS DR

2740

2727

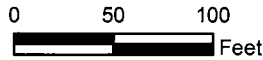
LA FAYETTE DR

2730

2741

2731

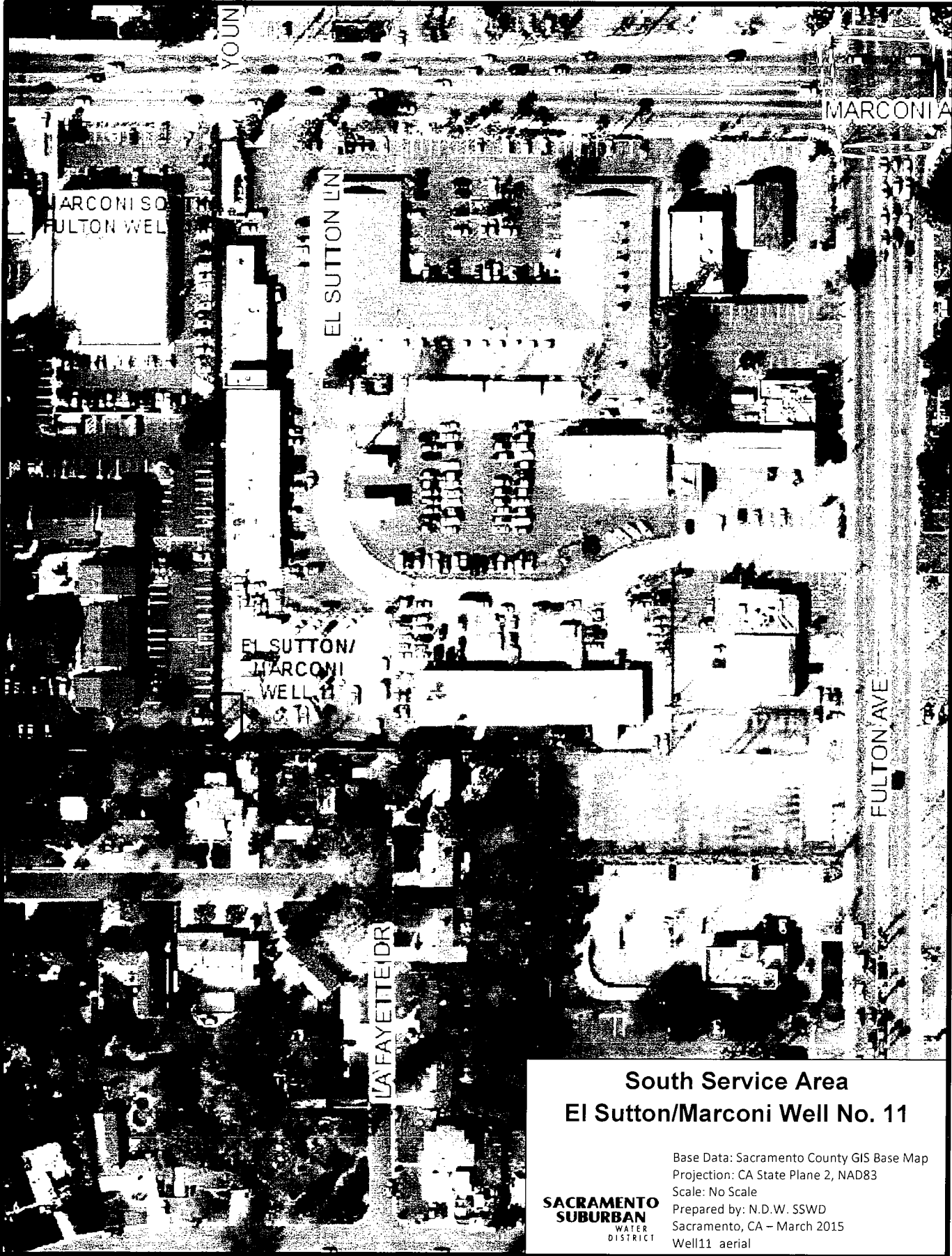
2721



South Service Area
El Sutton/ Marconi Well No. 11



Base Data: Sacramento County Gis Base Map
Projection: CA State Plane 2, NAD83
Scale: No Scale
Prepared by: D.A.V. SSWD
Sacramento, CA - March 2015
well11_Parcel



**South Service Area
El Sutton/Marconi Well No. 11**

Base Data: Sacramento County GIS Base Map
 Projection: CA State Plane 2, NAD83
 Scale: No Scale
 Prepared by: N.D.W. SSWD
 Sacramento, CA – March 2015
 Well11 aerial

**SACRAMENTO
SUBURBAN**
WATER
DISTRICT



Agenda Item: 7

Date: March 1, 2015

Subject: Surplusing of District Vehicle - Truck No. 33

Staff Contact: Jim Arenz, Operations Manager

Recommended Action:

Approve staff recommendation to declare Truck No. 33 (2000 Ford F-450) surplus.

Discussion:

The District has adopted a Disposing of Surplus District Real Property, Vehicles and Large Equipment and Other Personal Property Policy, PL Adm 003. The subject policy was last revised on April 21, 2014. In this policy it defines the guidelines for disposing of District real property, vehicles and large equipment and other personal property. Timely replacement of vehicles is important because it may affect vehicle availability, safety, reliability, and operating costs. The goal of the policy is to obtain maximum service and value from these District assets.

During the CY2009 Budget discussion process, previous guideline criteria for deeming a vehicle surplus (based on vehicle age and hours of operations or total miles) was questioned by members of the Board. In order to achieve the maximum return of investment in the District's motor vehicle fleet, staff developed a method that will allow the District project actual fleet costs throughout the life of the vehicles. The method developed by staff was a Vehicle Point System (see Exhibit 1). The Vehicle Point System is a process that utilizes age/depreciation, maintenance and repairs, mileage, type of service, reliability, and condition of vehicle. The process was presented and agreed upon by the Facilities and Operations Committee and the full Board in April 2009.

Approved in the CY2015 Budget is the replacement of one (1) District vehicle, which is listed below:

- Truck No. 33 is a 2000 Ford F-450 (Gross Vehicle Weight Rating or GVWR of 15,000 lbs.), diesel with dual rear wheels, equipped with a semi-custom utility bed, that includes many compartments housing numerous hand and power tools, pneumatic equipment, acetylene torches, pipe repair bands, numerous types and sizes of pipe fittings, as well as many other items necessary to complete the repair and/or replacement of the District's underground infrastructure. The truck is also outfitted with safety items such as an onboard directional arrow board with electric power lift, strobe lighting and an emergency light bar. It has approximately 85,300 miles on the odometer. It is currently utilized in the Distribution Department on a daily basis in conjunction with a utility trailer that hauls a Takeuchi Mini-Excavator, trash pump, other necessary tools and equipment,

and bulky or oversized supplies used for leak repair and distribution system improvements.

As previously stated, Truck No. 33 has a GVWR of 15,000 lbs. When loaded with its normal compliment of tools, equipment, a minimum inventory of repair parts, and the tongue weight of the accompanying trailer, this vehicle is very near its maximum rated capacity at 14,820 lbs. Staff will purchase an F550 as its replacement. The F550 has a GVWR of 19,500 lbs. as well as improved towing and tongue weight capacity. The F550, when appropriately outfitted and properly loaded with a similar compliment of tools, equipment, and parts, will always be under its maximum rated weight capacity. This will make the replacement vehicle safer to operate and may prevent premature wear and tear on the drivetrain and suspension.

District management staff establishes values for vehicles and/or equipment that are being prepared for surplus. The General Manager may authorize the sale of surplus vehicles and large equipment with an estimated value of \$4,000 or less. Vehicles and large equipment with an estimated value greater than \$4,000 will be sold as surplus following authorization by the Board of Directors at a public meeting. To obtain surplus values, staff utilizes Commercial Truck Trader and online commercial websites. The estimated value of truck 33 is \$9,000.

Once approval is received, the vehicle will be sold by public auction in accordance with District policy.

The District currently utilizes the State's Department of General Services, Procurement Division, for purchasing vehicles. All interested dealerships statewide submit proposals to the State. The State then chooses the dealerships that are awarded sale of vehicles. Deadline to place a vehicle order through the State's program is May of each calendar year. However, there are local dealers that will honor the State proposal amount for the subject vehicle prior to the May deadline. This allows an agency to acquire new vehicles at the State contract amount, at an earlier date, and at times within 10 business days of an order. Staff has utilized this process since 2009.

Fiscal Impact:

If surplus and auctioned, staff estimates receiving approximately \$9,000 excluding auction costs.

Strategic Plan Alignment:

Facilities and Operations – 2.D. Implement protective, preventive and predictive maintenance programs on all District assets to extend their life and reduce service interruptions.

Replacing vehicles/equipment in a timely manner improves fleet management and promotes a more efficient and economical vehicle support function.

Exhibit 1

Vehicle Point System - 2015

Factor	Points
Age	One point for each year of chronological age, based on in-service date.
Miles/Hours	One point for each 10,000 miles for gas vehicles/One point each 20,000 miles for diesel vehicles.
Type of Service	1 to 5 points are assigned based on the type of service that vehicles receives. 1= Administration/Pool Vehicle 2= Supervisory 3= Foremen, Inspectors, USA, Fac Fleet Spec, On-Call, Conservation 4= Production, Field Services, Distribution, Dump Trucks 5= Distribution (pulling trailers)
Reliability	Points are assigned as 1, 3, or 5 depending on the frequency that a vehicle is in the shop for repair. 1= in the shop once every 6 months or less 3= in the shop once every 3 months 5=in the shop once every month
Maintenance Costs	1 to 5 points are assigned based on total life maintenance costs. A 5 is assigned to a vehicle with life maintenance costs equal or greater to the vehicle's original purchase price, while a 1 is given to a vehicle with life maintenance costs equal to 20% or less of its original purchase cost: 1=20%, 2=40%, 3=60%, 4=80%, 5=100%
	1 to 5 points are assigned based on total life repair costs (not including repair of accident damage). A 5 is assigned to a vehicle with life repair costs equal or greater to the vehicle's original purchase price, while a 1 is given to a vehicle with life repair costs equal to 20% or less of its original purchase cost: 1=20%, 2=40%, 3=60%, 4=80%, 5=100%
Condition	This category takes into consideration body condition, rust, interior condition, accident history, anticipated repairs, etc. A scale of 1 to 5 points is used with 5 being poor condition.

Under 18 points	Condition 1 Excellent
18 to 24 points	Condition 2 Good
25 to 29 points	Condition 3 Qualifies for replacement
Over 30 points	Condition 4 Needs to be scheduled for replacement

Used 2014 data to determine Reliability

Used a three year average for the average miles per year.

Vehicle No. 33	2000 Ford F-450 - Diesel	
Cost New	\$29,369	
Age	15	15
Mileage	85,262	4.26
Type of Service	Distribution (pulls trailer) - Average miles per year 5,080	5
Reliability	Four repairs in 2014	3
Maintenance Costs	\$22,681	3.75
Repair Costs	\$25,604	4.5
Condition	2.5	2.5
TOTAL	Transmission replaced 10/30/12	38.01



Agenda Item: 8

Date: March 10, 2015

Subject: Facility Development Charges

Staff Contact: Dan York, Assistant General Manager

Recommended Board Action:

Accept the report on Facility Development Charges (FDCs) from the District’s consultant, HDR Engineering, Inc. (HDR), provided as Exhibit 1.

Adopt the proposed 2015/16 FDCs as determined pursuant to the results of the FDC report by amending Regulation No. 7, part H.5 of the Regulations Governing Water Services as shown in Exhibit 2, effective April 1, 2015.

Discussion:

The District updates its FDC charges annually on April 1 in accordance with Regulation 7, Part H.5, based on new assets acquired in the prior year, changes in cost indexes, and depreciation. Because of the complexity of the calculation and their prior work in this area for the District, the District retained HDR Engineering to update its December 2013 FDC report.

The primary purpose for FDC charges is to recoup from new customers the capital outlay necessary to buy-in to the District’s existing system capacity at an equitable cost with current customers. Based on the results of HDR’s Final Report (see Exhibit 1, pages 13 - 21), it has been determined that the net cost of the existing system infrastructure assets have increased in value over the prior year. Therefore, the proposed 2015/16 FDC charges for new development are as follows:

Meter Size	2014/15 Facilities Development Charge	Proposed 2015/16 Facilities Development Charge	Change
5/8"	\$2,762.00	\$3,130.00	\$368.00
3/4"	\$4,122.00	\$4,672.00	\$550.00
1"	\$6,884.00	\$7,802.00	\$918.00
1 ½"	\$13,726.00	\$15,558.00	\$1,832.00
2"	\$21,970.00	\$24,902.00	\$2,932.00

Facility Development Charges

March 10, 2015

Page 2 of 2

3"	\$41,220.00	\$46,720.00	\$5,500.00
4"	\$68,714.00	\$77,882.00	\$9,168.00
6"	\$137,386.00	\$155,718.00	\$18,332.00
8"	\$219,826.00	\$249,158.00	\$29,332.00
10"	\$316,034.00	\$358,202.00	\$42,168.00
12"	\$463,725.00	\$525,600.00	\$61,875.00

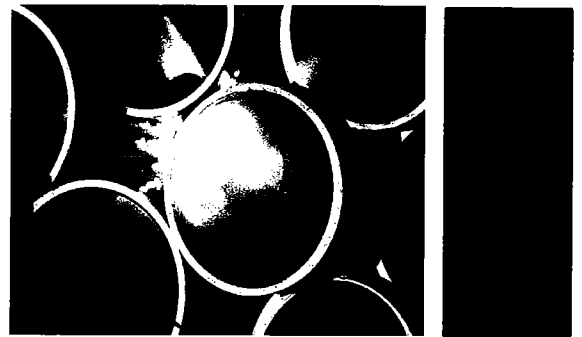
Fiscal Impact:

Increases in FDCs will potentially increase District revenue. However, as the District is substantially built-out, increases are expected to be minimal. In 2013 and 2014, FDC revenue totaled \$187,246 and \$560,784, respectively.

Strategic Plan Alignment:

Finance – 4.B. Provide rates and connection fees that are fair, simple to understand, logical and meet the revenue requirements, including bond rate covenants, of the District.

DRAFT FINAL REPORT



**Sacramento Suburban
Water District
Facility Development Charges
March 2015**





March 8, 2015

Mr. Dan Bills
Finance Director
Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, California 95821-5346

Subject: Draft Final Report – Water Facility Development Charges

Dear Mr. Bills:

HDR is pleased to present our draft final report on the update to the water facility development charges (FDCs) for Sacramento Suburban Water District (District). The objective of the update is to bring the charges shown in the 2013 Facility Development Charge Report, by HDR, to current cost levels. This report outlines the approach, methodology, findings, and conclusions of the process of this update.

Our report was developed utilizing the District's accounting, operating, and system data information. HDR has relied upon this information to develop our analyses that forms our findings, conclusions, and recommendations. At the same time, this study was developed utilizing generally accepted financial and engineering principles and methodologies. The conclusions and recommendations contained within this report are intended to provide the District with cost-based and equitable water FDCs. Prior to adoption of the proposed FDCs, HDR recommends that the District have its legal counsel review the report to ensure compliance with California law.

We appreciate the assistance provided by the District staff and management in the development of this update.

Sincerely yours,
HDR Engineering, Inc.

A handwritten signature in black ink, appearing to read 'Tom Gould'.

Tom Gould
Vice President
HDR's Business Leader for
Finance and Rates

Table of Contents

1	Introduction	
1.1	Introduction.....	1
1.2	Organization of Report.....	1
1.3	Disclaimer	2
2	Overview of Facility Development Charges	
2.1	Introduction.....	3
2.2	Defining Facility Development Charges	3
2.3	Economic Theory and Facility Development Charges	3
2.4	Facility Development Charge Criteria	4
2.5	Overview of the Facility Development Charges Methodology	6
2.6	Summary	8
3	Legal Considerations in Establishing FDCs for the District	
3.1	Introduction.....	9
3.2	Requirements Under California Law.....	9
3.3	Proposition 218 and Facility Development Charges.....	10
3.4	Summary	11
4	Determination of the District’s Water Facility Development Charges	
4.1	Introduction.....	12
4.2	Overview of the District’s Water System.....	12
4.3	Present Water Facility Development Charge.....	13
4.4	Calculation of the District’s Water Facility Development Charge.....	13
4.4.1	System Planning Criteria.....	14
4.4.2	Determination of Equivalent Meter Units.....	15
4.4.3	Calculation of the Water Facility Development Charge.....	15
4.5	Allowable Water Facility Development Charges	17
4.6	Key Assumptions.....	19
4.7	Annual Updates of the Water Facility Development Charge.....	19
4.8	Consultant Recommendations	20
4.9	Summary	21

Technical Appendix



1.0 Introduction

1.0 Introduction

HDR Engineering, Inc. (HDR) was retained by the Sacramento Suburban Water District (District) to review and update its water facilities development charge (FDC). The objective of this study is to calculate cost-based water FDCs for new customers connecting to the District's system.

Facility development charges provide the means of balancing the cost requirements for new utility infrastructure between existing customers and new customers. The portion of existing infrastructure that will provide service (capacity) to new customers is included in the District's facility development charges. In contrast to this, the District has future capital improvement projects that are related to renewal and replacement of existing infrastructure in service. These infrastructure costs are typically included within the rates charged to the District's customers, and are not included within the facility development charge. By establishing cost-based facility development charges, the District will continue its policy of having "growth pay for growth" and existing utility customers should, for the most part, be sheltered from the financial impacts of growth.

"The objective of this study is to calculate cost-based water facility development charges for new customers connecting to the District's system."

The District's service area has had very limited growth over the last few years and does not anticipate any substantial future system growth. While growth and related FDC revenues on the District's system has been limited, it is still prudent for the District to review these charges and update them as appropriate. The District has a policy of annually reviewing and updating these fees.

1.1 Organization of Report

This report documents the methodology, approach and technical analysis undertaken by HDR and the District to develop the District's water FDCs. The report is divided into four sections.

"By establishing cost-based facility development charges, the District will take a position of having "growth pay for growth" and existing utility customers should, for the most part, be sheltered from the financial impacts of growth."

Section 1 provides a brief introduction and overview of the study. Given this brief introduction, Section 2 provides an overview of facility development charges and the criteria and general methodology that should be used to calculate and establish cost-based facility development charges. Next, Section 3 provides an overview of the requirements under California law for determining facility development charges. Finally, Section 4 reviews the District's specific calculations of the cost-based water facility development charges and provides a summary of the analyses and "allowable" facility development charges.

1.2 Disclaimer

HDR, in its calculation of the facility development charges presented in this report, has used “generally accepted” engineering and ratemaking principles. This should not be construed as a legal opinion with respect to California law. HDR recommends that the District have its legal counsel review the facility development charges as set forth in this report to ensure compliance with California law.

2.0 Overview of Facility Development Charges

2.1 Introduction

An important starting point in establishing facility development charges is to have a basic understanding of the purpose of these charges, along with criteria and general methodology that is used to establish cost-based facility development charges. Presented in this section of the report is an overview of facility development charges and the criteria and general methodology that is used to develop cost-based facility development charges.

2.2 Defining Facility Development Charges

The first step in establishing cost-based facility development charges is to gain a better understanding of the definition of a system development charge (SDC) or facility development charge (FDC).¹ For the purposes of this report, an SDC and/or FDC is defined as follows:

“System development charges are one-time charges paid by new development to finance construction of public facilities needed to serve them.”²

Simply stated, FDCs are a contribution of capital to either reimburse existing customers for the available capacity in the existing system, or help finance planned future growth-related capacity improvements. At some utilities, facility development charges may be referred to as system development charges, impact fees, capacity reserve charges, infrastructure investment fees, etc. Regardless of the label used to identify them, their objective is the same. That is, these charges are intended to provide funds to the utility to finance all or a part of the capital improvements needed to serve and accommodate new customer growth. Absent those charges, many utilities would likely be unwilling to build growth-related facilities (i.e., burden existing rate payers with the entire cost of growth-related capacity expansion).

2.3 Economic Theory and Facility Development Charges

Facility development charges are generally imposed as a condition of service. The objective of a facility development charge is not merely to generate money for a utility, but to ensure that all customers seeking to connect to the utility’s system bear an equitable share of the cost of excess capacity that existing customers have invested in the existing system and any future growth-related expansions. Through the implementation of fair and equitable facility development charges, existing customers will not be unduly burdened with the cost of new development.

By establishing cost-based facility development charges, the District will be taking an important step in providing adequate infrastructure to meet growth-related needs, and more importantly,

¹ System development charges and facility development charges are used interchangeably in this section of the report. System development charges are a more common term for these types of charges.

² Arthur C. Nelson, System Development Charges for Water, Wastewater, and Stormwater Facilities, Lewis Publishers, New York, 1995, p. 1,

providing this required infrastructure to new customers in a cost-based, fair and equitable manner.

2.4 Facility Development Charge Criteria

In the determination and establishment of the facility development charges, a number of different criteria are often utilized. The criteria often used by utilities to establish facility development charges are as follows:

- Customer understanding
- System planning criteria
- Financing criteria, and
- State/local laws

The component of customer understanding implies that the charge is easy to understand. This criterion has implications on the way that the charge is implemented and assessed to the customer. For water systems, the charge is generally based on meter size or specific customer usage. The other implication of this criterion is that the methodology is clear and concise in its calculation of the amount of infrastructure necessary to provide service.

“The use of system planning criteria is one of the more important aspects in the determination of the facility development charges. System planning criteria provide a “rational nexus” between the amount of infrastructure necessary to provide service and the charge to the customer.”

The use of system planning criteria is one of the more important aspects in the determination of the facility development charges. System planning criteria provides a “rational nexus” between the amount of infrastructure necessary to provide service and the charge to the customer. In general terms, the rational nexus test requires that there be a connection (nexus) established between new development and the new or expanded facilities required to accommodate new development, and appropriate apportionment of the cost to the new development in relation to benefits reasonably to be received.

The rational nexus test contemplates the following:

1. “A connection be established between new development and the new or expanded facilities required to accommodate such development. This establishes the rational basis of public policy.
2. Identification of the cost of these new or expanded facilities needed to accommodate new development. This establishes the burden to the public of providing new facilities to new development and the rational basis on which to hold new development accountable for such costs. This may be determined using the so-called Banberry factors. [Banberry Development Company v. South Jordan City (631 P.2d 899, Utah 1981)].
3. Appropriate apportionment of that cost to new development in relation to benefits it reasonably receives. This establishes the nexus between the fees being paid to finance

new facilities that accommodate new development and benefit new development receives from such new facilities.”³

The first element of the rational nexus test contemplates the establishment of a rational basis for the policy being implemented through the fees. This implies that planning and capital improvement studies are used to establish the need for new facilities to accommodate anticipated growth. Adopted master plans or facility plans and the like should satisfy this first element since these plans assess existing facilities and capacity, project future capacity requirements, and determine the future capital infrastructure and new facilities needed to accommodate anticipated growth. In the case of the District, given its limited growth, their methodology considers only existing assets (facilities) and does not include any new or future expansion facilities.

“Adopted master plans or facility plans should firmly meet this first test since these plans assess existing facilities and capacity, project future capacity requirements and determine the future capital infrastructure and new facilities needed to accommodate growth.”

The second element of the rational nexus test examines factors such as the so-called Banberry factors, seven factors the Banberry court used “to determine the proportionate share of costs to be borne by new development:

- *The cost of existing facilities*
- *The means by which existing facilities have been financed*
- *The extent to which new development has already contributed to the cost of providing existing excess capacity*
- *The extent to which existing development will, in the future, contribute to the cost of providing existing facilities used community wide or nonoccupants of new development*
- *The extent to which new development should receive credit for providing at its cost facilities the community has provided in the past without charge to other development in the service area.*
- *Extraordinary costs incurred in serving new development*
- *The time-price differential inherent in fair comparisons of amount of money paid at different times.”⁴*

The final element of the rational nexus test is the reasonable apportionment of the cost to new development in relation to benefits it will reasonably receive. This is accomplished in the basic methodology to establish the facility development charges, which is generally discussed within this section.

³ Ibid, p. 16 and 17. From a legal perspective, of course, the District’s FDCs are governed by Government Code section 66013 and California case law, not the *Banberry* case, which was decided in Utah.

⁴ Ibid, P. 18 and 19.

One of the driving forces behind establishing cost-based facility development charges is that “growth pays for growth.” Therefore, facility development charges are typically established as

“In the case of the District, there is capacity available within the District’s existing system and little or no need for future facilities to accommodate development through build out. Given that, the recoupment value method, or the buy-in method, may be most appropriate for the District’s current circumstances.”

a means of having new customers pay an equitable share of the cost of their required infrastructure. The financing criteria for establishing facility development charges relates to the method used to finance infrastructure on the system and assures that customers are not paying twice for infrastructure – once through facility development charges and again through rates. The financing criteria used in the calculation of the water facility development charges assures that the customer is not charged for infrastructure that was provided (contributed) by developers, even though that is not a requirement under California law.

Many states and local communities have enacted laws which govern the calculation and imposition of facility development charges. These laws must be followed in the development of the facility development charges. Most statutes require a “reasonable relationship” between the fee charged and the cost associated with providing service capacity to the customer. The charges do not need to be mathematically exact, but must bear a reasonable relationship to the cost burden imposed. As discussed above, the utilization of the planning criteria and the actual costs of construction and the planned costs of construction establish compliance with the reasonable relationship requirement.

2.5 Overview of the Facility Development Charge Methodology

There are “generally-accepted” methodologies that are used to establish facility development charges. Nelson describes eight different methodologies that may be used to establish facility development charges. “They include:

- *Market capacity method*
- *Prototypical system method*
- *Growth-related cost allocation method*
- *Recoupment value method, also known as the buy-in method*
- *Replacement cost method*
- *Marginal cost method*
- *Average cost method*
- *Systemwide and growth-related cost-attribution method*⁵

As Nelson notes, each of these methods may have certain advantages and disadvantages and should be applied in a manner that reflects circumstances and conditions of the utility. As an example, a utility which has significant capacity in their existing system and can accommodate future growth would likely use the recoupment (buy-in) method. In contrast to this, a utility

⁵ Ibid., P. 71.

with no existing capacity which requires expansion of capacity to accommodate growth could potentially use the growth-related cost allocation method or the marginal cost method. For utilities that have some existing capacity available to serve a portion of new development, but must build additional capacity to serve all future development, the system-wide and growth-related attribution method may be appropriate. In the case of the District, there is capacity available within the District's existing system and little or no need for future facilities to accommodate development through build out. Given that, the recoument value method, or the buy-in method, is the most appropriate for the District's current circumstances.

Regardless of the overall methodology selected, common denominators of the technical analyses are the various steps undertaken. Within the "generally accepted" facility development charge methodologies, there are a number of different steps undertaken. These steps are as follows:

- Determination of system planning criteria
- Determination of equivalent meter units
- Calculation of system component costs
- Determination of any credits

The first step in establishing facility development charges is the determination of the system planning criteria. This implies calculating the amount of water required by a single-family residential customer. For water systems, water demand per equivalent meter is most often used, since this represents the basis for system design. The number of existing customers is expressed in equivalent meter units. For the District, a 3/4-inch meter is typically used for residential connections. The American Water Works Association (AWWA) has an established methodology for determining meter equivalency for larger meter sizes. The number of dwelling unit equivalents or equivalent meters can be determined based on a 3/4-inch meter capacity. This provides the linkage between the amounts of infrastructure necessary to provide service to a set number of customers.

Once the number of equivalent meters, or capacity components for the system are determined, a component by component analysis is undertaken to determine the portion of the facility development charge attributable to each component in dollars per equivalent meter. In this process, the existing assets must be valued. Existing assets may be valued in a number of different ways. These methods may include the following:

- ✓ Original Cost (OC)
- ✓ Original Cost Less Depreciation (OCLD)
- ✓ Replacement Cost New (RCN)
- ✓ Replacement Cost New Less Depreciation (RCNLD)

Given these four different methods for valuing the assets, the selection of the valuation method certainly arises. The American Water Works Association M-1 manual notes the following concerning these various generally accepted valuation methods:

"Using the OC and OCLD valuations, the SDC [connection fee] reflects the original investment in the existing capacity. The new customer "buys in" to the capacity

at the OC or the net book value cost (OCLD) for the facilities and as a result pays an amount similar to what the existing customers paid for the capacity (OC) or the remaining value of the original investment (OCLD).

Using the RCN and the RCNLD valuations, the SDC [connection fee] reasonably reflects the cost of providing new expansion capacity to customers as if the capacity was added at the time the new customers connected to the water system. It may be also thought of as a valuation method to fairly compensate the existing customers for the carrying costs of the excess capacity built into the system in advance of when the new customers connect to the system. This is because, up to the point of the new customer connecting to the system, the existing customers have been financially responsible for the carrying costs of that excess capacity that is available to development.”⁶

As a point of reference for this study, the District facility development charge analysis will use a RCNLD methodology. This is the methodology that the District has historically used to establish their current FDCs. Under this methodology, the District’s existing assets are escalated to current dollars using a cost index (e.g. the Engineering New Record, Construction Cost Index; ENR CCI) and then depreciated using a simple straight-line method based on the useful life of each historical asset, respectively. Once the total costs of the existing and future infrastructure and debt service are determined, they are divided by the design capacity (total equivalent meters) of the specific infrastructure component.

After each infrastructure component is analyzed and a cost per equivalent meter is determined, the cost for each of the infrastructure components is added together to determine the “gross facility development charge.” The last step in the calculation of the facility development charge is the determination of any credits. This is generally a calculation to prevent customers from paying twice – once through facility development charges and again within the local water rates.

2.6 Summary

This section of the report has provided an overview of facility development charges; the basis for establishing the charges, considerations in establishing facility development charges and the burden development places on the system and the steps typically taken in the development of the technical analyses.

In the development of the District’s facility development charge study, the issues identified in this section of the report have been addressed and will be discussed in more detail in later sections of the report. The next section of the report provides a brief overview of the legal considerations in establishing facility development charges, particularly as they relate California law.

⁶ AWWA M-1 Manual, 6th Edition, p. 268

3.0 Legal Considerations in Establishing FDCs for the District

3.1 Introduction

An important consideration in establishing facility development charges is any legal requirements at the state or local level. The legal requirements often establish the methodology around which the facility development charges must be calculated or how the funds must be used. Given that, it is important for the District to understand these legal requirements and develop and adopt their facility development charges in compliance with those legal requirements. This section of the report provides an overview of the legal requirements for establishing capacity charges, or facility development charges under California law. A discussion of the applicability of Proposition 218, as it relates to facility development charges, is also provided.

The discussion within this section of the report is intended to be a summary of our understanding of the relevant California law as it relates to establishing facility development charges. It in no way constitutes a legal interpretation of California law by HDR.

3.2 Requirements Under California Law

In establishing facility development charges, an important requirement is that they be developed and implemented in conformance with local laws. In particular, many states have established specific laws regarding the establishment, calculation and implementation of facility development charges. The main objective of most state laws is to assure that these charges are established in such a manner that they are fair, equitable and cost-based. In other cases, state legislation may have been needed to provide the legislative powers to the utility to establish the charges.

"The laws for the enactment of capacity charges or connection fees in California are found in California Government Code sections 66013, 66016, and 66022 within the 'Mitigation Fee Act.'"

The laws for the enactment of facility development charges in California are codified in California Government Code sections 66013, 66016, and 66022, which are interspersed within the 'Mitigation Fee Act.' The Mitigation Fee Act is comprehensive legislation dealing mainly with development impact fees, although the above sections set forth the various requirements for imposition of facility development charges in California: calculation of the fees, noticing, accounting and reporting requirements, and processes for judicial review.

A summary of the relevant statutes required in the calculation of facility development charges is as follows:

"66013 (a) Notwithstanding any other provision of law, when a local agency imposes fees for water connections or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question

regarding the amount of the fee or charge imposed in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.”

“66013 (b) (3) ‘Capacity charge’ means a charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities. A “capacity charge” does not include a commodity charge.”

The District’s proposed water facility development charges are “capacity charges” as defined in the preceding provision. In addition to the determination of “the estimated reasonable cost of providing the service for which the fee is imposed,” California law also requires the following:

- That notice (of the time and place of the meeting, including a general explanation of the matter to be considered) and a statement that certain data is available be mailed to those who filed a written request for such notice,
- That certain data (the estimated cost to provide the service and anticipated revenue sources) be made available to the public,
- An opportunity for public input at an open and public meeting to adopt or modify the fee, and
- That revenue in excess of actual cost be used to reduce the fee creating the excess.

The basic principle that needs to be followed under California law is that the charge be based on a proportionate share of the costs of the system required to provide service and that the requirements for adoptions and accounting be followed in compliance with California law.

3.3 Proposition 218 and Facility Development Charges

In 1996, the voters of California approved Proposition 218, which required that the imposition of certain fees and assessments by municipal governments require a vote of the people to change or increase the fee or assessment. Of interest in this particular study is the applicability of Proposition 218 to the establishment of facility development charges for the District.

In *Richmond v. Shasta Community Services Dist.*, 32 Cal.4th 409 (2004), the California Supreme Court held that water connection fees and capacity charges are not “assessments” under Proposition 218 because they are imposed only on those who are voluntarily seeking water service, rather than being charged to particular identified parcels, and therefore such fees are not subject to the procedural or substantive requirements of Proposition 218. The court also held that such fees can properly be enacted by either ordinance or resolution.

3.4 Summary

This section of the report has provided an overview of the legal requirements under California law for the establishment of facility development charges. As was noted above, an important legal requirement is that the fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed. The next section of the report provides the District's calculation of the charges, which provides the basis for the establishment of a reasonable cost (i.e. facility development charge).

4.0 Determination of the District's Water Facility Development Charge

4.1 Introduction

This section of the report presents the details and key assumptions in the calculation of the District's water facility development charge. The calculation of the District's facility development charges is based upon District specific accounting and planning information. Specifically, the facility development charges are based upon the District's fixed asset records; debt service schedules and planning data. As was noted in Section 2 of this report, these planning documents provide the required "rationally based public policy" support for the imposition of facility development charges.

The facility development charges presented in this section of the report were updated from HDR's December 2013, Facility Development Charges Report to reflect changes since that time. This includes, but is not limited to changes in assets, debt service, reserves, equivalent meter units and inflation (time value of money). These costs were adjusted to reflect January 2015 levels.

4.2 Overview of the District's Water System

Sacramento Suburban Water District (SSWD) is a publicly owned and operated water utility regulated by the State of California Department of Public Health and State Water Code laws. SSWD was established in 2002 from a consolidation of Arcade Water District and Northridge Water District. SSWD provides water to its customers from 89 active groundwater wells. In addition, the District has contractual rights to 26,064 acre-feet from the City of Sacramento water entitlement; and a contract to purchase up to 29,000 acre-feet of surface water per year from Placer County Water Agency.

The District is located in Arden/Arcade, Foothill Farms between I-80 Freeway and UP Railroad tracks; portions of Citrus Heights, Carmichael, Fair Oaks, North Highlands, Sacramento, Antelope, and McClellan Business Park. The District's service area is approximately 30 square miles. It serves approximately 46,922 metered connections (includes private fire meters). The water service area is largely built out. Growth within the District's service area is mostly in-fill.

An important requirement for a facility development charge study is the connection between the anticipated future growth on the system and the needed facilities required to accommodate that growth. This connection fee analysis is based on the existing system today. Any future expansions beyond the existing system would require a new facility development charge analysis based on the capital projects scheduled to meet the needs of future development and the cost and financing of future projects.

4.3 Present Water Facility Development Charge

The District's current 2014 water facility development charges are shown below in Table 4-1.

**Table 4-1
Present 2014/2015 Water Facility Development Charge^[1]**

Meter Size	Facility Development Charge
5/8"	\$2,762
3/4"	4,122
1"	6,884
1-1/2"	13,726
2"	21,970
3"	41,220
4"	68,714
6"	137,386
8"	219,826
10"	316,034
12"	463,725

[1] – District Facility development charges effective April 27, 2014, as required by Regulation 7.

As shown, the District's current charge is based on the size of meter.

The District's Regulation 7, service connections, also lists a Private Fire Protection Facilities Development Charge. This fee is described in the Regulation as a plan review, inspection and maintenance fee, and not a capacity-related fee. Therefore, that fee was not addressed within this analysis or study. Primarily, private fire protection is "stand-by" service and is not the same as the level of service used (demanded) by an FDC (domestic use) customer. The District should re-title the private fire protection fee in Regulation 7 to avoid confusion with these facility development charges.

4.4 Calculation of the District's Water Facility Development Charge

As was discussed in Section 2, the process of calculating facility development charges is based upon a four-step process. These steps were as follows:

- Determination of system planning criteria
- Determination of equivalent meter units
- Calculation of the facility development charge
- Determination of any facility development charge credits

Each of these areas is discussed in more detail below.

4.4.1 System Planning Criteria

System planning criteria typically involves calculating the amount of water required by a single-family residential customer. Water demand represents the basis for system design. For the District, a 3/4-inch meter is typically used for residential connections (equivalent residential unit). The American Water Works Association has an established methodology for determining meter equivalency for meters of varying sizes. The number of dwelling unit equivalents or equivalent meters can be determined based upon the AWWA meter equivalency for a 3/4" meter.

To determine the number of equivalent 3/4" meters, an analysis was undertaken of the District's existing customers by meter/connection size. As will be recalled, the District is not 100% metered and some customers are flat rate accounts. These accounts have a connection size, which was assumed to be the meter size (i.e. a 3/4" connection size = 3/4" meter size). The number of customers by meter/connection size was based on data from the District's utility billing system as of December 2014. The summary does not include private fire customers. Table 4-2 presents a summary of the District's 2014 water service customers by meter/connection size (does not include private fire meters).

Meter Size	Single Family	Multi-Family	Commercial	Irrigation	Industrial	Institutional	Total
5/8"	1,888	1	191	--	--	--	2,080
3/4"	35,001	1,590	374	101	2	69	37,137
1"	1,585	1,360	811	118	5	73	3,952
1-1/2"	125	288	441	97	1	59	1,011
2"	8	550	482	221	3	171	1,435
3"	--	128	87	24	2	57	298
4"	--	36	35	8	1	24	104
6"	--	9	2	3	--	11	25
8"	--	1	1	1	--	3	6
10"	--	--	1	--	--	--	1
12"	--	--	--	--	--	--	--
Total	38,607	3,963	2,425	573	14	467	46,049

As can be seen in Table 4-2, the total number of water service customers by meter/connection size as of December 2014 was 46,049 units.

4.4.2 Determination of Equivalent Meter Units

System planning criteria typically involves calculating the amount of water required by a single-family residential customer. Water demand represents the basis for system design. For the District, a 3/4-inch meter is typically used for residential connections (equivalent residential unit). The American Water Works Association has an established methodology for determining meter equivalency for meters of varying sizes. The number of dwelling unit equivalents or equivalent meters can be determined based upon the AWWA meter equivalency for a 3/4" meter.

**Table 4-3
2014 Equivalent Meters**

Meter Size	Safe Max. Operating Capacity (GPM)	AWWA 3/4" Equivalent Weighting	Total Customers by Meter Size	Total Residential Meter Equivalency
5/8"	20	0.67	2,080	1,394
3/4"	30	1.00	37,137	37,137
1"	50	1.67	3,952	6,600
1-1/2"	100	3.33	1,011	3,367
2"	160	5.33	1,435	7,649
3"	300	10.00	298	2,980
4"	500	16.67	104	1,734
6"	1,000	33.33	25	833
8"	1,600	53.33	6	320
10"	2,300	76.67	1	77
12"	3,375	112.50	--	--
Total			46,049	62,089

The concept of capacity is important for FDCs. For example, a customer with a 3" meter is assumed to have the capacity of ten (10) – 3/4" meters. Stated another way, one customer with a 3" meter has the equivalent capacity of ten customers with 3/4" meters. In viewing Table 4-3, it can be seen that the District's total meters/connections of 46,049 is the equivalent of 62,089 – 3/4" meters on an equivalency basis. The total equivalent meters/connections will be used in determination of the facility development charge calculation.

4.4.3 Calculation of the Water Facility Development Charge

The next step of the analysis is to review the District's existing infrastructure and determine the facility development charge. In calculating the facility development charges for the District, existing components, debt service for existing facilities, construction work in progress, and capital fund reserves were considered. System planning criteria typically involves calculating the amount of water required by a single family residential customer.

As discussed previously, the District's water service area is mostly built out. New development would rely on existing infrastructure and main extensions specific to serve the new development. The District's current capital improvement plan contains mostly repair and replacement projects which are required whether development occurs or not on the system. Therefore the "buy-in" methodology was used in this analysis since the new development would "buy-into" the existing water system. While this methodology is labeled a "buy-in" approach, the customer does not "own" any facilities or capacity. The buy-in methodology used for the District's analysis is discussed in more detail below.

BUY-IN COMPONENT – To calculate the value of the existing assets for the buy-in component, the District's methodology considered the original cost of each asset. The original cost of the asset was then adjusted to the value for replacement cost. The replacement cost of each asset was then depreciated for the remaining useful life (i.e. replacement cost less depreciation). A replacement cost method "is appropriate when the system has been completely built out, or possesses substantial excess capacity to accommodate new development on a fill-in basis..."⁷

The District provided a detailed asset listing for the various existing components and their installation date. As was noted in Section 2, there are different methods for valuing existing assets. In this case, a replacement cost less depreciation method was used. To accomplish this, the original cost of each asset was escalated to current, January 2015 dollars, based on the Engineering News Record (ENR) Construction Cost Index (CCI) for the 20 city average. Then, based on the installation date and an estimated useful life provided by the District for each asset, the escalated cost for each asset was depreciated.

Given the value of the asset, the next step was to determine the portion of the project costs that were deemed eligible to be included in the calculation of the facility development charge. The term "Facility development charge eligible" simply describes the amount of the asset to be included within the calculation of the fee. Within this study, meters were not included in the facility development charge calculation. All remaining assets were considered to be 100% eligible since the "buy-in" method assumes that new customers will buy-into the value of the existing assets. The total FDC eligible plant was calculated at approximately \$345 million. A summary of the existing asset valuation can be seen on Exhibit 1 of the Technical Appendix.

Given the above valuation, it is then adjusted for any outstanding debt or other adjustments. These are discussed in more detail below.

DEBT SERVICE COMPONENT – It is not unusual for a utility to finance a portion of their assets via long-term debt. In calculating the FDC, the value of those debt financed assets are contained in the District's asset records. At the same time, the District's rates are designed to collect the debt service expenses (principle and interest payments) over time. The final value of the assets and the resulting FDC was reduced by the amount of future principal on the District's outstanding debt. A more detailed discussion of the basis and need for this debt service credit is provided below.

⁷ Arthur C. Nelson, System Development Charges for Water, Wastewater, and Stormwater Facilities, Lewis Publishers, New York, 1995, P. 77.

The inclusion of a “debt service credit” avoids double counting the asset value in the buy-in component along with the principal portion of the debt service. Said another way, the buy-in component, before the debt service credit, contains the value of the debt financed asset. If a customer pays an FDC absent a debt service credit, the customer will have paid twice for the value of an asset; once within the FDC and then again within their rates which includes the principle amount on outstanding debt service. Given this issue, a debt service credit is included within the calculation of the District’s FDC based upon the present value of the outstanding principle associated with the District’s debt.

The District has three outstanding issues. They are the 2009A, 2009B and 2012A Revenue Bonds. Total outstanding principal, as of December 2014, amounts to approximately \$90.0 million. Exhibit 2 of the Technical Appendices provides the detail of the District’s outstanding debt issue.

OTHER COMPONENTS - In addition to the buy-in component and debt service component, the construction work in progress and capital fund reserves were determined to be facility development charge related. Construction work in progress (CWIP) are assets under construction (and in this case actually completed and in service) but not yet booked as an asset. It is presumed these (CWIP) assets will be booked in the near future, hence their inclusion within the analysis. The inclusion of capital fund reserves can be viewed from two perspectives. First, existing customers created this reserve for the construction of assets and a new customer buying into the system should pay a proportional share of the value of these reserves. Alternatively, these reserves represent the value of total assets and plant to be constructed in the future. The inclusion of both of these component costs is consistent with the District’s previous methodology for FDCs. The total FDC eligible construction work in progress is \$5.5 million and capital fund reserves is \$28.9 million. Further detail can be seen on Exhibit 3 of the Technical Appendix.

4.5 Allowable Water Facility Development Charges

Based on the sum of the component costs calculated above, the allowable water facility development charge can be determined. “Allowable” refers to the concept that the calculated facility development charges shown on Table 4-4 are the District’s cost-based facility development charges. The District, as a matter of policy, may charge any amount up to the allowable facility development charge, but not over that amount. Charging an amount greater than the allowable facility development charge would not meet the nexus test of a cost-based facility development charge. Details are provided in Exhibit 5 of the Technical Appendix.

Table 4-4
Summary of Allowable Facility Development Charge
Based on 3/4" Meter Equivalent

	Total "Allowable" FDC Charge
Total FDC Eligible Plant (Replace. Cost Less Depreciation)	\$345,600,301
Less: Outstanding Principal on Debt	(\$90,004,999)
Plus: Construction Work In Progress	5,529,835
Plus: Capital Fund Reserves	<u>28,933,097</u>
Total Net Plant	\$290,058,233
Number of 3/4" Equivalent Meters	62,089
Total Allowable Charge per 3/4" Meter Equivalent	\$4,672

As can be seen in Table 4-4, the water facility development charge is \$4,672 for a 3/4" equivalent meter. From the calculated allowable facility development charge, the fee is then placed in the context of the size and type of meter. The facility development charge varies based upon the safe operating capacity of the customer's meter.

Table 4-5 provides a summary of the calculated and allowable facility development charge by meter size.

Table 4-5
2015/2016 Facility Development Charge by Meter Size

Meter Size	3/4" Meter Equivalent [1]	Facility Development Charge
5/8"	0.67	\$3,130
3/4"	1.00	4,672
1"	1.67	7,802
1-1/2"	3.33	15,558
2" ^[2]	5.33	24,902
3"	10.00	46,720
4"	16.67	77,882
6"	33.33	155,718
8"	53.33	249,158
10"	76.67	358,202
12"	112.50	525,600

[1] Based on AWWA meter equivalency for 3/4" meters.

[2] It is recommended to base the charge for meter sizes larger than 2-inch on projected usage, with the right to review the customer's usage patterns after a one-year period.

The facility development charges for the larger meter sizes are determined by multiplying the FDC for a 3/4" meter by the meter capacity weighting factors. The weighting factors are the same as those used to determine the number of equivalent meters. As noted previously, these equivalency factors are based on the American Water Works Association (AWWA) safe operating capacities for the type and size of meter.

4.6 Key Assumptions

In the development of the District's facility development charges a number of key assumptions were utilized. These are as follows:

- The District's facility development charges were developed on the basis of accounting, financial and planning documents provided by the District.
- The District's asset records were used to determine the existing infrastructure assets.
- The District provided the most recent number of water service connections.
- The outstanding principal portion of all outstanding debt was deducted (i.e. a debt service credit) from the cost of the existing assets to avoid double counting.

4.7 Annual Updates of the Water Facility Development Charge

The methodology used to calculate the facility development charge takes into account the time value of money, interest charges and inflation. HDR recommends that the FDCs be annual adjusted to reflect these changes. The District currently has in place Regulation 7 which requires the annual calculation of the FDCs. Specifically, Regulation 7 requires the following:

*"Each year Facilities Development Charges will be recalculated using data as of or for the year ended December 31st of the prior calendar year which will include adjustments for (1) new water system facilities, (2) facilities no longer in service, (3) changes in cost indices and depreciation, (4) changes in work in progress and available reserves, (5) changes in outstanding principal, and (6) changes in the number of 3/4 inch equivalent meters. The effective date of the recalculated Facilities Development Charges will be April 1st."*⁸

While the District's policy of annually updating the FDCs is appropriate and a best management practice, as currently written it is burdensome and to a certain extent unneeded. As currently written, it requires the District to conduct a complete technical analysis similar to this study. In contrast to this, most utilities update their FDCs using some form of a cost index, such as the Engineering News Record (ENR) Construction Cost Index (CCI). Generally, a complete and detailed technical analysis is typically undertaken only when new major facilities are added or a new comprehensive planning document is completed and adopted. A utility will complete a comprehensive study and then annually adjust their FDCs for up to a five year period using a cost-indexing approach. HDR recommends that FDCs be calculated at least every five years.

HDR would recommend the following language for inclusion within Regulation 7 to replace the current language requiring annual calculations.

⁸ Regulation 7, P. 8 and 9.

“Each year the Facilities Development Charges will be adjusted to reflect cost changes in materials, labor or real property applied to projects or project capacity. This adjustment in cost is not considered a change in the Facilities Development Charge methodology. The cost adjustment shall be the application of one or more specific cost indexes or other periodic data sources. A specific cost index or periodic data source must be:

- 1. A relevant measure of the average change in prices or cost over an identified time period for materials, labor, real property or a combination of the three;*
- 2. Published by a recognized organization or agency that produces the index or data source for reasons that are independent of the Facilities Development Charges methodology; and*
- 3. Shall be adopted from time to time by Resolution of the Board*

If a cost index is negative for any particular year, the District shall leave the then effective FDCs in place and make no cost adjustment. The effective date of all indexed and recalculated Facilities Development Charges will be April 1st. A comprehensive review and update of Facility Development Charge methodology shall occur at least every five years.”

While this language provides flexibility to the District for the selection of a cost index, HDR would recommend the use of the ENR-CCI 20-City index for the District’s FDCs. This is the same index which is used within the District’s full FDC methodology and is reflective of the costs associated with the construction of infrastructure (i.e. water plant assets).

It should be noted that cost-indexing is allowed for a limited period of time. The revised language requires a comprehensive update of the FDCs at least every five years, but the revised language allows for the District to conduct a full and comprehensive review in any year it deems appropriate and prudent.

4.8 Consultant Recommendations

Based on our review and analysis of the District’s water facility development charges, HDR makes the following recommendations:

- The District should revise and update its facility development charges for new connections to the water system that are no greater than the facility development charges as set forth in this report.
- The District should continue to annually update the charges based on District Regulation No.7.
- The District should include within its Regulation the provision for periodic (annual) adjustments to the facility development charges using an appropriate cost index.
- The District should update the actual calculations for the facility development charges based on the methodology as approved by the resolution or ordinance setting forth the methodology for facility development charges at such time when a new capital

improvement plan, public facilities plan, master plan or a comparable plan is approved or updated by the District.

4.9 Summary

The water facility development charge developed and presented in this section of the report is based on the engineering design criteria of the District's water system, the value of the existing assets, current debt service on existing assets and "generally accepted" ratemaking principles. Adoption of the proposed facility development charges will provide cost-based charges for new customers connecting to the District's water system.



Technical Appendix

Sacramento Suburban Water District
 Exhibit 1
 Summary of Facilities Development Charge Calculation

Plant Description	Useful Life, years	Accumulated Depreciation	Original Cost	ENR Factor (Service Date) (1)	Replacement Cost	% Depreciated (on Average)	% FDC Eligible (on Average) (2)	Facility Development Charge
Land	N/A	\$0	\$1,680,814		\$3,582,858	N/A	100%	\$3,582,858
Easements	N/A	0	2,557,641		3,009,952	N/A	100%	3,009,952
Land Improvements	15	790,292	1,036,010		1,699,428	76%	100%	283,059
Building Improvements	15	2,924,524	3,667,635		6,549,215	80%	100%	811,712
Buildings	40	1,304,394	2,756,891		5,618,661	47%	100%	2,435,779
Capacity Entitlement	40	2,952,024	5,282,728		8,979,928	56%	100%	3,777,730
Reservoirs	40	3,260,582	13,673,880		19,426,444	24%	100%	13,980,858
Wells	25	31,119,734	69,405,325		118,621,681	45%	100%	50,449,223
Trans. & Distrib. (<75 yrs)	30	60,532,924	125,480,917		264,401,840	48%	100%	87,667,052
Trans. & Distrib. (>75 yrs)	80	17,127,903	146,011,320		222,761,949	12%	100%	178,427,758
Meters	10	15,008,462	28,447,535		36,575,934	53%	N/A	0
Fleet	5	1,309,575	1,426,892		1,914,545	92%	100%	125,350
Machinery & Equipment	5	894,590	1,059,412		1,451,880	84%	100%	174,476
Computers	4	1,053,520	1,309,185		1,606,141	80%	100%	265,475
Software	7	2,521,145	3,065,119		3,698,890	82%	100%	556,579
Office Furniture & Furnishings	7	321,586	368,662		473,757	87%	100%	52,439
Total		\$141,121,255	\$407,229,965		\$700,373,101			\$345,600,301
Less: Outstanding Debt Principal (3)								(\$90,004,999)
Plus: Construction Work in Progress								\$5,529,835
Capital Fund Reserves (4)								\$28,933,097
Total Net Plant								\$290,058,233
No. of 3/4" Equivalent Meters (5)								62,089
Facilities Development Charge for 3/4" Equivalent Meter								\$4,672

Notes:

- (1) Based on specific in service date of asset and January 2015 Engineering News Record, 20 City construction cost index.
- (2) Asset list excludes meters in FDC calculation.
- (3) Remaining principal as of December 2014 less \$3.5 million debt service fund reserve. See Exhibit 2.
- (4) Cash reserves as of December 2014 which are FDC eligible. See Exhibit 3.
- (5) Based on data from the utility billing system as of December 2014. Includes flat rate customers and excludes private fire customers. See Exhibit 4.

Sacramento Suburban Water District
Exhibit 2
Summary of Long-Term Debt Principal and Interest

Year of Issue	2009 A		2009 B		2012 A		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2013	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2014	0	0	0	0	0	0	0
2015	0	1,680,000	1,870,000	1,395,300	1,925,000	980,975	7,851,275
2016	0	1,681,157	1,950,000	1,320,500	1,995,000	923,225	7,869,882
2017	0	1,678,843	2,030,000	1,242,500	2,030,000	843,425	7,824,768
2018	0	1,680,000	2,135,000	1,141,000	2,105,000	762,225	7,823,225
2019	0	1,680,000	2,230,000	1,034,250	2,160,000	678,025	7,782,275
2020	0	1,681,157	2,360,000	928,325	2,235,000	613,225	7,817,707
2021	0	1,678,843	2,495,000	810,325	2,320,000	518,238	7,822,406
2022	0	1,680,000	2,610,000	685,575	2,405,000	518,237	7,898,812
2023	1,145,000	1,680,000	1,230,000	548,550	1,155,000	413,838	6,172,388
2024	1,245,000	1,635,325	1,295,000	483,975	1,195,000	299,600	6,153,900
2025	1,295,000	1,583,309	1,375,000	412,750	1,250,000	241,850	6,157,909
2026	1,345,000	1,532,600	1,440,000	335,406	1,300,000	182,100	6,135,106
2027	1,400,000	1,478,800	1,545,000	254,406	1,365,000	119,600	6,162,806
2028	4,480,000	1,423,780	0	167,500		54,600	6,125,880
2029	4,680,000	1,242,744					5,922,744
2030	4,885,000	1,056,400					5,941,400
2031	5,065,000	861,000					5,926,000
2032	5,265,000	658,853					5,923,853
2033	5,495,000	447,492					5,942,492
2034	5,700,000	228,000					5,928,000
Totals	\$42,000,000	\$27,268,303	\$24,565,000	\$10,760,362	\$23,440,000	\$7,149,163	\$135,182,828
Remaining Principal	\$42,000,000		\$24,565,000		\$23,440,000	(1)	\$90,004,999

Notes:

(1) Remaining principal as of December 2014 less \$3.5 million debt service fund reserve.

