

# **Agenda**

## **Sacramento Suburban Water District Regular Board Meeting**

3701 Marconi Avenue, Suite 100  
Sacramento, California 95821

Monday, September 19, 2016  
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.

**All or portions of this meeting will be conducted by teleconference in accordance with Government Code section 54953(b). The teleconference location for the meeting are as follows: 44652 Guilford Drive, Suite 107, Ashburn, Virginia 20147; telephone number (916) 712-4481. Each teleconference location is accessible to the public, and members of the public may address the Board of Directors from any teleconference location.**

### **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 August 15, 2016 Regular Board Meeting  
*Recommendation: Approve subject minutes.*
2. Water Service Charges and Rate Setting Policy (PL – Fin 009)  
*Recommendation: Adopt subject policy.*
3. Driver Record and Insurance Review Policy – (PL – HR 006)  
*Recommendation: Adopt subject policy.*

**Items for Discussion and Action**

4. 2016 Compensation Study  
*Presentation by Shelley Anderson of Bryce Consulting, Inc.*
5. Update and Demonstration on Website Improvements  
*Presentation by Annette O'Leary on District Website.*
6. California Special Districts Association 2017 Committee & Expert Feedback Team Participation  
*Consider becoming a member of CSDA's 2017 Committee & Expert Feedback Team.*
7. 2016 Operations and Maintenance Expense Forecast  
*Receive written staff report and direct staff as appropriate.*
8. Resolution No. 16-21 Delegate Authority to Accept Easements – General Manager  
*Recommendation: Adopt subject resolution.*

**Information Items**

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

- c. McClellan Business Park
  - d. Groundwater Quality Projects
  - e. Developer Projects
  - f. Planning Studies
  - g. Other
11. Financial Report
- a. Financial Statements – August 2016
  - b. Investments Outstanding and Activity – August 2016
  - c. Cash Expenditures – August 2016
  - d. Credit Card Expenditures – August 2016
  - e. Directors Compensation and Expense Accounting – Through August 2016
  - f. Market Report Yields – January 2010 through August 2016
  - g. District Reserve Balances – August 2016
  - h. Information Required by Bond Agreement
12. 2017/18 Budget Status
13. Internal Controls Update from Audit
14. Sacramento County Paving Requirements
15. Cost Increase for Water Supply Agreement for Groundwater Stabilization
16. CEQA Exemptions for Miscellaneous Water Facility Projects
17. California WaterFix – Joint Group Submissions
18. Legislative and Regulatory Update

19. General Manager's Report
  - a. Regional Water Reliability Plan Update
  - b. Elections Status Report
  - c. Water Conservation Executive Order Update (EO B-37-16)
  - d. Outreach Letter to Schools on Lead
  - e. Division of Drinking Water Annual System Inspection
  - f. Agreement Between Fulton El Camino Parks and Recreation
  - g. 2016 Premium Only Plan (POP) Discrimination Testing Results
  - h. Long Term Warren Act Contract Update
  - i. 2017 Benefits Renewal Analysis for Dental, Vision and Life/Disability Insurance Plans
20. Upcoming Policy Review
  - a. Facility Development Charge Setting Policy (PL – Fin 010)
  - b. Employment Rules & Procedures Policy (PL – HR 01)
21. Upcoming Water Industry Events

**Committee Reports**

22.
  - a. Facilities and Operations Committee (Director Locke)  
Notes from the September 1, 2016 Meeting.
  - b. Finance and Audit Committee (Director Thomas)  
Notes from the August 12, 2016 Meeting.
  - c. Government Affairs Committee (Director Locke)  
No report.
  - d. Ad Hoc Water Banking and Transfer Committee (Director Wichert)  
No report.

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

23. a. Regional Water Authority (Director Thomas)  
Agenda from the September 8, 2016 Meeting.  
  
Regional Water Authority Executive Committee (General Manager Roscoe)  
Agenda from the August 24, 2016 Meeting.
- b. Sacramento Groundwater Authority (Director Schild)  
No report.
- c. Water Forum Successor Effort (General Manager Roscoe)  
Agenda from the September 15, 2016 Meeting.  
  