Sacramento Suburban Water District
 Exhibit 3
 Summary of Reserve Funds

Sacramento Suburban Water District
 Reserve Fund Balance

	<u>December 31, 2014</u>	Include in FDC
Debt Service Reserve	\$ 3,540,057	\$ -
Facilities Reimbursement	21,873	21,873
Emergency/Contingency	10,758,000	10,758,000
Operating	6,468,857	-
Rate Stabilization	5,870,000	-
Interest Rate Risk	-	-
Grant	654,000	654,000
Capital Asset	17,499,224	17,499,224
TOTAL	<u>\$ 44,812,011</u>	<u>\$ 28,933,097</u>

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

	<u>December 31, 2014</u>
Cash and cash equivalents	\$ 1,312,864
Investments	39,959,090
Restricted assets	3,540,057
TOTAL	<u>\$ 44,812,011</u>

Sacramento Suburban Water District
 Exhibit 4
 Development of Residential Meter Equivalency

Class of Service	Number of Meters (1)											Total
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"	12"	
Residential	1,888	35,001	1,585	125	8							38,607
Multi-Family	1	1,590	1,360	288	550	128	36	9	1			3,963
Commercial	191	374	811	441	482	87	35	2	1	1		2,425
Irrigation		101	118	97	221	24	8	3	1			573
Industrial		2	5	1	3	2	1					14
Institution		69	73	59	171	57	24	11	3			467
Private Fire Accounts					0	0	0	0	0	0	0	0
Total	2,080	37,137	3,952	1,011	1,435	298	104	25	6	1	0	46,049

Class of Service	Equivalent Meters											Total
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"	12"	
AWWA Weighting - 5/8" Meter	0.67	1.00	1.67	3.33	5.33	10.00	16.67	33.33	53.33	76.67	112.50	
Total (Less Private Fire)	2,080	37,137	3,952	1,011	1,435	298	104	25	6	1	0	46,049
Residential Meter Equivalency	1,394	37,137	6,600	3,367	7,649	2,980	1,734	833	320	77	0	62,089

Notes:

(1) Based on data from the utility billing system as of December 2014. Includes flat rate customers and excludes private fire customers.

Sacramento Suburban Water District
Exhibit 5
Current and Proposed Water Facilities Development Charges

Current Water Facilities Development Charge	\$4,122
Calculated Water Facilities Development Charge	<u>4,672</u>
Difference	\$550

Meter Size	Meter Ratio (1)	2013/2014 Current	2014/2015 Calculated
5/8"	0.67	\$2,762	\$3,130
3/4"	1.00	4,122	4,672
1"	1.67	6,884	7,802
1-1/2"	3.33	13,726	15,558
2" (2)	5.33	21,970	24,902
3"	10.00	41,220	46,720
4"	16.67	68,714	77,882
6"	33.33	137,386	155,718
8"	53.33	219,826	249,158
10"	76.67	316,034	358,202
12"	112.50	463,725	525,600

Notes:

- (1) Based on AWWA meter equivalency for 3/4" equivalent meter.
- (2) It is recommended to base fee for meter sizes larger than 2-inch on projected usage.

Regulation No. 7 Service Connections

Adopted: July 19, 2004

Amended: December 19, 2011; March 19, 2012; January 28, 2013;
March 18, 2013; April 21, 2014, March XX, 2015

Requirements for New or Additional Service Connection

Water Service from Sacramento Suburban Water District is not transferable or assignable and is subject to full compliance with the District's Regulations Governing Water Service, including the following terms and conditions:

A. Service Connections

No New Service shall be connected to the District Water System unless there exists a District water main in a street or right-of-way fronting an Applicant's property accessible to the proposed location of the Applicant's service. The District main shall have Adequate and Reserve Capacity and pressure to provide safe and reliable water service for domestic and fire protection use as solely and conclusively determined by the District. The District, in determining the adequacy of the existing facilities, will take into consideration all factors such as the water requirements of the project to be served by a new connection, the flows required for fire protection, and whether the use of the water will significantly impair service to existing Customers. If the District determines that the New Service will not be connected into the District Water System unless the Applicant provides such adequate extensions or additions as may be necessary in accordance with District regulations, Master Plan and technical specifications, then the District shall determine the location, capacity, and design of such extensions or additions and provide its determination to the Applicant. In making this determination, the District may consider all factors, including but not limited to, anticipated future land uses, water requirements, the desirability of looping water mains to increase reliability and adequacy of service, required flows needed for fire protection, and the long range plans for capital improvements of the District Water System. The District's determination will be conclusive on the Applicant.

B. No Prior Service

1. Adequate Main Abuts Applicant's Parcel

Service will be connected provided the following conditions are fulfilled:

- (a) The Parcel to be served is within the District's geographical boundaries or is annexed to the District in accordance with an order of the Sacramento County Local Agency Formation Commission (LAFCo);
- (b) The Applicant's Parcel is or has been made subject to applicable bonded indebtedness of the District, if any;
- (c) The District possesses adequate water supply to serve the Applicant's requested needs;
- (d) A District water main of Adequate and Reserve Capacity exists in a public right-of-way fronting the Principal Boundary or Principal Boundaries of the Applicant's Parcel, where the public right-of-way is less than 80 feet wide. For public rights-of-way 80 feet or wider, a water main of Adequate and Reserve Capacity shall exist fronting the Applicant's Principal Boundary from within the area measured from the centerline of the public right-of-way to the Applicant's property line contiguous to the public right-of-way.
- (e) An Application for Water Service has been filed with the District in compliance with Section D, hereof.

2. No Adequate Main Abuts Applicant's Parcel

Service will be connected provided the following conditions are fulfilled:

- (a) The Parcel to be served is within the District's geographical boundaries or is annexed to the District in accordance with an order of LAFCo;
- (b) The Applicant's Parcel is or has been made subject to applicable bonded indebtedness of the District, if any;
- (c) The District possesses adequate water supply to serve the Applicant's requested needs;
- (d) The Applicant will provide a main of Adequate and Reserve Capacity at his/her own cost and expense, which main shall be constructed in a public right-of-way fronting the entire frontage of the Applicant's Parcel. Should the Applicant's Parcel front two or more rights-of-way, the Applicant shall be required to install the main along the Parcel's Principal Boundary as designated in the District's Master Plan as the right-of-way necessary to provide for future extension of the District's capabilities and facilities. Should the Applicant be required to service the Parcel from a right-of-way other than the principal right-of-way (service shall also mean fire service if required by the applicable fire agency), then the Applicant shall be required to install water mains of Adequate and Reserve Capacity along both the principal and the service frontage. All provisions for main

extensions shall be in accordance with applicable District Regulations, Master Plans, Plans and Specifications.

C. Prior Service

1. A Parcel to which service has been discontinued will be re-connected upon the filing of a new application together with the payment of all fees and the upgrade of all District facilities affected by the re-connection as required by District Regulations.
2. If any one of the following, but not limited to, conditions exists on an Applicant's Parcel, the District will require an upgrade of the existing service before reconnection to the District Water System will be permitted:
 - (a) An improvement on the Parcel requires an increase in water pressure or quantity. The District's increase of water pressure or quantity determination shall be based on the quantity of added water use facilities to be installed as a result of the improvement. The Applicant's engineer shall submit to the District a record of all the plumbing fixtures and flows required to serve all existing and proposed improvements on the Applicant's Parcel. Based on this information, the District shall determine, if the existing service is adequate to serve the Premises. The District shall use AWWA Standards to determine the adequacy of all services and the consequent need for upgrades.
 - (b) An improvement on the Parcel requires increased water pressure or quantity in order to satisfy ISO Fire Suppression Standards as more specifically described in Regulation No. 9, Section O, hereof.
 - (c) An improvement changes a multiple unit Premises from master-metered to individually-metered units.
3. In those cases when service has not been interrupted but the Parcel has been improved, the provisions and requirements of Regulations Nos. 7 and 9 hereof shall apply if any one of the conditions described above in subparagraph 2 exists.

D. Application for Service

1. The District will not provide or continue service to any Parcel unless the present Landowner has filed an Application for Water Service with the District.
2. Application for service shall be made in writing on forms provided by the District and signed by the Landowner.
3. Applications shall be supported by plat maps and a legal description of the Parcel, and a project description that includes construction type and number of living

units, plan of water distribution, project approval by the appropriate fire service district, the planned service date, the name and billing address of the Landowner, the domestic water requirements in gallons per minute, and the total fire-flow requirements, as well as the location of existing and/or proposed fire hydrants to meet applicable fire-flow requirements.

4. The failure of an Applicant to request the connection of his or her Parcel to the District Water System within one year of the District's Plan Approval shall automatically terminate the application and entitle the Applicant to the return of all fees paid except the plan check fee, annexation fee, and any permit fees as described in Subsection G hereof. A request for refunding of fees shall be made in writing to the District.
5. The Applicant must deposit with the District, on or before the Plan Approval date, an amount equal to the cost of all Extension Facilities proposed to be constructed, together with all service charges, fees, and Facilities Development Charges in effect on the date of the Final Approval.
6. Any decision by the District's staff concerning an application for service is appealable to the District Board of Directors or the Board's Facilities and Operations Committee. An Applicant's appeal must comply with the applicable requirements provided in Regulation 17, Procedures for Variance Application.
7. In situations where a retail municipal water supplier must allocate service connections due to supply limitations, Government Code section 65889.7 requires the District to provide a service priority to proposed residential developments that include units affordable to lower income households, as such are defined in Health & Safety Code sections 50052.5, 50053 and 50079.5. The District currently has sufficient supplies to serve all anticipated new demands and given its largely built-out condition, expects to have sufficient supplies to meet all future new demands. If, however, an allocation of new services becomes necessary, the following states the District's low income housing priority policy. An application for service to a proposed development that includes housing units affordable to lower income households, as defined by Government Code section 65589.7(d)(1), shall not be denied, conditionally approved, or the amount of service applied for reduced without specific written findings that the denial, condition, or reduction is necessary due to one or more of the following:
 - a. The District does not have "sufficient water supply," as defined in paragraph (2) of subdivision (a) of Section 66473.7, or is operating under a water shortage emergency or distribution capacity to serve the needs of the proposed development, as demonstrated by a written engineering analysis and report;
 - b. The District is subject to a compliance order issued by the State Department of Public Health that prohibits new water connections;

- c. The applicant has failed to agree to reasonable terms and conditions relating to the provisions of service generally applicable to development projects seeking service from the District, including, but not limited, the requirements of local, state, or federal laws and regulations or payment of a connection fee or capacity charge imposed pursuant to Government Code section 66013.

In accordance with Water Code section 10631.1, the District will include in its Urban Water Management Plans projections of water use by single- and multiple-family housing needed for low income families.

E. Water Main Sizes

1. The size of water mains to be installed in accordance with this Regulation 7 shall be in compliance with the provisions of Regulation 9, Sections N and O hereof.
2. Whenever Extension Facilities are required to be installed in accordance with this Regulation 7, the District may require in accordance with its approved Master Plan and for the purposes of public convenience, necessity, and safety, the installation of a main line larger than the size required to serve the Applicant's Parcel or Parcels ("Service Connection"). Whenever the District requires the installation of such an Up-Sized Line, the line shall be designed in accordance with one of the following procedures at the District's option:
 - (a) An Applicant, with approval from the District, shall have his or her engineer design the upsized line. The Applicant shall competitively bid and in accordance with the lowest responsive and responsible bid, construct the extension facility in accordance with the following conditions:
 - (1) The Applicant's engineer will prepare a spreadsheet detailing the Applicant's cost of installation of the line size required in accordance with provisions of Regulation 9, Sections N and O.
 - (2) The Applicant's engineer will prepare a spreadsheet detailing the cost of the installation of the Up-Sized Line.
 - (3) The Applicant's engineer shall design plans and specifications for both the main size required in accordance with District Regulations and the Up-Sized Line. The design of the water mains shall be according to District Standards with plan review, revisions, and Plan Approval by District staff.
 - (4) The District shall pay to the Applicant, when the job is completed and accepted by the District, the difference in cost between the cost of the Up-Sized Line based on the lowest responsive and responsible bid and the cost of the installation of the line of the

size required to adequately serve his or her Parcel, based on the average of the three lowest responsive and responsible bids. The District shall pay for the Up-Sized-Line in accordance with Regulation 9, Section L.

- (5) The Applicant shall pay to the contractor the full cost of the main installed.
 - (6) The Applicant shall pay all of the District's fees, charges and costs as related to the installation of the water main.
 - (7) The Applicant shall comply with all regulations of the District and any amendments adopted from time to time by the Board of Directors.
- (b) The District shall design plans and call for separate bidding to construct the Extension Facilities as follows:
- (1) District staff will prepare spreadsheets detailing the cost of installing the line size required in accordance with provisions of Regulation 9, Sections N and O.
 - (2) District staff will prepare spreadsheets detailing the cost of installing the Up-Sized Line.
 - (3) The Applicant shall pay to the District the full cost of the installation of the line of the size required to adequately serve his or her Parcel, based on the average of the three lowest responsive and responsible bids, and the District will pay the difference for the cost of the Up-Sized Line as contained in those bids. Applicant's payment to the District shall be no later than 30 calendar days after the District has awarded the project.
 - (4) The Applicant shall comply with all rules and regulations of the District and any amendments adopted from time to time by the Board of Directors.

F. District Final Plan Approval

The date of the District's final Plan Approval is defined as that date when the District shall, after receipt of all applicable fees, charges, applications and grants of easements, date and sign the Applicant's plans as approved for construction, or where no Extension Facilities are required, on that date when the District shall, after receipt of all applicable fees, charges, application and grants of easements, approve and date the said application. Should Applicant not obtain District's approval of his or her plans, the Applicant shall

not be allowed to connect to any District facilities until he or she has obtained final Plan Approval.

G. Expired Plans/Un-Built Projects

If construction of the required extension has not begun on the one-year anniversary date of Plan Approval or the District receives a written statement from an Applicant that the project will not be built, the District shall deem the plans void. The District will refund collected fees upon the Applicant's written request, except for plan review, hydrant permit, construction water, annexation, and fire hydrant flow test fees. Should an Applicant resubmit plans for approval, the District will review the plans in accordance with this Regulation 7 and Regulation 9. New and/or additional fees will be calculated and assessed for review of resubmitted plans. New Plan Approval shall be per Section F hereof.

H. Charges for New or Improved Service Connections

1. Plan Check Fee

A charge shall be assessed by the District for the review of the Applicant's construction plans for new or improved water service. The charge will be assessed at the rate of \$90.00 per hour for each District employee assigned to the review. In addition, the District may charge staff time or consultant fees at cost for any additional services required as part of the review, including but not limited to, hydraulic analyses, site verification, and research. The District shall estimate the cost of reviewing such plans and notify the Applicant of the estimated costs for the services required. The Applicant shall deposit with the District the estimated plan check costs as a condition precedent to plan review. In the event that the actual cost exceeds the amount deposited, the Applicant shall pay the excess before final Plan Approval. The charge for Plan Review shall be in accordance with Regulation 3, Section R.

2. Service Line Charge

The District charge for the installation of a new-metered water service line from the existing water main to an Applicant's Parcel shall equal the District's actual cost of materials, installation, labor, equipment, and normal overhead charges. The charge for Service Line Installation shall be in accordance with Regulation 3, Section U.

3. Service Line Relocation

The District charge for the relocation of a service line from the existing water main to an Applicant's Parcel (which will be relocated according to current specifications) shall equal the District's actual cost of materials, installation,

labor, equipment, and normal overhead charges. The charge for Service Line Relocation shall be in accordance with Regulation 3, Section V.

4. Water Meters

District charges for installing and setting water meters will consist of the District's actual cost of materials, labor, equipment, installation, and overhead. The installation of a new Metered Service shall be charged according to Section H.2 of this Regulation 7, provided that all applicable conditions of the District's Regulations have been satisfied. When the only service rendered is restoring water service by reinstalling a Meter, a charge will be assessed in accordance to Regulation 3, Section I for each reinstallation.

5. Facilities Development Charge

To cover a portion of the District's costs incurred for the installation of wells, pumps, and storage and treatment facilities, and to provide a fund for reimbursement of a portion of Customers' costs of Extension Facilities pursuant to Regulation No. 9, Section A, a Facilities Development Charge will be imposed in accordance with the following schedule for each new or improved service:

Service Size	Facilities Development Charge*
5/8"	\$2,762.00 <u>\$3,130.00</u>
3/4"	\$4,122.00 <u>\$4,672.00</u>
1"	\$6,884.00 <u>\$7,802.00</u>
1 1/2"	\$13,726.00 <u>\$15,558.00</u>
2"	\$21,970.00 <u>\$24,902.00</u>
3"	\$41,220.00 <u>\$46,720.00</u>
4"	\$68,714.00 <u>\$77,882.00</u>
6"	\$137,386.00 <u>\$155,718.00</u>
8"	\$219,826.00 <u>\$249,158.00</u>
10"	\$316,034.00 <u>\$358,202.00</u>
12"	\$463,725.00 <u>\$525,600.00</u>

* Each year the Facilities Development Charges will be adjusted to reflect cost changes in materials, labor or real property applied to projects or project capacity. This adjustment in cost is not considered a change in the Facilities Development Charge methodology. The cost adjustment shall be made by applying the

application of one or more specific cost indexes or other periodic data sources. A specific cost index or periodic data source must be:

1. A relevant measure of the average change in prices or cost over an identified time period for materials, labor, real property or a combination of the three;
2. Published by a recognized organization or agency that produces the index or data source for reasons that are independent of the Facilities Development Charges methodology;
3. Publicly-available and generally recognized in the utility industry as an authoritative resource for calculating periodic cost adjustments; and
4. Shall be adopted from time to time by Resolution of the Board

~~Facilities Development Charges will be recalculated using data as of or for the year ended December 31st of the prior calendar year which will include adjustments for (1) new water system facilities, (2) facilities no longer in service, (3) changes in cost indices and depreciation, (4) changes in work in progress and available reserves, (5) changes in outstanding debt principal, and (6) changes in the number of ¾ inch equivalent meters. The effective date of the recalculated Facilities Development Charges will be April 1st. A comprehensive review and update of Facility Development Charge methodology shall occur at least every five years.~~

Private Fire Protection

Size of Each Private Fire Service Connection	Facilities Development Charge**
4 Inch and under	\$1,750.00
6-inch	\$1,825.00
8-inch	\$1,900.00
10-inch	\$1,975.00
12-inch	\$2,050.00

**Each year the Facilities Development Charges for Private Fire Protection will be recalculated to recover District costs associated with plan review, inspection, instruction and maintenance of private fire service connection using data from the prior calendar year. The effective date of the recalculated Facilities Development Charges for Private Fire Protection will be April 1st.

The District will determine the Facilities Development Charge for services greater than twelve (12) inches at time of application.

- (a) In the event that the charges assessed to the Applicant impose a financial burden on his or her project, the Applicant may request the District enter into a deferred payment plan on the all of following terms:
- (1) The written application includes a request for deferment of the payment of all or part of the Facilities Development Charge.
 - (2) The District Board of Directors must approve the request.
 - (3) The request is accompanied by a surety bond or an irrevocable letter of credit in an amount equal to the Facilities Development Charge imposed on the Applicant as specified above, and the specified security is issued by a surety or financial institution authorized to do business in California.
 - (4) The deferment request is accompanied by an executed Contract on a form provided by the District, which Contract includes the provisions of this subsection and provides for the payment of such Facilities Development Charges as may be in effect on the date of said payment, together with interest at the legal rate. The Contract also will provide that the Applicant will pay the Facilities Development Charge in full no later than a date that is no more than 12 months from the date of the filing of the Service Application with the District.
 - (5) The written application and accompanying plans must comply with all applicable District Ordinances, Regulations, Plans and Specifications.
 - (6) The deferment rights granted to an Applicant, if any, are not assignable except upon the District's written consent.

6. Supervision and Inspection Charges

A charge shall be assessed for District supervision and inspection of water system improvements based upon hourly rate of \$75.00 per hour. At the time of service application, the District will estimate the minimum cost for District supervision and inspection of the proposed water system improvements, which the Applicant shall deposit with the District in advance of Plan Approval, in addition to all other charges owing under the District's regulations. In the event that actual supervision and inspection costs exceed the amount deposited, the Applicant will pay the excess as a condition precedent to final District acceptance of the water system improvements and connection of service. Should any additional costs be required due to damage to District facilities by Applicant's contractor during construction, the cost shall be billed separately to the contractor. The contractor's payment of billed damages shall be due as a condition of commencing water

service and final District acceptance of the improvements. The charge for Supervision and Inspection shall be in accordance with Regulation 3, Section S.

Should the need for an inspection occur weekdays after 4:30 p.m. to 8:00 a.m., or on weekends or holidays, the requested inspection shall be scheduled through the District to ensure the availability of personnel for the time requested. Overtime costs for inspections by District personnel shall be calculated and paid by the Applicant in advance of scheduling the after-hours work. The overtime charge shall be at least one and one-half (1½) times the standard hourly rate for inspection.

7. Fire Hydrant Flow Test

When requested by the local fire agency having jurisdiction over a project within the District, a fire hydrant flow test will be performed to determine the flow available at the test date. The flow test will only demonstrate the pressure and distribution capabilities at the time and under the conditions existing when the test is performed. The District will not guarantee that the flow test results obtained will be consistent with flows available at all times and under all conditions.

Flow tests will be performed either in the field or using the District's updated water model. Tests will be performed by District staff as time allows but not to exceed 4-weeks after request is made. Fire flow tests completed by the water model are to be assumed the worst case scenario of the District's water system and are the most conservative for design purposes.

A charge will be assessed for the District to supervise and perform the test and to provide written results. The charge shall be in accordance with Regulation 3, Section T.

8. Bacteriological Testing

After installation and disinfection, the District will sample a new mainline extension and have the sample tested by a certified laboratory for bacteria. If a new mainline extension fails to meet applicable federal, state and local bacteriological standards, the Applicant will be responsible for re-disinfecting and re-testing the new Extension Facilities until they pass. A charge for this test will be assessed in accordance to Regulation 3, Section J.

9. Backflow Test Charge

A charge will be assessed for the District to test all Backflow Prevention Devices as part of a new development to verify the operating status of each such device. The charge shall be in accordance with Regulation 3, Section D.

10. Environmental Document Charge

Whenever the District determines that an environmental impact report or other environmental document is required for a proposed extension facility necessary to serve an Applicant's Parcel, the District will estimate the cost of preparing such a document, including overhead expenses, preparation, and hearings. In addition to all other costs that may be due to the District for provision of service, the Applicant shall deposit with the District the estimated Environmental Document Charge as a condition precedent to the District's approval of an environmental document. In the event that the actual cost to prepare an environmental document exceeds the amount deposited, the Applicant will pay the excess amount before Final Approval. If the deposit exceeds the cost, the District will refund the balance.

In the event that the Applicant delivers to the District a certified copy of an environmental document duly approved and filed by the County of Sacramento relevant to the Applicant's Parcel, the District may determine that the provisions of this paragraph may not apply.

11. Furnish-Only Fees

Meters, as shown on the standard detail drawing of the District's Improvement Standards and Technical Specifications adopted by the Board of Directors and any revision thereto, are required on all new or improved domestic Service Connections and shall be Furnish-Only Materials by the District. The District will charge furnish-only fees to an Applicant in accordance with the number, the cost, and the District's inventory and overhead cost for furnishing the Meter(s).

I. Water Service

The District shall make water service available to an Applicant's new or improved connection subject to the following terms and conditions:

1. No service shall be granted or continued unless an Applicant has filed an application for service on a District-furnished form.
 - (a) All new construction and improved Parcels shall have a Meter.
 - (b) Monthly water billing shall be computed on actual consumption based on the Metered Rates in Regulation No. 3.
 - (c) A separate Service Connection and Meter shall be installed on each Parcel.
 - (d) If a Parcel is found to be served by more than one Service Connection, it will be at the sole discretion of the District, in consultation with the Customer, to determine how the parcel will receive water through a metered connection(s). The owner of the parcel will be responsible for the

cost of any changes to the service configuration, including the abandonment of any existing unused Service Connection or the upgrade to District current standards of additional Service Connections as determined necessary by the District.

- (e) The minimum water service size for a residential Service Connection shall be one inch in diameter.
 - (f) No more than one Service Connection per Single Family Residential Parcel will be permitted unless otherwise determined by the District.
 - (g) Each residential unit is required to have it's own District-approved Service Connection.
 - (h) A separate metered irrigation service shall be required for all non-residential units.
 - (i) No credit will be allowed for vacancies in multiple family residential units.
 - (j) All non-residential services shall have water meters with an approved backflow device.
2. Use of a 5/8" meter shall be limited to multi-family residential units fed by a single water service such as, but not limited to, duplexes, triplexes, fourplexes, apartment buildings with five or more residential units, and condominiums.
3. Voluntary Meter Installation on an Existing Residential Service
- (a) At a Landowner's request, the District will install a permanent Meter on an existing un-metered Service Connection for a residential Parcel at no direct charge. However, should the Parcel be within a current main replacement project area that is scheduled for a new water service installation a new meter will be installed only after the installation of the new water main.
 - (b) Upon installation of a Meter, the District will compute and charge the Parcel's water bill based on actual consumption at the Metered Rates stated in Regulation No. 3.

J. Connection to Facilities Extended by District

1. If an Applicant for water service to a Parcel fronting Extension Facilities built with District funds desires to connect to such facilities, he or she shall deposit with the District, together with a New Service application, a portion of the total cost of designing and installing the Extension Facilities. The Applicant's cost share shall be

determined by comparing the length of the Applicant's frontage along the right-of-way in which the water service facilities will or have been located to the total combined frontage along said right-of-way of all Parcels served by the Extension Facilities. The District also will calculate and charge all other applicable fees and charges established by District Regulations.

2. If an Applicant chooses, payment of the costs and charges to connect to District-constructed Extension Facilities as defined in Regulation 9, Section A may be deferred for a period not to exceed 12 months from the date on which the District approves the Application for Water Service, provided:
 - (a) The Applicant requests the District defer the charges in writing before the date the application is approved, and
 - (b) The full amount of such fees and charges together with interest thereon at the legal rate is guaranteed by a surety bond issued by a surety company acceptable to the District, and the Applicant executes an agreement to make such payment together with interest at the legal rate within the 12-month deferment period, and
 - (c) The deferment is not transferable.
3. Reimbursement for eligible costs of Extension Facilities as defined by Regulation 9, Section A will not be made until all connection charges have been paid by applicant.

K. Abandonment of Service Line

The District charge for the abandonment of an existing water service from the existing water main to the applicant's parcel shall equal the District's actual cost of materials, labor, equipment and normal overhead charges. The charge for service abandonment shall be in accordance with Regulation 3, Section W.

L. Existing Services

All Service Connections that are not directly affected by an improvement, but which exist on a Parcel to be improved, shall be upgraded to current District Standards if the Landowner intends to use such service(s) in the future. If the unaffected Service Connection(s) will not be used, the Landowner shall be required to abandon such service(s) in accordance with District Standards. This requirement applies to all services that serve other buildings or appurtenances on the Parcel being improved.

District-required upgrades of existing Service Connection(s) shall include, but are not limited to, repair, upgrade and/or replacement of existing facilities to current District Specifications and Standard Details.

Credit will be given for existing unused services on improvement projects affecting the Parcel. Credit will be given in the amount of the existing Facilities Development Charge on the Plan Approval date, subject to abandonment of the unused Service Connection(s) as required herein. Credit will only apply to new Facilities Development Charges and will not exceed the total for the project.

M. Existing Services on Split Parcel

After a parcel split, the existing service will serve only the Parcel on which it is installed. If any unserved split Parcel will be developed, the Landowner shall be required to install a New Service on such Parcel(s) in accordance with all applicable District ordinances, rules, regulations, plans and specifications.



Agenda Item: 9

Date: March 11, 2015

Subject: Resolution No. 15-03 Authorizing the Extension of a Letter of Credit in Connection with Its Outstanding 2009a Certificates of Participation, and Approving the Execution and Delivery of Certain Documents in Connection Therewith and Certain Other Matters

Staff Contact: Daniel A. Bills, Finance Director

Recommended Board Action:

1. Approve Resolution No. 15-03 (Exhibit 1) to provide credit and liquidity support for the Series 2009A Certificate of Participation (COP) between the District and Sumitomo Mitsui Banking Corporation, acting through its New York Branch (SMBC), pursuant to the terms of Amendment Number 2 of the Reimbursement Agreement, dated March, 2015, subject to such changes, insertions and omissions as may be recommended by General Counsel or by the law firm of Stradling, Yocca, Carlson & Rauth, as Special Counsel (“Special Counsel”) and approved by the officers executing the same, said execution being conclusive evidence of such approval.
2. Authorize the Board President or General Manager to execute the contracts or agreements necessary to execute the above transaction.

Discussion:

At the February 23, 2015, meeting of the Board of Directors (Board), the Board approved the terms of the Letter-of Credit (LOC) negotiated between Fieldman, Rolapp & Associates (Fieldman) and SMBC on behalf of the District and authorized Special Counsel (Stradling, Yocca, Carlson & Rauth,) to engage with SMBC to develop legal documentation to extend/renew the LOC, recognizing upfront costs were estimated to be approximately \$32,000. Such negotiations have been completed and reviewed by District General Counsel in accordance with the terms presented to the Board last month. The terms of the Agreement were to extend the term from June 30, 2015 to June 30, 2018 and reduce the facility fee from 57.5 bps per annum to 45 bps per annum.

Attached is Resolution 15-03 (Exhibit 1), Amendment 2 to the Reimbursement Agreement (Exhibit 2), and the Fee Letter Agreement (Exhibit 3) that are the legal documents for the transaction, in substantially final form, for Board acceptance and approval.

Resolution No. 15-03 Authorizing the Extension of a Letter of Credit in Connection with Its Outstanding 2009a Certificates of Participation, and Approving the Execution and Delivery of Certain Documents in Connection Therewith and Certain Other Matters

March 11, 2015

Page 2 of 2

Fiscal Impact:

Estimated savings of roughly \$160,000 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
RESOLUTION 15-03 DATED MARCH 16, 2015

RESOLUTION NO. 15-03

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SACRAMENTO SUBURBAN WATER DISTRICT
AUTHORIZING THE EXTENSION OF A LETTER OF
CREDIT IN CONNECTION WITH ITS OUTSTANDING 2009A
CERTIFICATES OF PARTICIPATION, AND APPROVING
THE EXECUTION AND DELIVERY OF CERTAIN
DOCUMENTS IN CONNECTION THEREWITH AND
CERTAIN OTHER MATTERS**

WHEREAS, the Sacramento Suburban Water District (the "District"), is a county water district duly organized and existing under and pursuant to the Constitution and laws of the State of California;

WHEREAS, the Board of Directors of the District (the "Board") has previously caused the Sacramento Suburban Water District Adjustable Rate Refunding Revenue Certificates of Participation, Series 2009A (the "COPs") to be executed and delivered to refinance certain capital improvements of the District;

WHEREAS, to provide credit and liquidity support for the COPs, the District currently has a letter of credit facility (the "Credit Facility") in place from Sumitomo Mitsui Banking Corporation, acting through its New York Branch ("SMBC"), pursuant to the terms of a Reimbursement Agreement, dated as of March 1, 2009, as amended by an Amendment No. 1 to Reimbursement Agreement, dated April 19, 2012, each by and between the District and SMBC (as so amended, the "Existing Reimbursement Agreement"), which expires on June 30, 2015, and a Fee Letter Agreement, dated as of March 1, 2009, by and between the District and SMBC (the "Original Fee Letter"); and

WHEREAS, the Board has determined that it is in the best interest of the District to seek an extension of the Credit Facility (the "Credit Facility Extension"), to amend the Existing Reimbursement Agreement, and to amend and restate the Original Fee Letter.

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

1. The Credit Facility Extension is hereby approved. The Amendment No. 2 to Reimbursement Agreement, in substantially the form attached hereto as Exhibit A, upon execution as authorized below, is hereby approved. The President of the Board or the General Manager or the designee thereof is hereby authorized and directed to execute and deliver the Amendment No. 2 to Reimbursement Agreement with such changes, insertions and omissions as may be recommended by General Counsel or by the law firm of Stradling Yocca Carlson & Rauth, as Special Counsel ("Special Counsel") and approved by the officers executing the same, said execution being conclusive evidence of such approval.

2. The Fee Letter Agreement, in substantially the form attached hereto as Exhibit B, upon execution as authorized below, is hereby approved. The President of the Board or the General Manager or the designee thereof is hereby authorized and directed to execute and deliver the Fee

Letter Agreement with such changes, insertions and omissions as may be recommended by General Counsel or Special Counsel and approved by the officers executing the same, said execution being conclusive evidence of such approval.

3. The President of the Board or the General Manager or the designee thereof and any other proper officer of the District, acting singly, is each hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the aforementioned Credit Facility Extension, Amendment No. 2 to Reimbursement Agreement, Fee Letter Agreement, and this Resolution.

4. This resolution shall take effect immediately.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on March 16, 2015 by the following vote:

AYES:
NOES:
ABSENT:

By: _____
Neil W. Schild
President, Board of Directors
Sacramento Suburban Water District

I certify that the foregoing resolution was duly and regularly adopted and passed by the Board of Directors of the Sacramento Suburban Water District at a regular meeting thereof held on the 16th day of March, 2015.

(SEAL)

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

EXHIBIT 2
FORM OF AMENDMENT NO. 2 TO REIMBURSEMENT AGREEMENT
DATED MARCH, 2015

EXHIBIT 2

AMENDMENT NO. 2 TO REIMBURSEMENT AGREEMENT

DATED MARCH [], 2015

BETWEEN

SACRAMENTO SUBURBAN WATER DISTRICT

AND

SUMITOMO MITSUI BANKING CORPORATION,
ACTING THROUGH ITS NEW YORK BRANCH

RELATING TO

\$42,000,000
original aggregate principal amount of
Sacramento Suburban Water District
Adjustable Rate Refunding Certificates of Participation,
Series 2009A

Amending that certain Reimbursement Agreement, dated as of March 1, 2009, as amended by that certain Amendment No. 1 to Reimbursement Agreement, dated April 19, 2012, each between Sacramento Suburban Water District and Sumitomo Mitsui Banking Corporation, acting through its New York Branch

AMENDMENT NO. 2 TO REIMBURSEMENT AGREEMENT

THIS AMENDMENT NO. 2 TO REIMBURSEMENT AGREEMENT is dated March [], 2015 (this "Amendment No. 2"), by and between SACRAMENTO SUBURBAN WATER DISTRICT (the "Applicant") and SUMITOMO MITSUI BANKING CORPORATION, acting through its New York Branch (the "Bank"), amending that certain Reimbursement Agreement, dated as of March 1, 2009 (the "Original Reimbursement Agreement"), by and between the Applicant and the Bank, as amended by that certain Amendment No. 1 to Reimbursement Agreement, dated April 19, 2012 (the "Amendment No. 1"), by and between the Applicant and the Bank. The Original Reimbursement Agreement, as amended by the Amendment No. 1, is hereinafter referred to as the "First Amended Reimbursement Agreement" and the First Amended Reimbursement Agreement, as amended by this Amendment No. 2 and as it may be further amended and supplemented from time to time, is hereinafter referred to as the "Reimbursement Agreement."

WITNESSETH:

WHEREAS, pursuant to a Trust Agreement by and among Union Bank, N.A., as trustee (together with its successors and permitted assigns, the "Trustee"), Sacramento Suburban Water District Financing Corporation, a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California (the "Corporation") and the Applicant, dated as of March 1, 2009 (as more particularly defined in the First Amended Reimbursement Agreement, the "Trust Agreement"), the Applicant has authorized the issuance of the Sacramento Suburban Water District Adjustable Rate Refunding Certificates of Participation, Series 2009A (the "Certificates");

WHEREAS, the Certificates are payable from installment payments made by the Applicant to the Corporation pursuant to an Installment Purchase Agreement by and between the Applicant and the Corporation, dated as of March 1, 2009 (as more particularly defined in the First Amended Reimbursement Agreement, the "Installment Purchase Agreement");

WHEREAS, the Applicant requested and the Bank issued an irrevocable transferable letter of credit (as more particularly defined in the First Amended Reimbursement Agreement, the "Letter of Credit") for the payment by the Trustee, when and as due, of the principal of, the purchase price and interest on the Certificates, and to provide a liquidity facility in respect of certain drawings under the Letter of Credit;

WHEREAS, the Applicant has applied to the Bank for the extension by the Bank of the Stated Expiration Date of the Letter of Credit to June 30, 2018 and an amendment of certain provisions of the First Amended Reimbursement Agreement, and the Bank has agreed to extend the Stated Expiration Date of the Letter of Credit to June 30, 2018 and amend such provisions of the First Amended Reimbursement Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the undertakings herein set forth and intending to be legally bound, the Applicant and the Bank hereby agree as follows:

Section 1. Authority and Definitions.

(a) This Amendment No. 2 is entered into pursuant to Section 7.7 of the First Amended Reimbursement Agreement.

(b) This Amendment No. 2 amends the First Amended Reimbursement Agreement.

(c) Capitalized terms used herein without definition shall have the meanings set forth in the First Amended Reimbursement Agreement.

(d) Subject to the satisfaction of the conditions precedent set forth in Section 2 hereof, this Amendment No. 2 shall become effective, the Fee Letter Agreement, dated March [], 2015, between the Applicant and the Bank (the "Fee Letter") shall become effective, and a letter of credit amendment substantially in the form of Exhibit A attached hereto (the "Letter of Credit Amendment No. 2") shall be delivered to the Trustee by the Bank, upon the execution and delivery of this Amendment No. 2 and the Fee Letter by the Applicant and the Bank on March [], 2015 (the "Extension Closing Date").

(e) The provisions of this Amendment No. 2 shall supersede and prevail over any conflicting provisions of the First Amended Reimbursement Agreement. If there is any conflict between the terms, conditions and provisions of this Amendment No. 2 and those of any of the Related Documents, the terms, conditions and provisions of this Amendment No. 2, as applicable, shall prevail. Save and except as expressly amended hereby, all of the terms and provisions of the First Amended Reimbursement Agreement continue in full force and effect and are applicable to the provisions of this Amendment No. 2 and the obligations of the parties hereunder. Reference to this specific Amendment No. 2 need not be made in any note, document, agreement, letter, certificate, the Reimbursement Agreement or any communication issued or made subsequent to, or with respect to, the Reimbursement Agreement, it being hereby agreed that any reference to the Reimbursement Agreement shall be sufficient to refer to the First Amended Reimbursement Agreement as hereby amended. The parties hereto expressly agree that this Amendment No. 2 shall constitute a modification of the First Amended Reimbursement Agreement and does not constitute a novation or substitution with respect to the First Amended Reimbursement Agreement.

Section 2. Amendment of the First Amended Reimbursement Agreement.

(a) Section 1.01 of the First Amended Reimbursement Agreement is hereby amended by deleting the following definitions and substituting the following therefor:

"Facility Fee Rate" - means the rate applicable to the calculation of the fees set forth in paragraph (a)(i) of the Fee Letter.

"Fee Letter" - means the Fee Letter Agreement, dated March [], 2015, by and between the Applicant and the Bank, as the same may be amended, modified or supplemented from time to time by written instrument executed by the parties thereto.

“Obligations” – means all Reimbursement Obligations, all fees payable or reimbursable hereunder or under the Fee Letter to the Bank and all other obligations of the Applicant to the Bank arising under or in relation to this Agreement, the Fee Letter or the Related Documents.

“Related Documents” - means, collectively, this Agreement, the Fee Letter, the Letter of Credit, the Certificate Documents, the Purchase Agreement and any other agreement or instrument relating thereto.

“Termination Fee” – means the termination fee described in Section 2.7 hereof.

(b) Section 1.01 of the First Amended Reimbursement Agreement is hereby amended by adding the following in alphabetical order thereof:

“Executive Order” – has the meaning set forth in Section 4.22 hereof.

“Facility Fees” – has the meaning set forth in the Fee Letter.

“OFAC” – has the meaning set forth in Section 4.22 hereof.

“Patriot Act” – has the meaning set forth in Section 7.17 hereof.

“Reimbursement Account” – has the meaning set forth in the Fee Letter.

(c) Section 2.5 of the First Amended Reimbursement Agreement is hereby deleted in its entirety and the following substituted therefor:

Section 2.5. Fees. The Applicant agrees to perform its obligations provided for in the Fee Letter, including, without limitation, the payment of the fees provided for therein and the related fees and expenses of counsel to the Bank provided for therein at the times and in the amounts as set forth therein, the terms of which Fee Letter are incorporated herein by this reference as if fully set forth herein.

(d) Section 2.6 of the First Amended Reimbursement Agreement is hereby deleted in its entirety and the following substituted therefor:

Section 2.6. Method of Payment; Etc. All payments to be made by the Applicant under this Agreement or the Fee Letter shall be made to the Bank by wire transfer by the Applicant in lawful currency of the United States and in immediately available funds to the Reimbursement Account, or at such other place as the Bank may designate in writing, without any withholding, deduction or set-off, not later than 3:00 p.m. on the date when due. All payments received by the Bank after 3:00 p.m. shall be deemed to have been received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue.

(e) Section 2.7 of the First Amended Reimbursement Agreement is hereby amended by replacing each reference to “Section 2.5(a) hereof” therein with “the Fee Letter.”

(f) Section 2.8 of the First Amended Reimbursement Agreement is hereby deleted in its entirety and the following substituted therefor:

Section 2.8. Computation of Interest and Fees. All computations of interest and fees payable by the Applicant hereunder or under the Fee Letter shall be computed as set forth in the Fee Letter, the terms of which Fee Letter are incorporated herein by this reference as if fully set forth herein.

(g) Section 2.9 of the First Amended Reimbursement Agreement is hereby deleted in its entirety and the following substituted therefor:

Section 2.9. Payment Due on Non-Business Day to Be Made on Next Business Day. If any sum becomes payable pursuant to this Agreement or the Fee Letter on a day which is not a Business Day, the date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended time shall be included in the computation of interest and fees.

(h) To the extent that certain fees or other amounts or Obligations previously payable under the First Amended Reimbursement Agreement are payable under the Fee Letter by virtue of this Amendment No. 2, each reference in the First Amended Reimbursement Agreement to fees or other amounts or Obligations payable under the Reimbursement Agreement shall be deemed to include fees or other amounts or Obligations payable under the Fee Letter.

(i) Section 2.14 of the First Amended Reimbursement Agreement is hereby deleted in its entirety and the following substituted therefor:

Section 2.14. Increased Costs.

(a) If the Bank shall have determined that the adoption or implementation of, or any change in, any law, rule, treaty or regulation, or any policy, guideline or directive of, or any change in the interpretation, implementation or administration thereof by any court, central bank or other administrative or Governmental Authority (in each case, whether or not having the force of law), or compliance by the Bank with any request or directive of any such court, central bank or other administrative or Governmental Authority (whether or not having the force of law) (each a “Change in Law”), shall (i) change the basis of taxation of payments to the Bank of any amounts payable hereunder or under Bank Certificates (other than a change in the rate of tax based on the overall net income of the Bank), (ii) impose, modify or deem applicable any reserve, capital or liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against issuing or honoring draws under the Letter of Credit or assets held by or deposits with or for the account of, the Bank, or (iii) impose on the Bank any other condition regarding this Reimbursement Agreement, the Bank Certificates or the Letter of Credit, and the result of any event referred to in clause (i), (ii) or (iii) above shall be to increase the cost to the

Bank of honoring draws under the Letter of Credit, or to reduce the amount of any sum received or receivable by the Bank hereunder or under Bank Certificates, then, the Applicant shall pay to the Bank, at such time and in such amount as is set forth in paragraph (d) of this Section, such additional amount or amounts as will compensate the Bank for such increased costs or reductions in amount.

(b) If the Bank shall have determined that the applicability of any Change in Law, by, any court, central bank or other administrative or Governmental Authority, or compliance by the Bank, or any corporation controlling the Bank, with any directive of or guidance from any central bank or other authority (in each case, whether or not having the force of law), shall impose, modify or deem applicable any capital adequacy, liquidity or similar requirement (including, without limitation, a request or requirement that affects the manner in which the Bank, or any corporation controlling the Bank, allocates capital resources or liquidity to its commitments, including its obligations under lines of credit) that either (A) affects or would affect the amount of capital or liquidity to be maintained by the Bank, or any corporation controlling the Bank, as it relates to making or maintaining its obligations under this Reimbursement Agreement and the Letter of Credit or (B) reduces or would reduce the rate of return on the Bank's capital or liquidity, or the capital or liquidity of any corporation controlling the Bank, to a level below that which the Bank or any corporation controlling the Bank, could have achieved but for such circumstances (taking into consideration the policies of the Bank or any corporation controlling the Bank, with respect to capital adequacy or liquidity as it relates to making or maintaining its obligations under this Reimbursement Agreement and the Letter of Credit) then the Applicant shall pay to the Bank or any corporation controlling the Bank, at such time and in such amount as is set forth in paragraph (d) of this Section, such additional amount or amounts as will compensate the Bank or any corporation controlling the Bank, for such cost of maintaining such increased capital or liquidity or such reduction of the rate of return on the Bank's capital, or the capital of any corporation controlling the Bank. The protection of this Section 2.14(b) shall be available to the Bank regardless of any possible contention of invalidity or inapplicability of the law, regulation or condition which has been imposed.

(c) Notwithstanding the foregoing, for purposes of this Reimbursement Agreement (i) all requests, rules, guidelines or directives in connection with the Dodd-Frank Wall Street Reform and Consumer Protection Act shall be deemed to be a Change in Law, regardless of the date enacted, adopted or issued, and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or any Governmental Authority (in each case pursuant to Basel III or any successor Basel Accord) shall be deemed a Change in Law regardless of the date enacted, adopted or issued.

(d) The Bank may charge the Applicant for amounts referred to in paragraphs (a) and (b) of this Section for any period from and after the date on which the Bank gives written notice to the Applicant of the Bank's intention to recover increased costs pursuant to this Section. All payments of amounts referred to in paragraphs (a) and (b) of this Section shall be due and payable thirty (30) days following the Applicant's receipt of written notice thereof. Interest on the sums due as described in paragraphs (a) and (b) of this Section, and in the preceding sentence, shall begin to accrue from the date which is thirty (30) days following the Applicant's receipt of notice thereof and shall otherwise be payable in accordance with Section 2.6 hereof; provided that from and after the required date of payment, interest shall begin to accrue on such obligations at a rate per annum equal to the Default Rate until such delinquent payments have been paid in full. A certificate as to such increased cost, increased capital or liquidity or reduction in return incurred by the Bank as a result of any event mentioned in paragraphs (a) or (b) of this Section setting forth, in reasonable detail, the basis for calculation and the amount of such calculation shall be submitted by the Bank to the Applicant and shall be conclusive as to the amount thereof absent manifest error. In making the determinations contemplated by the above referenced certificate, the Bank may make such reasonable estimates, assumptions, allocations and the like that the Bank in good faith determines to be appropriate.

(e) The obligations of the Applicant under this Section 2.14 shall survive payment of all Obligations owed under this Agreement and the expiration of the Letter of Credit.

(j) Article Four of the First Amended Reimbursement Agreement is hereby amended by adding the following at the end thereof:

Section 4.22. Anti-Terrorism Laws. The Applicant is not in violation of any Laws relating to terrorism or money laundering ("Anti-Terrorism Laws"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "Executive Order"), and the Patriot Act;

(a) The Applicant is not any of the following: (i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (iii) a Person with which the Bank is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law; (iv) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or (v) a Person that is named as a "specially designated national and blocked person" on the most current list published by the Office of Foreign Asset Control ("OFAC") or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list;

(b) The Applicant does not (i) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (a)(ii) above, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(k) The addresses for notices to the Bank set forth in Section 7.11 of the First Amended Reimbursement Agreement are hereby deleted in their entirety and the following substituted therefor:

If to the Bank, addressed to it at:

To the address(es) set forth in the Fee Letter.

(l) Section 7.13 of the First Amended Reimbursement Agreement is hereby deleted in its entirety and the following substituted therefor:

Section 7.13. Taxes and Expenses. The Applicant agrees to perform its obligations provided for in the Fee Letter, including, without limitation, the payment of the taxes and expenses provided for therein at the times and in the amounts as set forth therein, the terms of which Fee Letter are incorporated herein by this reference as if fully set forth herein.

(m) Section 7.16 of the First Amended Reimbursement Agreement is hereby deleted in its entirety and the following substituted therefor:

Section 7.16. Entire Agreement. This Agreement and the Fee Letter constitutes the entire understanding of the parties with respect to the subject matter hereof and thereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby and thereby.

(n) Section 7.17 of the First Amended Reimbursement Agreement is hereby amended by adding the following at the end thereof:

The Applicant shall (a) ensure that no Person who owns a controlling interest in or otherwise controls the Applicant is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by OFAC, the Department of the Treasury or included in any Executive Orders, that prohibits or limits Bank from making any advance or extension of credit to Issuer or from otherwise conducting business with Applicant and (b) ensure that the Certificate proceeds and proceeds drawn under the Letter of Credit shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto. Further, the Applicant shall comply, and cause any of its subsidiaries to comply, with all applicable Bank Secrecy Act ("BSA") laws and regulations, as amended.

(o) Article Seven of the First Amended Reimbursement Agreement is hereby amended by adding the following at the end thereof:

Section 7.20. Redaction. In the event on or subsequent to the Effective Date the Applicant or the Corporation delivers or causes to be delivered to the Remarketing Agent for delivery to the Municipal Securities Rulemaking Board, or directly to the Municipal Securities Rulemaking Board, in either instance pursuant to Rule G-34 (“CUSIP Numbers, New Issue, and Market Information Requirements”), a copy of this Agreement or the Fee Letter (including without limitation any amendments hereto or thereto), the Applicant shall only provide or cause to be provided a copy of this Agreement and the Fee Letter (including without limitation any amendments hereto or thereto), in the forms provided by the Bank, that redacts such confidential information contained in this Agreement and the Fee Letter (including without limitation any amendments hereto or thereto) which could be used in a fraudulent manner, such as any VRDO liquidity bank routing or account numbers, staff names and contact information and fees assessed by the Bank, which redaction is consistent with MSRB Notice 2011-17 (February 23, 2011). The Bank shall provide such redacted copies of this Agreement and the Fee Letter (including without limitation any amendments hereto or thereto) upon request by the Applicant. The Applicant shall cause the Remarketing Agent to deliver only such redacted copies of this Agreement and the Fee Letter (including without limitation any amendments hereto or thereto), in the forms provided by the Bank, to the Municipal Securities Rulemaking Board pursuant to said Rule G-34.

Section 7.21. No Advisory or Fiduciary Relationship. In connection with any aspect of the transactions contemplated by this Agreement or the Related Documents (including in connection with any amendment, waiver or other modification hereof or of any Related Document), the Applicant acknowledges and agrees that (i) (A) the Letter of Credit issued by the Bank pursuant to this Agreement was negotiated in arm’s-length commercial transactions between the Applicant, on the one hand, and the Bank, on the other hand, (B) the Applicant has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Applicant is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated by this Agreement; (ii) (A) in connection with the issuance of the Letter of Credit by the Bank pursuant to this Agreement and with the discussions, undertakings and procedures leading up to the consummation of the transactions contemplated by this Agreement, the Bank is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Applicant or any other Person in connection with the transactions contemplated by this Agreement or the discussions, undertakings and procedures leading thereto and (B) the Bank has no obligation to the Applicant with respect to the transactions contemplated by this Agreement except those obligations expressly set forth in the Letter of Credit; and (iii) the Bank may be engaged in a broad range of transactions that involve interests that differ from those of the Applicant,

and the Bank has no obligation to disclose any of such interests to the Applicant. To the fullest extent permitted by law, the Applicant hereby waives and releases any claims that it may have against the Bank with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of the transactions contemplated by this Agreement.

Section 3. Conditions Precedent to Execution and Delivery and Effectiveness of this Amendment No. 2 and the Fee Letter and Issuance of the Letter of Credit Amendment No. 2. The obligation of the Bank to execute and deliver this Amendment No. 2 and the Fee Letter and to issue the Letter of Credit Amendment No. 2 shall be subject to the fulfillment of the following conditions precedent on or before the Extension Closing Date, in a manner satisfactory to the Bank and its counsel:

(a) the Bank shall have received on or before the Extension Closing Date true and complete original executed counterparts of this Amendment No. 2 and the Fee Letter;

(b) the Bank shall have received a copy of the resolution of the governing body of the Applicant approving this Amendment No. 2 and the Fee Letter and the other matters contemplated hereby, certified as of the Extension Closing Date by a duly authorized officer of the Applicant;

(c) the Bank shall have received a certificate of a duly authorized officer of the Applicant certifying the names and true signatures of the officers of the Applicant authorized to sign this Amendment No. 2 and the Fee Letter and the other documents to be delivered by it hereunder or thereunder and certifying that the Applicant has delivered to the Bank true, correct and complete copies of the Related Documents delivered prior to the Extension Closing Date;

(d) the Bank shall have received a written opinion or opinions of counsel to the Applicant, in form and substance satisfactory to the Bank and its counsel and dated the Extension Closing Date, covering such matters incident to the transactions contemplated by this Amendment No. 2, the Fee Letter and the Letter of Credit Amendment No. 2 as the Bank may reasonably request, including without limitation, the enforceability of the Reimbursement Agreement and the Fee Letter;

(e) (i) The representations and warranties of the Applicant contained in Article Four of the First Amended Reimbursement Agreement are correct on and as of the Extension Closing Date as though made on and as of such date; (ii) no Event of Default or Potential Default has occurred and is continuing, or would result from the issuance of the Letter of Credit Amendment No. 2 or the execution, delivery or performance of this Amendment No. 2 or the Fee Letter; (iii) no default has occurred and is continuing under any of the Related Documents; (iv) the Applicant is in compliance with the terms and conditions of the First Amended Reimbursement Agreement and has performed or complied with all of its obligations, agreements and covenants to be performed or complied with pursuant to the Reimbursement Agreement on or prior to the Extension Closing Date; (v) this Amendment No. 2 and the Fee Letter have been duly authorized, executed and delivered by the Applicant; (vi) the Applicant has delivered to the Bank true, correct and complete copies of the Related Documents and such documents were duly issued, adopted or executed and delivered, have not been modified,

amended or rescinded and are in full force and effect on and as of the Extension Closing Date; and (vii) all information, documents, statements and certificates provided to the Bank by or on behalf of the Applicant in connection with the transactions contemplated by this Amendment No. 2 and the Fee Letter are true and correct as of the date thereof and were provided in expectation of the Bank's reliance thereon in executing this Amendment No. 2 and the Fee Letter;

(f) the Bank shall have received a certificate signed by duly authorized officers of the Applicant, dated the Extension Closing Date, to the same effect as Section 3(c) hereof and covering such other matters incident to the transactions contemplated by this Amendment No. 2, the Fee Letter and the Letter of Credit Amendment No. 2 as the Bank may reasonably request; and

(g) all other legal matters pertaining to the execution and delivery of this Amendment No. 2 and the Fee Letter and the issuance of the Letter of Credit Amendment No. 2 shall be reasonably satisfactory to the Bank and its counsel.

Section 4. Representations and Warranties. The Applicant hereby represents and warrants as of the Extension Closing Date that: (i) the representations and warranties of the Applicant contained in Article Four of the First Amended Reimbursement Agreement are correct on and as of the Extension Closing Date as though made on and as of such date; (ii) no Event of Default or Potential Default has occurred and is continuing, or would result from the issuance of the Letter of Credit Amendment No. 2 or the execution, delivery or performance of this Amendment No. 2 or the Fee Letter; (iii) no default has occurred and is continuing under any of the Related Documents; (iv) the Applicant is in compliance with the terms and conditions of the First Amended Reimbursement Agreement and has performed or complied with all of its obligations, agreements and covenants to be performed or complied with pursuant to the Reimbursement Agreement on or prior to the Extension Closing Date; (v) this Amendment No. 2 and the Fee Letter have been duly authorized, executed and delivered by the Applicant; (vi) the Applicant has delivered to the Bank true, correct and complete copies of the Related Documents and such documents were duly issued, adopted or executed and delivered, have not been modified, amended or rescinded and are in full force and effect on and as of the Extension Closing Date; and (vii) all information, documents, statements and certificates provided to the Bank by or on behalf of the Applicant in connection with the transactions contemplated by this Amendment No. 2 and the Fee Letter are true and correct as of the date thereof and were provided in expectation of the Bank's reliance thereon in executing this Amendment No. 2 and the Fee Letter.

Section 5. Costs and Expenses. The Applicant has previously agreed pursuant to Section 7.13 of the Original Agreement to pay to the Bank all reasonable costs and expenses, if any, in connection with this Amendment No. 2, the Fee Letter and the Letter of Credit Amendment No. 2, including the reasonable fees and disbursements of counsel to the Bank. The Applicant hereby agrees that such costs and expenses are included as obligations under the First Amended Reimbursement Agreement.

Section 6. Miscellaneous.

(a) No Waiver. The Applicant acknowledges and agrees that, if and to the extent that the Bank has not heretofore required strict compliance with the performance by the Applicant of the covenants, agreements and obligations of the Applicant under the Reimbursement Agreement or the Related Documents, such action or inaction shall not constitute a waiver of, or otherwise affect in any manner, the Bank's rights and remedies under the Reimbursement Agreement or the Related Documents, as amended hereby, including the right to require performance of such covenants, agreements and obligations strictly in accordance with the terms and provisions thereof.

(b) Severability. In case any one or more of the provisions contained in this Amendment No. 2 should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

(c) Governing Law. This Amendment No. 2 shall be governed by, and construed in accordance with, the laws of the State of New York.

(d) Headings. The captions in this Amendment No. 2 are for convenience of reference only and shall not define or limit the provisions hereof.

(e) Counterparts. This Amendment No. 2 may be executed in counterparts, each of which shall constitute an original but all taken together to constitute one instrument.

(f) Entire Agreement. This Amendment No. 2 constitutes the entire understanding of the parties with respect to the subject matter hereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby.

[The Remainder of This Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to Reimbursement Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

SACRAMENTO SUBURBAN WATER DISTRICT

By: _____
Name: _____
Title: _____

SUMITOMO MITSUI BANKING CORPORATION,
acting through its New York Branch

By: _____
Name: _____
Title: _____

Exhibit A

Form of Letter of Credit Amendment No. 2

EXHIBIT J
TO
LETTER OF CREDIT

No. LG/MIS/NY-027284

NOTICE OF EXTENSION

March [], 2015

Letter of Credit Amendment No. 2

Union Bank, N.A., as Trustee
350 California Street, 11th Floor
San Francisco, California 94104
Attention: Corporate Trust Department

Ladies and Gentlemen:

Reference is hereby made to that certain Irrevocable Transferable Letter of Credit No. LG/MIS/NY-027284 dated June 30, 2009 (the "Letter of Credit"), established by us in your favor as Beneficiary. We hereby notify you that the Stated Expiration Date (as defined in the Letter of Credit) has been extended to June 30, 2018.

All other terms and conditions remain unchanged.

This letter should be attached to the Letter of Credit and made a part thereof.

SUMITOMO MITSUI BANKING CORPORATION,
acting through its New York Branch

By: _____
Name: _____
Title: _____

EXHIBIT 3
FORM OF FEE LETTER AGREEMENT

EXHIBIT 3

FEE LETTER AGREEMENT

March [], 2015

\$42,000,000
original aggregate principal amount of
Sacramento Suburban Water District
Adjustable Rate Refunding Certificates of Participation,
Series 2009A

Reference is hereby made to that certain Reimbursement Agreement, dated as of March 1, 2009 (the "Original Reimbursement Agreement"), between the Sacramento Suburban Water District (the "Applicant") and Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the "Bank"), as amended by that certain Amendment No. 1 to Reimbursement Agreement, dated April 19, 2012 (the "Amendment No. 1"), by and between the Applicant and the Bank. The Original Reimbursement Agreement, as amended by the Amendment No. 1, is hereinafter referred to as the "First Amended Reimbursement Agreement" and the First Amended Reimbursement Agreement, as amended by that certain Amendment No. 2 to Reimbursement Agreement, dated March [], 2015 (the "Amendment No. 2"), between the Applicant and the Bank and as it may be further amended and supplemented from time to time, is hereinafter referred to as the "Reimbursement Agreement.". Terms used herein without definition shall have the meanings assigned in the Reimbursement Agreement.

It is the intent of the parties hereto that this Fee Letter Agreement, (a) re-evidences, in part, the rights and obligations of the Applicant under the Fee Letter Agreement, dated as of March 1, 2009, between the Applicant and the Bank, as the same may be amended, modified or supplemented from time to time prior to the Extension Closing Date by written instrument executed by the parties thereto (the "Original Fee Letter"), (b) is entered into in substitution for, and not in satisfaction of, the rights and obligations of the Applicant under the Original Fee Letter, and (c) is in no way intended to constitute a novation of any of the rights and obligations of the Applicant which were evidenced by the Original Fee Letter.

Certain provisions of the Reimbursement Agreement make reference to a Fee Letter Agreement (this "Fee Letter") dated March [], 2015 between the Applicant and the Bank, as amended, modified or supplemented from time to time in accordance with the terms hereof and of the Reimbursement Agreement. This is the Fee Letter referenced in the Reimbursement Agreement, and the terms hereof are incorporated by reference into the Reimbursement Agreement as if fully set forth therein. The Applicant and the Bank hereby agree that the Extension Closing Date shall be the date hereof.

In consideration for the issuance of the Letter of Credit pursuant to the Original Reimbursement Agreement, the prior extension of the Stated Expiration Date of the Letter of Credit pursuant to the terms of the Amendment No. 1 and the issuance of the Letter of Credit Amendment No. 2 pursuant to the terms of the Amendment No. 2, the parties hereto agree as follows:

(a) Fees.

(i) Facility Fees. The Applicant agreed to pay to the Bank, on the Closing Date, for the period commencing on the Closing Date and ending on June 30, 2009, and in advance on the first Business Day of each April, July, October and January, for the period commencing on July 1, 2009 and ending on June 30, 2012, a non-refundable fee as set forth in the Original Reimbursement Agreement. The Applicant agreed to pay to the Bank in arrears on the first Business Day of each April, July, October and January, commencing October 1, 2012 for the period commencing on July 1, 2012 and ending on December 31, 2014 and agrees to pay to the Bank in arrears on April 1, 2015 for the period commencing on January 1, 2015 and ending on March [], 2015, a non-refundable fee as set forth in the First Amended Reimbursement Agreement. The Applicant agrees to pay to the Bank, in arrears on April 1, 2015 for the period commencing on March [], 2015 and ending on March 31, 2015 and on the first Business Day of each April, July, October and January thereafter to the Termination Date, commencing July 1, 2015 (each, a “Quarterly Payment Date”) for the period from and including the immediately preceding Quarterly Payment Date to but not including such Quarterly Payment Date, and on the Termination Date, for the period from and including the immediately preceding Quarterly Payment Date to and including the Termination Date, a non-refundable fee in an amount equal to the rate per annum associated with the Rating or the ratio of Net Revenues over Debt Service (“Net Revenues/Debt Service”) as specified below (the “Facility Fee Rate” on the Gross Available Amount of the Letter of Credit (the “Facility Fees” for each day during each related period.

Level	Net Revenues /Debt Service	S&P Rating	Moody's Rating	Fitch Rating	Facility Fee Rate
Level 1	>1.6x	A+ or above	A1 or above	A+ or above	0.45%
Level 2	>1.5x	A	A2	A	0.80%
Level 3	>1.4x	A-	A3	A-	0.95%
Level 4	>1.3x	BBB+	Baa1	BBB+	1.25%
Level 5	>1.2x	BBB	Baa2	BBB	1.50%
Level 6	>1.15x	BBB-	Baa3	BBB-	1.75%
Level 7	≤1.15x	Below BBB-	Below Baa3	Below BBB-	3.00%

At any time the Rating (as defined below) is withdrawn, suspended or otherwise unavailable by S&P (if S&P is then rating the Certificates), by Moody's (if Moody's is then rating the Certificates) or by Fitch (if Fitch is then rating the Certificates), the Letter of Credit Fee Rate shall be that set forth in Level 7 above. If, at any time, the ratio of Net Revenues/Debt Service and the Rating indicate different Facility Fee Rates, the one resulting in the highest Facility Free Rate shall apply. In addition, upon the occurrence of any Event of Default under the Reimbursement Agreement, the Facility Fee Rate shall be equal to that set forth in Level 7

above. The term "Rating" as used above shall mean the lowest of the long-term ratings assigned by S&P (if S&P is then rating the Certificates), by Moody's (if Moody's is then rating the Certificates) or by Fitch (if Fitch is then rating the Certificates) to any long-term unenhanced obligations of the Applicant (without giving effect to any letter of credit, any bond insurance policy, or other credit enhancement securing any such indebtedness). Any change in the Facility Fee Rate resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to Ratings above are references to rating categories as presently determined by S&P, Moody's and Fitch and in the event of adoption of any new or changed rating system by any of S&P, Moody's or Fitch, each of the Ratings from the rating agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The Applicant and the Bank acknowledge that, as of the Extension Closing Date, the Facility Fee Rate is that specified above for Level 1; provided, however, that the Bank is making such acknowledgement based solely on the Applicant's representation set forth in Section 4.21 of the Reimbursement Agreement.

The Facility Fees shall be payable quarterly in advance on each Quarterly Payment Date, based upon a year of 360 days and the actual number of days elapsed, together with interest on the Facility Fees from the date payment is due until payment in full at the Default Rate. In the event of any increase in the Facility Fee Rate as set forth above during any period from and including any Quarterly Payment Date to the next succeeding Quarterly Payment Date, the Applicant further agrees to pay to the Bank, an additional amount equal to the amount by which (i) the Facility Fees calculated at the Facility Fee Rate after giving effect to such increase in the Facility Fee Rate for the period from the date of such increase in the Facility Fee Rate to the end of the current period exceeds (ii) the Facility Fees calculated at the Facility Fee Rate before giving effect to such increase in the Facility Fee Rate for the period from the date of such increase in the Facility Fee Rate to the next Quarterly Payment Date. Such additional amount shall be due and payable on the next Quarterly Payment Date.

(ii) Draw Fees. The Applicant agrees to pay to the Bank, on the date any drawing is made on the Letter of Credit, a non-refundable fee equal to \$250 for such drawing on the Letter of Credit.

(iii) Administration Fees. The Applicant agreed to pay to the Bank (i) on the Closing Date, a non-refundable fee and (ii) on each anniversary of the Closing Date, a non-refundable fee, as reimbursement of the Bank's out-of-pocket expenses in administering the Reimbursement Agreement and the Letter of Credit, as set forth in the Original Reimbursement Agreement. The administration fee described in clause (ii) above has not been and is no longer due and payable by the Applicant.

(iv) Transfer Fees. The Applicant agrees to pay to the Bank, on the date of each transfer of the Letter of Credit to a successor beneficiary, a non-refundable fee equal to \$2,500, plus, in each case, the reasonable fees and expenses of counsel to the Bank.

(v) Closing Fee. The Applicant agreed to pay on the Closing Date to the Bank, a non-refundable closing fee as set forth in the Original Reimbursement Agreement.

(vi) Other Fees. The Applicant hereby also agrees to pay to the Bank the fees agreed to between the Applicant and the Bank, in the Fee Letter Agreement dated as of March 1, 2009, between the Applicant and the Bank, as the same may be amended, modified or supplemented from time to time prior to the Extension Closing Date by written instrument executed by the parties thereto, or as otherwise agreed to in writing between such parties at any time after the Closing Date.

(b) Taxes and Expenses. The Applicant will promptly pay (i) the reasonable fees and expenses of counsel to the Bank incurred in connection with the preparation, negotiation, execution and delivery of the Reimbursement Agreement, this Fee Letter and other Related Documents, (ii) the reasonable fees and disbursements of foreign counsel to the Bank, incurred in connection with the preparation, execution and delivery of the Reimbursement Agreement, this Fee Letter and other Related Documents, (iii) the reasonable fees and disbursement of counsel to the Bank with respect to advising the Bank as to the rights and responsibilities under the Reimbursement Agreement, this Fee Letter and the other Related Documents after the occurrence of an Event of Default, and (iv) all reasonable costs and expenses, if any, in connection with any amendment to or the enforcement of the Reimbursement Agreement, this Fee Letter, the other Related Documents and any other documents which may be delivered in connection herewith or therewith, including in each case the reasonable fees and disbursements of counsel to the Bank. In addition, the Applicant shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing, and recording of the Reimbursement Agreement and this Fee Letter and the security contemplated by the Related Documents and any Related Documents (other than taxes based on the net income of the Bank) and agrees to hold the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees; provided, however, that the Applicant may reasonably contest any such taxes or fees with the prior written consent of the Bank, which consent, if an Event of Default does not then exist, shall not be unreasonably withheld. In addition, the Applicant agrees to pay, after the occurrence of an Event of Default, all costs and expenses (including attorneys' fees and costs of settlement) incurred by the Bank in enforcing any obligations or in collecting any payments due from the Applicant hereunder by reason of such Event of Default or in connection with any refinancing or restructuring of the credit arrangements provided under the Reimbursement Agreement in the nature of a "workout" or of any insolvency or bankruptcy proceedings. The obligations of the Applicant under this paragraph (b) shall survive payment of all Obligations owed under the Reimbursement Agreement and the expiration of the Letter of Credit.

(c) "Reimbursement Account" shall mean the following account of the Bank (or at such other place as the Bank may designate in writing):

Citibank, N.A. New York
ABA Number: 021-000-089
F/O: Sumitomo Mitsui Banking Corp., New York Branch
Account Number: 360-23-837
Attention: Trade Credit Services Department
Re: Sacramento Suburban Water District
Contact: (212) 224-4000

(d) Notices. Any notice, demand, direction, request or other instrument authorized or required by the Reimbursement Agreement to be given to or filed with the Bank shall be sent to the following addresses (or to such other address(es) of which the Bank shall notify the other parties listed in Section 7.11 of the Reimbursement Agreement):

if to the Bank with respect to draws under the Letter of Credit, to: Sumitomo Mitsui Banking Corporation,
New York Branch
277 Park Avenue
New York, New York 10172
Attention: Trade Credit Services Department
Telephone: (212) 224-4000
Facsimile: (212) 224-4566

if to the Bank with respect to the Reimbursement Agreement, to: Sumitomo Mitsui Banking Corporation,
New York Branch
277 Park Avenue
New York, New York 10172
Attention: Public and Infrastructure Finance Department
Telephone: (212) 224-4000
Facsimile: (212) 224-5227

No amendment, modification or waiver of any provision of this Fee Letter shall be effective unless the same shall be in writing and signed by the Bank and the Applicant. Any such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Applicant in any case shall entitle the Applicant to any other or further notice or demand in the same, similar or other circumstances. No course of dealing or failure or delay on the part of the Bank in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right or privilege. The rights of the Bank under this Fee Letter are cumulative and not exclusive of any rights or remedies which the Bank would otherwise have. In case any one or more of the provisions contained in this Fee Letter should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions. This Fee Letter shall be governed by, and construed in accordance with, the laws of the State of New York. This Fee Letter may be executed in counterparts, each of which shall constitute an original but all taken together to constitute one instrument. This Fee Letter constitutes the entire understanding of the parties with respect to the subject matter hereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby. This Fee Letter and the Reimbursement Agreement shall be construed as one agreement between the Applicant and the Bank and shall be governed by the provisions of the Reimbursement Agreement.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Applicant and the Bank have caused this Fee Letter Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

SACRAMENTO SUBURBAN WATER
DISTRICT

By: _____
Name: _____
Title: _____

SUMITOMO MITSUI BANKING
CORPORATION, acting through its New York
Branch

By: _____
Name: _____
Title: _____



Agenda Item: 10

Date: March 3, 2015

Subject: California Special Districts Association Call for Nominations – Board of Directors, Sierra Network, Seat C

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

Recommended Board Action:

Direct the Secretary of the Board to submit in writing the Board’s nomination of Frederick A. Gayle for the CSDA Board of Directors – Seat C.

Discussion:

Recently the District received a call for nominations for Seat C from the California Special Districts Association (CSDA). The information was provided to the Board at the February 23, 2015 regular Board meeting and Director Gayle expressed his interest in being nominated.

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 regional divisions (SSWD is in Region 2). Each division has three seats on the Board. 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 region 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 Friday, March 31, 2015.

Ballots are scheduled to be mailed by June 5, 2015 and returned by mail to CSDA by August 7, 2017. Successful candidates will be announced at CSDA’s Annual Conference, in Monterey in September.

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 Sierra Network Seat C, nomination form and 2015 region map.

Fiscal Impact:

None related to this nomination. If elected, minor travel, meeting and conference costs will be incurred by the District as some, but not all, CSDA Board member costs are reimbursed by CSDA.

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 nominating an individual(s), the District is actively participating and advancing the District's position by support of a candidate.

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:

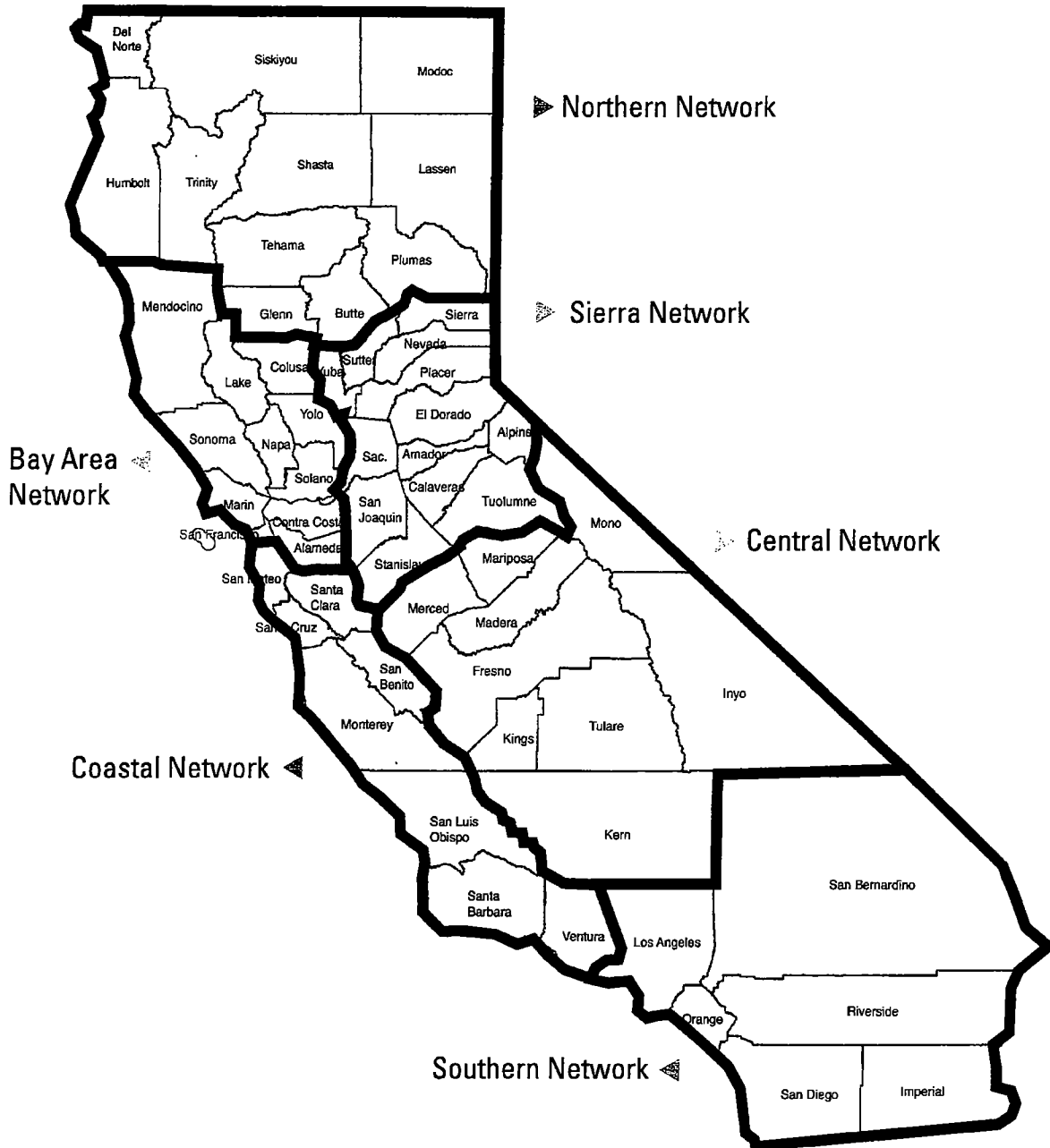
- Attend all Board meetings, held every other month at the CSDA office in Sacramento.
- Participate on at least one committee, meets 3-5 times a year at the CSDA office in Sacramento.
(CSDA reimburses Directors for their related expenses for Board and committee meetings as outlined in Board policy).
- 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: 11

Date: March 6, 2015

Subject: District Activity Report

Staff Contact: Dan York, Assistant General Manager

Described below are significant District Activities and milestones over the past month. The report is separated into the following sections: Water Operations and Exception Report, Customer Service Report, Water Conservation and Regional Water Efficiency Program Report, and Community Outreach Report.

a. Water Operations and Exceptions

i. Monthly Water Production – Exhibit WO-1

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.

ii. Water Wheeled to Other Purveyors – Exhibit WO-2

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).

iii. Water Operations Activity – Exhibit WO-3

This shows the types and number of activities that are conducted daily in the Production, Distribution and Field Services Departments.

iv. Claims Update – Exhibit WO-4

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.

v. General System Discharges by Category – Exhibit WO-5

As reported at the February 23, 2015 Regular Board Meeting, staff has included a new monthly report titled *General System Discharges by Category* to quantify the amount of water discharged to waste for each discharge type. In February 2015, the total volume of water flushed was 0.183 MG or 0.04% of the total water produced for the month.

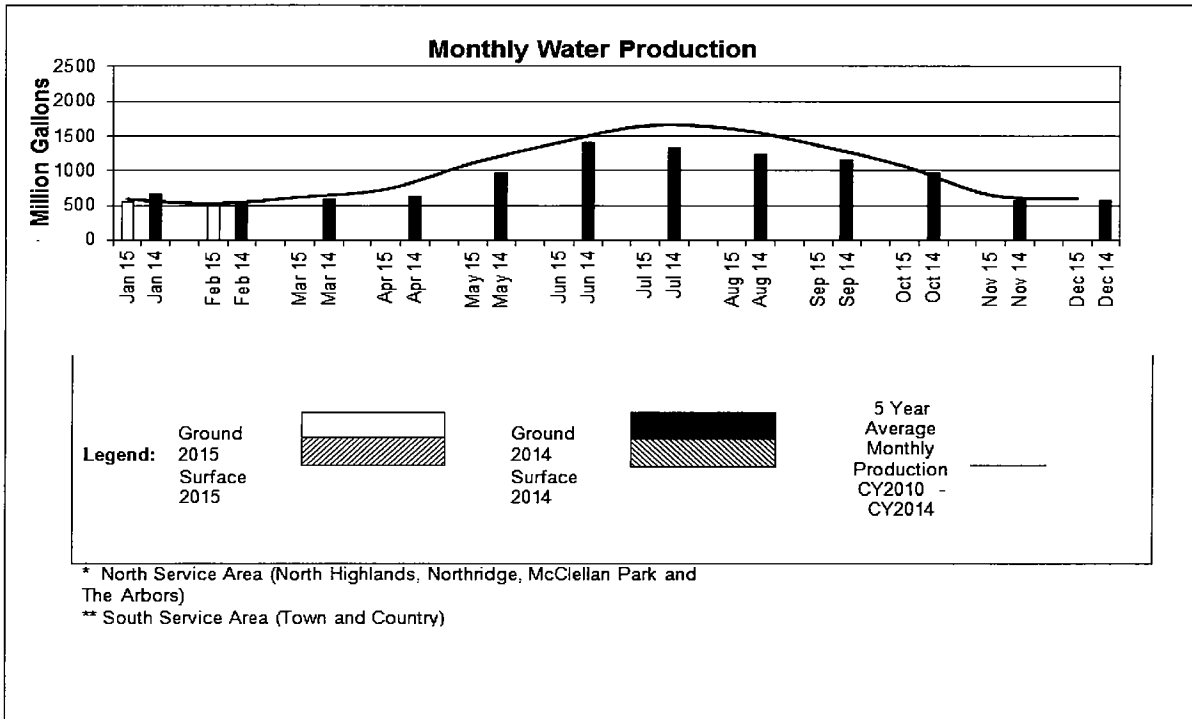
vi. Exception Report for February

None to report.

Exhibit WO-1

**Monthly Water Production
 2015**

Month	North Service Area *			South Service Area **			Total North & South Service Areas (MG)	Average MG/Day	% Of Total Year to Date Production
	Surface (MG)	Ground (MG)	Sub Total (MG)	Surface (MG)	Ground (MG)	Sub Total (MG)			
Jan	0.000	351.205	351.205	0.000	213.703	213.703	564.908	18.223	52.984
Feb	0.000	296.100	296.100	0.000	205.187	205.187	501.287	17.903	47.016
Mar									
Apr									
May									
Jun									
July									
Aug									
Sep									
Oct									
Nov									
Dec									
MG	0.000	647.305	647.305	0.000	418.890	418.890	1066.195	18.071	
AF	0.000	1,986.506	1,986.506	0.000	1,285.526	1,285.526	3,272.032		



District Activity Report

March 6, 2015

Page 4 of 25

Exhibit WO-1 (cont.)

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	501.287	501.287	-3.939
Feb 14	0.000	505.226	505.226	
Mar 15				
Mar 14	0.000	595.094	595.094	
Apr 15				
Apr 14	0.000	620.163	620.163	
May 15				
May 14	0.000	969.824	969.824	
Jun 15				
Jun 14	0.000	1,413.213	1,413.213	
Jul 15				
Jul 14	0.000	1,329.245	1,329.245	
Aug 15				
Aug 14	0.000	1,241.361	1,241.361	
Sep 15				
Sep 14	0.000	1,165.237	1,165.237	
Oct 15				
Oct 14	0.000	962.686	962.686	
Nov 15				
Nov 14	0.000	574.261	574.261	
Dec 15				
Dec 14	0.000	566.316	566.316	

Exhibit WO-3

Water Operations Activity

	<u>January 2015</u>	<u>February 2015</u>	<u>Monthly Average</u>	<u>CY 2015</u>
<u>Production Department</u>				
<u>Service Orders</u>				
<u>Preventive Maintenance: Work Orders Completed</u>	1,538	1,216	1,377	2,754
<u>Corrective Maintenance: Work Orders Completed</u>	10	18	14	28
<u>Water Quality</u>				
<u>Complaints</u>	0	0	0	0
<u>Inquiries</u>	18	15	17	33
<u>Distribution Department</u>				
<u>Service Orders</u>				
<u>Main Leaks</u>	1	3	2	4
<u>Service Line Leaks</u>	12	12	12	24
<u>Locate & Expose (L&E)</u>	34	15	25	49
<u>Determine Responsibility (DR)</u>	30	42	36	72
<u>Water Main Shutdown</u>				
<u>– Emergency</u>	1	2	2	3
<u>– Scheduled</u>	0	1	1	1
<u>Preventive Maintenance Program</u>				
<u>Fire Hydrants Inspected</u>	139	255	197	394
<u>Fire Hydrant Valves Inspected</u>	124	244	184	368
<u>Fire Hydrant Valves Exercised</u>	95	208	152	303
<u>Mainline Valves Inspected</u>	30	48	39	78
<u>Mainline Valves Exercised</u>	30	47	39	77
<u>Underground Service Alert</u>				
<u>Reviewed</u>	1,248	1,306	1,277	2,554
<u>Marked</u>	407	434	421	841
<u>After Hours Activity (On-Call Technician)</u>				
<u>Calls Received</u>	66	86	76	152
<u>Calls Responded</u>	38	21	30	59
<u>Average Call Time Hours</u>	2	3	3	2
<u>Overtime Hours</u>	65	56	61	121
<u>Field Services Department</u>				
<u>Meters</u>				
<u>Preventive Maintenance - Meters Tested</u>	0	2	1	2
<u>Preventive Maintenance - Meters Replaced</u>	2	1	2	3
<u>Preventive Maintenance - Meter Re-Builds</u>	0	1	1	1
<u>Customer Service</u>				
<u>Shut Off (non-payment)</u>	229	222	226	451
<u>Restore Service</u>	171	175	173	346
<u>Customer Pressure Inquiries</u>	11	10	11	21
<u>Field Operations Department</u>				
<u>Service Requests Generated</u>	1,784	1,515	1,650	3,299
<u>Work Orders Generated</u>	831	970	901	1,801

Exhibit WO-4

Date: March 6, 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.

Exhibit WO-5

**General System Discharges by Category
 February 2015**

Distribution System Flushing		Volume (gal)
2/3/2015	7,500	
2/3/2015	6,000	
2/4/2015	22,000	
2/4/2015	9,000	
2/5/2015	9,000	
2/5/2015	3,000	
2/5/2015	10,000	
2/6/2015	6,000	
2/6/2015	6,000	
2/9/2015	6,000	
2/9/2015	4,000	
2/10/2015	10,000	
2/12/2015	15,000	
2/12/2015	6,250	
2/12/2015	7,500	
2/17/2015	10,000	
2/19/2015	500	
2/23/2015	712	
2/23/2015	2,000	
2/24/2015	2,500	
2/24/2015	4,000	
2/25/2015	500	
Subtotal	176,212	
% of Total	96.2%	

Distribution System Flushing (Cont)		Volume (gal)
2/25/2015	1,000	
2/25/2015	1,000	
2/25/2015	1,000	
2/25/2015	1,250	
2/25/2015	8,000	
2/25/2015	1,000	
2/25/2015	1,000	
2/26/2015	12,000	
2/26/2015	2,500	
Subtotal	0	
% of Total	#DIV/0!	

Construction Dewatering		Volume (gal)
None	0	
Subtotal	0	
% of Total	#DIV/0!	

Large Meter Testing		Volume (gal)
2/19/2015	8	
2/19/2015	210	
2/19/2015	700	
2/19/2015	2,100	
2/19/2015	8	
2/19/2015	78	
2/19/2015	75	
2/19/2015	800	
2/19/2015	8	
2/19/2015	8	
2/19/2015	78	
2/19/2015	75	
2/19/2015	800	
2/20/2015	8	
2/20/2015	78	
2/20/2015	75	
2/20/2015	800	
2/24/2015	800	
2/24/2015	125	
2/24/2015	78	
Subtotal	6,912	
% of Total	3.8%	

Tank Dewatering		Volume (gal)
None	0	
Subtotal	0	
% of Total	0.0%	

Fire Flow Testing		Volume
None	0	
Subtotal	0	
% of Total	#DIV/0!	

Well Rehabilitation / Development		Volume (gal)
None	0	
Subtotal	0	
% of Total	0.0%	

Total Volume Flushed for all Types of Discharges: 0.183 MG
Total Monthly Production for the Month: 501.287 MG
Percent of Total Production Discharged to Waste: 0.037 %

b. Customer Service Report

i. Customer Service Monthly Activity - Exhibits CS-1 & CS-2

Customer Service Activity Report shows Customer Service activity for the month of February 2015.

Call Volume Report shows number of calls received, abandoned calls, and queue times.

ii. Customer Service Exceptions

There is nothing pertinent to report.

Exhibit CS-1 - Customer Service Activity

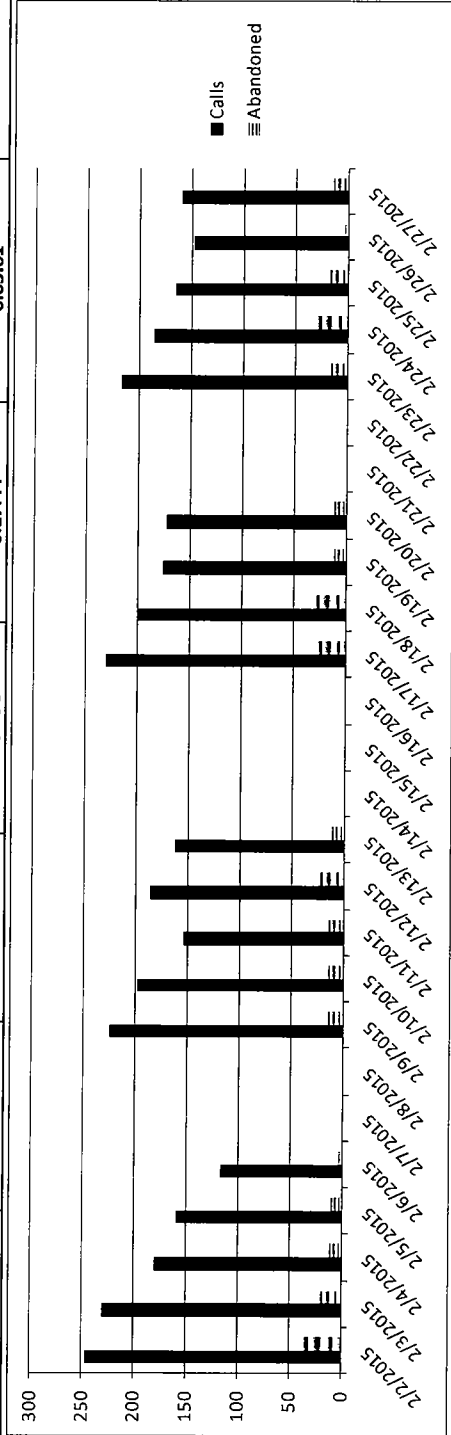
	February 2015	Calendar Year 2015		
<u>Customer Service Department</u>				
<u>Billing</u>				
Water Connections - Total Active	46,170	n/a		
Active Flat w/o Meter	11,159	n/a		
Active Flat w/Meters	2,252	n/a		
Active Meter Non-Residential	6,443	n/a		
Active Meter Residential	26,316	n/a		
Water Connections - Suspended/Disconnected	639	n/a		
Owner/Tenant Billing Agreement	1,156	n/a		
E-billing	2,030	n/a		
Water Statements Mailed	40,041	80,088		
Monthly Calls	3,516	6,847		
Customer Changes	195	417		
<u>Collections</u>				
15-Day Notices	1,574	3,206		
48-hour Door Tags Generated-Federal Express	753	1,538		
Lock-off Door Tags Generated	211	497		
Bankruptcy Processed	46	61		
			Count	% of Total
<u>Payments</u>				
Cash/Check Payments (Front Office)	1,221	3.1%	2,722	3.6%
Credit Card Payments (Front Office)	660	1.7%	1,390	1.8%
SSWD Customer Web Payments	3,277	8.4%	6,751	8.8%
Direct Payment Service (Auto Payment- Checking)	5,030	12.9%	10,054	13.1%
Direct Payment Service (Auto Payment-Credit Card)	1,263	3.3%	2,407	3.1%
IVR (Automated Phone System)	1,172	3.0%	2,470	3.2%
Electronic Payments (Online Banking Payment)*	11,715	30.2%	23,552	30.7%
LockBox (Checks)	14,515	37.4%	27,324	35.6%
Total Payments	38,853	100.0%	76,670	100.0%

*Electronic payments have been combined
 into one category

Exhibit CS-2 - Call Volume Report - February 2015

Date Ranges : 02/01/2015 - 02/28/2015
 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
2/2/2015	246	38	15.45%	0:01:51	0:09:57	0:03:16	Billing Due Date
2/3/2015	231	21	9.09%	0:01:27	0:07:07	0:02:57	
2/4/2015	180	13	7.22%	0:01:19	0:05:54	0:03:06	Lock-off for Collections
2/5/2015	160	11	6.88%	0:01:10	0:05:06	0:02:41	
2/6/2015	117	4	3.42%	0:00:59	0:03:42	0:02:43	
2/9/2015	225	15	6.67%	0:02:16	0:17:44	0:02:44	Billing Due Date
2/10/2015	198	16	8.08%	0:02:23	0:16:32	0:03:12	
2/11/2015	154	15	9.74%	0:01:34	0:08:59	0:03:00	Lock-off for Collections
2/12/2015	186	24	12.90%	0:01:51	0:07:29	0:03:42	
2/13/2015	163	12	7.36%	0:02:10	0:14:55	0:03:03	
2/17/2015	230	27	11.74%	0:01:59	0:10:15	0:02:55	Billing Due Date
2/18/2015	199	30	15.08%	0:02:23	0:09:36	0:03:23	Lock-off for Collections
2/19/2015	176	12	6.82%	0:01:31	0:08:52	0:02:47	
2/20/2015	173	12	6.94%	0:01:17	0:07:57	0:03:05	
2/23/2015	217	17	7.83%	0:01:38	0:06:34	0:02:48	Billing Due Date
2/24/2015	187	31	16.58%	0:02:03	0:08:07	0:02:45	
2/25/2015	166	18	10.84%	0:01:12	0:08:10	0:03:10	Lock-off for Collections
2/26/2015	148	4	2.70%	0:01:25	0:07:10	0:02:50	
2/27/2015	160	16	10.00%	0:02:09	0:10:55	0:03:04	
GroupTotal	3516	336	9.56%	0:01:51	0:17:44	0:03:01	



c. Water Conservation and Regional Water Efficiency Program Report

i. Water Production – Exhibit WC-1

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 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 February 2015, District production declined 10% when compared to the historical average for the month of February, 2% from the 10 year average, 5% from the 3 year average, and 16% from the 20x2020 baseline average (1997-2006). In February 2015 production decreased 1% when compared to February of 2014.

The State Water Resources Control Board (SWRCB) is using 2013 water use data as a baseline to gauge drought response. The District has decreased water production by 7% in February 2015 when compared to February 2013.

It appears District customers continue to reduce their water use as stricter water conservation measures have been in effect. The District has decreased its water use by 9% in CY2015 when compared to CY2014 and 1% when compared to CY2013. The District's efforts remain below the 20% reduction goals called for by the Governor.

ii. Drought Report – Exhibit WC-2

The Drought Report (see Exhibit 2), by the Regional Water Authority (RWA), summarizes the water use reduction in 2015 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 January 2015.

iii. Water Conservation Program - WC-3

As a result of the SWRCB'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 SWRCB decision.

- The Watering Days page was updated to reflect the Board of Directors' decision to allow a 3 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 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 also continues to promote water conservation directly to the District customers. To date, District staff and our contract company have performed 18 indoor residential Water-Wise House Calls and 45 outdoor residential Water-Wise House Calls. Staff has issued 49 notices of Water Waste, a 6% decrease when compared to February 2014. During February 2015, staff conducted 11 Large Landscape water surveys for the various parks districts, Home Owners Associations, and schools, as well as 4 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) is now available to the public via the District's website. The Survey asks 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.

District staff is still awaiting information regarding drought restrictions from the SWRCB. The SWRCB will be meeting on March 17, 2015 to make decisions on proposed statewide drought restrictions. District staff is anticipating decisions regarding reporting, outdoor irrigation, and water shortage contingency planning. (See separate report.)

The California Department of Water Resources (DWR) issued a press release regarding the results of the third snow survey for the 2014-15 winter season (see Exhibit 3 for the DWR press release). The snow survey was conducted on March 3, 2015 and found 0.9 inches of water content in the snow, just 5 percent of the March 3 historical average for the collection site. Electronic readings by DWR indicate the water content of the northern Sierra snowpack is 4.4 inches, 16 percent of average for March 3. The central and southern Sierra readings were 5.5 inches, 20 percent average, and 5 inches, 22 percent, respectively.

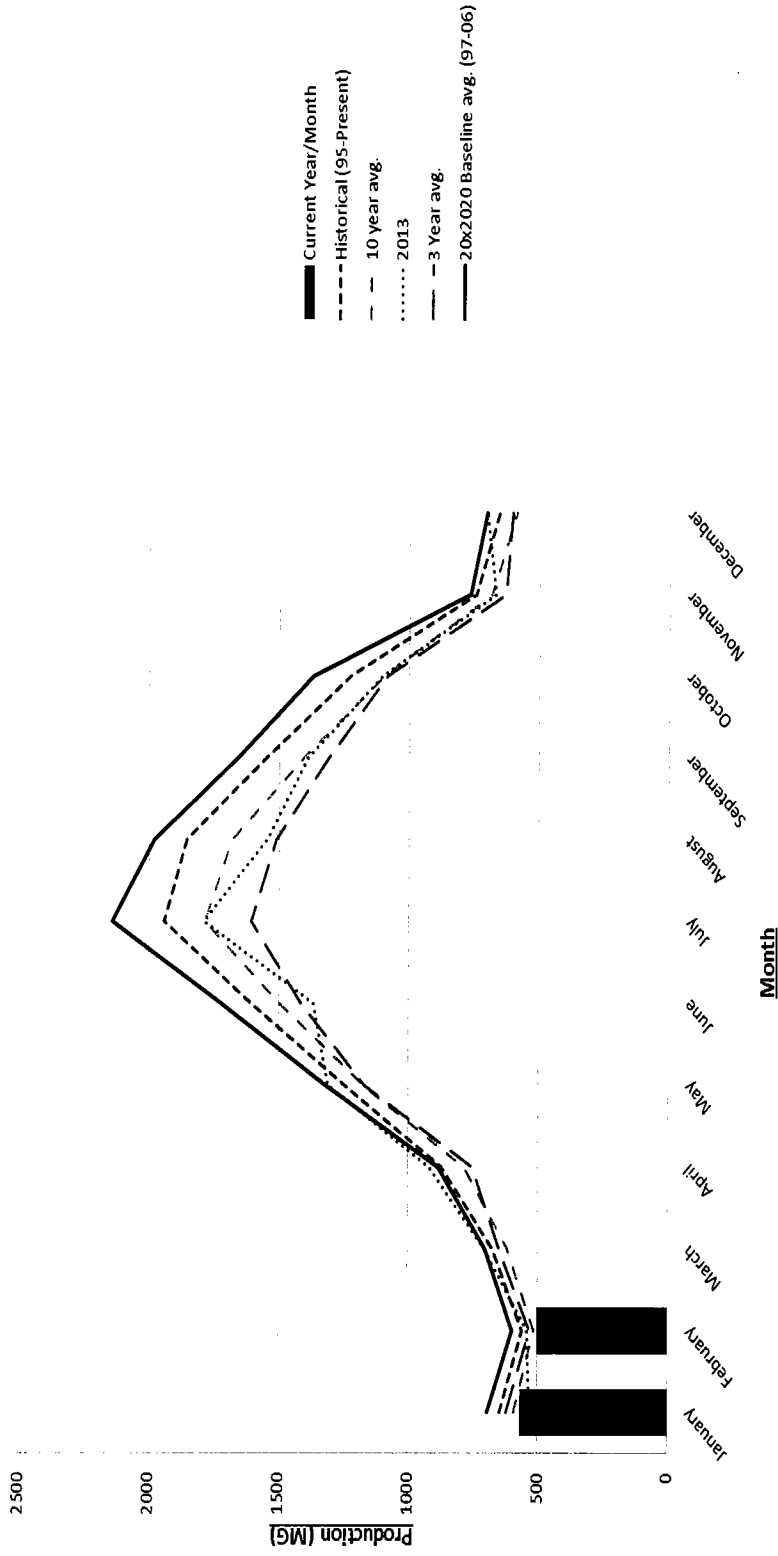
iv. Upcoming Events

State Water Resources Control Board Meeting – March 17, 2015, in Sacramento, CA

California Urban Water Conservation – Plenary Meeting – March 25, 2015 in San Diego, CA

Creek Week Event – April 18, 2015 at Carmichael Park, from 11:00 a.m. to 2:00 p.m.

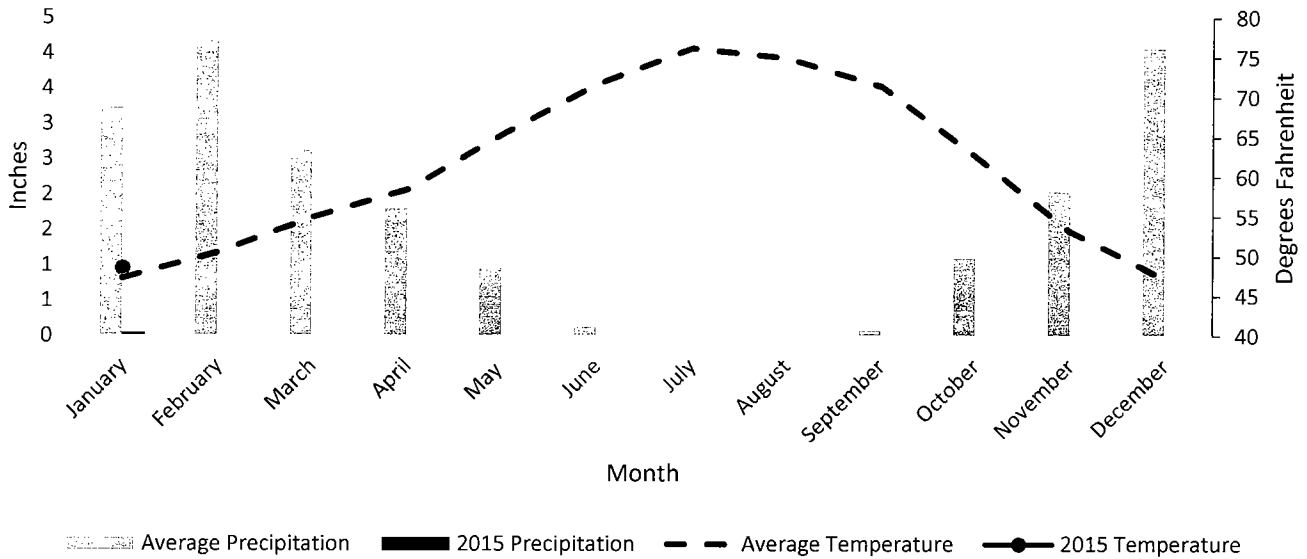
Exhibit WC-1



Month	Production (MG)	% Chg. Hist.	% Chg. 10 Yr.	% Chg. 2013	% Chg. 3 Yr.	% Chg. B.L.
Feb-15	501,287	-10%	-2%	-7%	-5%	-16%

Exhibit WC-2 (cont.)

Precipitation and Temperature, Average (1998-2014) and 2015



Water Agency	January 2015 R-GPCD*
California American Water	105
Carmichael Water District	73
Citrus Heights Water District	75
City of Folsom	85
City of Lincoln	76
City of Roseville	53
City of Sacramento	64
City of West Sacramento	94
El Dorado Irrigation District	79
Elk Grove Water District	82
Fair Oaks Water District	85
Golden State Water Company	84
Orange Vale Water Company	100
Placer County Water Agency	103
Rancho Murieta CSD	131
Rio Linda/Elverta CWD	98
Sacramento County Water Agency	82
Sacramento Suburban WD	98
Regional Average	80

*R-GPCD: Residential Gallons per Day per Capita

Exhibit WC-3



CALIFORNIA DEPARTMENT OF WATER RESOURCES

NEWS FOR IMMEDIATE RELEASE

NEWS FOR IMMEDIATE RELEASE

March 3, 2015

Doug Carlson, Information Officer – (916) 653-5114
Paul.Carlson@water.ca.gov
Elizabeth Scott, Information Officer – (916) 712-3904
Elizabeth.Scott@water.ca.gov
Ted Thomas, Information Officer – (916) 653-9712
Ted.Thomas@water.ca.gov

Nature's Mountain Snowpack "Reservoir" Still Lacking; Third Manual Survey Confirms Shrinking Water Content

SACRAMENTO – The Sierra Nevada snowpack, which Californians rely on heavily during the dry summer months for their water needs, continues to disappoint this winter. Despite the snowfall in the Sierra Nevada Range over the weekend that gladdened ski and snowboard enthusiasts, it was not enough to offset weeks with no snow at all.

Today's manual survey by the Department of Water Resources (DWR) at the Phillips snow course in the mountains 90 miles east of Sacramento found 0.9 inches of water content in the snow, just 5 percent of the March 3 historical average for that site. Electronic readings by the Department of Water Resources (DWR) today indicate the water content of the northern Sierra snowpack is 4.4 inches, 16 percent of average for the date. The central and southern Sierra readings were 5.5 inches (20 percent of average) and 5 inches (22 percent) respectively.

Statewide, 103 electronic sensors found today's snow water equivalent to be 5 inches, 19 percent of the March 3 multi-decade average. When DWR conducted the season's first two manual surveys on December 30 and January 29, the statewide water content was 50 percent and 25 percent respectively of the historical averages for those dates.

The snowpack's water content this year is historically low for early March. Only in 1991 was the water content of the snowpack lower – 18 percent of that early-March average. Manual surveys of 180 snow courses this year reveal even less water content – just 13 percent of the early-March average, the lowest in DWR's records for this time of year. The difference between electronic and manual surveys is explained by the higher elevation of most electronic sensors, where they receive more snow than many of the lower-elevation snow courses.

After records for dryness were set in many parts of the state in January, two storms in early February delivered enough precipitation at eight northern Sierra weather stations to bring the month's total up to historical standards there. That short rainy interlude was followed by three weeks of virtually no rainfall in the northern Sierra, and precipitation at the eight stations since Water Year 2015 began on October 1 is now only 87 percent of average for that period. Further south, the 5-station San Joaquin index is 48 percent of normal, and the six-station index in the Tulare Basin is similarly far below normal at 51 percent.

Weeks of spring-like weather have produced more rain than snow when storms did arrive during California's warmest winter on record. California's historically wettest winter months have already passed, and it's now almost certain that California will be in drought throughout 2015 for the fourth consecutive year.

Unless this month approximates the 1991 "Miracle March" with significantly more precipitation than normal, the traditional wet season will end on April 1 with an alarmingly low amount of water stored in the mountains as snow.

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 as the snowpack melts to meet the state's water demand in the summer and fall.

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	6 inches	1 inch	4
Phillips Station	6,800 feet	6.7 inches	0.9 inches	5
Lyons Creek	6,700 feet	6.5 inches	1.5 inches	6
Tamarack Flat	6,500 feet	7.7 inches	1.5 inches	6

The major water supply reservoirs are storing more water this year than last but are still far below the historical average for early March. Lake Oroville in Butte County, the State Water Project's (SWP) principal reservoir, now holds 49 percent of its 3.5 million acre-foot capacity (70 percent of its historical average for the date). Shasta Lake north of Redding and the federal Central Valley Project's (CVP) largest reservoir, is at 58 percent of its 4.5 million acre-foot capacity and 78 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 64 percent of its 2 million acre-foot capacity (75 percent of normal for the date).

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.

Californians can learn easy ways to save water every day by visiting SaveOurWater.com. California's efforts to deal with the effects of the drought can be found at drought.ca.gov.

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](http://www.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>Foundational BMPs - No Measurable Water Savings</u>		<u>Month</u> <u>February</u>	<u>Year</u> <u>2015</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 Metering/Commodity	N/A	Yes
1.3	Rates Retail Conservation	227	329
1.4	Pricing	*	Yes
2.1	Public Information	*	Yes
2.2	School Education	*	Yes
<u>Programmatic BMPs - Demonstrated Water Savings</u>			
3.1	Residential Audits - Indoors	15	18
3.2	Residential Audits - Outdoors	19	45
3.3	Rebates - HE Clothes Washers	0	0
3.4	Rebates - HE Toilets Residential New Development	*	N/A
3.5	Assist.	*	N/A
4	CII Audits	1	4
5	Large Landscape Audits	5	11
<u>Other Water Savings Measures</u>			
	Irrigation Efficiency		
	Rebates	0	0
	High Bill Investigations	17	31
<u>Water Waste Calls and Notifications</u>			
	Water Waste Calls	18	33
	Water Waste via Website	20	51
	Notice - Water Waste	32	79
	Please Correct	16	16
	Warning - Water Waste	1	3
	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."

d. Community Outreach Report

i. April Bill Insert

The April bill insert will begin on March 23, 2015 and continue until April 23, 2015. The bill insert includes the following articles:

- It's Time to Spruce Up Your Sprinklers
- Water Meters 2015
- Share Your Conservation Story
- Fast and Easy Ways to Pay Your Bill
- June Landscape Class
- Let Your Grass Grow

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

ii. April Envelope Message

The April envelope informs customers to Go Paperless with the District's e-billing service. The envelope will begin on March 23, 2015 and continue until April 23, 2015.

Samples of both envelopes are included with this report.

iii. Community Meetings/Events

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

<u>Date</u>	<u>Meeting</u>	<u>Staff</u>
02/06/15	Meeting with City of Sacramento-Prop 84 Drought Grant Projects	Roscoe/York
02/09/15	Carryover Storage Working Group	Dan York
02/10/15	Capitol-to-Capitol Water Resources Team Planning Meeting	Robert Roscoe
02/12/15	Arden Arcade Business Council Meeting	Dan York
02/12/15	Sacramento Groundwater Authority Meeting	Roscoe/York
02/17/15	RWA Lobbyist Subscription Program Meeting	Dan York
02/19/15	CA-NV AWWA & SAWWA NPDES Permit Ad Hoc Workshop	Various staff
02/23/15	Meeting with GM Henrici of Rio Linda/Elverta Community WD	Robert Roscoe
02/24/15	ACWA Region 4 Conference Program on Delta	Robert Roscoe
02/25/15	RWA Executive Committee Meeting	Robert Roscoe
02/25/15	Long Term Water Transfer Stakeholder Meeting	Dan York
02/26/15	Meeting with San Juan Unified School District re: Conservation	Bundesen/Roscoe

H₂O on the Go

April 2015

Produced for you by SSWD staff

00138304



Did you know...most water is used outdoors? Studies show that Californians think they use more water indoors than outdoors. But, actually, the opposite is true. In the Sacramento region, most of the water we use daily goes on lawns and outdoor landscaping, and about 30 percent of that water is lost due to overwatering and evaporation.

There are lots of ways to save water at home, but reducing water use outdoors can make the biggest difference of all. Here are some easy tips for tuning up your sprinklers:

1. **Limit landscape watering.** Sacramento-area residents did an outstanding job conserving water last year, and a big reason is their willingness to reduce landscape watering. Remember to follow SSWD's watering schedule and guidelines, which are available online at sswd.org.
2. **Check sprinklers monthly.** This is especially important if your system runs during the early morning hours when it's easy to miss sprinklers that are broken or watering the sidewalk more than your plants.
3. **Adjust sprinklers to prevent overspray and runoff.** Overspray is water from sprinklers that lands outside the planted area. Runoff may come from overspray or oversaturating the landscape. Adjust misdirected and tilted sprinklers to water the lawn and not the sidewalk. You can stop runoff by dividing your watering cycle into multiple shorter periods to allow for better absorption.
4. **Fix broken sprinklers fast.** A leaky sprinkler head can waste up to 20 gallons per day. Be sure to turn off your system until broken sprinklers can be fixed.

Learn more tips for maximizing sprinkler efficiency at sswd.org or BeWatersmart.info.



3701 Marconi Avenue, Suite 100 ♦ Sacramento, CA 95821-5346
Phone: 916.972.7171 ♦ Fax: 916.972.7639 ♦ Web: sswd.org
Business Hours: Monday – Friday, 8:00 a.m. to 4:30 p.m.

Water Meters 2015 Installation on Target to Meet State Deadline

The Water Meter Retrofit project is in its 11th year with over 75 percent of SSWD's water services now retrofitted. The effort is on target to be completed well in advance of the state-mandated 2025 deadline. SSWD plans to install 1,130 meters this year, bringing the district that much closer to its goal.

Water meters track how much water your residence and/or business uses. Studies show that water meters are a vital tool for discovering leaks inside your home, business or sprinkler system and can lead to a 15 to 20 percent reduction in water use.

Water Meters continued

Share Your Conservation Story

SSWD customers did a great job last year reducing their water use by an amazing 17 percent compared to 2013, and we want to know how you did it. Share your story by completing the SSWD Water Conservation Survey online or at the office.

We'll send you a complementary sprinkler tool when you complete the survey and enter your name into a drawing for a \$100 cash prize to be announced in June.

Water Meters continued

What to expect when meters are installed

Before work begins in your neighborhood, you will receive a letter informing you of the start date. When the meter installation is taking place your water service could be interrupted, but for no longer than two hours and no more than twice a day.

After a meter is installed, your flat rate bill won't change until November of the following calendar year, but you'll be able to see on your bill right away how much water you're using and what your projected metered rate will be.

To find out more about the meter retrofit program, contact the Customer Service Team or visit sswd.org.

Fast and Easy Ways to Pay Your Bill

SSWD has many simple and convenient ways to pay your monthly water bill including:

- ◆ Recurring credit card payments (set up online or by calling Customer Service)
- ◆ Automatic payment deductions or Direct Payment Service
- ◆ Online Credit/Debit card payment (Visa and Mastercard only)
- ◆ Check or money order in person, through the U.S. mail or night drop off
- ◆ Cash or credit card in person
- ◆ CheckFree Pay Vendor (allow up to three days for processing)

For more information, please call a Customer Service Representative at 916-972-7171 during business hours or send an email to feedback@sswd.org.