Carryover Storage Working Group Meeting  
No report.  
  
Water Forum Dry Year Conference Meeting  
No report.  
  
Water Caucus Meeting  
No report.
- d. Other Meetings  
Notice for the September 15, 2016 McClellan Restoration Advisory Board (RAB)  
Meeting.

**Miscellaneous Correspondence and General Information**

24. Correspondence Received by the District

25. 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)**

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

**Adjournment**

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**Upcoming Meetings**

Friday, September 30, 2016 at 3:00 p.m., Facilities and Operations Committee Meeting  
Monday, October 17, 2016 at 6:30 p.m., Regular Board Meeting

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I certify that the foregoing agenda for the September 19, 2016 meeting of the Sacramento Suburban Water District Board of Directors was posted by September 14, 2016 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.

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



## Agenda Item: 10

**Date:** September 1, 2016  
**Subject:** Engineering Report  
**Staff Contact:** Mitchell S. Dion, Technical Services Director  
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, County and City Projects/Coordination, McClellan Business Park, Groundwater Quality Projects, Developer Projects, Planning Studies and Other.

### A. Major Capital Improvement Projects

#### i. Production

##### **Rutland Well (#N39) Pumping Plant Construction**

Essentially all construction work is completed and as of the date of this report, the District's contractor, Koch & Koch, is very close to substantial completion. Testing and startup of all the major equipment has been completed. Water quality test results have been received from the laboratory and submitted to the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW), which was one of the conditions for them to approve operation of this new facility. A couple of minor DDW "punch list" items are still being resolved and then DDW approval is anticipated. Operator training will be conducted on the same day that water is pumped into the District's system. Some other contractor punch list items will then remain to be completed before final completion.

##### **Various Well Investigation and/or Rehabilitation Projects**

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

Well #2A, El Prado/Park Estates – This project consists of raising an existing well pump/motor out of a below ground vault and other necessary improvements. Clyde G. Steagall, Inc. is under contract for this work. To date, they have submitted shop drawing submittals approved and ordering materials and equipment. Actual construction work is scheduled to begin on September 19<sup>th</sup>. A second customer notification letter will be mailed during the week of September 12<sup>th</sup> to several homeowners in the immediate vicinity of the well site notifying them of the start of construction activity. The contracted completion date for the project is January 12, 2017, although the majority of the work will be completed before the end of 2016.

Well #59A, Bainbridge/Holmes – The well has received extensive work following the failure of a sealed bearing unit containing Mercury. Recent water quality test results were negative for mercury and therefore, the well is ready to pump into the system. While the well was producing around 2,700 gpm, a recommendation has been received from Brown and Caldwell (B&C) to operate no higher than 90% on the VFD for a pumping rate of 2,150 gpm. A new sound enclosure will be purchased to replace an older type of enclosure.

Well #3A, Kubel/Armstrong – SMUD has initiated the upgrades to their system to support our planned work. A new 75 hp submersible pump has been delivered for this well. This well was scheduled to return to service in August 2016; however, SMUD has now rescheduled their work making it likely that this well will be returned to service in November.

Well #31A, Watt/Elkhorn – It is likely that the current source of sand is the result of high well entrance velocities caused by well screen perforation plugging. Additional investigation and evaluation is scheduled for September.

Well #N8, Field – Funds were recently made available and a proposal has been solicited. The Well was taken out of service and required oil (food grade lubricating oil) to be removed from casing. Over 200 gallons of pump oil were removed from the well, a video was conducted and currently a repair/rehab program is being developed for work during FY 2017. The motor and pump are not suited for returning to the well for even limited operations during balance of this summer.

Well #N15, Cabana – Levels of Trichloroethylene (TCE) above the maximum contaminant level (MCL) were detected. This contamination likely migrated only into the shallow aquifer from an unidentified source. Wood Rodgers was selected to conduct an investigation this well and subsequently made a recommendation on possible rehabilitation and/or wellhead treatment. Price proposals were submitted to implement the recommended corrective measures. However, the high cost for restoration and possible unsatisfactory performance afterward mandates additional consideration of other alternatives.