June Landscape Class

On Saturday, June 13, SSWD will be holding a special class on water-efficient landscape practices. Learn from the experts how to:

- * Convert and upgrade your sprinkler system, including replacing traditional pop-up sprinklers with rotary and precision nozzles and setting up a low-volume drip irrigation system. You'll also learn how to plan and install an efficient sprinkler system, the components you'll need, and how to troubleshoot and repair sprinklers.
- * Choose the right plants for your climate zone, where to place them and plan for future growth.
- * Use the new Sacramento Region Smart Sprinkler Scheduler to design a custom watering schedule for your yard.
- * Other tips and tricks to help you have a water-friendly, beautiful yard.

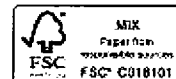
The class will last three hours (9 a.m. to 12 p.m.) and will be held at the District's Antelope Facility, 7800 Antelope Rd. North, Antelope, CA 95843.

Please visit our website, sswd.org, for more information and to sign up. Space is limited and will be decided on a first-come, first-served basis.

Let Your Grass GROW



Longer grass will shade soil keeping it cooler and allowing for more moisture retention. It also promotes the growth of longer roots, which can reach down deeper for water even on hot summer days. So set your mower at a higher level and let it grow.

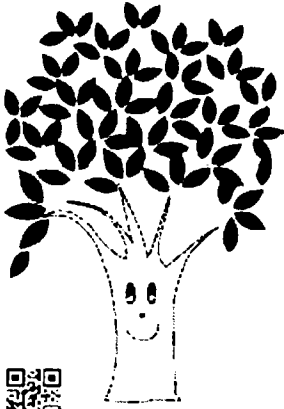


Go Paperless

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

Access your account
through the Web
Payment Portal at
sswd.org and change
from paper billing to
paperless.

It's simple to do
your part for the
environment!





Agenda Item: 12

Date: March 3, 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 has been completed by Roadrunner Drilling. Final well development and test pumping has also been completed. Water quality sampling and testing has been performed and results to date indicate well head treatment may not be required. Wood Rodgers is now proceeding with completing design of the pump station without the need for treatment.

Various Well Investigation and/or Rehabilitation Projects

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

- Well #13, Calderwood/Marconi – The well has been put back online unfluoridated. It will be fluoridated as soon as a permit amendment is approved by the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW). Final paving work will be completed in the spring, weather permitting.
- Well #64, Galbrath/Antelope Woods – The well needs to be redeveloped and flushed before being placed back on line.
- Well #31A, Watt/Elkhorn – The addition of more gravel, to replace lost gravel pack, and additional well development has been recommended by our engineer, Brown and Caldwell (B&C). Once completed, staff will schedule 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 – As previously reported, 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. Tesco is finishing up programming of the programmable logic controller (PLC) and modifications to the existing Supervisory Control and Data Acquisition (SCADA) screens. The electrical panel air conditioner (AC) unit has been installed by Brower Mechanical. Startup and testing of the new VFD will be conducted in mid-March.

Elevated Storage Tank Improvements

Various hydraulic modifications have been designed for Elevated Tanks #216, #769, and Capehart to bring them into compliance with State Water Resources Control Board Division of Drinking Water (DDW) inspection requirements. Construction work continues to complete the required modifications. Tank #216 has now been isolated from the distribution system with 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). Kirby's Pump & Mechanical is now working on the reconfiguration of the discharge piping and installation of booster pumps at each of the three sites. Area West Engineers is also continuing 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. Staff review comments on the 90% plans and specifications have been returned to the District's engineer, Brown and Caldwell (B&C). The plans and specifications will be finalized so that this project can be placed out to bid. It is anticipated that the new monitoring wells will be constructed this spring.

ii. Distribution

North Country Club Estates - Phase 4 Main Replacement Project

All work is complete and verification of punch list items is underway. A Notice of Completion will be filed at the County Clerk/Recorder's Office upon confirmation that all work meets County of Sacramento requirements.

Santa Anita - Phase 2 Main Replacement Project

The District's contractor, Veerkamp General Engineering, has installed approximately

1,080 linear feet of 12-inch, 530 linear feet of 8-inch, and 40 linear feet of 6-inch mainline in Cortez Lane, Laredo Road, and Brunton Way. GM Construction is following behind Veerkamp installing copper service lines along Cortez Lane and installing in-tract service lines in Brunton Way. The project is on schedule and budget. Construction work is expected to take six to seven months to complete.

Fair Oaks Estates Main Extension Project

Construction is expected to begin in late-June. Staff is preparing meter sheets to assist in the gathering of field data and for one-on-one meetings with homeowners within the project area. The District has made contact with three homeowners on Treehouse Lane to acquire easements for the new 8-inch pipeline to be installed. Two of the homeowners are now reviewing the proposed easement documentation.

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

GM Construction has begun work in Fulton Avenue and has updated five fire hydrants. The County has still not accepted the traffic control plan for day work on Fulton Avenue. GM Construction is planning on starting night work at the end of the week if the District is not able to get the day work approved.

2015 Loehmann's Plaza Waterline Upgrade Project

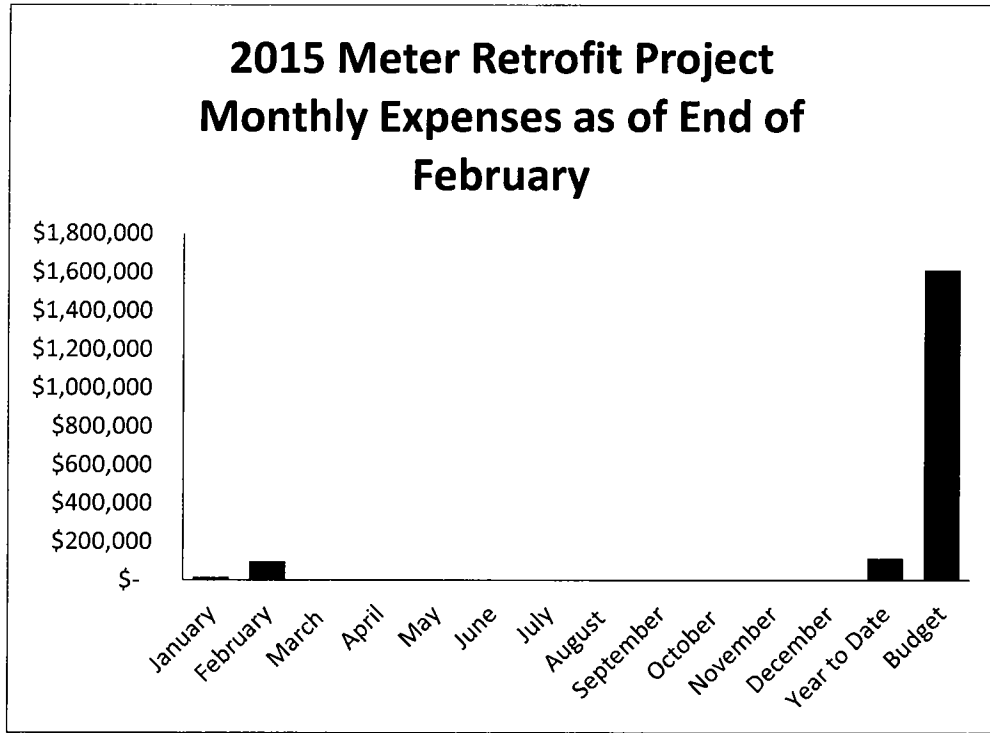
The District has completed 90% plans for the project and is in the process of acquiring an easement with Loehmann's Plaza for a new waterline to Well #76 and ingress/egress access to the well. The District has discussed this work with the County of Sacramento and will have a field visit scheduled to determine the paving restoration requirements prior to starting the project. The collection of meter sheet signatures for the project will begin in the coming weeks. A constructability job walk will be completed by the District's contract inspector, to determine the feasibility for construction.

Water Meter Retrofit Plan Update

A final draft of the updated Water Meter Asset Management Plan (AMP) is scheduled to be presented to the Facilities and Operations (F&O) Committee at their next scheduled meeting on March 30, 2015. Upon receiving final comments from the F&O Committee, the final updated Water Meter AMP will be presented to the full Board for approval at the regular April Board Meeting.

2015 Meter Retrofit Project

The District's contractor, Flowline Construction, is underway in completing the 2015 project. Construction work began on February 2, 2015. As of the end of February, 136 services have been retrofitted with meters and a total of \$114,386 has been spent on the project. See the figure below which shows expenditures to date on this year's project.



iii. Other Projects

Antelope Pump Back Project

Construction work is underway by W.M. Lyles Co. Work to date continues to include trenching and installation of electrical conduits along Antelope North Road per SMUD's requirements for electrical service. The majority of the contractor's shop drawings have been reviewed and approved by the District's construction manager, Domenichelli & Associates (D&A). Change Order No. 1 is currently in processing and includes Value Engineering (VE) items that have been agreed to in order to realize cost savings. Change Order No. 1 is a credit in the amount of \$441,912. The agreed upon 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.

Work to rectify a conflict with an existing 30-inch storm drain (SD) is nearing completion. The County of Sacramento did not record the 30" SD in an easement. Therefore, a 15-foot easement dedication to the County along the centerline of the existing SD is being prepared for Board action. The pump station building will be shifted to the south, outside of the SD easement and a change order will be issued. The overall site plan will be revised to reflect the pump station building's new location.

A formal agreement for the ownership, operation and maintenance (O&M) of the pump back pump station facility will be brought to the Board as an action item at a future Board Meeting.

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

A McClellan Restoration Advisory Board (RAB) meeting is scheduled for March 19, 2015, at 6:00 pm at the North Highlands Community Center. Associate Engineer Dave Jones is planning to attend this meeting on behalf of the District.

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, 16 of which have started or are under construction, and 1 that is scheduled, but has not provided the required deliverables prior to start of construction.

No projects have been approved for CY2015, thus no fees have been collected to date.

Easement at 1020 Jonas Avenue

An easement is needed through the backyard of one of the lots (Lot #10) in this development to connect (or loop) to an existing District water main. This easement was pulled from the October 2014 Board Meeting with direction to staff to try to obtain a 20 foot easement rather than the proposed 10 foot easement in the backyard of Lot #10. The proposed easement has two segments to it; one on the western side of the lot and the other on the southern side of the lot. Various options have been discussed with the developer and staff believes that some progress is being made. The developer is currently reevaluating the floor plans for all eleven the houses/lots to determine if they can switch to a smaller floor plan for Lot #11. Lot #11 is the adjacent lot and the location where they could possibly dedicate additional easement to the District. This additional easement would be adjacent and parallel to the 10 foot easement on Lot #10 that they have already agreed to provide to the District. The developer will get back to the District when they are done evaluating the floor plans.

e. Other

Review of Regulations Governing Water Service and Improvement Standards and Technical Specifications

The District currently has Regulations Governing Water Service (“Regulations”) that include seventeen different regulations. These include Regulation No. 3, Water Service Charges and Rates, and Regulation No. 7, Service Connections, as examples. Likewise, the District currently has a set of Improvement Standards and Technical Specifications (“Standards”) that provide standards to be adhered to in the design and construction of water system improvements, which are then to be conveyed to and accepted by the District for operation and maintenance.

The District is mostly “built out” but there are still areas where new subdivisions can and will be constructed. In addition, there is a lot of re-development and/or in-fill development. In any one year, the District receives numerous requests for new or modified water service to various types of development (both residential and commercial). The District’s current Regulations were originally written to primarily address new subdivisions and/or new construction. (Likewise, the Standards are also written primarily to address new construction.) They are not so easy to use when evaluating infill development and/or new water services in areas where water mains and other facilities already exist. District staff has always tried to use a “common sense” approach when implementing the development standards.

In November 2014, following a qualification based selection process, Coleman Engineering (“CE”) was hired to perform an independent review of the District’s Regulations and Standards. Note that this is the first major review of both of these documents since the former Arcade and Northridge Water Districts consolidated on February 1, 2002. CE was tasked with an independent review of the Regulations and Standards to see if they were consistent with other similar sized water agencies in the area. As part of their review process, CE met with each District department to discuss potential changes recommended by staff. In addition, District staff provided CE with examples of recent situations where there were challenges in trying to interpret the current Regulations and Standards while reviewing developer requests for water service.

CE has now completed their review of both the Regulations and Standards and provided the District with a listing of recommended changes. The recommended changes will be presented to the Facilities and Operations (F&O) Committee at their next meeting on March 30, 2015. Once any F&O Committee issues are addressed, the revised Regulations will be presented to the Board as an upcoming policy review. The Board will then have a full month to review the proposed changes before being asked to adopt the revised Regulations at the regular May Board Meeting. District legal counsel will be reviewing the proposed changes and revisions to the Regulations before they are presented to the F&O Committee and Board.

Note that the Board has adopted an “Improvement Standards and Technical Specifications Policy” dated February 28, 2011. Section 200.00 of this policy states that: “In conformance

with the California Water Code, Division 12, County Water Districts, the General Manager has the full responsibility and authority to set standards and specifications for the planning, design, construction, modification or repair of the water works system of the District.” Furthermore, it is stated in Section 300.00 of the policy that “The Improvement Standards and Technical Specifications will be maintained as a separate document and will be considered the procedures of this policy. The General Manager may review and change the Improvement Standards and Technical Specifications as necessary to meet the needs of the District.”

North Highlands Community Planning Advisory Council (CPAC)

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



Agenda Item: 13

Date: March 10, 2015

Subject: Financial Report

Staff Contact: Daniel A. Bills, Finance Director

Eight reports are attached for your information. They are:

- DRAFT - Financial Statements – February 2015
- Investments Outstanding and Activity – February 2015
- Cash Expenditures – February 2015
- Credit Card Expenditures – February 2015
- Directors Compensation and Expense Accounting – Through February 2015
- Market Report Yields – February 2010 through February 2015
- DRAFT - District Reserve Balances – February 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 \$2.5 million as of February 28, 2015, from \$1.3 million at December 31, 2014, primarily due to the liquidation of investments of \$0.6 million needed for operating cash. Cash held in the District's bank accounts (\$2.9 million as of February 28) 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 \$0.4 million to a total of \$39.5 million, reflecting the decrease of \$0.6 million needed for cash flow purposes as described above, net of unrealized market value gains of \$0.2 million.

Capital assets grew \$1.2 million to a total of \$414.0 at February 28, 2015, reflecting expenditures on distribution main replacement projects, meter retrofits and the Antelope Pump-Around project. 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 \$221.8 million as of February 28, 2015, compared to \$220.3 million at year-end 2014 for an increase of \$1.4 million.

DRAFT - Income Statement:

The net position increase of \$1.4 million in 2015, when compared to \$1.6 million increase for the same year-to-date 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 326 acre feet (9.07%) 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 depreciation expense of \$0.1 million.

DRAFT - Budgets:

The District’s operating and maintenance expenditures through February 2015 are less than budget by \$1.0 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 primarily to budgetary timing differences.

Operating capital project expenditures in February were minimal. The total budget for the year is \$1.1 million

The District’s capital improvement project (CIP) budget for 2015 is \$18.3 million. To date, \$1.1 million has been spent. Expenditures continue to be primarily in distribution system replacements and meter retrofits.

DRAFT - Debt – February 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 February 31 is \$93.4 million.

Investments Outstanding and Activity – February 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 1.06% per annum, while LAIF is earning 0.26% per annum. Unrealized market value losses on the District's investment portfolio are valued at \$0.06 million as of February 28, 2015. 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 three US Treasury Notes for \$2.3 million (par), two Negotiable Certificates of Deposits for \$1.4 million (par), one Asset-Backed Security for \$0.2 million (par), one Federal Agency Note for \$0.1 million (par) and one Corporate Note for \$0.4 million (par). The District sold one Negotiable Certificates of Deposit for \$1.1 million (par), six US Treasury Notes for \$2.2 million (par), one Corporate Note for \$0.7 million (par) and another Federal Agency Note for \$0.4 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 – February 2015

During the month of February, the District made cash payments totaling \$2.1 million. The primary expenditures were – \$1.0 million for capital improvement projects (including \$0.1 million payment for San Juan's portion of the pump back project), \$0.2 million for inventory and material, \$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 – February 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 \$5,298 for various purchases on the six District purchasing cards. Details by vendor and purpose are included in this report.

Directors Compensation and Expense Accounting – February 2015

Director meetings attended during the month of February 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 meeting attendance to District staff are not included in this report and are expected to make an oral report at the Board meeting.

Market Report Yields – February 2010 through February 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 15 basis points from the prior month to 2.73%, and short-term rates remained unchanged at 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 3.73% while the short-term rate was at 4 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 February 28 are \$45,588,827 compared to \$44,812,011 at February 28, 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
February 28, 2015

Sacramento Suburban Water District
Balance Sheet

DRAFT

As Of

	Month End 02/28/15	Year End 12/31/14
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	2,492,281.91	\$1,313,305.30
Restricted Cash and cash equivalents	39,459.02	32,270.61
Accounts receivable, net of allowance for uncollectible accounts	1,884,446.57	2,027,912.76
Interest receivable	112,501.05	105,770.14
Restricted Interest receivable	8,724.66	10,807.98
Grants receivables	33,969.64	33,969.64
Other receivables	62,867.69	62,867.69
Inventory	517,653.62	570,864.13
Prepaid expenses and other assets	726,679.17	453,270.56
	5,878,583.33	4,611,038.81
TOTAL CURRENT ASSETS		
NONCURRENT ASSETS		
Investments	39,540,822.62	39,959,089.90
Restricted Investments	3,507,538.90	3,497,003.35
	43,048,361.52	43,456,093.25
TOTAL NONCURRENT ASSETS		
	0.00	
Property, plant and equipment	413,999,735.77	412,759,799.55
Accumulated depreciation	(142,922,280.31)	(141,121,255.27)
	271,077,455.46	271,638,544.28
TOTAL CAPITAL ASSETS		
TOTAL ASSETS	320,004,400.31	319,705,676.34
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on long-term debt refunding	8,500,274.67	8,607,461.99
Deferred outflow of effective swaps	675,593.00	675,593.00
	9,175,867.67	9,283,054.99
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
	329,180,267.98	328,988,731.33
LIABILITIES		
CURRENT LIABILITIES		
Current portion of long-term debt and capital leases	3,795,000.00	3,795,000.00
Accounts payable	783,361.53	1,978,188.86
Accrued interest	805,324.60	458,417.02
Deferred revenue and other liabilities	686,944.03	677,961.49
Accrued expenses	58,779.60	425,832.12
	6,129,409.76	7,335,399.49
TOTAL CURRENT LIABILITIES		
NONCURRENT LIABILITIES		
Long-term debt	99,627,637.88	99,733,879.08
Compensated absences	977,511.22	921,934.18
Fair value of interest rate swaps	675,593.00	675,593.00
	101,280,742.10	101,331,406.26
TOTAL NONCURRENT LIABILITIES		
TOTAL LIABILITIES	107,410,151.86	108,666,805.75
NET POSITION		
Invested in capital assets, net of related debt	176,717,127.19	176,717,127.19
Restricted	3,540,081.94	3,540,081.94
Unrestricted	41,512,906.99	40,064,716.45
	221,770,116.12	220,321,925.58
TOTAL NET POSITION	221,770,116.12	220,321,925.58
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	329,180,267.98	328,988,731.33

**Sacramento Suburban Water District
Income Statement**

DRAFT

Period Ended

	<u>Month</u>	<u>Year-To-Date</u>	<u>Month</u>	<u>Year-To-Date</u>
	<u>02/28/15</u>	<u>02/28/15</u>	<u>02/28/14</u>	<u>02/28/14</u>
OPERATING REVENUES				
Water consumption sales	\$589,246.83	\$962,144.01	\$555,437.11	\$1,142,191.24
Water service charge	531,321.10	1,008,244.38	532,863.54	956,350.26
Capital facilities charge	1,799,533.98	3,320,062.84	1,725,178.67	3,218,929.02
Wheeling water charge	320.04	749.16	346.96	804.00
Other charges for services	81,798.68	182,289.56	135,507.62	224,603.70
TOTAL OPERATING REVENUES	3,002,220.63	5,473,489.95	2,949,333.90	5,542,878.22
OPERATING EXPENSES				
Source of supply	4,029.28	8,058.56	4,029.28	8,058.56
Pumping	285,268.87	467,236.05	334,393.56	503,646.39
Transmission and distribution	241,512.45	376,959.68	214,228.48	340,445.45
Water conservation	22,252.87	37,524.47	19,372.42	34,906.54
Customer accounts	97,669.09	151,009.77	128,558.49	178,311.40
Administrative and general	497,603.30	854,469.45	431,815.78	842,727.41
TOTAL OPERATING EXPENSES	1,148,335.86	1,895,257.98	1,132,398.01	1,908,095.75
Operating income before depreciation	1,853,884.77	3,578,231.97	1,816,935.89	3,634,782.47
Depreciation and amortization	(900,512.52)	(1,801,025.04)	(861,980.23)	(1,723,960.46)
OPERATING INCOME	953,372.25	1,777,206.93	954,955.66	1,910,822.01
NON-OPERATING REV. (EXP.)				
Rental income	15,810.16	38,461.65	25,062.96	43,077.47
Interest and investment income	(89,431.73)	217,017.47	77,825.79	256,746.30
Interest expense	(282,231.23)	(603,086.93)	(338,779.89)	(665,636.54)
Other non-operating revenues	(2,778.85)	17,966.42	360.43	360.43
Other non-operating expenses			(32.20)	(32.22)
NON-OPERATING REV. (EXP.)	(358,631.65)	(329,641.39)	(235,562.91)	(365,484.56)
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	594,740.60	1,447,565.54	719,392.75	1,545,337.45
CAPITAL CONTRIBUTIONS				
Facility development charges			96,524.00	96,524.00
Federal, state and local capital grants	625.00	625.00	1,944.00	1,944.00
TOTAL CAPITAL CONTRIBUTIONS	625.00	625.00	98,468.00	98,468.00
CHANGE IN NET POSITION	595,365.60	1,448,190.54	817,860.75	1,643,805.45
Net position at beginning of period	221,174,750.52	220,321,925.58	209,504,072.62	208,678,127.92
NET POSITION AT END OF PERIOD	<u>\$221,770,116.12</u>	<u>\$221,770,116.12</u>	<u>\$210,321,933.37</u>	<u>\$210,321,933.37</u>

Sacramento Suburban Water District
 Operations and Maintenance Budget
 Period Ended

DRAFT

	Month Of February			2015 YTD		
	Actual	Budget	Variance	Actual	Budget	Variance
BUDGETED OPERATING EXPENSES						
Board of Directors	\$1,765.11	\$2,706.11	\$941.00	\$4,035.43	\$6,412.22	\$2,376.79
Administrative	175,982.44	169,522.24	(6,460.20)	318,187.42	339,044.48	20,857.06
Finance	72,901.41	78,842.15	5,940.74	109,477.65	157,684.30	48,206.65
Customer Services	97,748.09	111,910.92	14,162.83	151,088.77	223,821.84	72,733.07
Field Operations	34,203.76	32,626.63	(1,577.13)	48,582.90	65,253.26	16,670.36
Production	289,298.15	477,967.36	188,669.21	475,294.61	955,055.85	479,761.24
Distribution	127,666.86	169,164.52	41,497.66	216,798.85	338,329.04	121,530.19
Field Services	113,845.59	89,564.75	(24,280.84)	160,160.83	179,029.50	18,868.67
Maintenance	45,838.13	56,460.13	10,622.00	62,264.19	112,920.25	50,656.06
Water Conservation	22,252.87	43,338.95	21,086.08	37,524.47	86,677.90	49,153.43
Engineering	88,851.07	84,720.33	(4,130.74)	140,404.51	169,285.66	28,881.15
GIS/CAD	26,058.15	28,007.86	1,949.71	46,139.19	56,015.72	9,876.53
Human Resources	15,499.56	14,146.43	(1,353.13)	23,883.11	45,601.61	21,718.50
MIS	36,424.67	69,270.40	32,845.73	101,416.05	138,540.80	37,124.75
TOTAL OPERATING EXPENSES	1,148,335.86	1,428,248.78	279,912.92	1,895,257.98	2,873,672.43	978,414.45

SACRAMENTO SUBURBAN WATER DISTRICT
 OPERATING CAPITAL BUDGET
 2/28/2015

DRAFT

Project Number	Project Name	Total Approved 2015 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/MAGMETERS	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	1,943.98	1,943.98		4,256.02
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	KVM/MONITOR/KEYBOARD REPL	10,000.00	10,000.00		-		10,000.00
		\$ 1,140,925.00	\$ 1,140,925.00	\$ 1,943.98	\$ 1,943.98	\$ 8,752.00	\$ 1,130,29.02

Sacramento Suburban Water District
 Capital Improvement Project Budget
 2/28/2015

DRAFT

Project No.	Project Name	Total Approved FY 15 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	890,000.00	890,000.00	\$22,800.01	22,800.01	112,694.90	754,505.09
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	206,925.55	206,925.55	140,200.45	2,102,874.00
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	434,476.59	471,054.82	4,271,530.83	4,957,414.35
SC15-019	DIST MAIN IMPRV/EXT/INTERTIES	500,000.00	500,000.00	62,207.35	62,289.32	397,749.70	39,960.98
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	181,002.11	197,531.53	556,343.37	671,125.10
SC15-024A	VOLUNTARY METER RETROFIT PROGR	75,000.00	75,000.00	2,853.28	2,853.28		72,146.72
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	68,872.84	68,872.84	13,797.00	267,330.16
SC15-028	DISTRIB SYSTEM IMPRV	375,000.00	375,000.00	5,666.37	5,666.37	45,968.00	323,365.63
SC15-034	RESERVIOR/TANK IMPROVMENT	150,000.00	150,000.00	1,511.98	4,993.24	132,692.02	12,314.74
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	5,854.82	6,112.04	13,269.18	180,618.78
SC15-038	LARGE WTR METER >3" REPL	140,000.00	140,000.00	2,404.93	2,404.93	14,900.00	122,695.07
SC15-039	FIRE HYDRANT REPL/REHAB/ADD	200,000.00	200,000.00	14,088.00	14,088.00	18,222.00	167,690.00
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	32,138.61	53,258.63	9,861.39	296,879.98
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	\$ 1,040,786.07	\$ 1,123,850.56	\$ 5,730,333.04	\$ 11,402,815.60
SC15-043A	ANTELOPE PUMP BACK PROJECT (SJWD)			\$ 120,802.39	\$ 120,802.39		

DRAFT

**Sacramento Suburban Water District
Debt
2/28/2015**

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
February 2015**

**Investment Activity
February 2015**



Managed Account Security Transactions & Interest

For the Month Ending February 28, 2015

SACRAMENTO SUBURBAN WATER DISTRICT 76850100

Trade	Settle	Transaction Type	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
BUY											
02/02/15	02/04/15		US TREASURY NOTES	912828V00	550,000.00	(558,550.78)	(83.56)	(558,634.34)			
			DTD 07/31/2013 1.375% 07/31/2018								
02/02/15	02/05/15		WELLS FARGO & CO	949748GF1	400,000.00	(402,796.00)	(71.67)	(402,867.67)			
			DTD 02/02/2015 2.150% 01/30/2020								
02/03/15	02/06/15		US TREASURY NOTES	912828WX4	650,000.00	(651,701.17)	(53.87)	(651,755.04)			
			DTD 07/31/2014 0.500% 07/31/2016								
02/11/15	02/13/15		HSBC BANK USA NA CD	40428AC54	600,000.00	(600,000.00)	0.00	(600,000.00)			
			DTD 02/13/2015 0.880% 08/15/2016								
02/11/15	02/13/15		BMO HARRIS BANK NA CERT DEPOS.	055748DW7	800,000.00	(800,000.00)	0.00	(800,000.00)			
			DTD 02/13/2015 0.540% 02/10/2016								
02/12/15	02/27/15		FNMA-ACES 2015-M3 FA	3136AMMCO	145,000.00	(144,962.11)	(41.05)	(145,003.16)			
			DTD 02/01/2015 0.392% 06/01/2018								
02/24/15	03/04/15		TOYOTA AUTO RECEIVABLES OWNER ABS NOTES	89236WAB4	155,000.00	(154,998.53)	0.00	(154,998.53)			
			DTD 03/04/2015 0.710% 07/15/2017								
02/26/15	02/27/15		US TREASURY NOTES	912828TR1	1,100,000.00	(1,079,503.91)	(4,532.97)	(1,084,036.88)			
			DTD 10/01/2012 1.000% 09/30/2019								
Transaction Type Sub-Total						(4,392,512.50)	(4,783.12)	(4,397,295.62)			

Transaction Type	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST										
02/01/15	02/01/15	CA ST TXBL GO BONDS	130638N73	345,000.00	0.00	1,811.25	1,811.25			
		DTD 03/27/2013 1.050% 02/01/2016								
02/02/15	02/02/15	MONEY MARKET FUND	MONEY0002	0.00	0.00	0.31	0.31			
02/08/15	02/08/15	IBM CORP GLOBAL NOTES	459200JK0	485,000.00	0.00	3,031.25	3,031.25			
		DTD 02/08/2013 1.250% 02/08/2018								
02/09/15	02/09/15	BERKSHIRE HATHAWAY GLOBAL NOTE	084670BH0	525,000.00	0.00	4,068.75	4,068.75			
		DTD 02/11/2013 1.550% 02/09/2018								
02/15/15	02/15/15	FORD ABS 2014-C A2	34530PAC6	500,000.00	0.00	254.17	254.17			
		DTD 11/25/2014 0.610% 08/15/2017								
02/15/15	02/15/15	JPMORGAN CHASE & CO	46623EY6	500,000.00	0.00	3,375.00	3,375.00			
		DTD 02/18/2014 1.350% 02/15/2017								



PFM Asset Management LLC



Managed Account Security Transactions & Interest

For the Month Ending February 28, 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
INTEREST											
	02/15/15	02/15/15	AMERICAN HONDA FINANCE GLOBAL NOTES	02665WAH4	800,000.00	0.00	7,800.00	7,800.00			
	02/15/15	02/15/15	DTD 09/09/2014 2.250% 08/15/2019 HONDA ABS 2015-1 A2	43814KAB7	165,000.00	0.00	54.54	54.54			
	02/18/15	02/18/15	DTD 01/28/2015 0.700% 06/15/2017 CATERPILLAR FINANCIAL SE	14912L6D8	440,000.00	0.00	2,719.44	2,719.44			
	02/19/15	02/19/15	DTD 08/20/2014 1.250% 08/18/2017 GOLDMAN SACHS BANK USA CD	381472L5	800,000.00	0.00	3,629.59	3,629.59			
	02/19/15	02/19/15	DTD 08/19/2014 0.900% 08/12/2016 FEDERAL HOME LOAN BANK GLOBAL NOTES	3130A0SD3	2,300,000.00	0.00	4,312.50	4,312.50			
	02/26/15	02/26/15	DTD 01/24/2014 0.375% 02/19/2016 PEPSCO INC GLOBAL NOTES	713448CE6	340,000.00	0.00	1,190.00	1,190.00			
	02/26/15	02/26/15	DTD 02/28/2013 0.700% 02/26/2016 JPMORGAN CHASE & CO GLOBAL NOTES	46623EU4	500,000.00	0.00	2,812.50	2,812.50			
	02/28/15	02/28/15	DTD 02/26/2013 1.125% 02/26/2016 FANNIE MAE GLOBAL NOTES	3135G0MZ3	1,475,000.00	0.00	6,453.13	6,453.13			
			DTD 07/20/2012 0.875% 08/28/2017								
Transaction Type Sub-Total					9,175,000.00	0.00	41,512.43	41,512.43			

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
SELL											
	02/02/15	02/04/15	US TREASURY NOTES	912828MR8	540,000.00	540,822.66	5,562.22	546,384.88	(30,417.18)	128.55	SPEC LOT
			DTD 03/01/2010 2.375% 02/28/2015								
	02/02/15	02/05/15	FNMA BENCHMARK NOTE	3135G0Z72	400,000.00	407,412.00	1,341.67	408,753.67	4,832.00	4,917.85	SPEC LOT
			DTD 11/07/2014 1.750% 11/26/2019								
	02/03/15	02/06/15	WELLS FARGO & COMPANY	949748FL9	650,000.00	653,971.50	361.11	654,332.61	4,595.50	4,280.04	SPEC LOT
			DTD 07/29/2013 1.250% 07/20/2016								
	02/11/15	02/13/15	US TREASURY NOTES	912828DV9	525,000.00	530,373.05	5,384.15	535,757.20	(49,977.54)	517.14	SPEC LOT
			DTD 05/16/2005 4.125% 05/15/2015								
	02/11/15	02/13/15	US TREASURY NOTES	912828B41	200,000.00	200,273.44	26.93	200,300.37	15.63	147.75	SPEC LOT
			DTD 01/31/2014 0.375% 01/31/2016								
	02/11/15	02/13/15	US TREASURY NOTES	912828WX4	650,000.00	650,507.81	116.71	650,624.52	(1,193.36)	(1,171.22)	SPEC LOT
			DTD 07/31/2014 0.500% 07/31/2016								



PFM Asset Management LLC



Managed Account Security Transactions & Interest

For the Month Ending February 28, 2015

SACRAMENTO SUBURBAN WATER DISTRICT 76850100

Trade	Settle	Transaction Type	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
02/24/15	03/04/15	SELL	US TREASURY NOTES DTD 05/16/2005 4.125% 05/15/2015	912828DV9	150,000.00	151,207.03	1,863.09	153,070.12	(14,607.42)	109.31	SPEC LOT
02/26/15	02/27/15		US TREASURY NOTES DTD 05/16/2005 4.125% 05/15/2015	912828DV9	150,000.00	151,300.78	1,777.62	153,078.40	(14,513.67)	126.82	SPEC LOT
02/26/15	02/27/15		SKANDINAVISKA ENSKILDA BY NY FLOAT CD DTD 01/10/2014 0.576% 01/04/2016	83051HUD6	1,075,000.00	1,077,322.00	910.97	1,078,232.97	2,322.00	2,322.00	SPEC LOT
Transaction Type Sub-Total						4,363,190.27	17,344.47	4,380,534.74	(98,944.04)	11,378.24	
Managed Account Sub-Total						(29,322.23)	54,073.78	24,751.55	(98,944.04)	11,378.24	
Total Security Transactions						(\$29,322.23)	\$54,073.78	\$24,751.55	(\$98,944.04)	\$11,378.24	

Bolded items are forward settling trades.



PFM Asset Management LLC

**Cash Expenditures
February 2015**

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

<u>Type</u>	<u>Payee</u>	<u># Inv</u>	<u>Purpose</u>	<u>Amount</u>
SSWD CIP PROJECTS				
	Coleman Engineering	1	Review of Regulations & Standards	\$ 5,854.82
	County of Sacramento Public Works	9	Project Inspections & Permits	16,268.23
	Dolver Company Inc	4	McClellan System Repairs/Large Meters	17,884.91
	Domenichelli & Associates	4	Antelope Pump Back Project	55,428.00
	Doug Veerkamp General Engr	1	2015 Santa Anita Main Replacement Ph 2	124,572.00
	ERC Contracting	3	Santa Anita Main Survey	15,042.50
	GM Construction	1	Emergency Leak Watt/Longview Dr	62,072.84
	GM Construction	1	North Country Club Estates	64,817.20
	GM Construction	1	Santa Anita Main Replacement	39,772.40
	GM Construction	1	Hydrant Replacement/Repair	6,276.00
	GM Construction	1	Potholing Services	9,450.00
	GM Construction	1	Hemlock Asphalt Repair	1,944.00
	Loewen Pump Maintenance	4	Well Rehabilitation	10,421.00
	Performance Piping	1	Belcot Main Replacement	126,409.25
	Rawles Engineering	5	Heatherdale/Fulton El Camino - Various	91,468.50
	Roadrunner Drilling	1	Charles Peck Well/Property	177,577.00
	Technoflo Systems	2	Tank Communication Mag Meter	1,976.49
	Wood Rodgers Engineering	2	Rutland Well	35,791.05
	W.M. Lyles Company	1	Antelope Pump Back/Pump Around Projects	127,050.00 ⁽¹⁾
INVENTORY				
	Badger Meter	4	Inventory/CIP Supplies	131,590.11
	Corix Water Products	3	Inventory/CIP Supplies	5,252.04
	Groeniger and Company	3	Inventory/CIP Supplies	3,825.50
	KP Electronics	1	Inventory/CIP Supplies	58,500.00
SSWD OPERATIONS & MAINT. / OPERATING CAPITAL PROJ.				
	A&A Stepping Stone Inc	1	Top Soil	82.62
	Aba Daba Rental	1	Propane for Equipment	61.56
	ACWA/JPIA Insurance/EAP	1	Employee Assistance Program	156.86
	ADP Inc	2	Payroll Processing Fees	422.71
	AFLAC	1	Supplemental Insurance Plan	677.02
	Airgas USA LLC	2	Field Supplies	1,211.64
	All Pro Backflow	1	Backflow Testing Services	366.00
	American River Parkway Foundation	1	Quarterly Garden Maintenance	429.68
	Ameritas/Vision	1	Vision Insurance	1,788.72
	Answermat/Signius	1	Answering Service	271.00
	AT&T Calnet2	5	Phone Service	4,278.62
	Atlas Disposal	2	Trash Removal Services	401.52
	Avalon Custodial Care	3	Janitorial Services	2,120.00
	Backflow Technologies	1	Backflow Testing Services	2,102.98
	Bar-Hein	1	Honda Generator/Demo Hammer	1,943.98
	Burts Lawn & Garden	6	Landscape Services PS Aug & Sept	3,409.50
	California Diesel and Power	2	Pump Site Maintenance	965.00
	California Surveying & Drafting	1	CAD/GIS Supplies	347.70
	Capitol Elevator Company	2	Monthly Elevator Service Contract	216.00
	Cheri Sprunck	1	David Brenninger Event/Roscoe	25.00
	CIGNA/Dental	2	Dental Benefits	22,583.43
	CIGNA Healthcare	1	Life/LTD	3,380.86
	CINTAS	15	Uniforms and Janitorial Supplies - Walnut	2,487.93
	Cintas Document Management	1	Shredding Services	54.01
	City of Citrus Heights	1	Misc Paving	36.00
	Clear Vision Window Cleaning	1	Building Maintenance	225.00
	Comcast	2	Cable - Marconi	91.43
	Cotton Shoppe	1	Safety Items	32.39
	County of Sacramento / Enviro Mgt	1	Permit Renewals for PS	24,341.00
	County of Sacramento Utilities	3	Monthly Utilities	312.19
	Crown Distributing	1	Janitorial Supplies	215.71
	Customer Refunds	109	Customer Refunds	6,730.81
	Dan York	1	Misc Out-of-Pocket Expense/Mileage	48.30
	Direct TV	1	Walnut Service	50.99
	Ditch Witch	1	Maintenance Equipment	238.16
	Domco Plumbing	1	Customer Plumbing Repairs	355.00
	DST Output	14	Billing Production Processing & Postage	38,262.17
	Emigh Hardware	11	Field Supplies	283.58
	Eurofins Eaton Analytical	9	Water Quality Lab Services	1,874.00
SSWD OPERATIONS & MAINT. / OPERATING CAPITAL PROJ.				
	Excel Painting and Striping	1	Building Maintenance	300.00
	Franchise Tax Board	1	Garnishment	400.00
	Future Ford	1	Vehicle Maintenance	123.35
	Gary Babin	1	Certification Renewal	105.00

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

<u>Type</u>	<u>Payee</u>	<u># Inv</u>	<u>Purpose</u>	<u>Amount</u>
	GM Construction	5	System Repairs/Concrete Restoration	6,706.00
	Grainger	2	Field Supplies	1,240.42
	H2H Properties	1	Parking Lease Walnut	1,020.00
	Hach Company	1	Production Supplies	992.82
	Harrold Ford	9	Vehicle Maintenance	1,386.52
	Headsets.com	1	Customer Service Headset	712.69
	Heather Hernandez	1	Administrative Conference Attendance	171.75
	Hodge Products	1	Field Service Supplies	2,867.41
	Ives Training & Compliance	1	Employee Training	771.72
	Jerry's Paint and Supply	1	Field Supplies	696.06
	John O'Farrell & Associates	1	Phase 2 Study	6,825.00
	Les Schwab Tire Center	1	Vehicle Maintenance	1,067.00
	Michael Phillips Landscape Corp	4	Landscape Services	4,280.00
	MMS Strategies	1	Public Relations Phase 2	16,598.44
	Neil Schild	2	Misc Out-of-Pocket Expense/Mileage	141.45
	Netmotion	1	Annual Maintenance Services	3,750.00
	Normac	1	Field Supplies	643.42
	Office Depot	18	Office Supplies	2,501.46
	Paladin Private Security	1	After Hours Service	460.00
	PERS Health	1	PERS Health Insurance	88,271.99
	PERS Long Term Care Program	1	Long Term Care - DI Pietro	1,218.74
	PG&E	1	Gas Service	1,895.72
	Pitney Bowes Meter Lease	1	Postage Meter Lease	588.36
	Pitney Bowes Postage	1	Postage	5,000.00
	Print Project Managers	1	Check Stock	141.08
	Prontesti Environmental Inc	1	Hydrant Meter Permit Refund	2,295.38
	Ramos Oil Company	2	Pump Site Maintenance	2,074.83
	Ray Morgan Co	2	Copier Maintenance	875.02
	Regional Water Authority	1	Lobbying Program	13,000.00
	River City Painting	1	Building Maintenance	3,570.00
	Robert Roscoe	1	Misc Out-of-Pocket Expense/Mileage	118.00
	Rockhurst University	1	Employee Training	129.00
	Rue Equipment Inc	7	Equipment Maintenance	6,900.87
	Sierra Chemical Company	18	Chemical for Pump Stations	24,029.60
	SMUD	4	Power - Electricity	72,852.74
	Sonitrol	3	Alarm Services	2,029.05
	Sophos Solutions	3	IT Management Support	10,617.50
	State Water Resource	2	Storm Drain Permits	1,304.00
	Sutter Medical Foundation	1	Preemployment/DOT	178.00
	Teichert Construction	1	Hydrant Meter Permit Refund	1,614.79
	Tina Lynn Design	2	Design Services	331.10
	Tri-City Fence Company Inc	1	Fence Repair	720.00
	Us Bank Corporate Payment	1	Calcard/Visa	5,298.28
	Valley Redwood & Yard Supply	1	Top Soil	59.94
	Verizon Wireless	2	Cell Service	2,459.45
	Vision Internet Providers	1	Internet Support	220.00
	Voyager Fleet Systems	1	Fuel	5,353.69
	Waste Management	2	Garbage Service	110.60
	Water Heater for Less	1	Replacement Water Heater	1,667.80
	Wells Sweeping	1	Monthly Maintenance	88.75
	Westamerica Bank	1	Increase Drawers for Customer Service	1,200.00
DEBT SERVICE PAYMENTS				
	COP		COP Payments	83,575.75
LEGAL & AUDIT				
	Bartkiewicz, Kronick & Shanahan	1	Legal	4,375.60
SSWD OPERATIONS & MAINT. / OPERATING CAPITAL PROJ.				
PAYROLL & PENSION				
	Payroll & Pension	2	February 2015	422,678.43
BANK CHARGES				
	Bank Analysis Charges	1	Analysis Charge	5,579.58
	Credit Card Processing Statement	1	Credit Card Processing Charges	5,314.30
EMPLOYEE RETENTION/MORALE FUND				
Total Cash Expenditures				<u>\$ 2,143,823.36</u>

⁽¹⁾ Includes SJWD portion

**Credit Card Expenditures
February 2015**

February-15

Vendor	Purpose	Cost	Coding
Flashpoint Studios	Messages on Hold	79.00	19-54506
Payflow Pro	Credit Card Processing Fee	59.95	04-54503
Uline.com	Replenish Inventory Tag Stock	57.45	03-52101
Amazon.com	Office Supplies	58.00	12-54008
Target	Kitchen Supplies	88.79	05-52108 \$77.59 06-52101 \$11.20
The Home Depot	Replenish Storeroom Supplies	134.56	05-52101
Northern Tool and Equipment		1,459.98	06-52101
Powers Electric		1,751.73	06-52101
MMANC	Legislative Advocacy	95.00	02-51406
Cal Chamber	HR Publication	147.92	17-52502
CSDA	Employee Training	600.00	02-51406
Southwest Airlines	Admin Conference Travel	194.20	02-55001
RDS Manufactuirng	Fuel Caps	65.00	12-54004
Pep Boys	Contaminated Gas Disposal	21.59	12-52101
Pep Boys	Equipment Maintenance	10.78	12-54004
The Home Depot	Building Maintenance	99.30	12-52101
NEEC	Building Operator Renewal	65.00	05-51406
Dungarees.com	Uniform Supplies	254.97	12-51408
Employee Morale Fund			
1-800 Flowers	Employee Life Event	55.06	02-51403
		<u>5,298.28</u>	

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

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

Director Locke:

Director Schild:

2/05/2015	2X2 Committee Meeting
2/06/2015	Meeting with Audit Firm Richardson & Co.
2/07/2015	Meeting with Director Gayle (no pay)
2/11/2015	San Juan Water District Board Meeting
2/12/2015	SGA Meeting
2/18/2015	Meeting with Director Gayle (no pay)
2/20/2015	Meeting with Director Gayle (no pay)
2/23/2015	SSWD Regular Board Meeting
2/25/2015	Meeting with Director Gayle (no pay)

Director Weichert:

Director Gayle:

Director Thomas:

20

(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 2015
Expenses For February 2015**

Event/Purpose	Gayle	Robison	Fellenz	Thomas	Schild	Total
2015 Meeting Mileage					141.45	141.45
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
	-	-	-	-	141.45	141.45

**Directors Expense Report
Calendar Year 2015
Expenses Reflected January 1, 2015 - December 31, 2015**

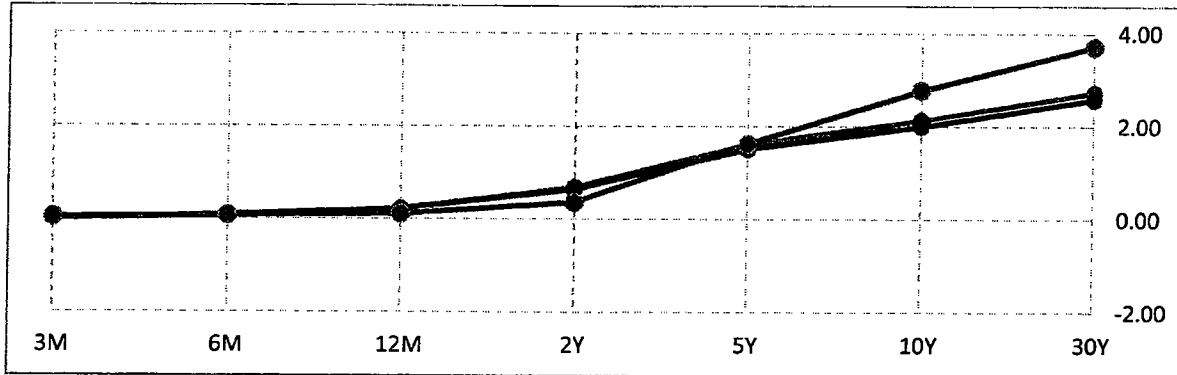
Event/Purpose	Gayle	Robison	Fellenz	Thomas	Schild	Total
2015 Meeting Mileage					141.45	141.45
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
						-
	-	-	-	-	141.45	141.45

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 -
February 2010 through February 2015**

Sacramento Suburban Water District
United States Treasury and Federal Reserve Yields/Rates
As of: March 10, 2015
(Source: Bloomberg Market Data)

US Treasury Yields



Tenor	Coupon	Price	Last	1 Month	1 Year	Time
3 Month	0.0000	0.0050	0.01%	0	-3	13:17:03
6 Month	0.0000	0.0950	0.10%	+3	+2	13:18:34
12 Month	0.0000	0.2300	0.23%	+1	+11	13:15:22
2 Year	0.5000	99-20 $\frac{3}{4}$	0.69%	+4	+32	13:07:04
5 Year	1.3750	98-28 $\frac{3}{4}$	1.61%	+9	-2	13:14:43
10 Year	2.0000	98-26	2.13%	+14	-64	13:00:37
30 Year	2.5000	95-10	2.73%	+15	-100	12:57:38

Change shown in basis points

Federal Reserve Rates

Rate	Current	1 Year Prior	Rate	Current	1 Year Prior
Fed Funds Rate	0.12	0.07	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>2/28/2015</u>	<u>SSWD Holdings</u>	<u>ML 0-5 Year UST Index</u>
Under 6 Months	3.2%	11.9%
6 - 12 Months	12.8%	10.5%
1 - 2 Years	20.1%	26.1%
2 - 3 Years	34.5%	20.1%
3 - 4 Years	20.5%	16.3%
4 - 5 Years	8.9%	15.1%
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%
1/31/2015	0.71%	0.81%	1.03%
2/28/2015	-0.21%	-0.40%	1.06%

DRAFT
District Reserve Balances
February 28, 2015

DRAFT

**Sacramento Suburban Water District
Reserve Fund Balance**

	<u>February 28, 2015</u>	<u>December 31, 2014</u>
Debt Service Reserve	\$ 3,555,723	\$ 3,540,057
Facilities Reimbursement	28,378	21,873
Emergency/Contingency	10,758,000	10,758,000
Operating	6,468,857	6,468,857
Rate Stabilization	5,870,000	5,870,000
Interest Rate Risk	-	-
Grant	654,000	654,000
Capital Asset	18,253,870	17,499,224
TOTAL	<u><u>\$ 45,588,827</u></u>	<u><u>\$ 44,812,011</u></u>

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

	<u>February 28, 2015</u>	<u>December 31, 2014</u>
Cash and cash equivalents	\$ 2,492,282	\$ 1,312,864
Investments	39,540,823	39,959,090
Restricted assets	3,555,723	3,540,057
TOTAL	<u><u>\$ 45,588,827</u></u>	<u><u>\$ 44,812,011</u></u>

DRAFT
Information Required by Bond Agreement

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

DRAFT

As Of

	<i>Actual Year-To-Date 02/28/15</i>	<i>Amended Budget Year-To-Date 02/28/15</i>
REVENUES		
Water sales charges	\$2,153,427.11	\$3,310,000.00
Capital facilities charge	3,320,062.84	3,571,666.00
Facility development charges		33,334.00
Interest and investment income	217,017.47	100,000.00
Rental & other income	56,428.07	49,724.00
	5,746,935.49	7,064,724.00
EXPENSES		
Source of supply	8,058.56	204,819.87
Pumping	467,236.05	750,235.98
Transmission and distribution	376,959.68	517,358.54
Water conservation	37,524.47	86,677.90
Customer accounts	151,009.77	223,821.84
Administrative and general	854,469.45	1,090,758.30
	1,895,257.98	2,873,672.43
NET REVENUE	3,851,677.51	4,191,051.57

Sacramento Suburban Water District
 6 - Months Debt Service Schedule
 2/28/2015

DRAFT

Month	Total SSWD Debt Service					Debt Service
	Principal	Interest Adjustable/Fixed/Swap		Facility Fee	Remarketing	
Mar-15	\$ -	\$ 83,933.07	\$ 60,375.00	\$ 13,125.00	\$ 157,433.07	
Apr-15	-	83,933.07	-	-	83,933.07	
May-15	-	83,933.07	1,188,137.50	-	1,272,070.57	
June-15	-	83,933.07	60,375.00	13,125.00	157,433.07	
July-15	-	83,933.07	-	-	83,933.07	
Aug-15	-	83,233.07	-	-	83,233.07	

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

Month	Series 2009A Adjustable Rate GOPs (\$42,000,000.00)					Debt Service
	Principal	Interest, Adjustable 0.02%		Facility Fee 0.575%	Remarketing 0.125%	
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	
Aug-15	-	700.00	-	-	700.00	

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

Month	2012 SWAP Interest, Net (\$33,000,000.00)					Debt Service
	Principal	Interest, Swap Net (3.283-0.10361-0.18)%		Facility Fee	Remarketing	
Mar-15	\$ -	\$ 83,233.07	\$ -	\$ -	\$ 83,233.07	
Apr-15	-	83,233.07	-	-	83,233.07	
May-15	-	83,233.07	-	-	83,233.07	
June-15	-	83,233.07	-	-	83,233.07	
July-15	-	83,233.07	-	-	83,233.07	
Aug-15	-	83,233.07	-	-	83,233.07	



Agenda Item: 14

Date: March 9, 2015

Subject: District Credit Rating

Staff Contact: Daniel A. Bills, Finance Director

Discussion:

At the time of debt issuance the District is required to obtain a credit rating¹ from at least two of the three most prominent credit rating agencies – Standard & Poor’s Rating Services (S&P), Moody’s Investor Services (Moody’s), or Fitch Ratings’ Ltd. (Fitch). The District utilizes the rating services of both S&P and Moody’s as they are the major providers of credit ratings in the municipal debt marketplace. After issuance, each year, both S&P and Moody’s do a review and update of the District’s credit rating.

Moody’s has just completed their annual review of the District and reaffirmed the “Aa2” rating. This is a significant accomplishment for the District as some water agencies throughout the state have seen their credit ratings decline as a result of the drought.

In particular, Moody’s noted in their report as support for their rationale the following:

Strengths

1. The affirmation of the long-term rating reflects the district's satisfactory water supplies, which remain unaffected by the on-going drought, strong financial performance and improved debt position. The risks and benefits posed by the district's variable rate debt and interest rate swap also are factors in the rating.
2. Large, diverse service area.
3. Satisfactory water sources including groundwater and two suppliers of surface water.
4. Strong financial position including healthy cash resources and sound debt service coverage.

Challenges

1. Service area economy experiencing challenges as a result of the recession.
2. Debt structure that contains some unhedged variable rate debt.

¹ A credit rating is a forward-looking opinion about credit-risk. Credit ratings express the individual credit rating agency’s view about the ability and willingness of an issuer to meet its financial obligations in full and on time. Credit ratings also speak to the credit quality of an individual debt issuance and the relative likelihood that the issue may default.

The District’s current credit rating from S&P is “AA+.”

Listed below are the investment grade credit rating scales of both S&P and Moody’s. The scale is from highest to lowest in descending order. As can be seen, the District is one notch below the highest credit rating of “AAA” awarded by S&P, while Moody’s rating of “Aa2” is two notches below their highest credit rating of “Aaa”.

Credit Rating Scales	
Moody’s	S&P
Aaa	AAA
Aa1	AA+
Aa2	AA
Aa3	AA-
A1	A+
A2	A
A3	A-
Baa1	BBB+
Baa2	BBB-

MOODY'S

INVESTORS SERVICE

Rating Update: Moody's affirms Aa2 rating of Sacramento Suburban Water District, CA

Global Credit Research - 25 Feb 2015

Affects approximately \$93.4M of outstanding debt

SACRAMENTO SUBURBAN WATER DISTRICT, CA
Water Enterprise
CA

NEW YORK, February 25, 2015 --Moody's Investors Service has affirmed the long-term Aa2 rating on Sacramento Suburban Water District's (CA) outstanding \$93.4 million of debt.

SUMMARY RATING RATIONALE

The affirmation of the long-term rating reflects the district's satisfactory water supplies, which remain unaffected by the on-going drought, strong financial performance and improved debt position. The risks and benefits posed by the district's variable rate debt and interest rate swap also are factors in the rating.

OUTLOOK

Outlooks are usually not assigned to local government credits with this amount of debt outstanding.

WHAT COULD MAKE THE RATING GO UP

- Continued trend of sound financial operations including ample liquidity and strong debt service coverage
- Long-term trend of improved service area economy
- Further reductions of swap and variable-rate debt exposure

WHAT COULD MAKE THE RATING GO DOWN

- Weakened financial position, including lower liquidity and/or narrower debt service coverage
- Increased debt levels
- Development of water supply challenges

STRENGTHS

- Large, diverse service area
- Satisfactory water sources including groundwater and two suppliers of surface water
- Strong financial position including healthy cash resources and sound debt service coverage

CHALLENGES

- Service area economy experiencing challenges as a result of the recession
- Debt structure that contains some unhedged variable rate debt

RECENT DEVELOPMENTS

Recent developments are incorporated in the Detailed Rating Rationale.

DETAILED RATING RATIONALE

SERVICE AREA AND CUSTOMER BASE: LARGE BUT STABLE SERVICE AREA WITH MODERATE GROWTH; DISTRICT HAS ACCESS TO VIRTUALLY UNLIMITED SUPPLY OF WATER

The district's sizable customer base, at 45,391 connections- remains stable since our last report in 2012, growing by 1.6%. Additionally, the customer base remains very diverse, with the ten largest customers accounting for only 5.4% of fiscal 2013 revenues. While this figure is up from 4.5% in FY2012, concentration remains minimal.

The service area's very large assessed value (AV) of \$12.6 billion has mostly recovered from the effects of the recession. As of FY 2015, the district's AV is nearly 95% of its pre-recession peak. As of December 2014 unemployment in the Sacramento County was 6.2% slightly lower than the state's 6.7% rate but above the national rate of 5.4%. The county's wealth levels are in-line with national medians. In 2009, the county's median family income was equal to 104.8% of the US.

The district is in a sound position with respect to water supply. The District has rights to groundwater sufficient to meet all its annual needs. The District's groundwater meets all applicable regulatory requirements. The district also obtains surface water pursuant to agreements with Placer County Water Agency and the City of Sacramento that allow for groundwater replenishment. Despite not being able to draw on either of these sources in 2013 because of the drought, the district was able to fund all of its demand with groundwater.

DEBT SERVICE COVERAGE AND NET WORKING CAPITAL: FINANCIAL OPERATIONS REMAIN STRONG, YIELDING ONGOING STRONG DEBT SERVICE COVERAGE

The district's financial operations remain sound and should remain so in the near-term. The district achieved a very strong operating ratio of 39.6% in FY 2013. Over the past five years, it has averaged around 43.7%, which compares favorably with Aa2-rated water enterprises nationally and in California.

The district's low operating ratio and declining debt ratio (40.8% in FY2009 versus 34.4% in FY 2013) translates into strong debt service coverage. Coverage in FY 2013 was strong at 3.4 times. Projected FY2014 coverage (the district's fiscal year ends December 31) should be comparable.

The district expects to raise rates going forward as needed to generate sufficient cash to address its capital improvement plan (CIP). The CIP is primarily for rehabilitation and replacement of existing infrastructure, with no urgent or mandated projects. The district's FY2015 adopted budget calls for \$18.3 million in capital expenditures, slightly below the prior two years. The district's long-range forecast projects similar levels of capital spending for the foreseeable future.

Liquidity

The district's liquidity position is strong for the rating level. As of the end of FY 2013, the district's net working capital was equal to 271% of operating and maintenance expenses.

DEBT AND LEGAL COVENANTS: IMPROVED DEBT LEVEL AND SIMPLIFIED DEBT STRUCTURE

The district's balance sheet has improved since FY2009, when the debt ratio stood at 40.8%, which is somewhat high for Aa2-rated water districts. Now, at 34.4%, the debt ratio is somewhat more in line with the national Aa2 median of 27.7%.

The somewhat low 1.15x additional bonds test also remains a credit negative. This low ABT is somewhat mitigated by the fact that the district has no additional debt plans. The district has also significantly lowered its large variable rate exposure within the last few years.

Debt Structure

As of the end of FY2013, the district had \$42 million in variable rate remaining, or approximately 42% of its total debt, down from \$75 million as of our last report; all but \$9 million of its variable rate debt is swapped to fixed rate. The district's strong liquidity - cash and investments in FY 2013 totaling \$43.8 million - is more than sufficient to mitigate the risk associated with the variable rate debt, hedged and unhedged, although the fact that a portion of the district's variable rate debt is unhedged could pose a challenge in years with high interest rates.

The district has a policy requiring that it maintain reserves for four discrete purposes, although the amount is unspecified. The current rating assumes that the district's cash and investments will remain strong, and at amounts sufficient to offset risks associated with its exposure to its variable rate debt risks.

Debt-Related Derivatives

The district has one fixed-to-variable rate swap with Wells Fargo Bank, NA (Aa3 stable). The swap expires on November 1, 2034 and has a notional amount of \$33.3 million. As of December 31, 2013, the mark-to-market value of the swap was -\$4.2 million, which the district's liquidity could absorb easily.

Pensions and OPEB

Both the district's pension and OPEB liabilities are reasonable and do not pose short- or long-term challenges to the system. The district's pension liability is managed by the California Public Employees Retirement System (CalPERS). The district's combined pension and OPEB actuarially required contributions amounted to a reasonable 3% of operating revenues.

MANAGEMENT AND GOVERNANCE

The district is governed by a five-member board of directors, each of which is elected to a four-year term. Furthermore, the district's rate-setting ability is subject to Proposition 218.

KEY STATISTICS

- Useful life of assets: 24 years
- System size: \$16.4 million
- Service area wealth, MFI: 104.8%
- Annual debt service coverage: 3.4x
- Days cash on hand: 856 days
- Debt to operating revenue: 2.6x
- Rate management: A
- Regulatory compliance and capital planning: Aa
- Rate covenant: 1.15x
- Debt service reserve fund: Baa and below

OBLIGOR PROFILE

The system provides retail water service to a large service area immediately north of the City of Sacramento (GOULT equivalent rating Aa2 stable) with a population of approximately 171,000. The service area covers 23,032 acres and includes parts of the cities of Sacramento and Citrus Heights as well as all or a portion of various unincorporated communities.

LEGAL SECURITY

The parity debt is secured by net revenues of the district. The rate covenant and additional bonds test is set at a low 1.15 times net revenues. The district's series 2012A bonds did not have a debt service reserve fund.

USE OF PROCEEDS

Not Applicable.

PRINCIPAL METHODOLOGY

The principal methodology used in this rating was US Municipal Utility Revenue Debt published in December 2014. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class

of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on www.moodys.com for additional regulatory disclosures for each credit rating.

Analysts

Gregory W. Lipitz
Lead Analyst
Public Finance Group
Moody's Investors Service

Michael Wertz
Additional Contact
Public Finance Group
Moody's Investors Service

Contacts

Journalists: (212) 553-0376
Research Clients: (212) 553-1653

Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
USA

MOODY'S
INVESTORS SERVICE

© 2015 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. AND ITS RATINGS AFFILIATES ("MIS") ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND CREDIT RATINGS AND RESEARCH PUBLICATIONS PUBLISHED BY MOODY'S ("MOODY'S PUBLICATIONS") MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT

RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS FOR RETAIL INVESTORS TO CONSIDER MOODY'S CREDIT RATINGS OR MOODY'S PUBLICATIONS IN MAKING ANY INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the Moody's Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any rating, agreed to pay to Moody's Investors Service, Inc. for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moody.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

For Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services

License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail clients. It would be dangerous for "retail clients" to make any investment decision based on MOODY'S credit rating. If in doubt you should contact your financial or other professional adviser.

For Japan only: MOODY'S Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of MOODY'S Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any rating, agreed to pay to MJKK or MSFJ (as applicable) for appraisal and rating services rendered by it fees ranging from JPY200,000 to approximately JPY350,000,000. MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.



Agenda Item: 15

Date: March 4, 2015

Subject: Upcoming Policy Review - Strategic Plan (PL - BOD 001)

Staff Contact: Robert S. Roscoe, General Manager

The Board of Directors has reviewed the District's Strategic Plan annually since it was originally adopted in October 2005. The Strategic Plan (see Exhibit 1) was last reviewed at the April 15, 2013 Board meeting. The Strategic Plan is the expression of the District's vision and philosophy to ensure the values, beliefs and desires of the elected Board as representatives of the District's customers are captured and communicated to staff and the public. It is this Strategic Plan that is used by staff to focus and drive district efforts. The Strategic Plan further provides the foundation for other policies adopted by the Board.

At the last Strategic Plan review, the Board of Directors approved the following timeframes for future reviews of the Strategic Plan:

- Review the Strategic Plan every two years, or as needed if a specific issue arises.
- Schedule Strategic Plan workshops in the spring of odd years (following an election). This will allow staff to thoroughly review the Strategic Plan with newly elected Directors, should there be a change in elected representation.

There have been numerous attempts to schedule a Strategic Plan Workshop in 2015. However, due to scheduling conflicts, staff has been unsuccessful in setting a date and time for a workshop. The workshop's focus is the review and evaluation of the Strategic Plan. Included is the consideration of the statement of purpose, mission statement, values, goals and principles. It is a high level assessment. It is not intended to provide specific policies or details of any particular District activity. If held, the workshop would be intended to consider broad philosophy and District vision, and to suggest changes to the Strategic Plan if appropriate. Upon completion of the two previous workshops, there were minimal updates to the plan, largely for clarification of intent and to improve readability.

Currently there are no changes being recommended by staff. Therefore, the policy was not submitted to legal counsel for review.

Staff is requesting direction from the Board to continue attempts to schedule a workshop, or schedule the policy for Board consideration and adoption at the April 20, 2015 regular Board meeting. If the Board chooses to not conduct a workshop and they wish to have their comments included in hard copy for Board review and consideration, please provide those comments to staff by Monday, April 6, 2015.

Exhibit 1

Sacramento Suburban Water District

Strategic Plan

Adopted: October 17, 2005

Revised: May 18, 2009; March 21, 2011; April 16, 2012; April 15, 2013

Statement of Purpose

The Sacramento Suburban Water District Board of Directors is committed to the long term development of the District and its ability to serve its customers into the future. To this end, the Board developed and routinely reviews the Strategic Plan that aligns the District's activities to its Mission Statement. The Strategic Plan is the District's vision and philosophy expressed as a plan. The plan takes the vision expressed as a mission statement and values and translates it into broad goals that will guide the formulation of achievable objectives. The Strategic Plan focuses the resources of the District in a manner that strives to achieve the vision and over time, increase value to its customers.

Mission Statement

To deliver a high quality, reliable supply of water and superior customer service at a reasonable price.

Values

- Respect customers and conduct District business through open and transparent governance and communications.
- Practice the highest ethical standards and maintain integrity at all levels of the organization.
- Ensure public health and safety by conducting operations in strict accordance with all statutory and regulatory requirements.
- Achieve high levels of staff professionalism through career development, including training opportunities, and retention of skilled staff with competitive compensation.
- Support sustainable resource and District asset management through cost effective business practices.
- Emphasize internal and external collaboration in pursuing objectives and resolving issues.
- Provide leadership and vision in water management issues.

Goals and Principles

1. Water Supply

Goal¹: Assure a present and long-term safe and reliable supply of high quality water in an environmentally responsible and sustainable manner for District customers².

Principles³

- A. Protect public health and the environment through compliance with all applicable federal, state and local regulations.
- B. Provide for the long-term future needs of the District through prudent planning that will ensure sufficient capacity to serve all customers.
- C. Continue to implement and support demand management strategies and water conservation that comply with federal, state and regional⁴ programs; support Water Forum Agreement⁵ goals and efficiently meet the needs of the District customers.
- D. Manage the District's water supplies to ensure their quality and quantity.
- E. Ensure the safety and security of the water supply system.

2. Facilities and Operations

Goal: Plan, construct, operate and maintain the District water system facilities embracing sustainable practices to provide reliable delivery of high quality water.

Principles

- A. The District will utilize appropriate planning tools, identify financial resources necessary, and prioritize system requirements to protect and maintain District assets and attain water resource objectives incorporating resource sustainability into the framework.
- B. Monitor and improve the District's efficiencies in operating and maintaining system infrastructure.
- C. Develop cost-effective strategies utilizing appropriate technology and other available resources to optimize delivery of water and enhance service.
- D. Manage assets by implementing protective, preventive and predictive maintenance programs on all District assets to extend their life and reduce service interruptions.

¹ Broadly conceived targets or ends that allow the organization to achieve its mission.

² A SSWD District customer is inclusive of the following: someone who receives a SSWD water statement, residents in the District's service area, internal and external stakeholders and owners of property connected to the water system.

³ Guidelines and approaches used in pursuing goals, i.e., the manner in which the District will pursue the goal; strategies.

⁴ Encompassing the general area of North Sacramento County.

⁵ An agreement reached in 2000 by the Water Forum (a group of business interests, agricultural leaders, citizens groups, environmentalists, water managers and local governments in Sacramento County), which formalized principles to guide development of a regional solution to water issues.

- E. Provide information technology systems that will facilitate the availability of timely and accurate information and enable provision of superior service.
- F. Safeguard the District's electronic data.
- G. Maintain up-to-date emergency response plans in conjunction with other public service organizations.
- H. Implement water conservation programs that efficiently utilize potable water supplies.
- I. Implement energy management initiatives that reduce energy costs while protecting critical operations from energy or supply interruptions.

3. Customer Service

Goal: Assure superior customer service.

Principles

- A. Operate in an open and public manner including public reporting to the Board of Directors.
- B. Attract and retain a well-qualified staff with competitive compensation, effective training, and professional development to ensure safe, efficient and effective job performance.
- C. Assure appropriate staffing at all levels consistent with service goals.
- D. Provide effective customer and community relations by communicating, educating, and providing information on District operations, drinking water issues, water conservation, fiscal stability, environmental stewardship, sustainability of water resources and physical system assets.
- E. Solicit and respond to customer and community concerns and feedback.
- F. Monitor and benchmark⁶ customer service parameters to ensure that District customers' needs are met.

4. Finance

Goal: Ensure effective and efficient management and public reporting of all District financial processes.

Principles

- A. Monitor District operations through internal control procedures, documentation and such other processes necessary to ensure effective financial performance.
- B. Establish rates and connection fees that are fair, reflect the cost of service, encourage conservation, are simple to understand, and meet the District's revenue requirements, including bond covenants.
- C. Combine sound and efficient business and financial procedures with regular, frequent reporting to the Board and oversight bodies that explain the District's financial status and activities.
- D. Pay authorized District financial obligations in a timely manner.

⁶ Data is collected to develop a standard by which services may be measured, evaluated and compared to improve performance.

- 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.
- F. Manage the District's debt portfolio to minimize debt risk and costs.
- G. Produce annual financial statements and supporting documentation to allow outside auditors to provide the District with unqualified audit opinions.
- H. Produce and monitor an annual budget for necessary system operations, maintenance and improvements.
- I. Pursue opportunities for grant funding and cost savings activities with collaborative entities.

5. Leadership

Goal: Provide leadership on regional, statewide and national water management issues that affect the District.

Principles

- A. Engage in legislative affairs on issues affecting the District.
- B. Engage in a leadership role with professional water industry groups to enhance proficiency in technical and policy matters.
- C. Participate in regional, statewide and national water management partnerships.
- 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).



Agenda Item: 16

Date: March 3, 2015

Subject: Upcoming Policy Review – Improvement Standards and Technical Specifications (PL – Eng 001)

Staff Contact: John E. Valdes, Engineering Manager

The Improvement Standards and Technical Specifications Policy (PL – Eng 001) was originally adopted by the Board on February 28, 2011, and was most recently reviewed in 2013. The current policy is attached as Exhibit 1 to this staff report. This policy is to be reviewed every two years.

Staff has no recommended updates to this policy. It was not submitted to legal counsel for review.

This policy is scheduled for Board consideration and adoption at the April 2015 Regular Board Meeting. If a Director wishes to have his comments included in hard copy for Board review and consideration, please provide those comments to staff by Monday, April 6, 2015.

Sacramento Suburban Water District

Improvement Standards and Technical Specifications PolicyAdopted: February 28, 2011

100.00 Purpose of the Policy

This document sets forth the policy of the Sacramento Suburban Water District concerning the establishment of Improvement Standards and Technical Specifications for the design and construction of improvements to the water works of the District. Improvement Standards and Technical Specifications are necessary to require minimum acceptable quality of design and construction of water infrastructure improvements. All improvements, modifications, and repairs to the District's water system will be planned, designed, and constructed in conformance with these Improvement Standards and Technical Specifications, any applicable District Regulations, and with any applicable special conditions that have been approved by the District.

200.00 Authority

In conformance with the California Water Code, Division 12, County Water Districts, the General Manager has the full responsibility and authority to set standards and specifications for the planning, design, construction, modification or repair of the water works system of the District. The Board of Directors recognizes this authority and through this document, acknowledges this as the policy of the District.

300.00 Responsibility

The General Manager shall be responsible for the establishment of the Improvement Standards and Technical Specifications of the District. He may, at his discretion, utilize District staff to update and maintain the Improvement Standards and Technical Specifications. The Improvement Standards and Technical Specifications will be maintained as a separate document and will be considered the procedures of this policy. The General Manager may review and change the Improvement Standards and Technical Specifications as necessary to meet the needs of the District.

400.00 Policy Review

This policy shall be reviewed at least biennially.



Agenda Item: 17

Date: March 5, 2015

Subject: California Special Districts Association Call for Nominations – Board of Directors, Seat A

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

Recently the District received a call for nominations for Seat A from the California Special Districts Association (CSDA) for the 2016 - 2018 term. Note that the Sierra Network Seat C was discussed at the February 2015 meeting and staff was directed to nominate Director Gayle. 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 geographical networks (SSWD is in the Sierra Network). Each division has three seats on the Board with staggered 3-year terms.

Directors are nominated and elected by region 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 Friday, May 22, 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 notified no later than August 10, 2015 and then announced at CSDA's Annual Conference, in Monterey in September.

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. 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 event.

The CSDA call for nomination information is included with this report; CSDA's memo calling for nominations for Seat A, nomination form, Network Map and CSDA Board 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 April regular Board meeting agenda for possible Board action. If staff is not contacted by a Director by Monday, April 6, 2015, this item will not be on the April regular Board meeting agenda.

Received

FEB 23 2015

SSWD



**California Special
Districts Association**
Districts Stronger Together

DATE: February 20, 2015

TO: CSDA Voting Member Presidents and General Managers

FROM: CSDA Elections and Bylaws Committee

**SUBJECT: CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS
SEAT A**

The Elections and Bylaws Committee is looking for Independent Special District Board Members or their General Managers who are interested in leading the direction of the California Special Districts Association for the 2016 - 2018 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 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 must accompany the nomination. The deadline for receiving nominations is May 22, 2015.** Nominations and supporting documentation may be mailed or faxed.

Nominees will receive a Candidate's Packet in the mail. The packet will include campaign guidelines.

CSDA will mail ballots on June 5th. The ballots must be received by CSDA no later than 5:00 p.m. August 7, 2015 and must be the original ballot (no faxes or e-mails). The successful candidates will be notified no later than August 10th. All selected Board Members will be introduced at the Annual Conference in Monterey, CA in September.

Expiring Terms

(See enclosed map for regional breakdown)

Northern Network	Seat A John Woolley, Manila Community Services District
Sierra Network	Seat A Noelle Mattock, El Dorado Hills Community Services District*
Bay Area Network	Seat A <i>Currently vacant</i>
Central Network	Seat A Joel Bauer, West Side Cemetery District*
Coastal Network	Seat A Elaine Freeman, Rancho Simi Recreation & Park District
Southern Network	Seat A Jo MacKenzie, Vista Irrigation District*

(* = Incumbent is running for re-election)

If you have any questions, please contact Charlotte Lowe at 877-924-CSDA or charlottel@cstda.net.



**California Special
Districts Association**
Districts Stronger Together

BOARD OF DIRECTORS NOMINATION FORM

Name of Candidate: _____

District: _____

Mailing Address: _____

Network: _____ (see map on back)

Telephone: _____

(PLEASE BE SURE THE PHONE NUMBER IS ONE WHERE WE CAN REACH THE CANDIDATE)

Fax: _____

E-mail: _____

Nominated by (optional): _____

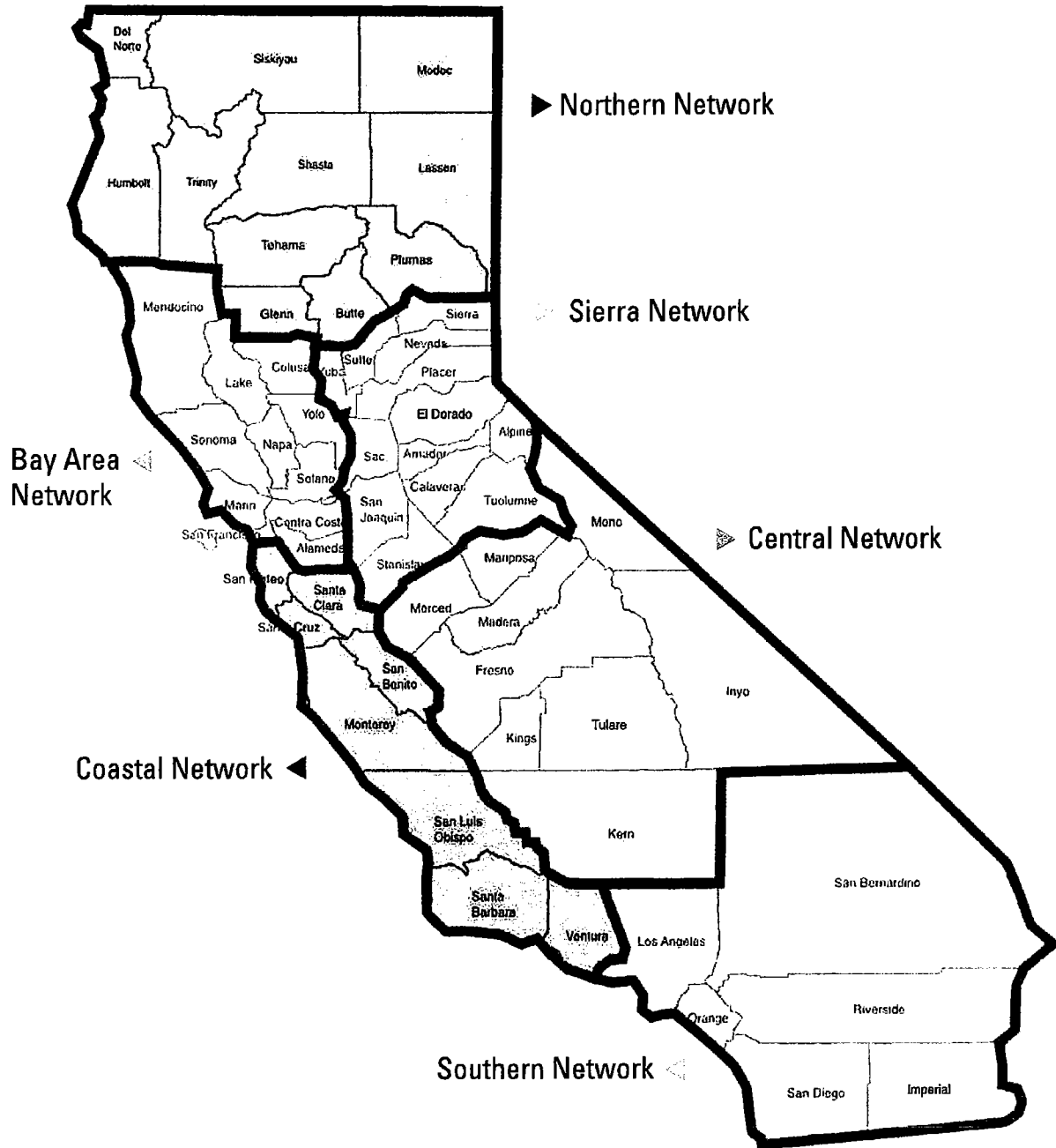
Return this **form and a Board resolution/minute action supporting the candidate
and Candidate Information Sheet** by fax or mail to:

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

DEADLINE FOR RECEIVING NOMINATIONS – May 22, 2015



California Special Districts Association
DISTRICT NETWORKS





**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:

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after June 4, 2015 will not be included with the ballot mailing.**



Agenda Item: 18

Date: March 9, 2015

Subject: State Water Resources Control Board Emergency Drought Regulations

Staff Contact: Greg Bundesen, Water Conservation Supervisor

On Friday, March 6, 2015 the State Water Resources Control Board (SWRCB) released its Proposed Text of Emergency Regulations (Regulations) regarding the current drought conditions (see Exhibit 1). As part of the Regulations, the SWRCB staff is recommending mandatory actions. Listed below are the actions staff believes are of the most significance for Sacramento Suburban Water District (District):

1. Section 865 (b) (1) – Each urban water supplier shall implement all requirements and actions of the stage of its water shortage contingency plan (Plan) that includes mandatory restrictions on the number of days that outdoor irrigation of ornamental landscapes or turf with potable water is allowed.

It should be noted that Section 865 (c) directs urban water suppliers without a Plan to limit outdoor watering to no more than two days per week. Furthermore, Section 865 (e) directs distributors of a public water supply that is not an urban water supplier, to either limit outdoor watering to two days per week or implement other mandatory conservation measures that will achieve a 20% or greater reduction relative to consumption in 2013.

2. Section 865 (d) (1) – Water suppliers shall provide prompt notice to a customer whenever the supplier obtains information that indicates that a leak may exist within the end-users control.
3. Section 865 (d) (2) – Prepare and submit to the SWRCB by the 15th of each month a monitoring report on forms provided by the SWRCB. The monitoring report shall include the amount of potable water the urban water supplier produced, including water provided by the wholesaler, in the preceding calendar month and shall compare that amount to the amount produced in the same calendar month in 2013. The monitoring report shall specify the population served by the urban water supplier, the percentage of water produced that is used for the residential sector, and the number of days that the outdoor irrigation is allowed. The monitoring report shall also estimate the gallons of water per person per day used by the residential customers it serves.

The District is already in compliance with all three mandatory actions noted above. The District is currently operating in a Stage 2 – Water Warning that includes mandatory watering day restrictions of two days per week. However, as a result of the Board Decision on February 23, 2015, mandatory watering restrictions are currently limited to three days per week on an odd/even schedule. Odd numbered addresses are allowed to water Tuesdays, Thursdays, and Saturdays; while even numbered addresses are allowed to water on Wednesdays, Fridays, and

State Water Resources Control Board Emergency Drought Regulations

March 9, 2015

Page 2 of 2

Sundays. There is no watering permitted on Mondays. The District provides notices to customers that are reported to potentially have a leak on their property. Leaks are required to be repaired within 7 days in accordance with Regulation No. 15. The District is currently providing the SWRCB with all of the necessary monthly water production data that they are requesting.

The SWRCB is expected to vote on the above draft Regulations on March 17, 2015. Once the vote is finalized and any revisions to the draft Regulations are known, staff will prepare a report summarizing the changes, if any, and prepare a recommendation for the Water Stage Declaration for 2015.

PROPOSED TEXT OF EMERGENCY REGULATIONS

Article 22.5. Drought Emergency Water Conservation

Sec. 863 Findings of Drought Emergency

(a) The State Water Resources Control Board finds as follows:

(1) On January 17, 2014, the Governor issued a proclamation of a state of emergency under the California Emergency Services Act based on drought conditions;

(2) On April 25, 2014, the Governor issued a proclamation of a continued state of emergency under the California Emergency Services Act based on continued drought conditions;

(3) The drought conditions that formed the basis of the Governor's emergency proclamations continue to exist;

(4) The present year is critically dry and has been immediately preceded by two or more consecutive below normal, dry, or critically dry years; and

(5) The drought conditions will likely continue for the foreseeable future and additional action by both the State Water Resources Control Board and local water suppliers will likely be necessary to further promote conservation.

Authority: Wat. Code, § 1058.5.

References: Wat. Code, §§ 102, 104, 105.

Sec. 864 End-User Requirements in Promotion of Water Conservation

(a) To promote water conservation, each of the following actions is prohibited, except where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency:

(1) The application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;

(2) The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;

(3) The application of potable water to driveways and sidewalks; and

(4) The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system.

(5) The application of potable water to outdoor landscapes during and up to 48 hours after measurable rainfall.

(6) The serving of drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased.

(b) To promote water conservation, operators of hotels and motels shall provide guests with the option of choosing not to have towels and linens laundered daily. The hotel or motel shall prominently display notice of this option in each bathroom using clear and easily understood language.

(c) The taking of any action prohibited in subdivision (a) or the failure to take any action required in subdivision (b), in addition to any other applicable civil or criminal penalties, is an infraction, punishable by a fine of up to five hundred dollars (\$500) for each day in which the violation occurs.

PROPOSED TEXT OF EMERGENCY REGULATIONS

Authority: Wat. Code, § 1058.5.

References: Wat. Code, §§ 102, 104, 105.

Sec. 865 Mandatory Actions by Water Suppliers

(a) The term “urban water supplier,” when used in this section, refers to a supplier that meets the definition set forth in Water Code section 10617, except it does not refer to suppliers when they are functioning solely in a wholesale capacity, but does apply to suppliers when they are functioning in a retail capacity.

(b)(1) To promote water conservation, each urban water supplier shall implement all requirements and actions of the stage of its water shortage contingency plan that includes mandatory restrictions on the number of days that outdoor irrigation of ornamental landscapes or turf with potable water is allowed. Urban water suppliers with approved alternate plans as described in subdivision (b)(2) are exempted from this requirement.

(2) An urban water supplier may submit a request to the Executive Director for approval of an alternate plan that includes allocation-based rate structures that satisfies the requirements of chapter 3.4 (commencing with section 370) of division 1 of the Water Code, and the Executive Director may approve such an alternate plan upon determining that the rate structure, in conjunction with other measures, achieves a level of conservation that would be superior to that achieved by implementing limitations on outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week.

(c) To promote water conservation, each urban water supplier that does not have a water shortage contingency plan that restricts the number of days that outdoor irrigation of ornamental landscapes and turf with potable water is allowed, or has been notified by the Department of Water Resources that its water shortage contingency plan does not meet the requirements of Water Code section 10632 shall, within thirty (30) days, limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week.

(d) In furtherance of the promotion of water conservation each urban water supplier shall:

(1) Provide prompt notice to a customer whenever the supplier obtains information that indicates that a leak may exist within the end-users exclusive control.

(2) Prepare and submit to the State Water Resources Control Board by the 15th of each month a monitoring report on forms provided by the Board. The monitoring report shall include the amount of potable water the urban water supplier produced, including water provided by a wholesaler, in the preceding calendar month and shall compare that amount to the amount produced in the same calendar month in 2013. The monitoring report shall specify the population served by the urban water supplier, the percentage of water produced that is used for the residential sector, descriptive statistics on water conservation compliance and enforcement efforts, and the number of days that outdoor irrigation is allowed. The monitoring report shall also estimate the gallons of water per person per day used by the residential customers it serves.

PROPOSED TEXT OF EMERGENCY REGULATIONS

(e) To promote water conservation, each distributor of a public water supply, as defined in Water Code section 350, that is not an urban water supplier shall, within thirty (30) days, take one or more of the following actions:

(1) Limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week; or

(2) Implement another mandatory conservation measure or measures intended to achieve a 20 percent reduction in water consumption by the persons it serves relative to the amount consumed in 2013.

Authority: Wat. Code, § 1058.5.

References: Wat. Code, §§ 102, 104, 105; 350; 10617; 10632.



Agenda Item: 19

Date: March 3, 2015

Subject: San Juan Unified School District Partnership

Staff Contact: Greg Bundesen, Water Conservation Supervisor

On Thursday, February 26, 2015 the Sacramento Suburban Water District's (District) General Manager and Water Conservation Supervisor met with the Director of Planning and Property Management for the San Juan Unified School District (SJUSD) as well as the SJUSD Grounds Supervisor. SJUSD would like to partner with the District to develop an alternate means of compliance for the District's Water Conservation Regulations. The District received a letter from SJUSD outlining their concerns and intentions (see Exhibit 1). SJUSD's main concern is the safety of their students during this time of drought. Due to the drought conditions in 2014, SJUSD struggled to keep their large playing fields in a condition that was safe for their students. SJUSD has approximately 25 schools within the District's boundaries (see Exhibit 2 for a map of the SJUSD schools within the District's boundaries). SJUSD is proposing to partner with the District on a pilot program that will focus on both the safety of their students and achieving the water reduction goals of the District.

District staff believes an opportunity exists to partner with SJUSD to expand on the District's landscape water conservation programs. Approved by the District's Board of Directors (Board) in 2004, the District has been offering its large landscape customers (1 acre or larger) an opportunity to participate in the Large Irrigation Service Customer (LISC) program (see Exhibit 3 for LISC contact details). Under the guidelines set forth in the LISC contract by the Board in 2004, LISC participants can receive special billing rates by adhering to water conservation best management practices and a budgeted amount of water. Both District staff and the SJUSD staff believe the goals of the District and SJUSD can be met by creating a pilot program which would expand the LISC contract to include additional outdoor water conservation best management practices.

District staff will be working with SJUSD staff to incorporate additional outdoor water conservation best management practices that will assist the SJUSD to achieve their goal of ensuring a safe outdoor learning environment for their students while at the same time, achieving the District's water conservation goals.

Accomplishing a pilot program with SJUSD will assist the District's goals of complying with the California Urban Water Conservation Council's Memorandum of Understanding requirement of reducing the District's gallons per capita per day (GPCD) by 18% by 2018, assist the District in meeting the State of California's requirements of reducing its GPCD 20% by 2020, and assist the

District in complying with the Urban Water Management Planning Act Demand Management Measures, while aligning with the District's Strategic Plan to work with other local agencies. If successful, additional details of the program will be brought back to the Board likely at either the April or May meeting. If the pilot program proves successful, there may be opportunities to expand the LISC Program to include additional management practices which add flexibility for large landscape customers.



San Juan Unified School District
Planning Department
5320 Hemlock Street, Sacramento, CA 95841
Telephone (916) 971-7073; FAX (916) 971-5789

David Burke AICP LEED-AP,
Director of Planning and Property Management

March 2, 2015

Received

MAR 03 2015

SSWD

Robert S. Roscoe, P.E.
Greg Bundesen
Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821-5346

Mr. Roscoe and Mr. Bundesen;

Thank you very much for taking the time to meet with Chris Ralston, SJUSD Grounds Supervisor, and myself last week to discuss our Alternate Means of Compliance proposal.

The San Juan Unified School District is placed in an untenable situation in efforts to substantially reduce irrigation water use. As a public school district, we have legal obligations to provide safe and appropriate facilities (including fields) for our students and staff and at the same time we are being required by several of the ten water districts within our boundaries to irrigate on specific days and within specific hours. Unfortunately, we cannot provide safe playfields and sports fields and comply with day and hour irrigation requirements.

We feel there is a solution to this issue. The San Juan Unified School District requests your board consider and approve a one year Alternate Means of Compliance pilot project in which the school district would set a water reduction goal of 25% over 2013 usage. In return, the school district would request relief from day and hour irrigation restrictions.

More specifically our proposed Alternate Means of Compliance pilot project would include the following:

1. Water use reduction goal of 25% compared to 2013 usage
2. Continued implementation of irrigation best management practices
3. Continued deployment of water savings technology (smart controllers, etc.)
4. Moratorium on planting of ornamental landscape
5. Development of an aggressive water savings public outreach program
6. Increased coordination with the water district to identify means to determine actual water usage as close to "real time" as possible

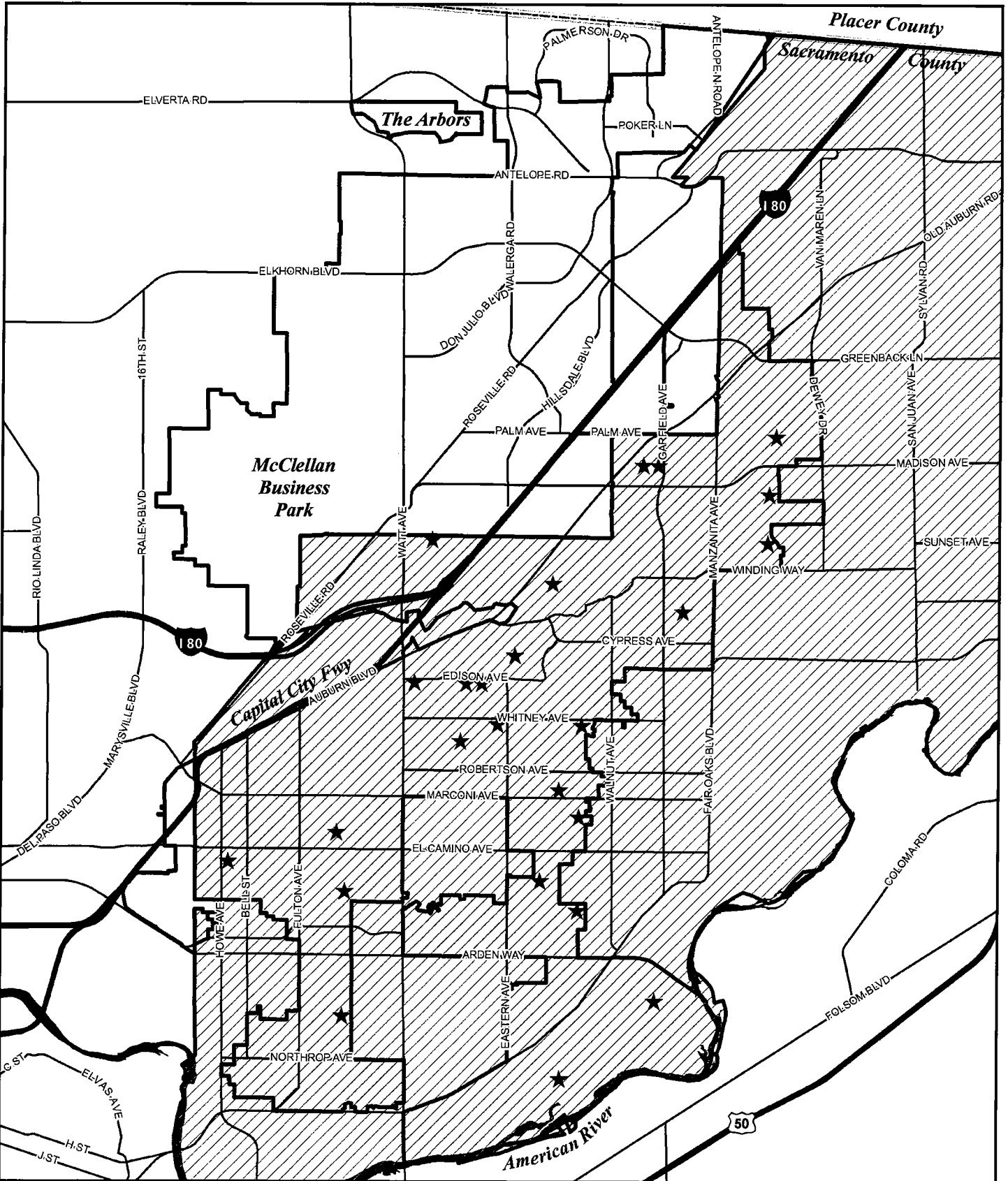
Page 2

As we discussed last week, the San Juan Unified School District would be pleased to attend your board meetings on March 16 and April 20 to support the consideration of this proposed pilot project. Please let me know if there is any additional information that you require.


The severity of the current drought requires the commitment of all Californians to meet water use reduction goals. As a public agency customer of the Sacramento Suburban Water District and an education institution, the San Juan Unified School District must help set the example to achieve water savings. We feel our proposed Alternate Means of Compliance will allow us to save water and at the same time meet our obligation to provide a safe environment for our students and staff.

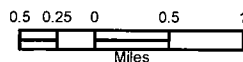
Sincerely,

David Burke
Director of Planning and Property Management



Legend

- ★ San Juan Unified Schools within SSWD
-  San Juan Unified School District Boundary



SSWD and San Juan Unified Schools



Base Data: Sacramento County Gis Base Map
 Projection: CA State Plane 2, NAD83
 Scale: No Scale
 Prepared by: J.W.S. SSWD
 Date: February 27, 2015
 SSWD-San Juan Unified Schools.mxd

**SACRAMENTO SUBURBAN WATER DISTRICT
LARGE IRRIGATION SERVICE AGREEMENT**

This Agreement is entered into and made effective this _____, 20__ between Sacramento Suburban Water District (“District”), a public agency, and _____ (a Large Irrigation Service Customer or “LISC”), for the account identified as (location)_____.

RECITALS

WHEREAS, the District has acquired and developed a distribution system to provide water and water-related services to all customers within its service boundaries, including those customers who irrigate large landscape areas consisting of one acre or more on a single parcel;

WHEREAS, the LISC is a District customer and has requested that the District provide it with water to irrigate the LISC’s large landscape area on certain terms and conditions benefiting the LISC;

WHEREAS, the District is willing to provide large landscape irrigation service to the LISC on certain beneficial terms and conditions in exchange for which the LISC will implement and maintain certain cost saving measures and best management practices for the District’s benefit;

WHEREAS, both the District and the LISC desire to conform to the requirements of the Water Forum Agreement’s Best Management Practices for Large Irrigation Systems; and

WHEREAS, the District finds that providing water service to the LISC on the terms and conditions specified in this Agreement is in the best interests of the District.

AGREEMENT

A. LISC’S WARRANTIES.

LISC warrants that:

1. It is a commercial, industrial or institutional customer serving one acre or more of landscape area on a single parcel within the District’s service boundaries.
2. Its water service is a dedicated irrigation service, except that it may provide minor incidental uses such as a drinking fountain or restroom service.
3. It is using a water meter that is appropriately sized for the demand that the LISC’s usage places on the District’s water system.

B. LISC'S OBLIGATIONS.

LISC will comply with the following terms as a condition of receiving large landscape irrigation service from the District:

1. The District may interrupt water service to the LISC when peak system demands approach production capacity, when available water is required for potable purposes or in times of emergency, as determined in the District's sole discretion.
2. The LISC will submit and comply with a Water Conservation Plan approved by the District for each irrigation meter. At a minimum, the Water Conservation Plan will include:
 - (a) Monthly inspections of the irrigation system by LISC staff.
 - (b) Site map with irrigated area delineated.
 - (c) Irrigated area identified to within 0.1 acre.
 - (d) Irrigation schedule for each station.
 - (e) Description of irrigation controls and any incidental uses.
 - (f) LISC contact information.
 - (g) Annual report to the District on compliance and proposed water conservation improvements and/or changes to be implemented by the LISC.
3. The LISC will irrigate only during off peak hours, between 9:00 p.m. and 5:00 a.m., or in accordance with any different times specified in its approved Water Conservation Plan.
4. The LISC will perform an annual landscape water audit in accordance with District approved criteria, and submit a report of the annual audit to the District.
5. The LISC will implement all recommended improvements and changes identified in its annual water audit in a timely manner.
6. The LISC will apply for and maintain a Large Irrigation Service Agreement for each service provided by the District.
7. The LISC will comply with all District rules and regulations and all applicable federal, state and local laws and regulations governing users of the District's water system.

Exhibit 3

8. The LISC will actively support and participate in the District's other water management programs, including public information, education and demonstration projects.

C. DISTRICT'S OBLIGATIONS.

1. The District will provide water service to the LISC based on normal monthly standard evapotranspiration rates ("Eto") for Sacramento County, as determined by the State Department of Water Resources CIMIS data applied to the irrigated area associated with each irrigation service. Standard Eto data indicates annual water usage for turf grass landscape to be 52 inches per year.
2. The District will provide service to the LISC at the following incentive pricing rate structure:
 - (a) Fixed monthly administration cost of \$10.00.
 - (b) Waiver of the District's standard Monthly Service Charge.
 - (c) First Rate Tier - Initial volume charge at the District's applicable Metered Non-Residential Off-Peak Rate for use below 80% of Eto allocation based on irrigated area.
 - (d) Second Rate Tier – The District will charge the applicable Metered Non-Residential Peak Rate for use between 80% and 100% of Eto allocation of irrigated area.
 - (e) Third Rate Tier – The District will charge double the applicable Metered Non-Residential Peak Rate for use greater than 100% of Eto allocation of irrigated area.
 - (f) LISCs must pay the District's applicable Capital Improvement and Debt Service charges.

D. TERM.

The initial term will be twelve months commencing on the effective date of this Agreement. The Agreement will automatically renew for succeeding twelve month terms unless either party gives the other party written notice of its intent not to renew the agreement at least thirty days before the commencement of the succeeding renewal term. This Agreement is terminable at any time by either party by giving 30 days' prior notice to the other party.

E. GENERAL PROVISIONS.

1. Notices. Any notice given in connection with this Agreement will be given in writing and will be delivered either by hand to the other party or by certified mail, return receipt requested, to the other party at the other party's address stated below. Either party may change its address by giving notice of the change in accordance with this paragraph. Notice will be given as follows:

DISTRICT:

LISC:

Sacramento Suburban Water District
Attn: General Manager
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821-5303

2. No Authority to Bind District. The LISC has no authority to enter into contracts or agreements on behalf of the District. This Agreement does not create a partnership or joint venture between the parties.

3. Assignment. This Agreement is personal to the LISC and may not be assigned by the LISC without the District's prior written permission. Any attempt by the LISC to assign or transfer this Agreement or any portion of it or interest herein without the District's consent will automatically terminate this Agreement.

4. Waiver of Rights. The waiver at any time by any party of its rights with respect to a default, breach or any other matter arising in connection with this Agreement will not be deemed a waiver with respect to any subsequent default, breach or matter.

5. Paragraph Headings. The paragraph headings used in this Agreement are for reference only, and will not in any way limit or amplify the terms and provisions hereof, nor will they enter into the interpretation of this Agreement.

6. Cooperation. Each party to this Agreement agrees to do all things that may be necessary, including, without limitation, the execution of all documents, which may be required hereunder, in order to implement and effectuate this Agreement.

7. Entire Agreement. This Agreement constitutes the sole, final and integrated expression of the terms of this contract among the parties concerning the subject matter addressed herein, and supersedes all prior negotiations, representations or agreements, either oral or written. The parties have freely and voluntarily entered into this Agreement after having had the opportunity to consult with their respective attorneys. The parties, in entering into this Agreement, do not rely on any inducements, promises, or representations made by each other, their representatives, or any other person, other than those inducements, promises, and representations contained in this Agreement.

Exhibit 3

8. Interpretation of this Agreement; Authority to Bind. The parties acknowledge that each party and its attorney have reviewed, negotiated and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Agreement or any document executed and delivered by any party in connection with the transactions contemplated by this Agreement. The parties and the party representatives executing this Agreement have the power and authority to execute this Agreement, and once executed, this Agreement will be binding upon the parties.

9. Indemnification and Hold Harmless. The LISC will indemnify, protect, defend and hold harmless the District and its officers, employees, engineers, and agents, from any and all claims, demands or charges and from any loss or liability, including all costs, expenses, attorney's fees, litigation costs, penalties, and other fees arising out of or in any way connected with performance or failure to perform under this Agreement by the LISC or its officers, employees, contractors, subcontractors or agents.

10. Severability. The invalidity, illegality or unenforceability of any provision of this Agreement will not render the other provisions unenforceable, invalid or illegal.

11. Amendment. This Agreement may be modified or amended only by a subsequent written agreement approved and executed by both parties. Amendment by the District requires the approval of the District Board of Directors.

Sacramento Suburban Water District

LISC

By: _____
Its: _____

By: _____
Its: _____



Agenda Item: 20

Date: March 3, 2015

Subject: Antelope Pump Back Operation and Maintenance Agreement Update

Staff Contact: John E. Valdes, Engineering Manager

As reported at the January 21, 2015 Facility & Operations Committee meeting, the Antelope Pump Back Booster Pump Station facility is now under construction and the facility is scheduled to be completed and operational by August 2015. SSWD and San Juan Water District (SJWD) previously approved a Memorandum of Understanding (MOU) dated June 16, 2014, that governs the allocation of responsibilities and costs for the joint planning design, engineering and construction phase work undertaken by SJWD and SSWD while they develop a formal agreement for the ownership, operation, maintenance, and capital replacement of the project. Note that due to project cost increases, a revised MOU dated November 25, 2014, was approved by the Board of Directors for each district.

A formal Operation and Maintenance (O&M Agreement) Agreement is still needed. Staff has drafted an O&M Agreement that is in the process of being reviewed by staff of both districts. Discussions between SJWD and SSWD to negotiate and prepare an O&M Agreement have been temporarily placed on hold as Citrus Heights Water District and Fair Oaks Water District generated a joint comment letter to SJWD, attached as Exhibit 1. The two districts have requested a written response from SJWD of their concerns with the draft Agreement by March 13, 2015.

Ultimately, the Agreement will determine the Agencies' respective ownership of the project and allocate capacity and costs for operation, maintenance, capital replacements and repairs of the Project. Any O&M costs that are specific to the "pump back" pumps and related equipment will be paid by SJWD. Any O&M costs that are specific to the "pump around" pump and related equipment will likewise be paid by SSWD. However, any costs that are associated with maintaining, repairing and/or replacing building, grounds, utilities, common piping, and other facilities necessary to operate the pump station are expected to be allocated on a pro rata basis based upon the capacity of the station constructed to serve each agency.

Staff is anticipating a final draft will be brought before the F&O Committee and then to the full Board in April or May 2015.

EXHIBIT 1



February 25, 2015

Board of Directors
San Juan Water District
P.O. Box 2157
Granite Bay, CA 95746

Re: Agreement for the Ownership, Operations, and Maintenance of the Antelope Pump-Back Booster Pump Station

Dear President Costa, Vice President Tobin, Director Miller, Director Rich, Director Walters:

At a recent San Juan Water District meeting we requested and subsequently received a draft copy of the *Agreement Between Sacramento Suburban Water District and San Juan Water District for the Ownership, Operations, and Maintenance of the Antelope Pump-Back Booster Pump Station* ("Agreement"). Upon review of the terms in the Agreement, Citrus Heights Water District ("CHWD") and Fair Oaks Water District ("FOWD") are gravely concerned that the Agreement may result in serious adverse impacts to CHWD and FOWD water supplies, operations, and costs. San Juan Water District ("SJWD") has a fiduciary duty to protect the interests of CHWD and FOWD; this duty arises out of the existing agreements entered into with SJWD and more generally from SJWD's role as a California public agency responsible for providing water for public consumption.

We are fully in support of implementing solutions to efficiently address regional water supply shortages and are willing to collaborate with SJWD and Sacramento Suburban Water District ("SSWD") to implement workable solutions. However, the draft Agreement has significant deficiencies that create unacceptable risks to our ratepayers.

The Agreement must be modified to expressly identify CHWD and FOWD as third-party beneficiaries and to address the concerns presented in this letter regarding the procedures which SJWD will undertake to protect the interests of CHWD and FOWD and their customers. Until such concerns are addressed to the

satisfaction of CHWD and FOWD, we request that the Agreement be delayed indefinitely. Further, we request a written response from the San Juan Water District Board ("Board") by March 13, 2015 addressing our joint concerns.

CHWD and FOWD have five significant concerns with the draft Agreement. They are:

1. Risk to Water Supply Reliability: Terms under "Water Supply Cost" places our water supply reliability at risk (Paragraph 10).
2. Ambiguous Frequency: The frequency and triggers dictating the pumping of groundwater to SJWD are unclear and open to subjective interpretation (Recital A, Paragraph 6 and Paragraph 10).
3. Conveyance Impacts: Undefined use of the Cooperative Transmission Pipeline ("CTP") and other infrastructure impacts CHWD and FOWD water management opportunities and options (Recital C).
4. Non-Beneficiary Payments: Terms under "SJWD Wholesale Customer Agencies" raise concerns that non-beneficiaries may unequally share in the burden of this project's costs (Paragraph 14).
5. CEQA Compliance: There does not appear to be any CEQA compliance to address potential impacts from (1) the additional extraction of groundwater from the basin to meet SJWD needs and (2) the potential transfer of SJWD water to SSWD for "re-payment" for pumped groundwater.

Risk to Water Supply Reliability:

As detailed in the respective wholesale water supply agreements between SJWD and each wholesale agency, the SJWD has a responsibility to serve existing wholesale agencies and retail customers first. The terms included in Paragraph 10 of the Agreement state the SJWD will "transfer an equal amount of its treated surface water supplies to SSWD" as repayment for delivery of groundwater. Although the paragraph includes "when...SJWD surface supplies are available after SJWD meets its in-District wholesale and retail demands," the circumstances in early 2014 indicate that SJWD believes they can define and dictate "demands" of wholesale customers by designating levels of water service irrespective of the independent function of the CHWD and FOWD elected Boards of Directors to dictate desired water supplies. This belief makes the CHWD and FOWD Boards of Directors irrelevant and stands in opposition to the requirement in the water supply agreements to serve existing wholesale member agencies and retail customers first. As such, CHWD and FOWD are concerned that SJWD will find that "in-District wholesale and retail demands" are met without any input from the wholesale customers - resulting in potential limits on wholesale surface water supplies so as to make water available to re-pay SSWD. The Agreement must include language

that makes it clear that CHWD and FOWD have priority over SSWD, and that SJWD will determine "in-District...demand" through a defined collaborative process that ensures that CHWD and FOWD will have meaningful input in those calculations.

Requested Action: Add language to the Agreement that will clarify the order of priorities concerning meeting the needs of CHWD, FOWD and SSWD.

Furthermore, the source of any transferred surface water is not defined. When this Agreement is viewed in context of the on-going SJWD/SSWD merger discussions and documents, it is apparent that SJWD intends to transfer pre-1914 water supplies to re-pay SSWD. This would be a violation of SJWD Board's often stated philosophy of not serving pre-1914 water outside of its existing service area, and both CHWD and FOWD are strongly opposed to this intention.

Ambiguous Frequency:

As stated in various sections of the Agreement, pumping and delivering groundwater to SJWD would occur "*during dry years, planned outages,...or emergencies*" (Recital A), during times when "*SJWD's surface water supplies are reduced,*" (Paragraph 6), and pay-back would occur "*when the dry year outage or emergency conditions are no longer in effect...*" (Paragraph 10). Furthermore, the Agreement states that groundwater pumping would occur "*[u]pon request by SJWD...*" (Paragraph 6).

These vague terms leave significant uncertainty as to the explicit conditions when CHWD and FOWD would expect surface water delivery curtailments and associated impacts to the availability and functionality of conveyance infrastructure. For instance, as we enter the 2015 spring/summer delivery season, will SJWD define it as a "dry year" and thus request groundwater to be pumped? What constitutes an "emergency?" Can SJWD access SSWD groundwater at *any time* upon "request?" There would be a vast difference in the impact to CHWD and FOWD between operating the pump-back project for a short duration and operating it for multiple months or more. Absent further clarity on the triggers and pump-back parameters, CHWD and FOWD are left without meaningful information on how to plan and manage their respective water supplies and delivery systems.

Requested Action: Provide additional language to the agreement that includes explicit conditions or a decision tree that will be used for water supply decision making.

Conveyance Impacts:

As specifically stated in the Agreement, "*any agreement necessary for the utilization, operation, maintenance...*" of existing transmission facilities will be separate from this Agreement (Recital C). Both FOWD and CHWD own (fully or have capacity entitlements within) and operate major transmission facilities that would

be affected during pump-back operations. There have been no attempts by either SJWD or SSWD to enter into agreements/amendments to use these entitlements or to define pump-back operations so as to remove any impact to CHWD and FOWD internal or external water supply operations and water supply options.

Requested Action: Provide draft water transmission agreements and/or draft amendments to the CTP Operations and Maintenance Agreement for review by CHWD and FOWD and other parties to the agreements as may be required.

Non-Beneficiary Payments:

Paragraph 14 explicitly states "SJWD will be solely responsible for allocating its share of costs to its Wholesale Customer Agencies...." When this statement is combined with sections of the Agreement specifying costs to SJWD and considering there have been no clear agreements entered into among SJWD and its wholesale agencies regarding operating costs – including the cost of supplying pay-back water – CHWD and FOWD are concerned that its rate payers will be asked to pay for this project as part of SJWD costs embedded in current or future wholesale rates without any direct benefit. It is unclear in this draft Agreement exactly what methods will be used by SJWD to allocate the costs of operating and maintaining this pump-back project.

Requested Action: Specify the methods that will be used by SJWD to allocate the costs of operating and maintaining this pump back project.

CEQA Compliance:

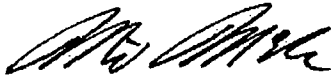
There appears to be no analysis of the impacts to the groundwater basin from the planned pump-back to SJWD and we are unaware of any CEQA document prepared for this project. Absent details indicating anticipated frequencies, durations, and quantities, it is difficult to know whether the broader basin will be affected, including the potential to adversely impact remediation activities at Aerojet within FOWD's service area. FOWD is already suffering the effects of the Aerojet contaminant plume migration under the American River. Any exacerbation of the plume has potential additional negative impacts to FOWD's water supplies. The potential impacts to the North American Sub-basin should be addressed through the CEQA process.

Furthermore, the proposed transfer of surface water as pay-back also requires CEQA compliance. CEQA requires assessing the environmental impacts of a discretionary delivery of surface water to SSWD that includes the potential impacts on the ability of CHWD and FOWD to safely and adequately meet the needs of their customers.

Requested Action: Explain why this project is exempt from CEQA requirements; if it is not exempt, prepare a list and tentative schedule for the CEQA activities including the preparation of an Initial Study.

CHWD and FOWD cannot remain idly sidelined as this draft Agreement moves forward in light of the concerns outlined above. The inconsistencies and lack of detail in the document and the potential implications to CHWD's and FOWD's water supply reliability, system operations, and ratepayers, necessitate a thoughtful reassessment of this draft Agreement among all impacted agencies. Please provide a written response from the San Juan Water District Board of Directors by March 13, 2015 addressing our joint concerns.

Sincerely,



Michael McRae
President
Fair Oaks Water District



Allen B. Dains
President
Citrus Heights Water District

c: FOWD Board of Directors
FOWD Legal Counsel
CHWD Board of Directors
CHWD Legal Counsel
SSWD Board of Directors
Robert Churchill, General Manager CHWD
Tom Gray, General Manager FOWD
Rob Roscoe, General Manager SSWD
Shauna Lorance, General Manager SJWD
Sharon Wilcox, General Manager OVWC
Marcus Yasutake, Environmental & Water Resources Director City of Folsom

Attachments: "Agreement Between Sacramento Suburban Water District and San Juan Water District for the Ownership, Operations, and Maintenance of the Antelope Pump-Back Booster Pump Station" - draft copy

**AGREEMENT BETWEEN SACRAMENTO SUBURBAN WATER DISTRICT AND
SAN JUAN WATER DISTRICT FOR THE OWNERSHIP, OPERATION, AND
MAINTENANCE OF THE ANTELOPE PUMP-BACK BOOSTER PUMP STATION**

This Agreement is made effective as of the ___th day of _____, 2015, by and between San Juan Water District ("SJWD") and Sacramento Suburban Water District ("SSWD") for the ownership, operation, and maintenance of the Antelope Pump-Back Booster Pump Station ("Station"). SJWD and SSWD are both California public agencies with the authority to carry out the project described herein. SJWD and SSWD are collectively referred to herein as the "Agencies" and individually as an "Agency."

RECITALS

A. The Station is intended to provide groundwater supplies to SJWD during dry years, planned outages of United States Bureau of Reclamation ("USBR") or SJWD's Water Treatment Plant facilities, or emergencies when SJWD's surface water supplies are reduced. SJWD relies on surface water diverted from Folsom Reservoir as its main supply source, but that source is inadequate for supplying the desired minimum levels of service to SJWD if deliveries from Folsom Reservoir are compromised by USBR operations, drought or system failure. This Station supplements SJWD's water supplies during times of limited surface water availability from Folsom Reservoir. SSWD will also benefit from the Station by being able to pump water from the northern-most portion of SSWD's North Service Area (NSA), where the Station is located, to the southern portion of the NSA to improve the water supply reliability within that zone.

B. The Station is located at the site of SSWD's Antelope Pressure Reducing Station on Antelope North Road. The Station has two pumps to provide pumping capacity of 10,000 gallons per minute ("gpm") to SJWD, with space reserved within the Station footprint to install an additional 5,000 gpm pump and controls. The Station also includes a low-head 2,000 gpm pump to pump water from the northern-most portion of the SSWD NSA to the southern portion of the NSA to improve the water supply reliability within the southern zone.

C. Groundwater supplies pumped from the Station will be delivered through existing, and potentially new, transmission and distribution system facilities. Any agreements necessary for the utilization, operation, maintenance, capital replacements and/or repairs of those transmission and distribution facilities will be separate from, and are not covered by this Agreement and any future Agreements for the Station.

D. The Agencies agreed that there is a need to construct the Station and a desire to avoid delay in its planning, design, engineering, and construction. The Agencies approved a Memorandum of Understanding ("MOU") dated June 16, 2014, to document the understanding

of the allocation of responsibilities and costs for the joint planning, design, engineering, construction, and construction administration of the Station while the Agencies developed this Agreement for the ownership, operation, and maintenance of the Station.

In consideration of the promises, terms, conditions and covenants contained herein, SJWD and SSWD hereby agree as follows:

AGREEMENT

1. Incorporation of Recitals. The Agencies agree that the foregoing recitals are true and that they are incorporated herein by reference.
2. Lead Agency. SSWD acted as lead Agency for the planning, design and engineering phases of the Station and also acted as lead Agency during the bidding and construction phase of the Station, providing primary direction for construction management and inspection. SJWD participated during the construction phase to ensure the constructed facilities meet the requirements for both Agencies. SSWD will also act as lead Agency for the operation and maintenance of the Station.
3. Ownership. SSWD and SJWD will jointly own the Station in the same proportion as the amount spent by each Agency for the planning, design, and construction of the Station; 21-percent to SSWD and 79-percent to SJWD. SSWD will operate, maintain, and control the Station in its entirety in accordance with Section 6 of this Agreement.
4. Capacity Entitlement. SJWD will own 10,000 gpm of pumping capacity in the Station with the understanding that this capacity may be increased to 15,000 gpm in accordance with the provisions contained herein, if a third 5,000 gpm pump is installed at the Station in the future. Ownership in the Station capacity by SJWD does not imply or provide ownership in the existing SSWD groundwater supply or other facilities necessary to utilize the Station.
5. Project Water Supply. The water supply for the Station will be provided from groundwater wells within SSWD's North Service Area. Initial engineering studies for the Station determined that SSWD currently has sufficient groundwater supplies to deliver approximately 10,000 gallons per minute, or 14.4 million gallons per day ("MGD") to SJWD through the Station. Although it is the intent to maintain or increase available groundwater supplies, both Agencies understand that this is a non-firm supply and that the available groundwater supply may change in the future based on increased or decreased SSWD customer demands, changes in groundwater quality or regulations, decommissioning of existing wells, addition of new wells, success of conservation programs, or other foreseen or unforeseen circumstances. SSWD agrees that available groundwater supplies surplus to SSWD's needs will

first be made available to SJWD through the Station before they are made available or utilized for other purposes.

6. Operation, Control and Monitoring. Operation and control of the Station will be performed exclusively by SSWD in close collaboration with SJWD. SSWD staff will monitor and operate the Station to meet both Agencies' requirements, including supplying up to 10,000 gpm to SJWD during dry years, outages, or emergencies when SJWD's surface water supplies are reduced and when sufficient SSWD groundwater supplies are available. Upon request by SJWD, SSWD personnel will promptly respond to operate the facility to provide supply to SJWD as needed consistent with this Agreement. Separate radio telemetry equipment will be included in the Station to allow SJWD to remotely monitor key information from the facility (pump on/off status, flow, pressure, etc.).

7. Operating Costs. Operating costs include the direct cost of personnel hours and power to operate and monitor the facilities, including routine inspections and incidental costs related to the actual use of the Station. Operating costs will be allocated to the Agencies as follows:

a. All personnel and incidental costs shall be allocated on a pro rata basis based upon the quantity of water delivered through the Station to each Agency incurred during the previous period covered by an invoice in accordance with Section 11 of this Agreement (the "Invoice Period").

b. All cost for electrical power provided to the Station will be allocated on a pro rata basis based upon the quantity of water delivered through the Station to each Agency during the Invoice Period.

c. Any cost for an electrical power standby charge or surcharge from SMUD related to capacity to serve the largest electrical load at the site shall be paid on a pro rata basis based on the ratio of total pumping horsepower available to each agency during the Invoice Period.

d. SSWD pays a fee (on an acre-foot basis) to the Sacramento Groundwater Authority (SGA) for the annual amount of groundwater pumped based on a 5-year rolling average. If providing emergency groundwater supplies to SJWD results in a net cost increase over a 5-year period, the amount of the fee increase will be reimbursed by SJWD.

8. Maintenance, Repair and Replacement Costs. SSWD will be responsible for maintaining all Station facilities in an operable and ready-to-serve condition in accordance with industry standards. Maintenance and repair costs shall be allocated to the Agencies as follows:

a. All costs associated with maintaining, repairing and/or replacing SSWD's 2,000 gpm pump, controls, dedicated telemetry, PLCs, piping, valves, and related

appurtenances necessary to deliver water supply to SSWD shall be paid entirely by SSWD.

b. All costs associated with maintaining, repairing and/or replacing the two 5,000 gpm pumps, controls, dedicated telemetry, PLCs, piping, valves, and related appurtenances necessary to deliver water supply to SJWD shall be paid entirely by SJWD.

c. All costs associated with maintaining, repairing and/or replacing building, grounds, utilities, common piping, and other facilities necessary to operate the Station shall be allocated on a pro rata basis based upon the capacity of the Station constructed to serve each Agency. Based on the initial capacity provided to each Agency (10,000 gpm to SJWD, 2,000 gpm to SSWD) SJWD shall pay 79 percent and SSWD shall pay 21 percent of these costs.

9. Capital Replacements and Improvements. SSWD and SJWD shall jointly determine the need for capital replacements and improvements required to ensure the continued efficient and reliable operation of the Station, or to improve the Station (e.g. adding an additional 5,000 gpm pump to serve SJWD). Costs for capital replacements and improvements shall include, but not be limited to, construction, administrative and professional services related thereto. Capital replacements and improvement costs shall be allocated to the Agencies as follows:

a. All costs associated with replacing or improving Station facilities directly necessary and dedicated to deliver water supply to SSWD shall be paid entirely by SSWD.

b. All costs associated with replacing or improving Station facilities directly necessary and dedicated to deliver water supply to SJWD shall be paid entirely by SJWD.

c. All costs associated with capital replacements and improvements related to building, grounds, utilities, common piping, and other facilities necessary to operate the Station shall be allocated on a pro rata basis based upon the capacity of the Station constructed to serve each Agency. Based on the initial capacity provided to each Agency (10,000 gpm to SJWD/2,000 gpm to SSWD), SJWD shall pay 79 percent and SSWD shall pay 21 percent of these costs.

10. Water Supply Cost. The quantity of groundwater delivered to SJWD through the Station shall be monitored and recorded by each agency through their Supervisory Control and Data Acquisition ("SCADA") systems. In lieu of SJWD paying SSWD for groundwater delivered from the Station during dry years, outages or emergencies, SJWD will transfer an equal amount of its treated surface water supplies to SSWD on an agreed upon delivery schedule when the dry year outage or emergency conditions are no longer in effect and SJWD surface water supplies are available after SJWD meets its in-District wholesale and retail demands. If SJWD is unable to transfer an equal amount of surface water back to SSWD within a three (3) year period

following completion of the groundwater delivered to SJWD through the Station, at SSWD's discretion, SJWD will pay a wholesale rate to SSWD for the amount of groundwater that has not been offset with a surface water transfer. The wholesale rate for groundwater shall be based on the actual cost to pump and deliver groundwater to the Station.

11. Notices. Unless indicated otherwise herein, all notices, invoices, payments, statements or other writing authorized or required by this Agreement may be delivered personally, or sent in the United States mail, postage prepaid, or sent by electronic mail if the recipient confirms receipt, and addressed to the respective parties as follows:

SJWD:
General Manager
San Juan Water District
9935 Auburn Folsom Road
P.O. Box 2157
Granite Bay, CA 95746
E-mail: slorance@sjwd.org

SSWD:
General Manager
Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821
E-mail: rroscoe@sswd.org

12. Emergency Contacts. A list of emergency contacts for each agency is provided under Exhibits A and B attached to this Agreement.

13. Invoicing. SSWD shall submit itemized invoices with supporting documentation to SJWD for costs listed above, other than groundwater supply costs, on a quarterly basis. Invoices may be submitted on a less frequent basis, but at least annually, during periods when the Station is not being utilized to deliver groundwater to SJWD. SJWD will pay all invoices received from SSWD for costs as outlined above within 45 days of receipt.

14. SJWD Wholesale Customer Agencies. SJWD will be solely responsible for allocating its share of costs to its Wholesale Customer Agencies (San Juan Water District-Retail, Orange Vale Water Company, City of Folsom, Fair Oaks Water District, and Citrus Heights Water District).

13. Participation by Others. Both Agencies acknowledge that SSWD has agreed to design the Station to include a connection that may be used in the future by others, potentially including the

City of Roseville. SSWD will pay all costs of planning, designing, constructing, operating and maintaining this connection and will negotiate separately with the City of Roseville or others for any cost-sharing or reimbursement for this connection.

14. Term of Agreement. This Agreement will be effective as the date stated above and will remain in full force and effect for as long as the Station continues to be operated, unless this Agreement is terminated early upon mutual agreement of the Agencies.

15. Relationship of Parties. Nothing in this Agreement will be construed to create an association, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation, or liability on or with regards to either SSWD or SJWD.

16. No Third Party Beneficiaries. This Agreement shall not be construed to create any third party beneficiaries. This Agreement is for the sole benefit of the Agencies, their respective successors and permitted transferees and assignees, and no other person or entity shall be entitled to rely upon or receive any benefits from this Agreement or any of its terms.

17. Amendment. The terms of this Agreement may be modified or amended only by written amendment approved and executed by both Agencies.

18. Cooperation. SJWD and SSWD will reasonably cooperate with each other, including the execution of all necessary documents and the provision of information and data required to carry out the purpose and intent of this Agreement.

19. Inspection of Records. SSWD shall keep appropriate accounting and other records of all costs relating to the Station. Records shall be available for inspection by SJWD at reasonable times upon written request.

20. Counterparts. This Agreement may be executed in two or more counterparts. Each of the Agreements will be deemed as an original, all of which together will constitute as one and the same instrument.

21. Grant Funding. If either Agency obtains grant funding for any capital improvements or for any operations and maintenance costs, the Agencies agree that such funding will defray the gross costs funded by the grant and the Agencies shall allocate the remaining Station costs paid for with their funds in accordance with the terms of this Agreement. In addition, each Agency shall cooperate with the other Agency and comply with all terms and conditions of the grant funding Agreement applicable to each Agency.

SAN JUAN WATER DISTRICT:

**SACRAMENTO SUBURBAN WATER
DISTRICT:**

By: _____
Shauna Lorance
General Manager

By: _____
Robert S. Roscoe
General Manager

EXHIBIT A

SSWD Contact List

The following listing of SSWD contacts and phone numbers is provided in order of contact priority.

- o Operations Manager – Jim Areiz (916) 869-7359
- o Engineering Manager – John Valdes (916) 869-7348
- o Assistant General Manager – Dan York (916) 869-7349
- o General Manager – Rob Roscoe (916) 240-2025

EXHIBIT B

SJWD Contact List

The following listing of SJWD contacts and phone numbers is provided in order of contact priority.

- o Operations Manager – Tony Barela (916) 622-3167
- o WTP Superintendent – Greg Turner (530) 305-8279
- o Assistant General Manager – Keith Durkin (916) 802-0559
- o General Manager – Shauna Lorance (916) 791-6936



Agenda Item: 21

Date: February 27, 2015

Subject: Statewide National Pollutant Discharge Elimination System (NPDES) Permit for Drinking Water Systems

Staff Contact: Jim Arenz, Operations Manager

On November 18, 2014, the State Water Resources Control Board (SWRCB) adopted the new (General Order) *Statewide National Pollutant Discharge Elimination System (NPDES) Permit for Drinking Water System Discharges to Waters of the United States*, which became effective on February 26, 2015. This action resulted from a grass roots effort that began over four years ago by a group of members within Sacramento Area Water Works Association, which comprised of Rob Roscoe, Sacramento Suburban Water District, Rick Hydrick, San Juan Water District, and Brandy Hancock, Golden State Water Company. Those stake holders came together with the intent of working collectively with SWRCB and Central Valley Regional Water Quality Control Board (CVRWQCB) staff to develop a Statewide General Order NPDES Permit specifically for water purveyors that considered federal and state regulatory requirements for public water systems.

On May 29, 2014, the District provided an In-Field Best Management Practices (BMPs) demonstration to staff of the SWRCB in order to increase their understanding of water systems operations, routine discharges, and industry standards for protection of receiving water quality. This demonstration highlighted the field BMP's used during scheduled routine operation and maintenance work on fire hydrants and other system components resulting in discharges to the County storm drain system or State waterway. Diana Messina, Section Chief of the SWRCB, Division of Water Quality Surface Water Permitting Section, Adam Laputz, NPDES Program Manager for CVRWQCB, and David Kirn, WRC Engineer for CVRWQCB, observed the 4 demonstrations which proved very successful in demonstrating to SWRCB the logistics, equipment, and planning necessary to perform these BMPs for even a small discharge.

Additionally, on February 19, 2015, the District hosted and participated in a regional workshop to discuss the provisions of the new General Order NPDES Permit sponsored by the California-Nevada Section American Water Works Association. This event was coordinated with the monthly meeting of the Sacramento Area Water Works Association and was widely attended by other local water agencies. The SWRCB is also scheduled to provide a regional outreach workshop on the subject topic at the District's Antelope facility on a date yet to be determined.

In response to the new General Order, District management staff has assembled a team that has begun the process of gathering facility documents, determining specific monitoring requirements, and drafting operational procedures that will be included in the District's Notice of Intent (NOI) application. Staff is expected to submit a NOI application by the end of the second quarter of 2015, well before the September 1, 2015 deadline.



Agenda Item: 22

Date: March 3, 2015

Subject: CEQA Exemption for Loehmann’s Plaza Waterline Upgrade Project

Staff Contact: Patrick Wilson, Assistant Engineer
John E. Valdes, Engineering Manager

For many years, the District has provided domestic water supply to Loehmann’s Plaza Shopping Center located at the corner of Fair Oaks Blvd. and Fulton Avenue. This section of the District’s service area was purchased from Citizens Utilities Co. (now the California American Water Co.) by the former Arcade Water District in the late 1990’s. A separate distribution network is maintained within the shopping center by the Sacramento County Water Agency (SCWA) to provide required fire flow.

The District’s distribution main in the area surrounding the shopping center is not looped and is considered undersized by today’s standards. In addition, due to a paucity of valves, a leak requires an inordinately large shutdown in order to be repaired. District operations staff is spending excessive amounts of time maintaining this system. As a result, District staff is now proceeding with a project to install a new looped water main within the Loehmann’s Plaza Shopping Center. This project will consist of the installation of approximately 5,000 feet of new water main and the replacement of approximately 50 commercial water service lines.

To comply with the California Environmental Quality Act (CEQA), a Categorical Exemption is proposed. Staff has prepared a “Notice of Exemption” to reflect this (see Exhibit 1 attached to this staff report). This project qualifies for a Class 2 categorical exemption because it involves a negligible expansion of capacity and no increase in use. The Notice of Exemption has been executed by the District’s General Manager and posted at the County of Sacramento Clerk/Recorder’s Office. See the attached Exhibit 1 for a copy of the Notice of Exemption.

NOTICE OF EXEMPTION

To: County of Sacramento
County Clerk
600 8th St., Rm 101
Sacramento, CA 95814

From: Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821-5303

PROJECT TITLE: 2015 Loehmann's Plaza Waterline Upgrade Project
PROJECT LOCATION: Within Sacramento County in the Subdivision known as Exeter Square. The project is located within the boundaries of Munroe Street on the West, Fulton Avenue on the North, and Fair Oaks Boulevard on the South.
ASSESSOR'S PARCEL NUMBER(S): Public right-of-way and numerous commercial lots.
DESCRIPTION OF PROJECT: Replacement and reconstruction of existing water mains and service lines, consisting of approximately 5,000 linear feet of water main and replacement of approximately 50 commercial service lines.

NAME OF PUBLIC AGENCY APPROVING PROJECT: Sacramento Suburban Water District

NAME OF PERSON OR AGENCY CARRYING OUT PROJECT: John Valdes, Engineering Manager, (916) 972-7171


EXEMPT STATUS: (CHECK ONE)

- MINISTERIAL (Sec. 21080 (b); 15268);
- DECLARED EMERGENCY (Sec. 21080 (b) (3); 15269(a));
- EMERGENCY PROJECT (Sec. 21080 (b) (4); 15269(b));
- GENERAL RULE (Sec. 15061 (b) (3));
- CATEGORICAL EXEMPTION - State Type and Section No.: Class 2, Guidelines § 15302, subd. (c)
- STATUTORY EXEMPTION - State Code Number:

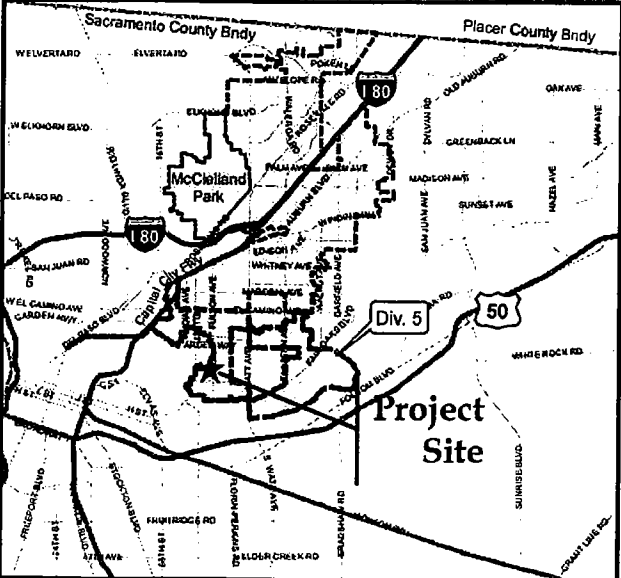
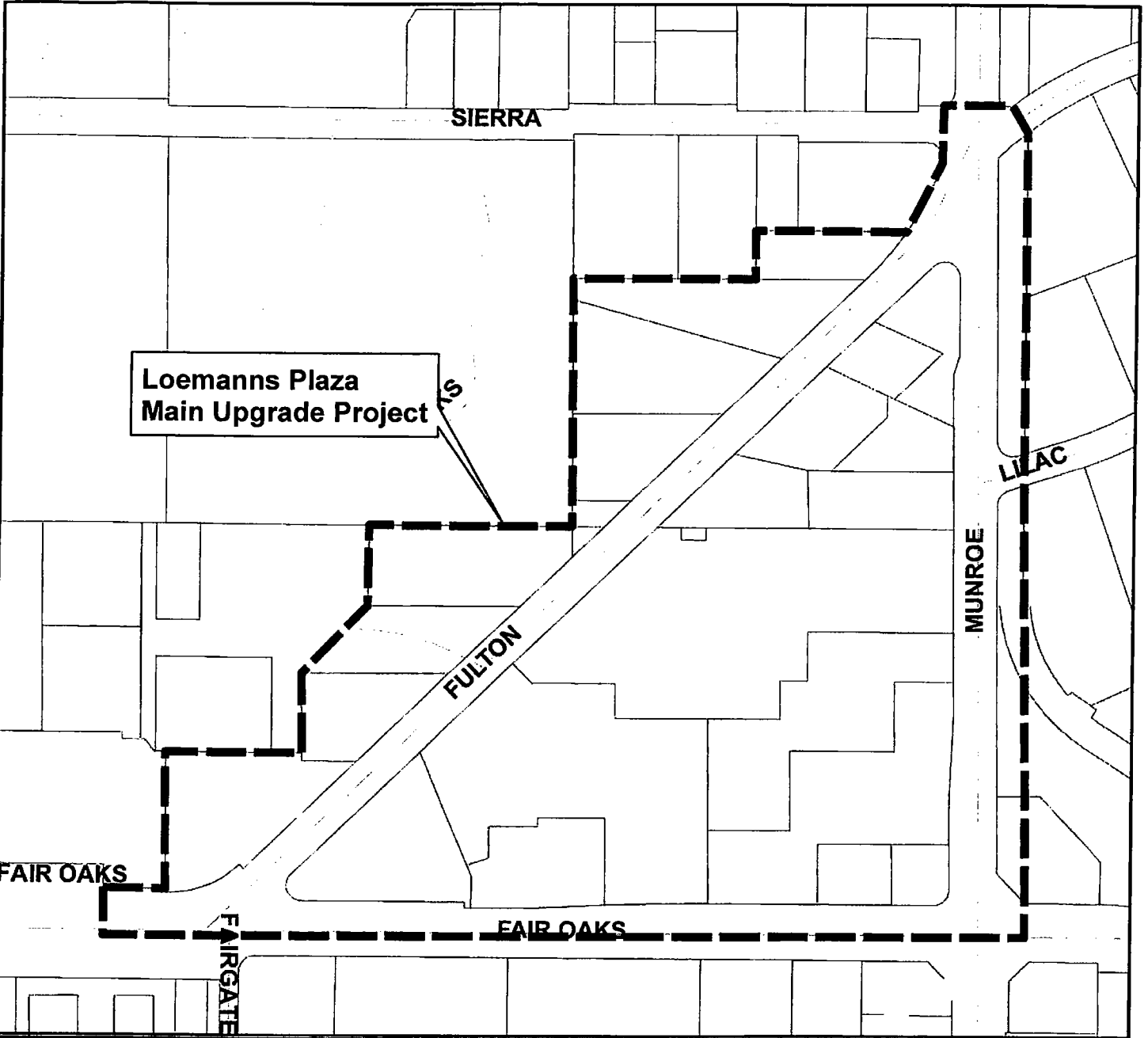
REASONS WHY PROJECT IS EXEMPT AND DOES NOT REQUIRE FURTHER ENVIRONMENTAL DOCUMENTATION:

The proposed project is part of the District's planned water main replacement program and involves negligible expansion of capacity and no increase in use, and is therefore, exempt from the provisions of CEQA.

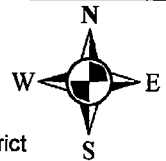
SACRAMENTO SUBURBAN WATER DISTRICT

BY: 
Robert S. Roscoe, P.E.
General Manager

DATE: March 3, 2015



NOT TO SCALE



Portion of Sacramento Suburban Water District

Exhibit 1

Loemanns Plaza Main Upgrade Location Map

(Voting Division 5)



Base Data: Sacramento County Gis Base Map
 Projection: CA State Plane 2, NAD83
 Scale: No Scale
 Prepared by: D.A.V., SSWD
 Sacramento, CA, Feb, 2015
 Loemanns_Plaza_Loc.mxd

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



Agenda Item: 23

Date: March 9, 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 (Exhibit 1), with discussion details in the attached draft meeting notes (Exhibit 2).
2. Future Meetings - Consultants and staff are busy working on preparations for two upcoming meetings:
 - a. 2x2 Water Management Ad Hoc Committee Meeting
Date: March 26, 2015; Location: SSWD; Time: 6:00 pm
 - 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. Joint Board Meeting – Date: May XX, 2015 (to be determined)
 - i. Final administrative report draft for consideration
 - ii. Present Results of Telephone Survey
 - iii. Opportunity to take actions

EXHIBIT 1

Agenda

**San Juan Water District
and
Sacramento Suburban 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 & Meetings**

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

Exhibit 2

**2x2 Water Management Ad Hoc Committee Meeting Notes
San Juan Water District
February 5, 2015
1:00 p.m.**

Call to Order

Director Costa called the meeting to order at 1:00 p.m.

Roll Call

Committee Members: Ted Costa, SJWD Director
Bob Walters, SJWD Director
Neil Schild, SSWD Director
Kevin Thomas, SSWD Director

Staff Present: Keith Durkin, SJWD Assistant General Manager
Rob Roscoe, SSWD General Manager
Teri Hart, Board Secretary/Administrative Assistant

Public Present: Bob Matteoli
Paul Stanbrough
John O'Farrell, Consultant
Al Dains, Citrus Heights Water District (CHWD)
Bob Churchill, CHWD
Lynette Mareno, Carmichael Water District
Debra Sedwick, Del Paso Manor Water District (DPMWD)
Jim Crowley, JCG
Michelle Smira-Brattmiller, MMS Strategies
Marilyn Wright, MMS Strategies
Mike Schaefer, Orange Vale Water Company (OVWC)
Sharon Wilcox, OVWC
Joe Duran, OVWC
Pam Tobin, San Juan Water District (SJWD)
Ken Miller, SJWD
Kate Motonaga, SJWD
Jason Mayorga, SJWD
Dan Bills, SSWD
Dan York, SSWD
Bill Eubanks, SSWD Ratepayer
Greg Young, Tully & Young

Director Schild inquired if there was a legal reason that the meetings are recorded and how long are the recordings kept. Mr. Roscoe responded that the meetings are ad hoc committee meetings; however, the committee requested that staff publicize the meetings and provide meeting notes. Teri Hart stated this meeting is being recorded.

In addition, Mr. Durkin added that the recording is used to assist the Board Secretary in preparing the meeting notes and are erased after 30 days or until the notes are approved, whichever is later.

Director Costa announced that there were a couple of directors in the audience, from SJWD, who were attending the meeting as members of the public only; they would not be participating.

Public Comment

There were no public comments.

Items for Discussion and Action

1. Approve Notes of December 18, 2014 Committee Meeting

SSWD Director Thomas moved to approve the meeting notes of the December 18, 2014, committee meeting. SJWD Director Walters seconded the motion and it carried with 3 Aye votes and 1 No vote (Schild).

Director Schild commented that he had requested release of the survey so that he could make comments on the survey and he was told that the survey would be released for the director's information only and not for edits. Mr. Roscoe commented that, after Director Schild's conversation with MMS, he reviewed the audio recording and confirmed that the notes accurately reflected the committee meeting discussions. Mr. Roscoe commented that the committee's direction at the last 2x2 meeting was that the survey questions would be released to the directors and other parties 24 hours prior to the survey for informational purposes. Director Schild voiced concern that the general public does not know what is happening.

2. Discuss Policy Items

Mr. Durkin informed the committee that a staff report was provided in the meeting packet. A copy will be attached to the meeting notes. The staff report provides some background on the status of the Phase 2A evaluation and identifies some policy decisions which will need to be reviewed prior to continuing onto Phase 2B and during the Phase 2B process.

Mr. John O'Farrell informed the committee that a consensus on the policy items was not needed until a later date. He reviewed the policy items with the committee and noted that during Phase 1 it was recommended that the successor agency be San Juan Suburban Community Services District in order to not jeopardize the pre-1914 water rights. He explained that some policy items will need to be agreed upon before moving into Phase 2B and other policy items will need to be given direction at various points throughout the Phase 2B process.

In response to Director Shield's question, Mr. Bills responded that all of the comments that have been received to date have been incorporated into the current version of the draft report. Mr. Bills indicated that the draft report should be released at the next committee meeting.

In response to Director Costa and Director Schild's comments, Mr. O'Farrell responded that if the Joint Boards decide to move forward as a community services district then special legislation will be requested to increase the size of the future Board of Directors to the appropriate number. Mr. Roscoe commented that there is concern with submitting special legislation this year due to legislative calendar dates. In response to Director Walters' question, Mr. Durkin responded that the special legislation should be worded so that the maximum number of Board Directors is indicated and then the Board can reduce the amount.

Director Schild voiced concern that he was not informed of the meetings that the consultant was setting up in order for him to decide whether or not he would like to attend the meeting. Mr. O'Farrell explained that the Executive Team and consultant were empowered by the committee to schedule and attend meetings with elected officials and representatives; however, the directors are welcome to attend. Mr. Roscoe informed the committee that approximately 50-60 meetings have been held with elected officials and other stakeholders in order to inform them of the process that the agencies are considering. Mr. Roscoe commented that if more calendars need to be considered when scheduling these meetings, then the process will take much longer.

After discussion, the committee directed staff to review the policy items and develop recommendations to provide for discussion and approval at the next Joint Board meeting.

3. Discuss Meetings Held To-Date and Results

Mr. O'Farrell reviewed the list of meetings that have been held to date or are scheduled in February. In addition, he reviewed the principle issues and concerns that have been conveyed during the stakeholder outreach. He noted that the phone survey was completed and the results will be brought to the next committee meeting. A copy of the staff report will be attached to the meeting minutes.

Director Schild voiced concern that SJWD's water rights have not been analyzed. He commented that the Joint Boards agreed to hire a mutual solicitor or attorney to review the existing water rights. In addition, he mentioned that the water rights summary produced by Attorney Paul Bartkiewicz indicated that the pre-1914 water rights that San Juan Water District holds is a settlement contract. Director Costa commented that the water rights information was provided at the beginning of discussions between the two agencies. Mr. Durkin commented that both the Joint Boards and the committee specifically did not want to hire a mutual attorney and

the direction was to have each agency hire separate counsel at the appropriate time, with no conflict of interest, so that each agency's interest is protected by its own legal counsel.

Director Costa commented that beneficial use of the water rights needs to be reviewed and determined. Director Walters commented that beneficial use is on the table and the committee needs to finish the process for Phase 2A with review of the draft report. Mr. O'Farrell commented that the final administrative draft of the Phase 2A report needs to be completed and distributed, begin a 30-day public review period on the report, develop an addendum to the report with the comments and responses, include the separate document regarding water rights from BKS, then set another committee meeting with the intent to make a recommendation to the Joint Boards regarding Phase 2B.

4. Financial Summary of Phase 2A Project To-Date

SSWD Director Thomas moved to approve amending the contract with John O'Farrell & Associates in the amount of \$8,500. SJWD Director Walters seconded the motion and it carried with 3 Aye votes and 1 No vote (Schild).

The committee discussed the request for an increase in the budget. Mr. Roscoe explained that the consultant met with more stakeholders than originally anticipated in order to address the Joint Board's concerns for making sure that this is a very public process. Mr. Durkin added that more information has been incorporated into the Phase 2A report than originally anticipated based on refined direction from the Directors of both agencies.

5. Discuss Upcoming Tasks and Meetings

Mr. Roscoe informed the committee that a public draft of the report is expected by the end of the month which will be reviewed at the next committee meeting. There will be a 30-day public review period which will start after the committee reviews the draft report. In addition, the results of the phone survey should be presented at the next committee meeting.

The Joint Board will meet after the 30-day public review period to review the final administrative draft for consideration of a decision to proceed to Phase 2B or end discussions.

Director Schild voiced concern regarding the wording in the MMS agreement. Mr. Roscoe explained that the agreement was reviewed by the Joint Board at the last meeting and staff was given authority to execute the contract and proceed with the survey.

Mr. Bob Churchill commented that Director Costa's concern for use of the water supply is valid and keeping the water supply in the region is a valid point. Mr. Churchill voiced concern on how the water is delivered and the cost to rate payers. In addition, he is

concerned with maintaining SJWD-Wholesale's assets, assurances on water supplies, and price advantages to the existing wholesale customer agencies using the pre-1914 water rights.

Mr. Tom Gray thanked the committee regarding agenda item 2 wherein it addresses the assurances of wholesale water customer agencies on pre-1914 water rights reliability and cost benefits, which is a top concern to FOWD. He requested that the policy item be moved prior to entering into Phase 2B or the LAFCo process. In addition, he requested a business analysis regarding the need to retain the water rights versus putting everything at risk.

Mr. Ken Miller commented that the committee might want to consider presenting a brief overview at the next meeting regarding how the committee began, what prompted the discussions, what has happened, and where the agencies are today. Director Costa requested staff to add that item to the next meeting agenda.

In response to Mr. Bill Eubanks' question, Mr. Roscoe explained that the State Water Resources Control Board (SWRCB) determines if water is put to beneficial use. Mr. Eubanks suggested that the agencies ask the SWRCB or whoever if the merger would satisfy the beneficial use requirement. Director Schild commented that the USBR makes the determination. Director Costa suggested that this be determined.

The meeting was adjourned at 2:25 p.m.



Agenda Item: 24

Date: March 5, 2015

Subject: Report Back Items – General Manager’s Report

Staff Contact: Robert S. Roscoe, General Manager

1. **Proposition 84 Drought Grant for Enterprise Intertie Improvements**

At the February 23, 2015 regular Board meeting, staff recommended the following:

- 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.
- 2) Authorize the General Manager to execute a cost sharing agreement with the City of Sacramento subject to legal counsel review and approval.

The Board did not approve staff’s recommendation and directed staff to renegotiate with the City of Sacramento to see if they would be willing to pay for a higher percentage or entire non-grant cost share. District staff made contact with City of Sacramento staff on February 24, 2015 to set up a meeting date and time. As of the date of this report, a meeting date has not been set.

2. **Pipeline Easement at 7031 Watt Avenue**

At the February 2015 Board Meeting, the Board adopted Resolution No. 15-01, Accepting a Grant of Easement and Right of Way for 7031 Watt Avenue – Grace Family Church. However, the Board asked staff to contact the owner of the adjoining property to the north (at 7035 Watt Avenue) to inquire about obtaining a parallel easement on the other side of the property line from 7031 Watt Avenue.

District staff has made contact with one of the property owners at 7035 Watt Avenue. The property is owned by several partners. The legal name of the ownership group is Nova Real Estate Group, Inc. This property is currently used as an oak furniture retail business. The contact stated that he is not on good terms with the church at 7031 Watt Avenue as he believes that the church is not “a good neighbor”. In addition, his property is already burdened with a 5 foot easement (to SMUD and PG&E) along the northern property line. Sam says that he is open to further discussions with the District regarding an easement but his current position is that he does not want to burden his property with a water line easement unless he is compensated for it.



Agenda Item: 25

Date: March 4, 2015

Subject: Legislative and Regulatory Update

Staff Contact: Dan York, Assistant General Manager

RWA Government Affairs Committee

The deadline to introduce new bills was February 27, 2015. A total of 2,295 new bills were introduced to be considered in the 2015 California legislative session. The Fernandez Government Solutions consultant has reviewed the bills and has provided input for those that they feel may be of interest to the RWA Government Affairs Committee. Currently there are 91 bills of interest on the list, which is attached to this report as Exhibit 1. The bills deal with a wide range of issues. In the coming weeks the consultant will categorize them in a similar fashion as in previous years, i.e. groundwater bills, water planning bills, watch bills vs. HOT bills, etc. In regards to groundwater legislation, there are 16 different bills (see Exhibit 2) related to the new Sustainable Groundwater Management Act.

One bill to note is SB 385, Senator Ben Hueso (D-San Diego). It is an ACWA-sponsored bill to provide a carefully monitored process for public water systems to work toward compliance with the state's new drinking water standard for Hexavalent Chromium (HC).

California is the first state in the nation to adopt a drinking water standard for HC. Public water systems are committed to meeting the standard, but the timeline provided for compliance does not recognize the complex steps water systems must take to achieve the new standard. The steps involved, from designing appropriate treatment systems to securing financing to building and testing new treatment facilities, can take up to five years or more and cost millions of dollars per source.

SB 385 would address the challenge by authorizing the State Water Resources Control Board (SWRCB) to grant a time-limited variance to public water systems that meet strict conditions and demonstrate they are taking needed steps to comply with the standard by the earliest feasible date. The variance would not exempt any water systems from compliance or delay steps a water system must take to achieve compliance. The SWRCB oversees the state's water quality and is responsible for enforcing the HC standard.

On February 17th, the RWA Government Affairs Committee met to discuss the strategy for legislation advocacy in the 2015 session of the State Legislature. The committee will be meeting on a regular basis to discuss which bills need to be monitored.

State

The Department of Water Resources (DWR) conducted a manual survey of the Sierra Nevada snowpack. The survey found 0.9 inches of water content in the snow, just 5 percent of the March 3 historical average for the collection site. Electronic readings by DWR indicate the water content of the northern Sierra snowpack is 4.4 inches, 16 percent of average for March 3. The central and southern Sierra readings were 5.5 inches, 20 percent average, and 5 inches, 22 percent, respectively.

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 58% of total capacity and 78% of historical average capacity; Oroville Reservoir is at 49% of total capacity and 70% of historical average capacity; Folsom Lake is at 58% of capacity and 103% of its historical average capacity for this time of year. The problem is the lack of snowpack to further add to storage. Storage is expected to end the runoff year far below average.

The State Water Resources Control Board (Water Board) generated an Order for Additional Information which was issued advising existing pre-1914 and riparian water right claimants along the Sacramento and San Joaquin River watershed and Delta that they are subject to curtailments and are being required to submit pertinent information by March 6, 2015. Examples of information requested pertains to monthly amounts of water diverted, anticipated monthly amounts of water diverted, identification and location of the point of diversion, etc. A copy of the Order for Additional Information is attached to this report as Exhibit 3.

Federal

The federal government stated on February 27, 2015 that it won't send any of its reservoir water to the Central Valley for the second straight year, forcing farmers in California's agricultural heartland to again scramble for other sources or leave fields unplanted. Many farmers had been bracing for the U.S. Bureau of Reclamation's announcement as California's drought enters its fourth year.

The Central Valley Project conveys water through a system of dams and reservoirs and 500 miles of canals. The agency says it can irrigate up to a third of California's agricultural land when water is available. When planning deliveries, the federal government has mandatory obligations to farms and communities holding senior water rights, including the City of Sacramento, and wildlife refuges protected by federal law to protect bird and fish habitats.

California is increasing distribution from a separate state-operated system of reservoirs and canals with fewer mandatory obligations. The State Water Project announced in February that it could provide local agencies and farmers 15 percent of the water they requested, up from 5 percent last year.

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 3/2/2015

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: 2/17/2015-Referred to Com. on L. GOV.

Location: 2/17/2015-A. L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered	
1st House				2nd House				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: 2/23/2015-Referred to Com. on NAT. RES.

Location: 2/23/2015-A. NAT. RES.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered	
1st House				2nd House				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: 2/23/2015-Referred to Com. on NAT. RES.

Location: 2/23/2015-A. NAT. RES.

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

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: 2/23/2015-Referred to Coms. on NAT. RES. and W., P., & W.

Location: 2/23/2015-A. NAT. RES.

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

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.

AB 356 (Williams D) Oil and gas: groundwater monitoring.

Current Text: Introduced: 2/17/2015 [pdf](#) [html](#)

Introduced: 2/17/2015

Status: 2/18/2015-From printer. May be heard in committee March 20.

Location: 2/17/2015-A. PRINT

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

Summary: Would authorize the State Oil and Gas Supervisor to require a well operator to implement a monitoring program for belowground oil production tanks and facilities, and disposal and injection wells,. Because a failure to comply with this requirement would be a crime, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

AB 401 (Dodd D) Low-Income Water Rate Assistance Program.

Current Text: Introduced: 2/19/2015 [pdf](#) [html](#)

Introduced: 2/19/2015

Status: 2/20/2015-From printer. May be heard in committee March 22.

Location: 2/19/2015-A. PRINT

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

Summary: Would require the Department of Community Services and Development, no later than January 1, 2017, in collaboration with the State Board of Equalization and relevant stakeholders, to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program, which would include specified elements. The bill would require the department, no later than January 1, 2017, to report to the Legislature on its findings regarding the feasibility and desired structure of the program, including any recommendations for legislative action that may need to be taken. This bill contains other existing laws.

AB 434 (Garcia, Eduardo D) Drinking water: point-of-entry and point-of-use treatment.

Current Text: Introduced: 2/19/2015 [pdf](#) [html](#)

Introduced: 2/19/2015

Status: 2/20/2015-From printer. May be heard in committee March 22.

Location: 2/19/2015-A. PRINT

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

Summary: Would specifically make the emergency regulations adopted by the State Department of Public Health before January 1, 2014, operative and would require that the emergency regulations remain in effect until repealed or amended by the State Water Resources Control Board. The bill would authorize the State Water Resources Control Board to award a grant for point-of-entry and point-of-use treatment, in lieu of centralized treatment, by a public water system that meets certain requirements. This bill contains other related provisions.

AB 452

(Bigelow R) Water Rights Fund: Groundwater Regulation Subaccount.

Current Text: Introduced: 2/23/2015 [pdf](#) [html](#)

Introduced: 2/23/2015

Status: 2/24/2015-From printer. May be heard in committee March 26.

Location: 2/23/2015-A. PRINT

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

Summary: Would establish the Groundwater Regulation Subaccount in the Water Rights Fund and would provide that moneys in the subaccount are available, upon appropriation by the Legislature, to the State Water Resources Control Board for the purpose of board enforcement of the provisions of the Sustainable Groundwater Management Act. This bill contains other related provisions and other existing laws.

AB 453

(Bigelow R) Groundwater management.

Current Text: Introduced: 2/23/2015 [pdf](#) [html](#)

Introduced: 2/23/2015

Status: 2/24/2015-From printer. May be heard in committee March 26.

Location: 2/23/2015-A. PRINT

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

Summary: Would authorize, until a groundwater sustainability plan is adopted, a local agency to amend an existing groundwater management plan in furtherance of, and consistent with, the groundwater management plan's objectives.

AB 454

(Bigelow R) Sustainable groundwater management.

Current Text: Introduced: 2/23/2015 [pdf](#) [html](#)

Introduced: 2/23/2015

Status: 2/24/2015-From printer. May be heard in committee March 26.

Location: 2/23/2015-A. PRINT

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

Summary: Would require a high- or medium-priority basin that is not subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plan by January 31, 2023. This bill contains other related provisions and other existing laws.

AB 455

(Bigelow R) Groundwater sustainability plans: environmental impact reports.

Current Text: Introduced: 2/23/2015 [pdf](#) [html](#)

Introduced: 2/23/2015

Status: 2/24/2015-From printer. May be heard in committee March 26.

Location: 2/23/2015-A. PRINT

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

Summary: Would require the Judicial Council, on or before July 1, 2016, to adopt a rule of court to establish procedures applicable to actions or proceedings brought to attack, review, set aside, void, or annul the certification of an EIR for projects covered by a groundwater sustainability plan that require the actions or proceedings be resolved within 270 days of certification of the record of proceeding. The bill would also prohibit the court from staying or enjoining the construction or operation of the project unless the court makes a certain finding. This bill contains other existing laws.

AB 478

(Harper R) Desalination.

Current Text: Introduced: 2/23/2015 [pdf](#) [html](#)

Introduced: 2/23/2015

Status: 2/24/2015-From printer. May be heard in committee March 26.

Location: 2/23/2015-A. PRINT

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

Summary: Current law provides that is it the intention of the Legislature that the Department of Water Resources shall undertake to find economic and efficient methods of desalting saline water so that desalted water may be made available to help meet the growing water requirements of the state. This bill would make a nonsubstantive change in these provisions.

AB 501

(Levine D) Resources: Delta research.

Current Text: Introduced: 2/23/2015 [pdf](#) [html](#)

Introduced: 2/23/2015

Status: 2/24/2015-From printer. May be heard in committee March 26.

Location: 2/23/2015-A. PRINT

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

Summary: Would require a person conducting Delta research, as defined, whose research is funded, in whole or in part, by the state, to take specified actions with regard to the sharing of the primary data, samples, physical collections, and other supporting materials created or gathered in the course of that research. The bill would authorize the Delta Independent Science Board to adopt guidelines to provide adjustments to, and, where essential, exceptions from, these requirements and would exempt the adoption of these guidelines from the procedural requirements for the adoption of regulations.

AB 541

(Dahle R) Big Valley Watermaster District Act.

Current Text: Introduced: 2/23/2015 [pdf](#) [html](#)

Introduced: 2/23/2015

Status: 2/24/2015-From printer. May be heard in committee March 26.

Location: 2/23/2015-A. PRINT

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

Summary: Would create a watermaster district with unspecified boundaries within the Counties of Lassen and Modoc to be known as the Big Valley Watermaster District. The bill would generally specify the powers and purposes of the district. The bill would prescribe the composition of the board of directors of the district. The bill would require the district to provide watermaster service on behalf of water right holders whose place of use under an appointed decree, as defined, is a parcel of real property within the district.

AB 585

(Melendez R) Outdoor Water Efficiency Act of 2015: income tax credits: outdoor water efficiency.

Current Text: Introduced: 2/24/2015 [pdf](#) [html](#)

Introduced: 2/24/2015

Status: 2/25/2015-From printer. May be heard in committee March 27.

Location: 2/24/2015-A. PRINT

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

Summary: The Personal Income Tax Law allows various credits against the taxes imposed by that law. This bill, for taxable years beginning on or after January 1, 2015, and before January 1, 2021, or an earlier specified date, would allow a credit equal to 25% of the amount paid or incurred by a qualified taxpayer for improvements made to outdoor landscapes on real property in this state, not to exceed \$2,500 per taxable year, as specified. This bill contains other related provisions.

AB 606 (Levine D) Water conservation.

Current Text: Introduced: 2/24/2015 [pdf](#) [html](#)

Introduced: 2/24/2015

Status: 2/25/2015-From printer. May be heard in committee March 27.

Location: 2/24/2015-A. PRINT

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

Summary: Would require the Department of General Services to identify each public property added to the department's state property inventory beginning January 1, 2015, where it is feasible for water consumption to be reduced and water efficiencies to be achieved through replacement of landscaping, irrigation timers, or spray sprinkler heads, or any combination thereof, and would require the appropriate replacements where feasible, except as specified.

AB 615 (Rendon D) The Center for Community Water Projects.

Current Text: Introduced: 2/24/2015 [pdf](#) [html](#)

Introduced: 2/24/2015

Status: 2/25/2015-From printer. May be heard in committee March 27.

Location: 2/24/2015-A. PRINT

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

Summary: Would establish The Center for Community Water Projects, to be administered by the Division of Financial Assistance within the State Water Resources Control Board. The bill would declare the purpose of the center is to provide a centralized, multidisciplinary technical assistance program for disadvantaged communities and to assist those communities in designing and building clean and sustainable water projects.

AB 617 (Perea D) Department of Water Resources: supervision of dams and reservoirs.

Current Text: Introduced: 2/24/2015 [pdf](#) [html](#)

Introduced: 2/24/2015

Status: 2/25/2015-From printer. May be heard in committee March 27.

Location: 2/24/2015-A. PRINT

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

Summary: Current law prohibits the construction of any new dam or reservoir or the enlargement of any new dam or reservoir until the owner has applied for and obtained from the Department of Water Resources written approval of plans and specifications. Current law authorizes the department, in connection with approving a dam or reservoir, to require certain data, investigations, reports, and any other appropriate information as may be necessary. This bill would make a nonsubstantive change in these provisions.

AB 639 (Dahle R) Water quality: organization and membership of regional boards.

Current Text: Introduced: 2/24/2015 [pdf](#) [html](#)

Introduced: 2/24/2015

Status: 2/25/2015-From printer. May be heard in committee March 27.

Location: 2/24/2015-A. PRINT

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

Summary: The Porter-Cologne Water Quality Control Act requires regional boards to consist of 7 members appointed by the Governor, 6 of them on the basis of demonstrated interest or proven ability in the field of water quality and one as a public member not specifically associated with any enumerated qualification. This bill would make nonsubstantive changes to these provisions.

AB 647 (Eggman D) Beneficial use: diversion of water underground.

Current Text: Introduced: 2/24/2015 [pdf](#) [html](#)

Introduced: 2/24/2015

Status: 2/25/2015-From printer. May be heard in committee March 27.

Location: 2/24/2015-A. PRINT

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

Summary: Would declare that the diversion of water underground constitutes a beneficial use of water for which an appropriation may be made if the diverted water is stored and thereafter applied to beneficial use or if beneficial use of the water, including, but not limited to, protection of water quality or recovery of groundwater levels, is made while the water is underground. This bill would provide that the period for the reversion of a water right does not apply to water being beneficially used in the aquifer or being held in storage for later beneficial use.

AB 656 (Garcia, Cristina D) Joint powers agreements: mutual water companies.

Current Text: Introduced: 2/24/2015 [pdf](#) [html](#)

Introduced: 2/24/2015

Status: 2/25/2015-From printer. May be heard in committee March 27.

Location: 2/24/2015-A. PRINT

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

Summary: Current law authorizes local public entities, as defined, to enter into a joint powers agreement for the purposes of providing risk-pooling, as specified. This bill would specifically authorize 2 or more mutual water companies, or 2 or more mutual water companies and one or more public agencies that operate a public water system, to participate in joint powers agreement for risk-pooling, technical support, and other similar services.

AB 697 (Chu D) Water-conserving plumbing fixtures.

Current Text: Introduced: 2/25/2015 [pdf](#) [html](#)

Introduced: 2/25/2015

Status: 2/26/2015-From printer. May be heard in committee March 28.

Location: 2/25/2015-A. PRINT

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

Summary: Current law requires the replacement of plumbing fixtures that are not water conserving, as defined as noncompliant plumbing fixtures, in residential and commercial real property built and available for use on or before January 1, 1994, as specified. This bill would make technical, nonsubstantive changes to these provisions.

AB 723 (Rendon D) Plumbing fixtures: WaterSense standards.

Current Text: Introduced: 2/25/2015 [pdf](#) [html](#)

Introduced: 2/25/2015

Status: 2/26/2015-From printer. May be heard in committee March 28.

Location: 2/25/2015-A. PRINT

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

Summary: Would, beginning January 1, 2017, prohibit manufacturers selling water closets, urinals, bathroom faucets, and shower heads from installing or selling any of the aforementioned plumbing fixtures that do not meet WaterSense standards set by the federal Environmental Protection Agency, as specified. The bill would require these manufacturers, by January 30 of each year, to inform, in

writing, the California Energy Commission, the department, and the California Building Standards Commission of the number of WaterSense certified models it is offering for sale that year as compared to the years 2010 to 2014, inclusive.

AB 725

(Wagner R) Water quality: Porter-Cologne Water Quality Control Act.

Current Text: Introduced: 2/25/2015 [pdf](#) [html](#)

Introduced: 2/25/2015

Status: 2/26/2015-From printer. May be heard in committee March 28.

Location: 2/25/2015-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 and the California regional water quality control boards prescribe waste discharge requirements in accordance with the federal Clean Water Act and the Porter-Cologne Water Quality Control Act (state act). The state act defines various terms for purposes of the act. This bill would make various nonsubstantive changes to these definitions.

AB 727

(Wilk R) Castaic Lake Water Agency.

Current Text: Introduced: 2/25/2015 [pdf](#) [html](#)

Introduced: 2/25/2015

Status: 2/26/2015-From printer. May be heard in committee March 28.

Location: 2/25/2015-A. PRINT

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

Summary: Would authorize the Castaic Lake Water Agency to construct, operate, and maintain works to develop energy projects and to contract for the sale of the right to use facilities or real property for electric energy purposes. This bill contains other related provisions and other existing laws.

AB 797

(Steinorth R) Regulations: effective dates and legislative review.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 2/27/2015-From printer. May be heard in committee March 29.

Location: 2/26/2015-A. PRINT

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

Summary: Would require the Office of Administrative Law to submit to each house of the Legislature for review a copy of each major regulation that it submits to the Secretary of State. The bill would eliminate the quarterly schedule pursuant to which regulations and orders of repeal become effective, as well as the provisions specifically addressing the effective dates of regulations adopted by the Fish and Game Commission. The bill would, instead, provide that a regulation or order of repeal required to be filed with the Secretary of State generally becomes effective the 90th day after the date of filing, subject to certain exceptions.

AB 824

(Gatto D) Recycled water: recycling criteria.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 2/27/2015-From printer. May be heard in committee March 29.

Location: 2/26/2015-A. PRINT

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

Summary: Current law, the Porter-Cologne Water Quality Control Act, requires the State Department of Public Health to establish uniform statewide recycling criteria for each varying type of use of recycled water if the use involves the protection of public health. The act defines recycling criteria to mean the levels of constituents of recycled water, and the means for assurance of reliability under the design concept that will result in recycled water that is safe for the uses to be made. This bill would make

technical, nonsubstantive changes to that definition.

AB 935 (Salas D) Integrated Regional Water Management Plans: conveyance projects.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 2/27/2015-From printer. May be heard in committee March 29.

Location: 2/26/2015-A. PRINT

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

Summary: Would declare the intent of the Legislature to enact future legislation that would require the Department of Water Resources to provide grants and expenditures, consistent with an integrated regional water management plan, for the planning, design, and construction of local and regional conveyance projects that support regional and interregional connectivity and water management and provide certain benefits.

AB 936 (Salas D) Groundwater monitoring.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 2/27/2015-From printer. May be heard in committee March 29.

Location: 2/26/2015-A. PRINT

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

Summary: If there is insufficient interest in establishing a management plan or ground watering association, and the county decides not to perform groundwater monitoring and reporting functions, the Department of Water Resources is required to perform the groundwater monitoring functions. In that event, specified entities with authority to assume groundwater monitoring functions with regard to a basin or subbasin for which the department has assumed those functions are not eligible for a water grant or loan awarded or administered by the state. This bill would create an exception from this eligibility restriction if the entity submits to the department for approval documentation demonstrating the water grant or loan project includes those actions needed to comply with groundwater monitoring functions.

AB 937 (Salas D) Groundwater recharge.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 2/27/2015-From printer. May be heard in committee March 29.

Location: 2/26/2015-A. PRINT

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

Summary: Under current law, the right to water or to the use of water is limited to that amount of water that may be reasonably required for the beneficial use to be served. Current law declares that the storing of water underground, and related diversions for that purpose, constitute a beneficial use of water if the stored water is thereafter applied to the beneficial purposes for which the appropriation for storage was made. This bill would state the intent of the Legislature to enact legislation relating to groundwater recharge.

AB 938 (Salas D) Groundwater: basin reprioritization: establishment of groundwater sustainability agency.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 2/27/2015-From printer. May be heard in committee March 29.

Location: 2/26/2015-A. PRINT

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

Summary: The Sustainable Groundwater Management Act requires a local agency, any time the

Department of Water Resources changes basin priorities and elevates a basin to a medium- or high-priority basin after January 31, 2015, to either establish a groundwater sustainability agency within 2 years of reprioritization and adopt a groundwater sustainability plan within 5 years of reprioritization, or to submit an alternative to the department that the local agency believes satisfies the objectives of these provisions within 2 years of reprioritization. This bill would impose the requirement to establish a groundwater sustainability agency or submit an alternative after reprioritization on a local agency or combination of local agencies overlying a groundwater basin.

AB 939 (Salas D) Groundwater sustainability agency: financial authority.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 2/27/2015-From printer. May be heard in committee March 29.

Location: 2/26/2015-A. PRINT

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

Summary: The Sustainable Groundwater Management Act authorizes a groundwater sustainability agency to impose fees to fund the costs of a groundwater sustainability program and requires a groundwater sustainability agency to hold at least one public meeting prior to imposing or increasing a fee. The act requires, at least 10 days prior to the meeting, a groundwater sustainability agency to make available to the public data upon which the proposed fee is based. This bill would require a groundwater sustainability agency to make the data upon which the proposed fee is based available 20 days prior to the public meeting to impose or increase a fee.

AB 954 (Mathis R) Water Quality, Supply, and Infrastructure Improvement Act of 2014.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 2/27/2015-From printer. May be heard in committee March 29.

Location: 2/26/2015-A. PRINT

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

Summary: Current law, the Water Quality, Supply, and Infrastructure Improvement Act of 2014, approved by the voters as Proposition 1 at the November 4, 2014, statewide general election, authorizes the issuance of general obligation bonds in the amount of \$7,545,000,000 to finance a water quality, supply, and infrastructure improvement program. This bill would state the intent of the Legislature to enact legislation to implement this bond act.

AB 957 (Mathis R) Water Quality, Supply, and Infrastructure Improvement Act of 2014.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 2/27/2015-From printer. May be heard in committee March 29.

Location: 2/26/2015-A. PRINT

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

Summary: The Water Quality, Supply, and Infrastructure Improvement Act of 2014, approved by the voters as Proposition 1 at the November 4, 2014, statewide general election, authorizes the issuance of general obligation bonds in the amount of \$7,545,000,000 to finance a water quality, supply, and infrastructure improvement program. The bond act provides that the sum of \$520,000,000 is to be available, upon appropriation by the Legislature, for expenditures, grants, and loans for projects that improve water quality or help provide clean, safe, and reliable drinking water to all Californians. This bill would make nonsubstantive changes in these provisions.

AB 977 (Mayes R) State Water Pollution Control Revolving Fund.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 2/27/2015-From printer. May be heard in committee March 29.

Location: 2/26/2015-A. PRINT

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

Summary: Would make nonsubstantive changes to the requirement that moneys in the State Water Pollution Control Revolving Fund be used only for permissible purposes allowed by the Clean Water Act or a federal capitalization grant deposited in the fund.

AB 1047 (Bigelow R) Dams and reservoirs: fees.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 2/27/2015-From printer. May be heard in committee March 29.

Location: 2/26/2015-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 adopt, by regulation, a schedule of fees to cover the department's costs in carrying out the supervision of dam safety. This bill would make nonsubstantive changes in those provisions.

AB 1068 (Allen, Travis R) California Environmental Quality Act: priority projects.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 2/27/2015-From printer. May be heard in committee March 29.

Location: 2/26/2015-A. PRINT

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

Summary: Would authorize each Member of the Legislature to nominate one project within his or her respective district each year, and the Governor to designate those projects as priority projects if the projects meet specified requirements. The bill would require the Governor to provide a notice of the designation to the appropriate lead agency and to the Office of Planning and Research. The bill would require the lead agency to notify the public and interested stakeholders of the designation, as specified, thereby imposing a state-mandated local program.

AB 1077 (Holden D) Mutual water companies: open meetings.

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 2/27/2015-Introduced. To print.

Location: 2/27/2015-A. PRINT

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

Summary: Would prohibit a mutual water company from meeting solely in an executive session without holding a meeting. The bill would require a board of directors of a mutual water company to allow an eligible person to personally attend a meeting of the board, if the eligible person gave the board at least 24 hours advance written notice of his or her intent to personally attend the meeting. This bill contains other existing laws.

AB 1128 (Jones-Sawyer D) Water conservation.

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 2/27/2015-Introduced. To print.

Location: 2/27/2015-A. PRINT

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

Summary: Current law declares the intent of the Legislature to, among other things, promote urban water conservation standards that are consistent with the California Urban Water Conservation Council's adopted best management practices and specified requirements for demand management. This bill would make nonsubstantive changes to these findings and declarations.

AB 1139 (Campos D) California Water District Law.

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 2/27/2015-Introduced. To print.

Location: 2/27/2015-A. PRINT

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

Summary: Current law, the California Water District law, regulates the formation and operation of water districts in the state. This bill would make nonsubstantive changes to the provision naming the California Water District Law.

AB 1173 (Williams D) Water equipment: backflow protection programs.

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 2/27/2015-Introduced. To print.

Location: 2/27/2015-A. PRINT

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

Summary: Current law authorizes local health officials to maintain programs, in cooperation with water suppliers, to protect against backflow through service connections into the public water supply system, and, with the consent of the water supplier, to collect fees from the water supplier to offset the costs of implementing these programs. Current law requires that these programs be conducted in accordance with backflow protection regulations adopted by the State Water Resources Control Board. This bill would make a nonsubstantive change by updating a reference from the State Department of Public Health to the State Water Resources Control Board.

AB 1201 (Salas D) Water quality.

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 2/27/2015-Introduced. To print.

Location: 2/27/2015-A. PRINT

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

Summary: The Porter-Cologne Water Quality Control Act establishes a statewide program for the control of the quality of all the waters in the state and makes certain legislative findings and declarations. This bill would make technical, nonsubstantive changes to the legislative findings and declarations.

AB 1242 (Gray D) Water quality: impacts on groundwater basins: mitigation measures.

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 2/27/2015-Introduced. To print.

Location: 2/27/2015-A. PRINT

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

Summary: Would require the State Water Resources Control Board to take into consideration any applicable groundwater sustainability plan or alternative in formulating state policy for water quality control and adopting or approving a water quality control plan that affects a groundwater basin. This bill contains other related provisions and other existing laws.

AB 1243 (Gray D) Groundwater recharge: grants.

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 2/27/2015-Introduced. To print.

Location: 2/27/2015-A. PRINT

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

Summary: Would establish the Groundwater Recharge Grant Fund and would provide that moneys in the fund are available, upon appropriation by the Legislature, to the State Water Resources Control Board to provide grants to local governments and water districts for groundwater recharge infrastructure projects. This bill contains other related provisions and other existing laws.

AB 1244 (Gray D) Water rights: small irrigation use.

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 2/27/2015-Introduced. To print.

Location: 2/27/2015-A. PRINT

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

Summary: Current law authorizes any person to obtain a right to appropriate water for a small irrigation use upon registering the use with the State Water Resources Control Board and thereafter applying the water to reasonable and beneficial use with due diligence. This bill would require the board to adopt general conditions, in consultation with the Department of Food and Agriculture, the University of California Cooperative Extension, and others, including, but not limited to the Department of Fish and Wildlife, for small irrigation use, unless the board determines that sufficient funds are not available for that purpose.

AB 1325 (Salas D) Delta smelt.

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 2/27/2015-Introduced. To print.

Location: 2/27/2015-A. PRINT

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

Summary: Would enact the Delta Smelt Preservation and Restoration Act of 2016. The act would require the Department of Fish and Wildlife to develop a Delta smelt hatchery program to preserve and restore the Delta smelt. The bill would require the department to enter into mitigation banking agreements with banking partners for the purpose of providing take authorizations to banking partners and to obtain funding from banking agreements. This bill contains other related provisions.

AB 1340 (Chau D) Local government: sale of water utility property.

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 2/27/2015-Introduced. To print.

Location: 2/27/2015-A. PRINT

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

Summary: Current law provides a procedure that is generally applicable for a city to sell its real property. Current law also establishes specific procedures for the sale of public utility property owned by a municipal corporation with certain provisions applicable to the sale of property of a water utility. This bill would authorize the City of Montebello to sell all or part of its water utility pursuant to the procedures that are generally applicable to a sale of real property by a city, if certain requirements are met. This bill contains other related provisions.

AB 1362 (Gordon D) Local government: assessments, fees, and charges: stormwater definition.

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 2/27/2015-Introduced. To print.

Location: 2/27/2015-A. PRINT

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

Summary: Would define "stormwater" for purposes of the Proposition 218 Omnibus Implementation Act to mean any system of public improvements or service intended to provide for the quality, conservation, control, or conveyance of waters that land on or drain across the natural or man-made landscape. This bill contains other related provisions.

AB 1390 (Alejo D) Groundwater: adjudication.

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 2/27/2015-Introduced. To print.

Location: 2/27/2015-A. PRINT

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

Summary: Would declare the intent of the Legislature to enact legislation that would, among other things, develop procedures to provide a more streamlined and expeditious groundwater adjudication process by which courts may conduct comprehensive determinations of all rights to groundwater in a basin, while fully respecting established principles of water rights law and providing participants appropriate due process. This bill contains other existing laws.

AB 1454 (Linder R) State policy for water quality control.

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 2/27/2015-Introduced. To print.

Location: 2/27/2015-A. PRINT

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

Summary: Under current law, the Porter-Cologne Water Quality Control Act, the state policy for water quality control is required to consist of water quality principles and guidelines for long-range resource planning, water quality objectives, and other principles and guidelines deemed essential by the State Water Resources Control Board for water quality control. This bill would make technical, nonsubstantive changes to that provision.

AB 1463 (Gatto D) Onsite recycled water.

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 2/27/2015-Introduced. To print.

Location: 2/27/2015-A. PRINT

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

Summary: Would require the State Water Resources Control Board, in consultation with the State Department of Public Health, the California Building Standards Commission, and stakeholders, to establish water quality standards and distribution, monitoring, and reporting requirements for onsite water recycling systems prior to authorizing the use of onsite recycled water in internal plumbing of residential and commercial buildings.

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-Referral to Com. on T. & H.

Location: 1/15/2015-S. T. & H.

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

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: Amended: 2/24/2015 [pdf](#) [html](#)

Introduced: 12/1/2014

Last Amend: 2/24/2015

Status: 2/24/2015-From committee with author's amendments. Read second time and amended. Re-referred to Com. on N.R. & W.

Location: 2/24/2015-S. N.R. & W.

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

Summary: Would specify that the State Water Resources Control Board is authorized to designate a high- or medium-priority basin as a probationary basin. This bill would provide a local agency or groundwater sustainability agency 90 or 180 days, as prescribed, to remedy certain deficiencies that caused the board to designate the 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. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

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 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. Re-referred to Com. on N.R. & W.

Location: 2/12/2015-S. N.R. & W.

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

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				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.	Enrolled	Vetoed	Chaptered	
1st House				2nd House				Conc.				

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.	Enrolled	Vetoed	Chaptered	
1st House				2nd House				Conc.				

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: 2/19/2015-Referred to Com. on RLS.

Location: 2/19/2015-S. RLS.

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

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: 2/19/2015-Referred to Com. on N.R. & W.

Location: 2/19/2015-S. N.R. & W.

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

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: 2/19/2015-Referred to Coms. on GOV. & F. and JUD.

Location: 2/19/2015-S. G. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chapters
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: 2/19/2015-Referred to Coms. on N.R. & W. and E.Q.

Location: 2/19/2015-S. N.R. & W.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chapters
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 (Galgiani D) Division of Boating and Waterways: oversight committee: invasive aquatic plants.

Current Text: Introduced: 2/13/2015 [pdf](#) [html](#)

Introduced: 2/13/2015

Status: 2/26/2015-Referred to Com. on N.R. & W.

Location: 2/26/2015-S. N.R. & W.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chapters
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: 2/26/2015-Referred to Coms. on N.R. & W. and JUD.

Location: 2/26/2015-S. N.R. & W.

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

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: 2/26/2015-Referred to Com. on N.R. & W.

Location: 2/26/2015-S. N.R. & W.

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.

SB 317 (De León D) The Safe Neighborhood Parks, Rivers, and Coastal Protection Bond Act of 2016.

Current Text: Introduced: 2/23/2015 [pdf](#) [html](#)

Introduced: 2/23/2015

Status: 2/24/2015-From printer. May be acted upon on or after March 26.

Location: 2/23/2015-S. PRINT

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

Summary: Under current law, various measures have been approved by the voters to provide funds for park, river, and coastal protections and programs. This bill would enact the Safe Neighborhood Parks, Rivers, and Coastal Protection Bond Act of 2016, which, if adopted by the voters at the November 8, 2016, statewide general election, would authorize the issuance of bonds in an unspecified amount pursuant to the State General Obligation Bond Law to finance a safe neighborhood parks, rivers, and coastal protection program.

SB 385 (Hueso D) Primary drinking water standards: variances: hexavalent chromium.

Current Text: Introduced: 2/24/2015 [pdf](#) [html](#)

Introduced: 2/24/2015

Status: 2/25/2015-From printer. May be acted upon on or after March 27.

Location: 2/24/2015-S. PRINT

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

Summary: Would authorize, until January 1, 2020, the State Water Resources Control Board, at the request of a public water system, to grant a variance from the primary drinking water standard for hexavalent chromium if the public water system prepares and submits a compliance plan, the state board approves the compliance plan, the public water system provides specified notice requirements regarding the compliance plan to its customers, and the public water system sends annual reports to the state board that updates the status of the approved compliance plan.

SB 442

(Hall D) Municipal water districts: revenue bonds.

Current Text: Introduced: 2/25/2015 [pdf](#) [html](#)

Introduced: 2/25/2015

Status: 2/26/2015-From printer. May be acted upon on or after March 28.

Location: 2/25/2015-S. PRINT

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

Summary: Current law, the Municipal Water District Law of 1911, provides for the formation of municipal water districts and grants to those districts specified powers, including the authority to issue revenue bonds for any purpose for which general obligation bonds may be issued. This bill would make nonsubstantive changes in those provisions.

SB 454

(Allen D) Water quality: minor violations.

Current Text: Introduced: 2/25/2015 [pdf](#) [html](#)

Introduced: 2/25/2015

Status: 2/26/2015-From printer. May be acted upon on or after March 28.

Location: 2/25/2015-S. PRINT

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

Summary: The Porter-Cologne Water Quality Control Act authorizes the State Water Resources Control Board and the California regional water quality control boards to conduct inspections for violations of specified law. The act requires the state board and the regional boards to determine the types of violations that are minor violations and requires the state board to adopt regulations or state policy for water quality, as prescribed. This bill would make nonsubstantive changes to the provision relating to minor violations.

SB 471

(Pavley D) Water, energy, and reduction of greenhouse gas emissions: planning.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 2/27/2015-From printer. May be acted upon on or after March 29.

Location: 2/26/2015-S. PRINT

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

Summary: Current law continuously appropriates specified portions of the annual proceeds in the Greenhouse Gas Reduction Fund to various programs including 20% for the Affordable Housing and Sustainable Communities Program, administered by the Strategic Growth Council. Current law specifies the objectives for the program and identifies categories of projects eligible for funding under this program. This bill would require the council, in implementing these provisions, to give special consideration to awarding funds to eligible projects that, in addition to existing objectives and goals, would also result in reduced energy use by a water supplier, an end user of water, or both.

SB 487

(Nielsen R) Sustainable Groundwater Management Act: California Environmental Quality Act: exemptions.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 2/27/2015-From printer. May be acted upon on or after March 29.

Location: 2/26/2015-S. PRINT

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

Summary: Would exempt from the requirements of CEQA the formation of a groundwater sustainability agency, the amendment of a groundwater sustainability plan or coordinated groundwater sustainability plan, and the implementation of those plans, except to the extent that the implementation requires the construction or installation of a new facility. Because a lead agency would be required to determine the applicability of this exemption, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

SB 551 (Wolk D) State water policy: water and energy efficiency.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 2/27/2015-From printer. May be acted upon on or after March 29.

Location: 2/26/2015-S. PRINT

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

Summary: Would declare the policy of the state that water use and water treatment shall be as energy efficient as is feasible and energy use and generation shall be as water efficient as is feasible. This bill would require all relevant state agencies to consider this state policy when revising, adopting, or establishing policies, regulations, and grant criteria when pertinent to these uses of water and energy. This bill contains other existing laws.

SB 552 (Wolk D) Public water systems: disadvantaged communities: drinking water standards.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 2/27/2015-From printer. May be acted upon on or after March 29.

Location: 2/26/2015-S. PRINT

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

Summary: Would require, by January 1, 2017, the State Water Resources Control Board to develop a plan, including enforcement mechanisms, to ensure that disadvantaged communities have water systems that are in compliance with state and federal drinking water standards. The bill would require the plan to identify strategies to help bring disadvantaged communities into compliance with safe drinking water standards.

SB 553 (Wolk D) Water conservation.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 2/27/2015-From printer. May be acted upon on or after March 29.

Location: 2/26/2015-S. PRINT

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

Summary: Would require the Department of General Services to identify each public property in the department's state property inventory where it is feasible for water consumption to be reduced and water efficiencies to be achieved through implementation of the relevant recommendations made in the model water efficient landscape ordinance and would require the department to implement the relevant recommendations where feasible, except as specified. This bill contains other existing laws.

SB 554 (Wolk D) California Water Commission: disqualifying financial interest: removal from office.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 2/27/2015-From printer. May be acted upon on or after March 29.

Location: 2/26/2015-S. PRINT

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

Summary: Would remove a member of the California Water Commission from office if after trial a court finds that the commission member has knowingly participated in any commission decision in which the member has a disqualifying financial interest in the decision.

SB 555 (Wolk D) Department of Water Resources: urban retail water suppliers: water loss audits.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 2/27/2015-From printer. May be acted upon on or after March 29.

Location: 2/26/2015-S. PRINT

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

Summary: Would require each urban retail water supplier, on or before July 1, 2017, to conduct a water loss audit as prescribed by rules adopted by the Department of Water Resources on or before July 1, 2016. This bill would require an urban retail water supplier to submit a validated audit report to the department within 60 days of completion and the department to post the report on its Internet Web site in a timely manner after its receipt. This bill would require the department to provide technical assistance to guide urban retail water suppliers' water loss detection programs.

SB 568 (Fuller R) Groundwater management.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 2/27/2015-From printer. May be acted upon on or after March 29.

Location: 2/26/2015-S. PRINT

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

Summary: Would declare the intent of the Legislature to enact legislation relating to the Sustainable Groundwater Management Act.

SB 615 (Berryhill R) Groundwater basin adjudication.

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 2/27/2015-Introduced. To Com. on RLS. for assignment. To print.

Location: 2/27/2015-S. PRINT

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

Summary: Current law specifies the jurisdiction of the courts. Under current law, courts may adjudicate rights to produce groundwater and exercise other powers relating to the supervision of a groundwater basin. This bill would state the intent of the Legislature to enact legislation to streamline the process for the adjudication of groundwater rights.

SB 664 (Hertzberg D) Water: Department of Water Resources.

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 2/27/2015-Introduced. To Com. on RLS. for assignment. To print.

Location: 2/27/2015-S. PRINT

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

Summary: Current law establishes in the Natural Resources Agency the Department of Water Resources, which is under the control of the Director of Water Resources. Current law provides for the appointment of the director by the Governor, subject to confirmation by the Senate. This bill would make technical, nonsubstantive changes to that provision.

SB 768 (Wieckowski D) Water-conserving plumbing fixtures.

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 2/27/2015-Introduced. To Com. on RLS. for assignment. To print.

Location: 2/27/2015-S. PRINT

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

Summary: Current law requires the replacement of plumbing fixtures that are not water conserving, as defined as noncompliant plumbing fixtures, in residential and commercial real property built and available for use on or before January 1, 1994, as specified. Current law provides findings and

declarations regarding these requirements, including that there is a pressing need to address water supply reliability issues caused by growing urban areas. This bill would make technical, nonsubstantive changes to these findings and declarations.

SB 772

(Stone R) Bay Delta Conservation Plan: judicial review.

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 2/27/2015-Introduced. To Com. on RLS. for assignment. To print.

Location: 2/27/2015-S. PRINT

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

Summary: Current law imposes requirements on the Department of Water Resources in connection with the preparation of a Bay Delta Conservation Plan. This bill would state the intent of the Legislature to enact legislation establishing judicial review procedures for the Bay Delta Conservation Plan.

Total Measures: 91
Total Tracking Forms: 92

EXHIBIT 2

Proposed Groundwater Legislation for 2015-2016 Session (3.3.2015)

AB 453 (Bigelow)	Allows amendment to existing groundwater management plan until a groundwater sustainability plan is adopted.
AB 454 (Bigelow)	Moves all existing SGMA compliance dates out one year.
AB 455 (Bigelow)	Requires Judicial Council to adopt rules of court to establish procedure for CEQA challenges to actions required by groundwater sustainability plans and requires findings before projects are stayed or enjoined.
AB 647 (Eggman)	Makes the diversion of underground water a beneficial use and exempt from forfeiture if not put to beneficial use in 5 years.
AB 937 (Salas)	Spot bill regarding recharge as a beneficial use.
AB 939 (Salas)	Increases the notice requirement of fee data from 10 to 20 days prior to the public meeting.
AB 1242 (Gray)	Requires the State Water Board to consider groundwater impacts and avoid or mitigate the impacts before adopting water quality objectives, removing the option of adopting with overriding considerations.
AB 1243 (Gray)	Establish a Groundwater Recharge Grant Fund which would be funded by requiring the State Water Board to deposit half the funds collected from enforcement actions relating to SGMA violations into the GRGF and fund recharge infrastructure projects.
AB 1390 (Alejo/Perea)	Spot bill for groundwater adjudication legislation.
SB 13 (Pavely)	Changes language of “electing” to be groundwater sustainability agency to “opt”.
SB 173 (Nielsen/Vidak)	Redefines a “de minimus extractor” as a person who extracts 10 acre feet or less per year for domestic use; existing definition is 2 acre feet per year.
SB 226 (Pavely)	Spot bill for groundwater adjudication legislation and basin boundary definition.
SB 228 (Cannella)	Identifies groundwater recharge by a GSA for purposes of repelling salinity or recovering basin elevation levels as a beneficial use of water.
SB 487 (Nielsen)	Extends CEQA exemption to the implementation of a groundwater management plan, except in instances that require construction or installation of a new facility.
SB 568 (Fuller)	General spot bill referring to State Water Board’s authority to designate a basin as probationary.
SB 615 (Berryhill)	Spot bill for groundwater adjudication legislation.

EXHIBIT 3

STATE OF CALIFORNIA
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
STATE WATER RESOURCES CONTROL BOARD

DIVISION OF WATER RIGHTS

ORDER WR 2015-0002-DWR

ORDER FOR ADDITIONAL INFORMATION

In the Matter of Diversion of Water from

SACRAMENTO AND SAN JOAQUIN RIVER WATERSHED AND DELTA

BACKGROUND:

1. On April 25, 2014, Governor Edmund G. Brown Jr. issued an Executive Order to strengthen the state's ability to manage water and habitat effectively in drought conditions and called on all Californians to redouble their efforts to conserve water. The Executive Order finds that the continuous severe drought conditions present urgent challenges across the state including water shortages for municipal water use and for agricultural production, increased wildfire activity, degraded habitat for fish and wildlife, threat of saltwater contamination, and additional water scarcity if drought conditions continue into 2015.
2. The Executive Order refers to the Governor's Proclamation No. 1-17-2014, issued on January 17, 2014, declaring a drought State of Emergency to exist in California due to severe drought conditions. The January Proclamation notes that the state is experiencing record dry conditions, with 2014 projected to become the driest year on record. These conditions also threaten the survival and recovery of fish, wildlife, and plants that rely on California's rivers, including many species in danger of, or threatened with, extinction. The January Proclamation also calls on all Californians to reduce their water usage by 20 percent.
3. On May 27, 2014, the State Water Resources Control Board (State Water Board) issued a "Notice of Unavailability of Water and Immediate Curtailment for Those Diverting Water in the Sacramento and San Joaquin River Watershed with a Post-1914 Appropriative Right." Based upon the reservoir storage and inflow projections, along with forecasts for precipitation events, the State Water Board determined the existing water supply in the Sacramento and San Joaquin River watershed was insufficient to meet the needs of all water rights holders. With the notice, the State Water Board notified all holders of post-1914 appropriative water rights within the Sacramento and San Joaquin River watershed of the need to immediately stop diverting under their post-1914 water rights, with some minor exceptions for non-consumptive diversions. Approximately 5,435 junior water-rights in the Sacramento River watershed and 3,116 water rights in the San Joaquin River watershed received curtailment notices. The condition of curtailment continued until water conditions improved and curtailment could be lifted.
4. On July 2, 2014, the State Water Board adopted an emergency regulation for Curtailment of Water diversions to Protect Senior Water Rights (California Code of Regulations, title 23, adding section 875 and 878.3, and amending Section 878.1 and 879¹) (Regulations). The Regulations were reviewed by the Office of Administrative Law and went into effect on July 16, 2014. The Regulations establish a drought emergency curtailment method for post-1914 water right holders and requirements for riparian and pre-1914 rights holders to provide additional information in specific circumstances.
5. Pursuant to section 879, subdivision (c), the Deputy Director for the Division of Water Rights (Division) has delegated authority to issue an Order requiring riparian or pre-1914 water right holders to provide additional information. Section 879, subdivision (c), states:

¹ All further section references are to California Code of Regulations, title 23 unless otherwise indicated.

Upon receipt of a complaint alleging interference with a water right by a riparian or pre-1914 appropriative water right holder or upon receipt of information that indicates unlawful diversions of stored water by riparians or pre-1914 appropriative water right holders, the Deputy Director may issue an order under this article requiring such water right holders to provide additional information regarding the property patent date, the date of initial appropriation, and diversions made or anticipated during the current drought year. Any water right holder receiving an order under this subdivision shall provide the requested information within five (5) days.

6. On July 23, 2014, the California Department of Water Resources (DWR) and U.S. Bureau of Reclamation (Reclamation) alleged that south and central Delta riparian and pre-1914 diverters were illegally diverting water stored and released by the State Water Project and the Central Valley Project (collectively, Projects) and water acquired by the Project Agencies' contractors through transfer and exchange agreements. DWR and Reclamation requested that the State Water Board exercise its statutory authority to require Delta water users to provide proof of their "assumed" water rights or require curtailment of the unauthorized diversions. The State Water Contractors and Westlands Water District submitted letters in support of the DWR and Reclamation request on August 5 and 7, 2014 respectively.
7. On August 13, 2014, the Division received a complaint filed by California Sportfishing Protection Alliance (CSPA) alleging illegal diversion of water from the San Joaquin, Mokelumne, Cosumnes and Calaveras Rivers and Delta agricultural return flow by DWR and Reclamation at their Delta pumping facilities and illegal diversion of San Joaquin River riparian flow by Reclamation at its Friant Project. The letter states that it is a complaint against Reclamation and [unnamed] others for unauthorized and illegal diversion of San Joaquin River riparian flow.
8. Storage by the Projects may be affected in two manners. As asserted in the July 23 letter, where water quality standards are controlling Project operations, any diversion of stored water by riparian and pre-1914 diverters necessitates additional releases of stored water or reductions in Project deliveries. In addition, the Division notes that unauthorized diversions anywhere within the Sacramento and San Joaquin River watershed and Delta may reduce instream flows in a manner which would require the Projects to increase reservoir releases to meet Delta water quality standards.
9. Attachment A is a summary of the largest Statement of Water Diversion and Use (Statement) holders claiming riparian and pre-1914 rights in the Sacramento and San Joaquin River watershed and Delta from the State Water Board's electronic water rights information management system (eWRIMS) and Report Management System (RMS). These large diverters claiming rights to divert from April 1 to September 30 have potential to divert water released from Project storage facilities or water needed by other senior rights. Direct diversion for power generation is excluded from this list, because it is non-consumptive. The list in Attachment A represents 90 percent of reported water use by Statement holders in the Legal Delta and 90 percent of the remaining Sacramento and San Joaquin watershed reported demand. The list includes 1,061 claimed rights, held by a total of 445 different parties. Additional information regarding these known diversions is necessary to determine if there has been unauthorized diversion of stored water or if there is potential for unauthorized diversion.
10. On November 24, 2014, the Division requested that Statement holders who had not previously identified their year of first use do so. This Informational Order requests more extensive information documenting the claimed right. Irrespective of whether you responded to the November 24 letter, you will need to respond to this order.

FINDINGS:

1. Section 879, subdivision (c), authorizes the Deputy Director for the Division to require parties claiming a riparian or pre-1914 right to divert water to submit certain information concerning the water rights claimed and concerning the past and future anticipated diversions under the claimed right. Section 879,

subdivision (c), supplements the State Water Board's general investigatory authority under Water Code sections 183 and 1051.

2. The Deputy Director for the Division has information that indicates there may be unlawful diversions of stored water by riparians or pre-1914 appropriative water right claimants in the Sacramento and San Joaquin River watershed and Delta.
3. To determine whether unauthorized diversions have occurred, the State Water Board needs supporting documentation for the claimed water right including the property patent date and the date of initial appropriation.
4. To determine whether unauthorized diversions have occurred, the State Water Board needs additional information on diversions made under a riparian or pre-1914 basis-of-right during 2014 and projected 2015 use.

IT IS HEREBY ORDERED:

1. This order is issued on the date shown below. However, this order takes effect on March 1, 2015, which is the 25th day after issuance of the order. All submittal requirements are based on the effective date of this order.
2. The existing pre-1914 and riparian water right claimants along the Sacramento and San Joaquin River watershed and Delta known by the State Water Board, as identified in Attachment A, are subject to this Order for additional information pursuant to section 879, subdivision (c), and shall provide the following information no later than March 6, 2015:
 - (A) The monthly amounts of water diverted and the basis of right allowing for the diversions for each month in 2014, and the anticipated monthly amount of water to be diverted and the basis of right each month in 2015. For direct diversion, the diversion information shall include the total amount of water diverted in the month and the maximum rate of diversion for each month. For storage, the diversion information shall include the quantity collected to storage each month. For all methods of diversion, you are requested to identify the method used to determine the amounts reported, and the primary use of water. This information shall be filed electronically at:
http://www.waterboards.ca.gov/waterrights/water_issues/programs/ewrims/curtailment/wateruseinfo.shtml
 - (B) Identification and location of the point of diversion and place of use for water right being claimed for each point of diversion, the purpose of use, and the place of use being served with acreage and crop type, if applicable. All documentation supporting the type of water right claimed, including the property patent date and patent map, if riparian right. If pre-1914 right is claimed, a copy of notice filed with the county, copy of property deed and all other information supporting the pre-1914 right pertaining to initial diversion and continued beneficial use of water. This information is an attachment to the report filed in (A) and must be filed electronically at:
<mailto:SWRCB-2014informational-order@waterboards.ca.gov>.
 - (C) If the current drought declaration is extended, the monthly diversion amount for each month starting with February 2015 shall be submitted by the fifth (5th) of each succeeding month until the drought ends.
3. All water users or water right claimants receiving this Order are required to submit the information requested. Failure to comply with this Order subjects the party to enforcement action.
4. **Reservation of Enforcement Authority and Discretion:** Nothing in this Order is intended to or shall be construed to limit or preclude the State Water Board from exercising its authority under any statute, regulation, ordinance, or other law, including, but not limited to, the authority to bring enforcement against diverters for unauthorized diversion or use in violation of Water Code section 1052.

ORDER FOR ADDITIONAL INFORMATION

Page 4 of 4

STATE WATER RESOURCES CONTROL BOARD



*Barbara Evoy, Deputy Director
Division of Water Rights*

Dated: **FEB 04 2015**

Attachment A

Owner	Statement Number(s)
A & M PYLTMAN FARMS	S001906
A ROSSI INC	S016233, S020322
ABBATE FARMS	S018798
ABF FARM SERVICES INC.	S020408, S020411
ABILIO MORAIS	S020797, S020970
ADHEMAR ARELLANO	S017826, S017829
ADRIANNA ANTONIOLLI	S020223
AG SPANOS TRUSTEE OF THE ALEX & FAYE SPANOS FAMILY TRUST UA	S017045, S017048, S017051, S017054
ALECK DAMBACHER	S018060
ALICE WHITMAN	S020009
AMISTAD RANCHES	S021377, S021383, S021403, S021405, S021406, S021411, S021414
ANDERSON-COTTONWOOD IRRIGATION DISTRICT	S012208, S016818
ANDREW SOLARI	S019348, S019407, S019410, S019413
ANDY JOHAS	S017903, S017906
ANITA MERLO	S019713, S019716, S019719, S019722, S019736
ANTHONY DUTRA	S017043
ANTHONY G. DUTRA TRUST	S018871, S018874, S023279
ANTHONY JACQUES JR	S017942
ANTHONY PODESTA FAM LP, ETL	S017930
ANTONIO BISCAIA	S018172, S018175, S018181
ANTONIO BRASIL	S018081, S018084
ANTONIO MARTIN	S019149
ANTONIO PASSAGLIA	S020156
ARCH CAMPBELL	S014982
ARMANDO P. AND MARY G. VANNI TRUST	S020887, S020888, S020889
ARNAUDO BROS LP	S017289, S017292, S017302, S017320
ARNAUDO BROTHERS	S019730
AUFDERMAUR LLC	S017189
AUGUSTA BIXLER FARMS	S016297, S016298
B&R TE VELDE RANCH	S017935, S017941, S017944, S017947, S017950, S017957, S017986, S019440, S019443, S019446, S019479
BAIRD LANDS INCORPORATED	S018109, S018112
BALDEV MUNGER	S017316, S017409, S017411
BANK OF STOCKTON	S018425, S018427, S018433
BANTA-CARBONA IRRIGATION DISTRICT	S000495
BARBARA OHM	S000137
BARBERA PACKING CORPORATION	S021432
BATTLE CREEK ISLAND RANCH, LLC	S018092
BERNICE SILVA	S018495
BERNIECE L. SILVA TRUST	S018507, S018513, S018766, S018769, S018890, S018987, S019017
BERT BACCHETTI FARMS	S017218
BETTENCOURT FARMING LLC	S016492
BETTY BRAZIL	S018185
BIDWELL RANCHES INC	S001613
BLACKHOLE HABITAT, INC.	S020867, S020871, S020872, S020873
BLOSSOM RANCH, INC.	S014703
BRADFORD HELLWIG	S017842, S017848
BRIAN BAILEY	S018023
BROADWAY CANAL RANCH	S019324, S019330, S019333, S019339
BROOKSIDE CLASSICS OWNER'S ASSOCIATION	S017418
BROOKSIDE LAKE COMMUNITY ASSOCIATION	S017403
BROWNS VALLEY IRRIGATION DISTRICT	S020580
BRUCE GORNTO	S018134
BRUCE TOWNE	S018042, S018054
BUTTE SINK WATERFOWL ASSOCIATION	S000550
BYRON-BETHANY IRRIGATION DISTRICT	S021256
C&G FARMS	S006306
CALAVERAS PUBLIC UTILITY DISTRICT	S010773
CALIFIA, LLC	S017421, S017427, S017455, S017461, S017464, S017469, S017475, S017478, S017479, S017481, S017482, S017484, S017485, S018087
CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE	S017677, S017680, S017681, S017683, S017686, S021242, S021243
CAMILLO LEVENTINI	S018299
CARDOZA HOME RANCH	S019065, S019089, S019092
CARROL GRUNSKY	S018400
CCRC FARMS, LLC	S020989, S020992, S021018, S021019, S021020, S021021, S021027, S021028, S021030, S021031, S021032, S021033
CECIL RODGERS	S016456, S020120
CELESTINO & ESMERALDA PERDIGAO TRUST	S018169

Attachment A

Owner	Statement Number(s)
CENTRAL CALIF IRRIGATION DISTRICT	S000477
CERRI & SON	S016213, S016470
CHARLES SYLVA	S017812
CHARLES TYSON	S021075
CHARLOTTE GILMORE	S017130
CHARLOTTE ROBBINS	S019794
CITY AND COUNTY OF SAN FRANCISCO PUC AGM WATER ENTERPRISE	S002635, S002636, S002638
CITY OF ANTIOCH, WATER TREATMENT PLANT	S009352
CITY OF DAVIS	S020968
CITY OF FOLSOM	S017323
CITY OF MANTECA	S015973
CITY OF SACRAMENTO	S014834
CITY OF TRACY	S019112
CLAVIUS CLUB COMPANY LLC	S020491, S020499, S020503
COLDANI FAMILY TRUST	S020780, S020781, S020782, S020783, S020784
COLEMAN FOLEY	S016294, S018955
COLEMAN FOLEY, JR.	S018436, S018439, S018442, S018451, S018939
COLLINS PINE COMPANY	S000698
COLUMBIA CANAL COMPANY	S001073
CONEY ISLAND FARMS INC	S020857, S020861, S020862, S020863, S020864
CONEY ISLAND LP	S020865
CORTOPASSI LIFE ESTATE, ET AL	S018698, S018699, S018700, S018701
CORTOPASSI PARTNERS LP	S020808, S020809, S020811, S020814, S020816, S020817, S020819, S020820, S020822, S020823, S020824, S020825, S020826
CRAIG MCARTHUR	S008735
D & R LIVESTOCK	S018255
D&G MERWIN	S017765, S017767, S017768, S017780, S017789, S017792
DANIEL ROZA JR	S019020, S019023, S019029, S019032, S019041, S019047, S019050, S021255
DANIEL SERPA	S018466
DARSIE HUTCHINSON AND PETTIGREW INC.	S021940
DAVID DAL PORTO	S017675
DAVID NUSS	S020011, S020012, S020013
DAYLY LEE/JEAN LEE FAMILY TRUST	S021945
DBE - ELLIOT FAMILY CO., LLC	S017383
DE MATEI FAMILY TRUST	S018384
DEADHORSE LP	S016908, S018494
DEER CREEK IRRIGATION DISTRICT	S000731
DELTA ORCHARDS, LP	S018579
DENNIS BRUGGMAN	S019859
DENNIS LEARY	S018046
DIABLO VINEYARDS	S021435, S021436
DIANE KIRKHAM	S018371, S018377
DIANE YOUNG	S019277, S020544, S020548, S020552
DOHRMANN FAMILY LLC	S017889
DON WIDMER	S019561
DONALD BIANCHI	S017662
DONALD E MORETTI TRUST	S018188
DONALD R REYNOLDS FAMILY	S017653
DONNA REED	S019376, S019912, S020750
DOUGLASS EBERHARDT II	S018428, S018431, S018434, S018437, S018921, S018927, S018933, S018936, S018954, S018961, S018964
DOUGLASS EBERHARDT, III ET AL.	S018924
DUARTE SOARES	S019682
DUTRA FARMS INC.	S023276, S023281
EARNEST POMBO JR.	S020594
EAST BAY REGIONAL PARK DISTRICT	S018690
EAST CONTRA COSTA IRRIGATION DISTRICT	S000404
ED VIRGIN	S019275
EDDIE P. AND AURELIA I LUCCHESI TR	S018840
EDDIE VIERRA FARMS LLC	S016199
EDDY CARDOZA	S019053, S019056
EDWARD MACHADO	S018650, S018765
EDWARD MCDOWELL	S020047, S020612
EIGHT MILE ROAD NORTH L.P.	S017757, S017760
EL DORADO IRRIGATION DISTRICT	S009034, S015941
ELLIOT DELTA ORCHARDS, LLC	S017096, S018880, S018886
ELLIOT FAMILY REVOCABLE TRUST	S016915, S018859
ELMWOOD PARTNERS L.P.	S018872, S018878

Attachment A

Owner	Statement Number(s)
EMPIRE FIELDS, LLC	S018518
ENSHER, ALEXANDER AND BARSOOM, INC.	S018790, S018793, S018808, S018811, S018813, S018814, S018816, S019130, S019880, S019886
ERNEST DIXON	S001472
EVERETT LUIZ & SONS DAIRY	S016530, S016937
FAGUNDES DAIRY	S018779
FAHN BROTHERS PROPERTIES LLC	S016796
FARMLAND RESERVE, INC.	S017811
FARMLAND RESERVE, INC.	S017814
FAY ISLAND FARMS, LLC	S017735, S017739
FAY LOUIE	S019126
FERREIRA FAMILY TRUST	S018015, S018024
FIDDYMENT ESTATE COMPANY LLC	S018059
FILDIN DEVELOPMENT COMPANY	S017014, S017016, S017017, S017025, S017026, S017027, S017028, S017029, S021429
FIREBAUGH CANAL COMPANY	S001098
FRANK E. & ELEANOR N. SILVA IRREVOCABLE TRUST , A & B	S018441
FRANK FRANEL COMPANY	S018447
FRANK LAMB	S016975
FRANK MACHADO	S020567, S020568, S020569, S020570, S020571, S020574
FRANK SILVA	S018435
FRANKIE SPINELLA	S016993
FRED A. DOUMA FAMILY TRUST	S019072
FREDERICK J. AND BERNARD F. DAMELE	S016467
GALLO VINEYARDS INC	S016191
GARDINER IMPROVEMENT CO.	S021946
GARY CAFFESE	S019170, S019173
GARY GRAHAM	S018902
GASTO CO.	S017694
GEORGE BARBER	S019814
GEORGE BIAGI	S018662, S018664, S018667
GEORGE N. VIERRA	S019560
GIKAS PARTNERS	S017480
GLENGARRY PROPERTY SERVICES	S018967
GLENN-COLUSA IRRIGATION DISTRICT	S007367, S007368
GLIDE IN RANCH	S016333, S016334
GLOBAL AG PROPERTIES USA, LLC	S020798
GLORIA BACCHETTI	S019076
GRAEAGLE WATER COMPANY A CALIF CORP	S008734
GRAHAM CONNOR	S016379
GREENFIELDS TURF, INC.	S020027
GRUNAUER COMMUNITY PROPERTY TRUST ET AL	S017215
GUILLERMO PEREZ	S019142
H AND C VAN EXEL 2002 TRUST	S016662
H. VAN DE MAELE	S019635, S019641
HALLWOOD IRRIGATION COMPANY	S016332
HAMILTON HECHTMAN JOINT VENTURE	S017082, S021257
HASTINGS ISLAND LAND COMPANY	S020104, S020108
HAY'S RANCH LLC.	S020584
HEATHER TANAKA	S019359
HENRY E MULLER & DIANA MULLER REVOCABLE TRUST	S017201
HENRY FOPPIANO	S018305, S018308, S018320, S018322, S018323, S018325
HENRY VAN EXEL	S016664
HERBERT A. AND JOYCE M. SPECKMAN	S020843, S020844, S020845
HERBERT A. SPECKMAN & JOYCE M. SPECKMAN REVOCABLE FAMILY	S023265
HERINGER HOLLAND LAND & FARMING CO.	S017888
HERITAGE LAND COMPANY, INC.	S019402, S020302, S020303, S020626, S020757, S020758, S020759, S020761, S020765, S020767, S021854, S021856, S021857
HILDER FAMILY PROPERTIES PTP	S018156, S018219
HOLDENER RANCHES	S017284, S017287
HONKER LAKE RANCH	S016906
ISLANDS, INC.	S017832, S017835, S017838, S017841, S017844, S017847, S020883, S020885, S020886
ISONE INC.	S018867, S018876
J H PATTERSON	S017122
J.H. JONSON & SONS INC.	S016702, S016703, S016704
J.L. ALDRICH RANCH	S017199
J.W. SILVEIRA CO.	S020972
JACK KLEIN TRUST PARTNERSHIP	S019500, S019580, S019582, S019583, S019585, S019588, S019599
JACK KLEIN TRUST PARTNERSHIP	S019482, S019486, S019489, S019497, S019602, S019605
JACKSON LAND & CATTLE LP	S017963, S017966, S017998, S018001, S018004, S018007, S018019, S018028, S018041, S018044

Attachment A

Owner	Statement Number(s)
JACQUELYN CORDES	S016278
JAL FARMS INC	S020535, S020539, S020543, S020547, S020551
JAMES CODDINGTON	S016987
JAMES DE FREMERY IV	S019811, S019828, S019831, S019843
JAMES HARDESTY	S017511
JAMES MORRIS	S018043, S018061
JEAN BRODIE	S017665, S017837
JIM CHANCE	S019219
JOE SANCHEZ FARMS INC	S017216, S019865
JOE SILVA	S021341
JOHN AND MARIE CRONIN TRUST B	S016495
JOHN ARMANINO	S019141
JOHN BACKER	S020751
JOHN BLOOMFIELD	S013812
JOHN C KELLEY PROPERTIES LLC	S019057, S019120, S019123, S019129, S019132, S019144, S019145, S019147
JOHN COELHO	S000313
JOHN KAUTZ	S015087
JOHN L. & DIANA M. LEWALLEN TRUST, ET AL.	S021936
JOHN MCCORMACK COMPANY INC	S019921
JOHN MOULES	S020566
JOHN ROCHA	S018244, S018247, S018293, S020456, S020471, S020475, S020479
JOHN SCHEIBER	S022032
JOHN SOTO	S019379
JOHNNIE COSTA	S019069
JOINT WATER DISTRICTS BOARD	S000480
JOSEPH BACCHETTI	S020343
JOSEPH RATTO	S016258, S019316, S019318, S019319
JOSEPH SANCHEZ	S017264, S019830
JOY & ROBERT AUGUSTO TRUST	S016918
JUDITH BALCAO	S017859
KAE FARMS LLC	S016571
KARAN TOLAND	S019824
KELSEY RANCH LP	S001496
KEVIN MIKAELIAN	S016673
KEWEL MUNGER	S017304
KIRTLAN FAMILY TRUST	S019063, S019066
KLEIN FAMILY RANCHES	S019448, S019450, S019451, S019454, S019456, S019457, S019459, S019460, S019462, S019463, S019465, S019466, S019469, S019472, S019475
KNOCH INC	S001050
KOLBER FARMS LLC	S018801
KRULL, BURNICE A LP #1	S019480
KURT AND SANDRA KAUTZ FAMILY TRUST	S016909
L & L FARMS, LLC	S017827, S020041, S020044
LAFAYETTE RANCH	S019353
LAKE WINCHESTER VINEYARDS	S017872
LAMB-GIANELLI FAMILY LIMITED PARTNERSHIP	S019538
LARKIN TR ETAL	S019686
LAWRENCE R AND RUTH VOTH SCHNEIDER FAMILY REVOCABLE TRUST	S020621
LEARY ETAL	S020749
LEEN DESNAYER	S018649, S018652
LINDA HEISIG	S016224
LLOYD PAREIRA	S021809
LONE TREE MUTUAL WATER COMPANY	S010411
LONG BROTHER FAMILY L.P.	S020890, S020891
LOS MOLINOS MUTUAL WATER CO	S002908, S002910
LOS RIOS FARMS INC	S013269, S022018, S022019, S022020, S022021, S022022
LOUIS BIAGIONI	S018831
LOUIS MELLO RANCH L.P.	S018235, S018238, S018241
LYNN MILLER	S016244
M RATTO, RODGERS, OHM, L RATTO AND NOMELLINI	S018768
M&T CHICO RANCH, INC.	S016689
MACHADO REVOCABLE TRUST	S016852
MADERA IRRIGATION DISTRICT	S004978, S012547, S014187
MAIN STONE CORPORATION	S019603, S019620, S019623, S019626, S019629, S019632, S019679, S019685, S019688, S019691, S020409
MALCOLM MCCORMACK	S021947
MANUEL MONROY	S017924
MARCHINI LAND COMPANY	S019509, S019512

Attachment A

Owner	Statement Number(s)
MARCHINI LAND COMPANY PTP	S019495
MARGERIE STRASS	S019813, S019816, S019819
MARLYN MCKAPES	S020137
MARLENE RIZZI, LARRY PELLEGRINI & GIOVANNONI TRUST	S019468
MARTIN EMIGH	S020799
MELINDA BARBERA	S021236
MELLO FARMS INC. - LOCKE	S022733, S022734
MERCED IRRIGATION DISTRICT	S004718
MERRILL/JOHNSON VINEYARDS	S021437
MERRITT ISLAND RANCH- GREENE & HEMLY, INC	S018959
MICHAEL DUTRA	S017042
MICHAEL GLEARY TRUST	S019839
MICHAEL QUARTAROLI/CWC LLC	S018253, S018256, S018259, S018296
MICHAEL ROBINSON	S019362
MING CENTRE, LLC C/O PREMIER MANAGEMENT CO.	S017046
MINNIE RATTO	S020329
MIZUNO FARMS INC	S015968, S015969, S015970, S017182
MNM VINEYARDS LLC	S017587, S017592
MUZZIO FARMS, INC	S020071, S020073
MYERS LAND COMPANY LLP	S018514
N.R., B.P., D.C. HAMILTON	S017062, S018257
NAGLEE BURK IRRIGATION DISTRICT	S017229, S017232, S017235, S017241, S017244
NAKAHARA FAMILY TRUST C	S018034
NANCY NEUGEBAUER-HAASE	S016248
NANCY RIPKEN	S018170, S018183
NATALI ROAD JOINT PUMP	S020144
NEVADA IRRIGATION DISTRICT	S010794, S013330, S013791, S013800, S013809, S013927, S013928, S014356
NIRMAL SAMRA	S022185
OAKDALE IRRIGATION DISTRICT	S004683
ODYSSEUS FARMS	S015031
OLAGARAY BROTHERS	S017177, S017186
PACIFIC FRUIT FARMS	S002064, S002065, S002066, S008159, S019372
PACIFIC GAS AND ELECTRIC COMPANY	S000892, S000922, S000923, S000944, S000952, S000954, S000977, S000980, S000992, S000993, S000995, S001014, S009033, S020530, S020534, S020542
PARAMOUNT LAND COMPANY, LLC	S022153
PARKER DEVELOPMENT COMPANY	S013716
PARROTT INVESTMENT COMPANY	S009897
PATTERSON IRRIGATION DISTRICT	S009320
PAUL STEFANI	S020109
PER MC, LLC.	S020582
PESCADERO RECLAMATION DIST NO 2058	S019681, S019684, S019687, S019690, S019693, S019696, S019699, S019702
PETER BROWN	S022735
PETER DWYER, JR.	S018708, S018709
PETERSEN ESTATE COMPANY	S019224, S019242
PETERSEN RANCH	S019227, S019315
PIERSON LAMBERT VINEYARDS LLC	S018009
POINT RANCH PARTNERS LLC	S017233
PRINCETON-CODORA-GLENN IRRIGATION DISTRICT	S020961
PROVIDENT IRRIGATION DISTRICT	S020980
PUMP HOUSE RANCHES INC	S018360, S018363, S020125
PYLMAN VINEYARDS INC	S020149, S020157, S020454
R & M RANCH PTP	S020085, S020089, S020093
RANDALL RANCH GREENE & HEMLY INC.	S017190
RC FARMS INC	S020216, S020217
RECLAMATION DISTRICT #108	S020657, S020661, S020716
RECLAMATION DISTRICT #150	S020462
RECLAMATION DISTRICT #2068	S000565, S000566, S000567, S000571, S000573, S000574, S000576, S000577, S000578, S000579, S000580, S000581, S000582, S000583, S000584, S004995
RECLAMATION DISTRICT NO. 1004	S020165, S020172
RENZO MENCONI	S016420
REYNOLDS, JEAN CAROLE ETAL	S019683
RICHARD AND MIKKI RIELLA 2006 FAMILY TRUST	S019146
RICHARD BRANN	S018693
RICHARD G. KLEIN FAMILY LIMITED PARTNERSHIP	S019591
RICHARD JENNINGS	S014780, S014781, S014784
RICHARD MARCUCCI	S019689
RICHVALE IRRIGATION DISTRICT	S000378
RIELLA RANCHES TRACY RANCH, LLC	S019488

Attachment A

Owner	Statement Number(s)
RIEN AND LIESKE DOORNENBAL TRUST	S016257
RINDGE TRACT PARTNERS LLC	S019251, S019253, S019256, S019262
RIO BLANCO RANCH	S019356
RIVER GARDEN FARMS COMPANY	S022169
RIVERMAID LAND LTD	S017228
RJM VINEYARDS LLC	S018394
ROBERT & CAROLYN REYNOLDS FAM LLC	S021853
ROBERT ARCEO	S019609
ROBERT CALCAGNO	S017273, S017276, S017282, S017285
ROBERT CECCHINI, INC	S016605, S016612
ROBERT FORBES	S000413
ROBERT GALLO	S017862, S018452
ROBERT HILARIDES	S019624
ROBERT J COSTA FARMS LLC	S016214
ROBERT J. AND NIVIA SILVA TRUST 8-31-08	S017915, S017961, S019444
ROBERT KAMMERER	S018002
ROBERT KIRTLAN	S017079, S017089
ROBERT MORI II	S018008
ROBINSON DIVERSIFIED FARMS #1	S009019, S009020, S019350, S019371
ROBINSON FAMILY RANCH #4	S008881, S019365
ROGER ZANNETTI	S020158
RON DEL CARLO	S020227
RONALD A. AND JANET MARCHETTI 2005 TRUST	S018294, S018307
RONALD BUHLER	S006543
RONALD NUNN FAMILY LTD.	S020718
RONALD ROBINSON	S016674
ROY MAZZANTI REVOCABLE TRUST	S017899, S017901, S017902, S017904
ROYAL WINE CORPORATION/HERZOG WINE CELLARS	S018014, S018039
RUDY M. MUSSI INVESTMENT L.P.	S016196, S017299, S017911, S017913, S017917, S017958, S018634, S018635, S018637, S018646, S019737, S019740, S020074, S020075
RUMSEY WATER USERS ASSOCIATION	S016899
RUNYON HOUSE VINEYARDS, LLC	S018146
S & B ROBERTSON FAMILY LIMITED PARTNERSHIP	S018058
SALLY BOWLSBEY	S020154, S020599
SAN JOAQUIN DELTA FARMS INC.	S017952, S019334, S021374
SAN JUAN WATER DISTRICT	S000656
SAN LUIS CANAL COMPANY	S001074
SARALE FARMS INC	S016652, S016653, S016656, S016658
SCHMIDT FAMILY PROPERTIES LLC	S016268
SCULLY PACKING COMPANY	S020286
SHADOWBIRD INC	S020068
SHARON VOTAW	S016249
SHERMAN CHIU	S020587
SILVERADO PREMIUM PROPERTIES LLC	S015343
SNODGRASS PARTNERS, LLC	S018145
SOUTH COW CREEK DITCH ASSOCIATION	S017295
SPALETTA REYNOLDS PTP	S021852
SPANOS FAMILY PARTNERSHIP	S017058, S017061, S017064, S017067, S017069, S017072
SPECKMAN EMPIRE TRACT LIMITED PARTNERSHIP	S023253, S023255, S023257, S023259, S023261, S023263, S023264
STANFORD VINA RANCH IRRIGATION CO	S000729
STATE OF CA, DEPT. OF WATER RESOURCES	S020095, S020099, S020103, S020107, S020111, S020115
STEAMBOAT ACRES L.P.	S020601, S020603
STEPHEN BARSOOM	S019895
STEVE MELLO	S019165
STEVEN COLDANI	S020786, S020787
STEVEN MELLO	S022727, S022728
STOCKTON PORT DISTRICT	S016286, S016287, S016288
STOKES & LOMBARDI FARMS	S018968
STOKES BROTHERS FARMS	S018053, S021415, S021416, S021417, S021418, S021419, S021420
SUTTER HOME WINERY INC	S016663
TAJ-SILVA FARMS	S020591, S020592, S020593
TERCEIRA PROPERTIES LLC	S016230
TERMINOUS RANCH	S021234, S021235
THACH NGOC	S020330
THE ARCHES LTD	S012858, S012860, S017893, S017896
THE ESTATE OF ANGELINA MERLO	S019733
THE LLOYD L PHELPS JR & PATSY R PHELPS TRUST	S017095, S017098

Attachment A

Owner	Statement Number(s)
THE NATURE CONSERVANCY	S017965, S017968, S017971, S018382, S018524, S018525, S018526, S018527, S018528, S018530, S018533, S018534, S018536, S018537, S018538, S018539, S018540, S018541, S018542, S018543, S018544, S018546, S018547, S018548, S018549, S018550, S018551, S018552, S018553, S018554, S018556, S018557, S018560, S018563, S018564, S018566, S018569, S018572, S018575, S018578, S018581, S018584, S018587, S018746, S019178, S019181
THOMAS MCCORMACK	S018006, S018095, S018098, S018104, S018107
THOMPSON & FOLGER CO	S001850
TIM GRUNSKY	S016221, S018989
TONY GARCIA	S016217
TONY JACQUES (TRUSTEE)	S017939
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA	S021244, S021247, S021248, S021250
TRAPPER SLOUGH RANCH CORPORATION	S020469, S020472
TRINITY CAPITAL DEVELOPMENT LLC	S016990, S017032
TURLOCK IRRIGATION DISTRICT	S013848
TUSCANY RESEARCH INSTITUTE	S020990, S020994, S020995, S020996, S020998, S021000, S021001, S021002, S021003, S021004, S021005, S021006, S021007, S021008, S021009, S021010, S021022, S021023, S021024
U S FISH & WILDLIFE SERVICE	S021371
ULYSSES MENDOZA	S019176
UNIVERSITY OF THE PACIFIC	S019552
US FISH AND WILDLIFE SERVICE - WATER RESOURCE BRANCH	S020789
UTICA POWER AUTHORITY	S000998
VENICE ISLAND, INC	S017060, S017063, S017070, S017073, S017076, S017081, S017084, S017087, S018373, S018379
VICTOR ANDRESEN	S008104
VICTORIA ISLAND LP	S019258, S019270, S019390, S019399, S021274, S021275, S021280, S021281, S021283, S021284, S021285, S021286, S021287, S021289, S021293, S021294, S021296, S021297, S021298, S021299, S021300, S021302
VIERA/MATHER	S019551
VIOLET EHLERS TRUST ET AL	S017733, S017761, S017764
VITAL FARMLAND LP	S014130, S017593, S017744, S017883, S017887
W. EDWARDS	S016326
WALNUT GROVE LAND COMPANY	S019836
WARREN BOGLE	S017202, S017211, S017753, S017756
WARREN SCHMIDT	S020468
WESTERN CANAL WATER DISTRICT	S000925
WHEELER RANCH GREENE AND HEMLY, INC	S017193
WHITE LAKE MUTUAL WATER COMPANY	S017183, S019548
WHITE MALLARD, INC.	S019929
WILCOX HOLLAND FAMILY TRUST	S019554
WILLIAM MESQUITA	S021263
WILLIAM SCHULTZ	S022390
WILLOW RCH. PROP.	S021233
WILLOW TREE FARMS & PRESERVE, LLC	S019261, S019268, S019280
WILSON FARMS	S019755, S019761, S019767
WILSON LAND LTD	S017239, S019361
WILSON VINEYARD PROPERTIES	S000653, S019741
WOODBIDGE FARMS, INC.	S020874, S020875, S020876, S020877, S020878, S020879
WOODBIDGE IRRIGATION DISTRICT	S015557
WOODS IRRIGATION COMPANY	S017905, S017908
WOODS VASQUEZ	S017807
WOODY'S ON THE RIVER LLC, ET AL	S019075
WRIGHT TRACT PARTNERS	S021954, S022747
WURSTER RANCHES, LP	S019784, S019790
YAMADA BROTHERS	S018789, S018792
YOLO COUNTY F C & W C DISTRICT	S000608, S000609, S014986
ZUCKERMAN-HERITAGE INC	S020483, S020644, S020648, S020656, S020668
ZUCKERMAN-MANDEVILLE, INC.	S020305, S020306, S020481, S020485, S020488, S020492, S020493

Committee Report

Sacramento Suburban Water District
Ad Hoc Water Rights Review Committee
Wednesday, March 4, 2015

Call to Order

Chair Schild called the meeting to order at 5:02 p.m. Director Wichert was absent.

Roll Call

Directors Present: Neil Schild.

Directors Absent: Robert Wichert.

Staff Present: General Manager Robert Roscoe, Dan York, Christine Bosley and Heather Hernandez-Fort.

Public Present: William Eubanks and Brenda Davis Washington.

Public Comment

None.

Items for Discussion and Action

- 1. Review and Discuss a Scope of Services, Schedule and Potential Legal Firms to Render Opinion Regarding San Juan Water District Water Rights and Contracts**
GM Roscoe summarized the Request for Proposal.

Chair Schild voiced his concern regarding Director Wichert's absence and suggested adjourning the meeting. Staff responded that there could not be more than two directors but that one director could still conduct the meeting. Chair Schild also voiced his concern that the District had not reviewed the contracts before this point in time.

There was discussion related to the different water rights contracts and service contracts, which contract covered the surplus CVP water, what limitations in water use there may be if the two districts either merged or didn't merge, and other questions that the selected legal firm could potentially answer for the District.

Chair Schild voiced his concerns regarding the cost for outside legal counsel as well as with making a decision without the other Committee member. Staff responded that sending out the Request for Proposal did not commit money; it would only ask those firms that may be interested in working with the District to submit their qualifications. Brenda Washington Davis stated the Board had already approved the formation of the Committee to have this review performed. Mr. Eubanks stated that it was Chair Schild that had requested this review be done. Mr. Eubanks did not see a problem with proceeding with receiving qualifications.

Other non-substantial changes in wording were discussed.

Chair Schild directed staff to change the Request for Proposal to Request for Qualifications (RFQ), to forward a copy of the staff report to Director Wichert and give Director Wichert 24 hours to respond with his edits or comments. If Director Wichert had no changes, staff was to move forward with sending out the RFQs.

Adjourned

Chair Schild adjourned the meeting at 5:49 p.m.

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

REGIONAL WATER AUTHORITY REGULAR MEETING OF THE BOARD OF DIRECTORS

Thursday, March 12, 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**

Minutes of the January 8, 2015 full board meeting.

Action: Approve Consent Calendar Item.

4. **EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS**

Information: Final minutes of the January 28, 2015 Executive Committee meeting and draft minutes from the February 25, 2015 Executive Committee meeting.

5. **DESIGNATE A JPIA DIRECTOR REPRESENTATIVE**

Information Presentation: John Woodling, Executive Director.

Action: Appoint a Member Representative to the JPIA Board of Directors.

6. **A RESOLUTION OF THE REGIONAL WATER AUTHORITY REGARDING RESPONSE TO DRY CONDITIONS IN 2015**

Information Presentation: John Woodling, Executive Director.

Action: Adopt RWA Resolution 2015-01.

7. **IN COMMUNICATIONS CONTRACT EXTENSION**

Information Presentation: John Woodling, Executive Director.

Action: Approve IN Communications Contract Extension for both the Water Efficiency and Public Relations Programs.

8. **RWA AFFILIATE APPLICATIONS**

Information Presentation: John Woodling, Executive Director.

Action: Approve RWA Affiliate applications from Montgomery Watson Harza and GEI Consultants.

9. WATER EFFICIENCY PROGRAM UPDATE

Information Presentation: Amy Talbot, Associate Project Manager.

10. FY 2015 – 2016 BUDGET

Information Presentation of FY 2015 – 2016 Budget.

11. EXECUTIVE DIRECTOR'S REPORT

- a. **Groundwater Management Update**
- b. **RWA Outreach**

12. 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

13. DIRECTORS' COMMENTS

14. ADJOURNMENT

Upcoming meetings:

Next Executive Committee Meetings – Wednesday, March 25, 2015, and Wednesday, April 29, 2015, 8:30 a.m. at the RWA office.

Next RWA Board of Directors' Meeting – Thursday, May 12, 2015, 9:00 a.m., at the RWA Office.

REGIONAL WATER AUTHORITY EXECUTIVE COMMITTEE AGENDA

**February 25, 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 January 28, 2015 Executive Committee meeting.
Action: Approve Consent Calendar item.
- 4. March 12, 2015 RWA BOARD MEETING AGENDA**
Action: Approve March 12, 2015 proposed RWA Board meeting agenda.
- 5. AGREEMENT WITH DAVID BRENT FOR TEMPORARY EMPLOYMENT AS A RETIRED ANNUITANT**
Action: Approve Agreement with David Brent as a temporary employee as a retired annuitant.
- 6. RWA AFFILIATE APPLICATION**
Action: Recommend Board approval of RWA Affiliate application from GEI Consultants.
- 7. FY 2015 – 2016 BUDGET**
Information Presentation and Discussion of FY 2015 – 2016 Budget.
Action: Recommend RWA Board approval of proposed FY 2015-2016 Budget and fees.
- 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. EXECUTIVE DIRECTOR'S REPORT

- a) Government Affairs Update
- b) Water Efficiency Program Update
- c) Grants Update

10. DIRECTORS' COMMENTS

ADJOURNMENT

Upcoming meetings:

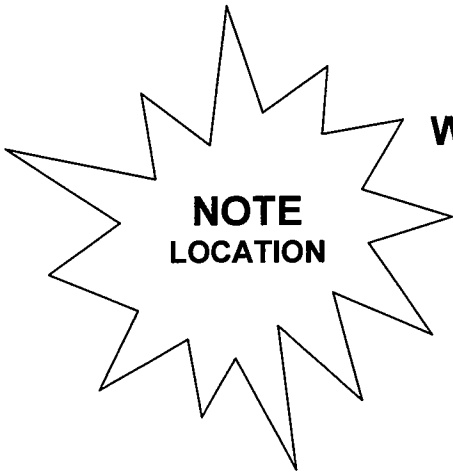
Upcoming Executive Committee Meetings – Wednesday, March 25, 2015 and April 29, 2015; 8:30 a.m.; RWA office.

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

WATER CAUCUS
Wednesday, March 11, 2015
11:30 AM – 1:00 PM
Regional Water Authority
5620 Birdcage St., Citrus Heights

Agenda

1. Welcome/Introductions
2. Flow Standard Update
3. Water Supply Conditions and Projections
4. Water Conservation Update
5. Sustainable Groundwater Management Act Implementation
6. Adjourn



WATER FORUM SUCCESSOR EFFORT

Thursday, March 12, 2015

5:30 PM – 8:30 PM

Clunie Community Center

**** ALHAMBRA ROOM ****

601 Alhambra Blvd.

Sacramento, CA 95816

Agenda

5:30 DINNER

5:45 INTRODUCTIONS

6:00 DISCLOSURES/ REPORT BACKS / ANNOUNCEMENTS

6:15 ACTION ITEM FY2015-2016 Water Forum Budget

6:30 PRESENTATION SGA Groundwater Management Activities
- Rob Swartz, Regional Water Authority

6:50 PRESENTATION SCGA Groundwater Management Activities
- Darrell Eck, Sacramento County Water Agency

7:10 PRESENTATION South County Groundwater Management Activities
- Mike Wackman

7:30 PRESENTATION Overview of Sustainable Groundwater Management Activities of 2014
- John Woodling, Regional Water Authority

7:50 UPDATES Flow Standard – Tom Gohring
Habitat Management – Tom Gohring
Water Conservation – Mark Roberson
Water Supply & River Conditions – Tom Gohring

8:30 ADJOURN

Clunie Community Center: located in McKinley Park in East Sacramento, just a few blocks from the Water Forum office. Entrance is near the corner of F Street on Alhambra Blvd. through the McKinley Library main lobby, up a flight of stairs or elevator. Just follow the Water Forum sign.

DIV 1

From: David Armand
Sent: Friday, February 20, 2015 11:24 PM
To: 'Robert'
Cc: Doug Cater; James Arenz
Subject: Fawn Hollow Way Antelope, CA 95843

Dear Mr. I apologize for the delay in responding to your inquiry. Based on the location of your home, the CaCO₃ hardness of the water in your area ranges from 100 to 120 mg/L. That is equivalent to about 5.8 to 7 grains per gallon. In regard to your question concerning an alternative to a softener, we really cannot make point of use (POU) treatment suggestions; however, we are aware that other Sacramento Suburban Water District (SSWD) customers in your area have water softeners, reverse osmosis units and other devices that employ alternative technologies to address water hardness concerns. The problem with SSWD staff recommending POU treatment devices has to do with all the factors outside of our control such as; the device selected the quality of the unit and how it is installed and maintained. We typically suggest that customers with water hardness concerns confer with their neighbors and vendors and conduct thorough research on the internet as part of an effort to ensure that they purchase a unit that meets their expectations.

If I can be of further assistance, please feel free to call or email me.

Thank you,
David Armand

From: Robert [<mailto:@comcast.net>]
Sent: Monday, February 09, 2015 12:05 AM
To: feedback
Cc: @comcast.net
Subject: Doug Cater

Hi there,
We are I think District 1. Address is Fawn Hollow Way Antelope, CA 95843. I want to know what MY water hardness is in my neighborhood. I know you have an average of 6.5ppm but it is much harder than that in my area. Is it possible to get a more accurate reading? We put granite bathroom counters in the Fall of 2013 and they are trashed with hard water stains. One drop hit it and stained it day 1 and now there is a large area of build up. I want a water softener but most plumbers are against them. Do you have any suggestions on what I can do instead of a softener?

QUESTIONS:

Is it possible to get a more accurate hard water/Calcium Carb. reading?
Do you have any suggestions on what I can do instead of a softener?

Best regards,

Robert
Fawn Hollow Way

DIV 4

Gayle
Robertson Avenue
Carmichael, CA 95608

18 February 2015

Sacramento Suburban Water District,

In December and January my street had water meters installed.

While getting water meters could hardly be construed as a positive experience in and of itself, I do wish to comment on the company who installed those meters.

I would like to commend the District on its choice of Rawles Engineering to make that installation.

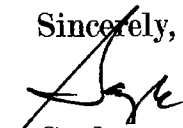
Their crew was incredibly courteous and helpful during the process. They answered any and all questions.

They showed up and went to work like a well oiled machine. Each person knew their job and got to work. I never saw anyone in this crew resting on their shovel killing time and the work areas were always cleaned and made safe at the end of the work day.

By being courteous, professional, and efficient not only did they do themselves proud they made the District the recipient of those same qualities by extension.

In short, what could have been a very negative experience was actually a very positive one and I attribute that to your hiring of Rawles Engineering. They were worth every penny you paid them and probably more.

Sincerely,



Gayle

Cc: Rawles Engineering

Received
2/18/15
A.

DIV 4

-----Original Message-----

From: James Arenz

Sent: Tuesday, March 03, 2015 2:36 PM

To: Annette O'Leary

Subject: FW: Feedback for Sacramento Suburban Water District

Annette,

It appears the "live" kindly person who informed the customer that a technician has already been dispatched was likely the operator for Signius. Her name was Suzanne, but we know nothing else about her.

The original call came in at 4:55 PM regarding a leak between the houses. Chris Akers was the Stand-by Technician this past weekend who responded and determined by the leak's location and the low flow indicator movement on the meter that it was an in-track leak. He informed the customer that it was their responsibility to repair, isolated the leak at the meter setter, and went about responding to other calls.

It is always nice to hear good things about staff.

Thanks for letting me know.

James Arenz
Operations Manager

-----Original Message-----

From: Alexis [<mailto:@comcast.net>]

Sent: Saturday, February 28, 2015 5:38 PM

To: feedback

Subject: Feedback for Sacramento Suburban Water District

Thank you for your prompt response to our call on Saturday 2/28.

Our neighbor called first (4:50 or so?). When I called (5:10-ish), the call was answered by a live person within 5 minutes. That person kindly, and I mean in a kind tone of voice, informed me that they had already dispatched a technician based on our neighbor's call. This person made me feel that our problem mattered. Very nice and "human." I appreciate that.

The technician was here and gone within 45 minutes or an hour of the initial call. He explained things well and asked several times whether there were questions, and reminded us that we could call back at any time.

Our thanks to everyone involved in this service call.

Alexis
Pasadena Avenue

Christine Bosley

Subject: FW: RE: Pool Cover Assistance

From: Greg Bundesen
Sent: Friday, March 06, 2015 1:46 PM
To: ' @outlook.com'
Cc: Annette O'Leary; James Arenz
Subject: RE: Pool Cover Assistance

Ms.

Thank you for sending in your request for assistance for a pool cover. Sacramento Suburban Water District does not currently offer any form of financial assistance for pool covers. We will be conducting a Water Conservation Master plan this year. We will be looking at all forms of water conservation practices and selecting a program that will best fit the District and its customers. I am not aware of any programs offered by the Department of Water Resources or other local agencies that would provide financial aid for your situation. I would like to invite you to participate in a water conservation survey the District is currently offering our customers on our website, www.sswd.org. Your feedback would be greatly appreciated. If you have any further questions, please feel free to contact me.

Thank you again.

Regards,

Greg Bundesen
Sacramento Suburban Water District
Water Conservation Supervisor
916-679-2890

From: Kathy [mailto: @outlook.com]
Sent: Wednesday, March 4, 2015 11:04 AM
To: Robert Roscoe
Subject: Pool cover assistance

Hi. I own a pool that I would like to cover, but can't afford to. I need a cover that is at least manual crank as I live alone and cannot take it off and put it back on alone. Yet I want to save the water. I wonder if dwr and other local agencies/districts would be able to find a way to help with low interest loans? Thanks, Kathy

NO DIV



Roy Leidy
Director Division 1

Mark R. Emmerson
Director Division 2

John A. Wallace
Director Division 3

7837 FAIR OAKS BOULEVARD
CARMICHAEL, CALIFORNIA 95608
TELEPHONE: (916) 483-2452
FAX: (916) 483-5509

Ron Greenwood
Director Division 4

Paul Selsky
Director Division 5

Steve M. Nugent
General Manager

February 17, 2015

Received

FEB 23 2015

SSWD

Mr. Edward J. Costa,
President SJWD Board of Directors
9935 Auburn-Folsom Road
Granite Bay, CA 95746

Mr. Neil W. Schild,
President SSWD Board of Directors
3701 Marconi Avenue #100,
Sacramento, CA 95821

Dear Mr. Costa and Mr. Schild,

We appreciated the opportunity to meet with both Districts' General Managers on Tuesday, January 27, 2015. The purpose of this letter is to inform both boards of our discussions and formalize our thoughts on the issues that we expressed at the meeting.

Fundamentally, Carmichael Water District (CWD) is not opposed to a merger between San Juan Water District (SJWD) and Sacramento Suburban Water District (SSWD). At this time, however, CWD is not interested in merging Carmichael with San Juan and Sacramento Suburban.

There are, however, numerous issues that need further clarification before Carmichael Water District will feel comfortable that the proposed merger will not cause harm to the District's long-term water management interests. Specifically, CWD management and staff are very concerned that the merger and the proposed integration of San Juan's and Sacramento Suburban's water assets will affect Carmichael's short-term and long-term water supply reliability. As Mr. Roscoe expressly stated at our meeting, there has been *no formal analysis* commissioned to demonstrate that the proposed integration of water assets would have no impact to Carmichael's, or any other regional water users', water supply reliability. This fact is deeply concerning.

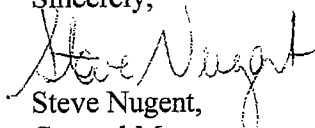
At the meeting, Mr. Roscoe and Ms. Lorange indicated that San Juan Water District is free to manipulate its pre-1914 surface water assets and CVP Project Supply water assets in any way it chooses without consideration of the effects on other water users in the region or outside of the region. This conclusion is simply misguided. Specifically, any significant change in use of a water asset requires that such a change not injure other

legal users of water. Carmichael Water District is a legal user of water and has significant concerns that there is no analysis detailing precisely how the changes in water management contemplated by San Juan and Sac Suburban may impact the region's overall water supplies. The ongoing three-year drought, expanding regional population growth, changes in Delta water quality and flow requirements, the BDCP efforts, and the prospect of climate change may threaten the region's water supply reliability even with no changes to existing uses under existing rights. And modifying the places of use and amount of water used under one or more of San Juan Water District's water assets may further exacerbate regional tensions and problems both now and in the future. In short, any change in usage of one water asset in the region that harms another user's water supply reliability is simply not acceptable. The planned merger group has not conducted any water supply analysis that lends insight into these issues.

Mr. Roscoe and Ms. Lorance also indicated that there would be little change to the groundwater conditions in the region as a result of the merger – yet they indicated that in dry years, SSWD would be pushing much more groundwater into the San Juan service area to offset reductions in the San Juan family's surface water use. Large changes in groundwater operations, such as the one described by Mr. Roscoe and Ms. Lorance, require analysis – especially in light of the 2014 groundwater legislation as well as the presence of the Aerojet-Rocketdyne contaminant plume within the region. The new groundwater legislation impacts every groundwater user in the region and greatly expanded groundwater operations in dry years, as mentioned in the discussion, may further challenge our regional groundwater management efforts. Moreover, aggressive pumping in one location in dry conditions may impact the Aerojet plume's migration, causing further harm to entity's already affected. Accordingly, the potential regional implications of expanded groundwater pumping and delivery require technical and regulatory analysis before the integration of these water assets can be sanctioned.

As we indicated above, the merger of the two districts simply for administrative purposes appears logical. But the implications of the merger – the changes in point of diversion, place of use, volume of use, and timing of use of the various water assets used by the two districts and the San Juan family – requires a much more thorough assessment. Assuming that those issues will “resolve themselves” after the merger takes place is not a tenable planning position and certainly not grounds where CWD can sanction the merger. CWD implores you to conduct a detailed water management analysis before progressing with the proposed merger so that the region can be assured that the changes in water asset management and use that have been proposed are good for all of our regional partners and stakeholders.

Sincerely,


Steve Nugent,
General Manager

cc: Rob Roscoe, SSWD General Manager
Shauna Lorance, SJWD General Manager



Agenda Item: 29

Table of Contents

California pledges to protect underground water from oil, gas operations.....	2
Water managers start to cope with state’s new groundwater law	4
San Joaquin County’s underground supply sinks toward 1992 low point.....	9
ACWA Weighs In on Next Steps for Expiring Emergency Water Conservation Regulations	
.....	11
Senate Office of Research Releases Report on Drinking Water Regulation.....	13
State Board Streamlines Process to Apply for Drinking Water Funds.....	14
Water rights’ cost draws scrutiny	16
ACWA Sponsored Bill on Chromium-6 Compliance Introduced.....	18
Californians’ Water Savings Dips in January, an Exceptionally Dry Month	19
Vast Majority of California Voters View Drought as “Extremely Serious”	20
OEHHA Updates Public Health Goal for Perchlorate in Drinking Water.....	21
Elk Grove Water District completes Meter Retrofit ahead of State Deadline.....	22

California pledges to protect underground water from oil, gas operations

The Fresno Bee
ASSOCIATED PRESS February 9, 2015



California is proposing broad changes in the way it protects underground water sources from oil and gas operations, after finding 2,500 instances in which the state authorized oil and gas operations in protected water aquifers.

State oil and gas regulators on Monday released a plan they sent the U.S. Environmental Protection Agency last week for bringing the state back into compliance with federal safe-drinking water requirements.

An ongoing state and federal review has determined the state has repeatedly authorized oil-industry injection into aquifers that were supposed to be protected as current or potential sources of water for drinking and watering crops and livestock.

An Associated Press analysis found hundreds of the now-challenged state permits for oilfield injection into protected aquifers have been granted since 2011, despite growing EPA warnings about oilfield threats to the state's underground water reserves.

"It's a problem that needs our very close attention and an urgent path forward," Steve Bohlen, head of the state Department of Conservation's oil and gas division, told reporters Monday.

Bohlen said 140 of those 2,553 injection wells were of primary concern to the state now, because they were actively injecting oil-field fluids into aquifers with especially designated good water quality.

State water officials currently are reviewing those 140 oil-field wells to see which are near water wells and to assess any contamination of water aquifers from the oil and gas operations, Bohlen said.

The U.S. EPA had given the state until Friday to detail how it would deal with current injection into protected water aquifers and stop future permitting of risky injection.

The plan submitted by the state outlines plans and timelines for dealing with current risks. The proposal also recommends regulatory changes for oversight of oil and gas operations and water aquifers.

An AP analysis of state records showed 46 percent of those 2,553 oil-field injection wells were approved or began injection after 2011, despite the state's drought and what were then increasing federal warnings that California was not doing enough to protect potential underground water sources from contamination by oil fields.

California regulators said they believe that the actual percentage is lower than state records show, but they added they do not know how much lower.

California is the country's third-largest oil-producing state.

Read more here: http://www.fresnobee.com/2015/02/09/4371288_california-pledges-to-protect.html?rh=1#storylink=cpy

http://www.fresnobee.com/2015/02/09/4371288_california-pledges-to-protect.html?rh=1

Water managers start to cope with state's new groundwater law

by Eric Miller, CVBT North Valley Correspondent

CHICO

February 16, 2015 9:02pm

Like gold, it lies beneath ground. We use it but don't manage it. My interest in it may differ from yours. But if we don't cooperate, the resource may go away and we're both hurt. What is it? Groundwater.

Two months into 2015, the Sustainable Groundwater Management Act (SGMA) causes head scratching. Water managers and policy makers are unsure how to get to first base.

The SGMA, which took effect January 1, requires that groundwater sustainability plans be adopted for priority groundwater basins in California. Of the state's 515 groundwater basins, the Department of Water Resources (DWR) ranks 127 as "high" or "medium" priority basins. These priority basins account for 96 percent of California's annual groundwater pumping, and supply 88 percent of overlying populations.

The bottom line is that California's population growth, coupled with that pesky multi-year drought, pitch one-two strikes that stress out the aquifers.

SGMA requires that by 2017, local groundwater sustainability agencies are identified to manage groundwater. By 2020, basins experiencing overdraft must have a plan that demonstrates sustainable groundwater use.

The issues are difficult for laypersons to latch onto. First, understanding hydrogeology and interpreting groundwater data requires the complex review of reports, charts, maps, and computer models. It's pure fun for science geeks, but dry as unbuttered popcorn for those of us with normal brainpower. Second, the process to form new governmental agencies is about as sexy as pocket lint.

Here's the big picture

California's total water supply, according to DWR, is approximately 43 million acre-feet per year (an acre-foot of water is roughly 326,000 gallons, the amount of water consumed by a suburban family household). An acre-foot of water would cover a baseball field four inches deep.

Thirty-nine percent of California's total water supply -- 16 million acre-feet -- is water pumped out of the ground. The balance includes surface water collected mostly from within the state's borders. Nine percent of California's total supply is imported from the Colorado River.

In December 2014, the California Department of Finance reported the state's population as nearly 39 million. That's enough to make California the world's 35th largest country, if it were a country. But growth is hardly stopping in the Golden State.

By 2020 the population forecasted to gain another 1.7 million. By 2060 California's population may reach 52 million, which exceeds the present day population of South Korea. Analysts can predict population growth far easier than meteorologists can predict when droughts end. Meteorologists may have more success forecasting tornadoes. Meanwhile, State groundwater elevations drop to historic levels.

California has regulated surface water rights since 1914. Over the last century, however, groundwater management has remained largely unregulated with the exception of several southern California regions that govern its use through basin adjudications -- legal decisions. Through the SGMA, local leaders get the first try at creating new governing agencies to manage their respective groundwater basins. If locals cannot solve problems, the state will intervene.

The North Valley approach – or approaches

Northern Sacramento Valley water managers proceed with caution as other groundwater users in California race to aquifer bottoms. The Sacramento River Hydrologic Region, which includes portions of Sacramento, Yuba, Butte, Tehama, Shasta, Glenn, Colusa and Yolo counties, provides about a fifth of California's total water supply. Fewer than 6 percent of the state's population lives here. According to DWR, about a third of the Sacramento River Hydrologic Region's water portfolio is groundwater. Among the tasks for managing Northern Sacramento Valley aquifer basins is getting started.

“Setting up these new groundwater sustainability agencies may challenge some areas,” says Scott Matyac, water resources manager for the Yuba County Water Agency. “We're poised well in Yuba County. Our agency is governed by a seven-member board which includes five county supervisors and two at-large directors.”

Yuba County Water Agency operates hydroelectric facilities on the Yuba River east of Marysville and provides agricultural irrigation water.

“We've successfully managed the north and south Yuba groundwater basins,” says Mr. Matyac. “We've installed dedicated monitoring wells and report basin characteristics to the state. Through groundwater substitution transfers (when surface water is transferred to downstream users and groundwater irrigates local crops instead) we've exercised the aquifers and have a good understanding of basin sustainability. For Yuba County, creating a groundwater sustainability plan is more of an evolution than revolution. Plus our board is well aware of land use issues. We'll schedule public meetings to discuss the SGMA's opportunities and challenges.”

Further north, in Butte County, water governance becomes more complex. Home to the State Water Project's Lake Oroville, Butte County reaches east into the Feather River and Butte Creek

watersheds and sprawls west across the valley floor. The Sacramento River generally marks the western political border.

“We have several options for new groundwater sustainability agencies,” says Paul Gosselin, director of Butte County’s Water and Resources Department. “Local water districts could become their own agencies or multiple agencies can develop their plans and coordinate data sharing. Butte County’s groundwater management plan includes basin management objectives (BMOs) based upon historic low groundwater levels. But we’re grappling with hydrologic boundaries within Butte County. What we need is consistency in methods. The connectedness of our aquifer is widespread. We need to better understand the science to make management decisions.”

Ted Trimble, general manager of Western Canal Water District, says groundwater management is necessary but expresses concern. Western Canal WD is located within Butte County’s valley floor. His district’s territory extends west across the Sacramento River into Glenn County. Western Canal WD’s surface water, from Lake Oroville, irrigates 58,000 irrigable acres.

“Just look at the Central Valley,” Mr. Trimble sighs, “especially where groundwater overdraft has damaged a basin’s ability to rebound.”

Western Canal WD shares similar soil features — adobe clay — with neighboring districts that surround the agricultural communities of Richvale, Biggs, and Gridley, valley towns adjacent to state Highway 99. The soils and climate are perfect for rice crops. Flood irrigation also recharges the basin. After dewatering fields for harvest, fields are re-flooded to decompose rice stalks. The area, a Pacific Flyway, attracts migratory birds.

North of Western Canal WD, orchards dot agricultural parcels that ultimately merge into the community of Durham, four miles south of Chico. These areas, and Chico, rely entirely on groundwater.

“One concern we have is how Butte County addresses BMOs,” says Mr. Trimble. “Groundwater levels in my district are generally shallower than in other areas of Butte County. As a percent change in groundwater elevations, we can absorb more fluctuation than other areas. If a larger groundwater sustainability agency included us, how much flexibility would we have to change our standards because of drought or surface water curtailments from Lake Oroville? Sustainability for us is likely to be different from Butte County’s or Chico’s. How are we to coalesce around the use of a common resource? We have different economic interests and views on sustainability. Legislation is needed but the governance may be tricky.”

Dan McManus, of DWR’s Northern Regional Office in Red Bluff, understands the concern. A geologist, Mr. McManus recently introduced SGMA to the Butte County Water Commission. “Groundwater is best managed at the local or regional level,” he says. “DWR can provide technical support as agencies desire it.”

The journey north from Butte County into Tehama County on Highway 99 crosses over valley pastures that blend into groves of orchard crops. On clear days Mt. Lassen (elevation 10,463 feet) stands out 50 miles away. Mill Creek and Deer Creek, spring-run Chinook salmon runs, slice through the valley portion of Tehama County before joining the Sacramento River. Sparsely inhabited, Tehama County's entire population would not even fill the San Francisco 49ers' Levi Stadium to capacity.

Tehama County Flood Control and Water Resource Manager Ryan Teubert, contemplates. "I expect we'll coordinate with the shared basins that border Butte and Glenn Counties. But we're unsure how to do that."

North of Tehama County, California's fifth highest mountain lies smack ahead. Mt. Shasta's (elevation 14,179 feet) volcanic peak is usually snow covered year-round. Snowmelt contributes to rivers named the Pit, McCloud, and the Sacramento, their flows eventually impounded by Shasta Dam. A keystone for the Central Valley Project, the dam's outflow generates hydroelectric power and provides irrigation water.

Shasta County's largest city, Redding, uses mostly surface water for its potable supply but also groundwater. The city, Shasta County Water Agency, and the Anderson-Cottonwood Irrigation District (ACID) actively participate with a dozen other agencies through the Redding Water Council.

"Redding Basin water users have a good start for managing groundwater," says Stan Wangberg, ACID's general manager. "Transitioning from a groundwater management plan to a groundwater sustainability plan should be a bit easier for us."

ACID has surface water rights and provides agricultural irrigation water diverted from the Sacramento River. Mr. Wangberg continues, "Our aquifer is in excellent shape and we continue to learn how it performs. We've recently conducted groundwater substitution transfers and all of our wells recovered. We actually recharge the basin and contribute more water than is extracted. In our area, the Sacramento River is a gaining stream. With a full basin, groundwater flows into the river. But with controlled pumping and monitoring, we can open up aquifer capacity."

And how do you get to first base with SGMA?

"The first step is to define the basin. Tehama and Shasta Counties may have different views. We'll seek community opinion through public outreach," says Mr. Wangberg.

And what about private pumpers [individual groundwater users] who don't want to participate? "That's a challenge," Mr. Wangberg admits. "If private pumpers won't cooperate, they're subject to state oversight. We want folks to buy into this process."

Interstate 5 from Shasta County to Sacramento is a straight 160 mile shot. Road warriors may hardly notice the meandering Sacramento River which intermittently crosses beneath I-5 as it flows toward the Capitol, after weaving past Glenn, Colusa and Yolo counties. The Glenn-

Colusa Irrigation District, a Central Valley Project contracting water agency, balances agricultural needs with surface and groundwater.

“We need common vision to be successful with SGMA,” says Thad Bettner, general manager for the Glenn-Colusa Irrigation District. “The 2017 deadline sounds far off but it’s actually a tight schedule. At least everyone here is open to communicating. I think the county’s water and technical advisory committees will bring good ideas. We’re curious to see how the counties we operate in (Glenn and Colusa) react.”

Glenn County Water Resources Coordinator Lisa Hunter, sheds some light. “We briefed our Board of Supervisors and their direction was to continue educating the public on SGMA,” she says. “We have a good group of folks and may need to coordinate at some level. Glenn County doesn’t want anyone to be left out but we’re not necessarily the lead, nor do we want to be perceived as taking over. It’s too early to say what a groundwater sustainability agency, or agencies, will look like.”

Muddy waters clear if unstirred. But it takes time and patience to wait it out. As for waiting out the drought, Mr. Wangberg sums it best. “Without sustainability we’re on a dead-end road. We’ll crash. We’re all in this together. We need to protect the resource for future needs.”

<http://www.centralvalleybusinesstimes.com/stories/001/?ID=27774>

San Joaquin County's underground supply sinks toward 1992 low point

By Alex Breitler
Record Staff Writer

Posted Feb. 11, 2015 @ 8:00 pm



California's drought is taking a toll on groundwater levels in San Joaquin County, according to a report released Wednesday. Red arrows represent wells where water levels dropped last fall, and blue arrows, few and far between, represent wells where water levels went up. ALEX BREITLER/THE RECORD

An invisible “savings account” beneath our feet just keeps shrinking, with groundwater dropping to levels not seen since the end of the last major drought. A report made available Wednesday shows that San Joaquin County’s precious groundwater last year fell virtually as low as it did in 1992, which has long been the benchmark that local officials use to measure the severity of other dry years. That shows how deep the drought has become. When less water is available from rivers, as appears likely again this year, cities and farms must pump more water from below ground, tapping that savings account that water managers would rather not touch.

Sinking groundwater also can harm the quality of the water and make it more expensive to pump it to the surface. “We saw levels drop dramatically” in 2014, said Gerardo Dominguez, an engineer with San Joaquin County Public Works. That’s not surprising, given how dry it’s been. Less rain means less water to soak into the soil and naturally replenish the underground supply.

The good news is that future wet years could quickly bring groundwater levels back up. In fact, county officials say that over the long term groundwater levels have been relatively stable, thanks to new projects that make use of river water. But the immediate problem is that almost all of the 308 wells tested by county officials last fall registered a decline from the previous year. In one extreme case, a well within the Central San Joaquin Water Conservation District east of Stockton plummeted 12 feet. Farmers, in turn, are requesting more well-drilling permits. Last year the county Environmental Health Department issued 151 such permits, up from 55 permits

the previous year. In some cases, older shallow wells may be running dry, said Paul Sanguinetti, a farmer and president of the Stockton East Water District Board of Directors. But it's more likely, he said, that farmers simply want to drill new wells as a kind of insurance policy should water from rivers be further restricted.

Sanguinetti himself got permission to drill a new well to irrigate 175 acres of walnut trees, just in case he doesn't have enough river water later this year. "I've got to keep my permanent crops alive," he said. But well drillers are so busy that it's likely to be June before the well is drilled, he added. Indeed, county officials said some of the well-drilling permits they issued have expired without being used. While groundwater levels across the county are only a few inches above 1992 on average, the health of the groundwater basin depends a great deal on where you are.

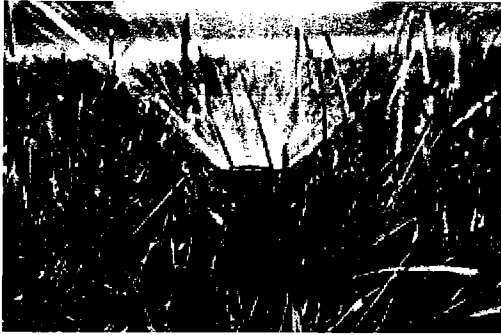
The city of Stockton and farmland east of the city generally has higher groundwater than 1992, because more river water has been made available in those areas. Farmland east of Lodi and east of Manteca generally has lower groundwater than 1992. Those long-term comparisons aside, the more recent trend is one of declining water levels for almost everyone. The drop last year averaged 3 feet across the county; the drop over the past three years combined is more than 6 feet, officials said Wednesday. Said Dominguez: "It was a pretty bad year."

— *Contact reporter Alex Breitler at (209) 546-8295 or abreitler@recordnet.com. Follow him at recordnet.com/breitlerblog and on Twitter [@alexbreitler](https://twitter.com/alexbreitler).*

http://www.recordnet.com/article/20150211/NEWS/150219891/-1/A_BIZ

ACWA Weighs In on Next Steps for Expiring Emergency Water Conservation Regulations

Submitted by Emily Allshouse on Wed, 02/18/2015 - 12:55pm



With the State Water Resources Control Board considering action to extend the soon-to-expire emergency water conservation regulations for another 270 days, ACWA has provided recommendations supporting the extension and suggested additional improvements.

ACWA Special Projects Manager Dave Bolland presented ACWA's recommendations during a State Board meeting held Tuesday to discuss the role of the emergency regulations in light of the state's ongoing drought emergency.

Those recommendations include:

- Clarifying that mandatory outdoor irrigation limits should be equivalent to a twice a week irrigation schedule.
- Considering additional water use prohibitions such as prohibiting outdoor watering during rain events, prohibiting outdoor watering during daylight hours to avoid excessive evaporative loss, requiring restaurants, hotels, and all public places where food is sold to only serve drinking water only upon customer request, and requiring hotels to offer guests the option to reuse towels and linens.
- Continuing and increasing attention on public education, especially through the Save Our Water program.
- Continuing current reporting requirements, but with voluntary submission of 2007 data to provide greater understanding of pre-drought water use.
- Engaging with DWR and its Urban Stakeholder Committee to identify potential permanent conservation actions.
- Avoiding state regulated water rates and considering opportunities for funding targeted research, pilot projects and funding incentives.

State Board staff presented a summary of comments that have been received on recommended next steps. The presentation "Emergency Water Conservation Regulation Input and Potential Next Steps" is available [here](#).

Board members indicated that they want a draft of the emergency regulation incorporating changes ready for possible action at the March 17 meeting. Board members also indicated their intention to address the need for permanent regulations, additional reporting requirements, and ways to engage on other water conservation recommendations as part of a process that will proceed in April.

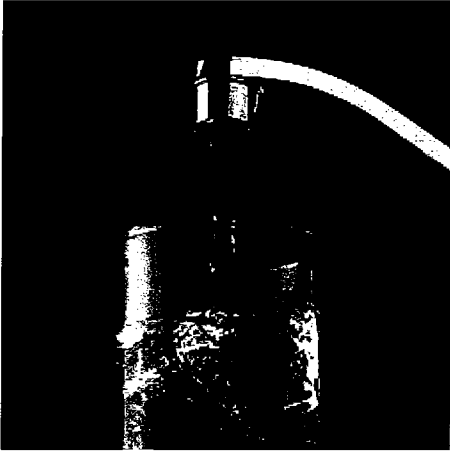
ACWA's comment letter is available on its website [here](#).

ACWA also provided the State Board with a [list of examples](#) illustrating the wide variety of actions being taken by local water agency actions in preparation for another dry year.

<http://www.acwa.com/news/conservation/acwa-weighs-next-steps-expiring-emergency-water-conservation-regulations>

Senate Office of Research Releases Report on Drinking Water Regulation

Submitted by Emily Allshouse on Wed, 02/18/2015 - 3:24pm



The Senate Office of Research has released a new report, titled “The Water We Drink, Part 1: What is California Doing to Ensure Its Water is Safe,” outlining the regulation of California's drinking water.

The report, released Wednesday, provides background on federal and state drinking water requirements, responsible California agencies and their functions, violation and enforcement data, and information on the process for establishing maximum containment levels.

The report is the first of two installments prepared by the Senate Office of Research. The second installment is expected to focus on the challenges to providing safe, clean and affordable drinking water to disadvantaged communities.

The report is available [here](#).

<http://www.acwa.com/news/water-news/senate-office-research-releases-report-drinking-water-regulation>

State Board Streamlines Process to Apply for Drinking Water Funds

Submitted by Pamela Martineau on Fri, 02/06/2015 - 3:18pm



The State Water Resources Control Board has streamlined access to its Drinking Water State Revolving Fund in an attempt to make it easier for water systems to apply for project funds, officials with the State Board's Division of Financial Assistance announced Friday.

Improvements to the DWSRF application process include the acceptance of online applications and expanded project eligibility. The DWSRF program, which was transferred to the State Board from the Department of Public Health in July, offers below-market-rate loans to water providers to upgrade their drinking water systems to meet state and federal safe drinking water standards.

In January of this year, the State Board's Division of Financial Assistance began accepting DWSRF applications online year round, making it easier for water suppliers to begin developing critical public health upgrades to drinking water systems.

Additionally, the State Board's [DWSRF Policy Handbook](#) makes more projects eligible for DWSRF funding. Newly expanded project types include defective water meter replacement, treatment to address secondary Maximum Contaminant Level (MCL) exceedance, and water infrastructure replacement or update, including transmission or distribution lines, groundwater wells, and other infrastructure.

Water providers interested in DWSRF funds also can now apply at any time as there is no pre-application or invitation process. The State Board funds DWSRF projects on a ready-to-proceed basis and will put projects that address critical public health issues in the highest priority, including imminent water supply outages and nitrate MCL violations.

The DWSRF is open to community and nonprofit non-community water systems, large and small, public agencies or private entities. Funds can be awarded for the planning and design phase; for just the construction portion; or both. The funding is provided in the form of 20-year loans, with extended term 30-year financing for some disadvantaged communities. Recent

interest rates have ranged from 1.5 to 3 percent, dropping as low as 0% for some disadvantaged communities. Additional subsidies in the form of principal forgiveness or grants may also be available to water systems owned by a public agency or nonprofit water companies that serve disadvantaged communities.

The types of projects eligible for DWSRF funding include: construction of new water sources, distribution pipelines, and treatment facilities; construction of infrastructure that is needed to consolidate or intertie water systems; replacement of aged drinking water infrastructure, such as wells, pipelines, tanks, and treatment systems; installation or replacement of water supply meters; construction of facilities needed to create a community water system, or extend service from an existing public water system to serve residents currently on individual wells or surface water sources and planning/design funds needed to cover the costs of activities necessary to construct a project, including preliminary engineering, pilot-scale treatment studies, design and other planning activities.

<http://www.acwa.com/news/water-quality/state-board-streamlines-process-apply-drinking-water-funds>

Water rights' cost draws scrutiny

The Mokulumne River. *Photo: Mountain Counties Water Resources Association)*

BY **SCOTT SORIANO** POSTED 02.24.2015



A provision in California's landmark 2014 Water Bond Act, Proposition 1, could lead California into overspending on water — and that has sparked concern from the Legislature's nonpartisan fiscal adviser.

The voter-approved, \$7.54 billion bond provides, among other things, watershed protection and restoration. The bond offers "\$1.5 billion for various projects intended to protect and restore watersheds and habitat throughout the state." Of that \$1.5 billion, \$200 million is put aside to enhance stream flows, of which \$39 million is proposed to be spent in the governor's budget for the 2015-16 fiscal year, which begins July 1.

"One of the challenges is that there is no centralized clearinghouse for water prices. Enhancing stream flows is not just returning water to a stream, but it also may prevent water from being taken from streams by those who hold water rights, usually farmers.

Water rights nowadays do not come cheap. Bloomberg reports that within a year's time the cost of an-acre foot of water in the Fresno area jumped from \$140 per to \$1,100. The San Jose Mercury News reported a 2014 water auction in Madera that topped \$2,000 per acre foot.

"One of the challenges is that there is no centralized clearinghouse for water prices. There are regulations about water transfers regarding fish and wildlife, but there is no cap on what we pay," says Anton Favorini-Csorba of the Legislative Analyst's Office.

The LAO's Helen Kerstein adds: "The challenge that the market is not developed in this area as many other areas. If you have an area where there is a well-functioning market than typically you wouldn't need price ceilings because the market."

If you are buying long term transfers during a drought are you paying a higher price

Often, deals on water are made person to person. The price per acre-foot may be influenced by things other than market forces, such as personal relationships. Friendships, or being a neighboring farmer, can drive the price down. At the same time, some sellers hope to make up for money lost in past years and try for the highest price possible.

“Given that the transfers have to be for a long period of time, if you are buying long term transfers during a drought are you paying a higher price? Obviously it could be very important if you need water this year, for fish or whatever else but what if there is a long stretch of wet years?” He suggests that, along with the LAO’s suggestion of “reverse auctions” for water, that contracts provide some protection for the state if there is a future water surplus during the life of the transfer.

The LAO was critical of a past effort to deal with water contracting, CalFed’s “Environmental Water Account,” which became a system of paper water trades in which the state wound up buying back water it sold to a few wealthy farmers for millions more than it was sold to them.

The agency responsible for overseeing the Stream Enhancement Program is the Wildlife Conservation Board. The WCB has issued a draft of grant guidelines for the project, although there is nothing in the draft addressing the LAO’s concerns about overpaying for water rights. The board’s next quarterly meeting is Feb. 25.

<http://capitolweekly.net/water-rights-cost-draws-scrutiny/>

ACWA-Sponsored Bill on Chromium-6 Compliance Introduced

Submitted by Emily Allshouse on Wed, 02/25/2015 - 4:27pm



Sen. Ben Hueso (D-San Diego) on Wednesday introduced SB 385 – an ACWA-sponsored bill to provide a carefully monitored process for public water systems to work toward compliance with the state’s new drinking water standard for chromium-6.

California is the first state in the nation to adopt a drinking water standard for chromium-6. Public water systems are committed to meeting the standard, but the timeline provided for compliance does not recognize the complex steps water systems must take to achieve the standard. The steps involved – from designing appropriate treatment systems to securing financing to building and testing new treatment facilities – can take up to five years or more and cost millions of dollars.

SB 385 by Sen. Ben Hueso (D-San Diego) would address the challenge by authorizing the State Water Resources Control Board (SWRCB) to grant a time-limited variance to public water systems that meet strict conditions and demonstrate they are taking needed steps to comply with the standard by the earliest feasible date. The variance would not exempt any water systems from compliance or delay steps a water system must take to achieve compliance. The SWRCB oversees the state’s water quality and is responsible for enforcing the chromium-6 standard.

“For California’s public water systems, delivering water that meets or surpasses all state and federal drinking water standards is job one,” ACWA Executive Director Timothy Quinn said in a news release issued today. “Unfortunately, some water systems will be deemed out of compliance with the new chromium-6 standard in 2015 even though it was not feasible for them to install appropriate treatment facilities to comply within the very short timeline provided.

“SB 385 does not seek to weaken the chromium-6 standard or delay its implementation. It simply creates a path for water systems to work toward compliance without being deemed in violation as long as strict safeguards are met. This is critical to ensuring that ratepayer funds are spent on needed treatment systems and not on potential enforcement actions and litigation,” Quinn said.

ACWA has prepared a fact sheet and FAQ on SB 385 that are available on its [Chromium-6 Spotlight page](#).

Questions about SB 385 may be directed to ACWA Deputy Executive Director for Government Relations Cindy Tuck at cindy@acwa.com.

<http://www.acwa.com/news/water-quality/acwa-sponsored-bill-chromium-6-compliance-introduced>

Californians' Water Savings Dips in January, an Exceptionally Dry Month

Submitted by Pamela Martineau on Tue, 03/03/2015 - 12:48pm



Water Boards

Californians' water savings dipped in January to 8.8% from a high of 22% in December and record-breaking dry weather is being eyed as a possible culprit for the drop. That was one of the take-aways from today's meeting of the State Water Resources Control Board where officials parsed water production data for January and brainstormed how they could keep the water conservation messaging on point as the state lurches through another drought year. The savings rate is calculated by comparing water production data from the same month in 2013. Several officials stressed that the January water production data needs to be viewed in the broader context of an exceptionally dry January that was preceded by the longed-for rains of December. "I think the people may have thought – 'With all that rain in December, the drought must be over,'" said State Board Chair Felicia Marcus, who made a call to local water agencies to keep the conservation messaging going strong. "Our ultimate goal is we want local agencies to go to town on (conservation) because they're the ones in relationship with their customers, we're not," said Marcus. ACWA Special Projects Manager Dave Bolland told the board during the comment period following presentation of the data that it is important to look at the data in the context of weather conditions in each hydrologic region. "We need to stay the course..." Bolland said of the water conservation efforts. "The overall trend is continuing to look good."

On March 17, the State Board will consider extending and perhaps expanding the emergency water conservation regulations it adopted in July. The emergency regulations are currently set to expire in April.

The State Board also reviewed data on residential gallons per-capita per day (R-GPCD) for January. The report estimates daily water use by residential customers for nearly 400 urban water agencies statewide. The statewide overall R-GPCD average for January was 72.6 gallons per person, a slight increase from December 2014 of 67.2 gallons per person, per day. State Board staff will study the trend to determine what is driving the reduction in water use in some hydrologic regions, but not in others. The San Francisco Bay hydrologic region averaged 56.3 gallons per person, per day – which is on the low end of usage, while the Colorado River hydrologic region averaged 147.2 gallons per person, per day – which is on the high end of usage.

<http://www.acwa.com/news/conservation/californians%E2%80%99-water-savings-dips-january-exceptionally-dry-month>

Vast Majority of California Voters View Drought as “Extremely Serious”

Submitted by Pamela Martineau on Thu, 02/26/2015 - 12:24pm



California’s ongoing drought is viewed as “extremely serious” by a larger percentage of people today than in 1977 and more people think the state’s storage and supply facilities are lacking.

Those are some of the key findings of a newly released Field poll of California voters’ views of the drought and the state’s water supply system. The poll revealed that nearly 19 out of 20 voters -- or 94% -- describe the current drought situation as “serious,” with 68% saying it is “extremely serious.” In 1977, during what is viewed as a similarly serious long-term drought, fewer polled voters -- 51% -- believed the situation was “extremely serious.”

The poll also found that some 43% of likely voters say the state’s existing water storage and supply facilities are inadequate and another 38% think they are just barely adequate. By comparison, in the 1980’s, the proportion of Californians who described the state’s water storage and supply facilities as inadequate averaged only 24%.

In addition, by a 61% to 34% margin, voters continue to favor voluntary cut backs in water use over having the state impose mandatory rationing on users, although the proportion favoring mandatory rationing has increased seven points since last year.

The poll also finds that by a 51% to 38% margin, voters support the idea of relaxing government restrictions on developing new water storage and supply facilities on government parklands and forest reserves. On the other hand, voters are divided about the idea of allowing the state to relax environmental regulations protecting fish and the San Francisco Bay and Sacramento-San Joaquin Delta as a step in mitigating the effects of the drought. Currently, 50% of voters would support relaxing these regulations, but 46% are opposed.

<http://www.acwa.com/news/water-supply-challenges/vast-majority-california-voters-view-drought-%E2%80%9Cextremely-serious%E2%80%9D>

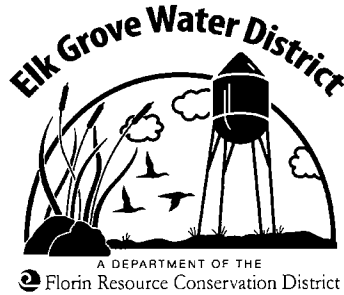
OEHHA Updates Public Health Goal for Perchlorate in Drinking Water

Submitted by Emily Allshouse on Fri, 02/27/2015 - 2:43pm

The Office of Environmental Health Hazard Assessment (OEHHA) today published an updated public health goal (PHG) for perchlorate in drinking water of 1 part per billion (ppb), citing new research related to the health impacts of perchlorate on infants. “This updated public health goal reflects infants’ increased susceptibility to the health effects of perchlorate,” said OEHHA Director Dr. George Alexeeff. “It is set at a level that would provide health protection for people of all ages.” Though the updated PHG is not an enforceable regulatory standard and does not change California’s existing maximum contaminant level (MCL) of 6 ppb for perchlorate or the detection limit for purposes of reporting (DLR) of 4 ppb, state law requires the State Water Resources Control Board’s Division of Drinking Water to use a PHG as guidance in setting an MCL. State law also requires the Division of Drinking Water to set MCLs as close to the corresponding PHG as economically and technologically feasible, while placing primary emphasis on the protection of public health. PHGs are established solely on the basis of public health data and do not take into account technical or economic feasibility of treating the contaminant in drinking water. A PHG identifies a level of a contaminant in drinking water that OEHHA determines poses no significant public health risk when consumed *over a lifetime*. According to OEHHA, drinking water still can be acceptable for public consumption if it contains contaminants at levels higher than the PHG. State law requires public water systems to provide annual consumer confidence reports to customers that describe the source of water and list the current level of contaminants, their PHGs and their primary MCLs. California’s perchlorate MCL was set in 2007. There is no federal drinking water standard for perchlorate.

For more information on OEHHA’s PHG including a fact sheet and a technical support document that provides information on the health effects of perchlorate in drinking water, please visit <http://www.oehha.ca.gov/water/phg/2015perchlorate.html>.

<http://www.acwa.com/news/water-quality/oehha-updates-public-health-goal-perchlorate-drinking-water>



News Release

March 5, 2015

Contact: Mark Madison
General Manager
Elk Grove Water District
(916) 685-3556

Elk Grove Water District completes Meter Retrofit ahead of State Deadline

Elk Grove, CA -- The Elk Grove Water District (EGWD) has completed its installation of water meters for all customers in February, a full ten years ahead of the State's deadline, announced EGWD's General Manager Mark Madison. In compliance with a law passed in 2004, all water connections must be metered and all customers billed on the actual volume of water used by 2025.

EGWD has spent seven years retrofitting homes and businesses, using mostly in-house personnel to do the labor and largely supported by grant funding to keep customer costs low. The EGWD board of directors pushed for early completion of the project in order to compete for grant opportunities, to increase water conservation efforts and to avoid last minute competition for resources when the deadline approaches. "I have never seen such hard work and dedication by staff, and the support from our Board never wavered." Madison said.

Customer response to the new meters has been positive. In many cases, monthly water costs have dropped due to customer conservation. According to the Pacific Institute, metering contributes to reduced water use by 15% to 20%. "Customers have consistently reduced their water usage during this drought," said Ellen Carlson, EGWD's conservationist. "And because they see their usage on their bill, metering has been a terrific conservation tool." Additional water savings will be realized because EGWD can now efficiently track system leakage.

###