Well #23, Marconi North/Fulton – This well has a history of contamination noted in elevated coliforms. It was determined that the pump oil (food grade) had most likely contaminated the well. The pump was lifted and 160 gallons of oil was removed. The casing was videoed and reveals that the well is an old cable-tool style (constructed in 1952) with no perforations, just an open bore hole for production. The district has received a proposal for rehab at an estimated cost of \$560,000 and is presently considering other options. Currently, the site is being considered as a future monitoring well.



Well #N25, Sutter – This well needed an electrical controls and communications upgrade. Work was completed and the well returned to service. A new sound enclosure was ordered and is scheduled to be placed during mid-September.

Well #26, Greenwood/Marconi – This well was identified with numerous electrical deficiencies as a result of the Arc Flash assessment. This site was restored to active production.

Well #45, Jamestown/Middleberry – The pump pedestal on this well was previously raised which resulted in an alignment problem with the natural gas engine that drives the pump. Additional mechanical, electrical and chemical work are still needed and modeling efforts have been initiated to determine the feasibility of eliminating this well.

#### **Replacement Palm Well (#N6A)**

The District's consultant, Luhdorff and Scalmanini Consulting Engineers (LSCE), will be providing design, bidding and construction management services for the construction of a replacement well at the District's Palm Well (#N6A) site. An Initial Study/Mitigated Negative Declaration to comply with the California Environmental Quality Act (CEQA) was adopted at a public hearing held at the August Board Meeting. The replacement well is anticipated to be constructed and operational by June 2017. A contract for drilling replacement well has been awarded to Roadrunner Drilling & Pump Company, Inc. A Notice to Proceed to Roadrunner is expected for mid-September with well drilling activities to be completed by mid-November. Staff is working with neighbors to address noise, drainage and security issues.

## **ii. Distribution**

#### **2015 Paving Partnership with County of Sacramento**

The County of Sacramento has now completed paving streets within the District's 2015 main replacement project areas in accordance with the 2015 Paving Partnership Agreement. These projects are the Santa Anita–Phase 2, Barcelona and Fair Oaks Estates main replacement projects.

#### **Drayton Heights Phase 2 Main Replacement Project**

Doug Veerkamp General Engineering continues to install new water mains with over 22,000 feet of pipe installed to date. To date, they have completed water line installation in approximately 7-½ of the 10 construction phases. GM Construction has installed over 150 meters, over 200 service lines, and has completed construction phases 1 and 2. Overall, the construction work is approximately 70% complete (80% on main lines/60% on service lines). Night work is now completed on both Fulton Avenue and El Camino Avenue. The project is currently on schedule.

#### **Keema Avenue Waterline Extension Project**

Construction work by Tetra-Tech is approximately 98% complete. Tetra Tech has installed all 1,850 feet of new pipe and is currently working on service line conversions

from the old mains to the new main. The last phase of water line construction will be completed in mid-September. Final paving is scheduled for October if weather conditions are acceptable.

#### **Edison Meadows Main Replacement Project**

The District, with the assistance of Domenichelli & Associates (D&A), has provided our Master Service Contractors (Veerkamp and GM) with Bid Schedules to begin negotiations for the next main replacement project area known as Edison Meadows – Phase 1. This is part of the 5-year Master Service Contract. Bids are scheduled to be submitted to the District on September 9<sup>th</sup>. The District has received an approved Encroachment Permit from the County of Sacramento.

#### **Parkland Estates Main Replacement Project**

Area West Engineers is completing the design for this main replacement project and is approximately 75% complete. The County of Sacramento has informed the District that part of the Parkland Estates project area will be affected by a pavement overlay project on Eastern Avenue slated for late-2017 and our plans will have to be revised to accommodate the paving project or be subject to a 5-year pavement moratorium. Therefore, engineering staff has directed Area West to provide a “stand-alone plan” for the work on Eastern Avenue that could be constructed prior to the County’s overlay project. Area West submitted plans to the County of Sacramento in mid-August for an Encroachment Permit. A cost estimate will be prepared when the County advises the District of proposed trench restoration requirements for 2017.

#### **Forensic Analysis of Failed PVC Pipe**

In July, two samples of failed 12-inch PVC pipe were shipped to Anamet, Inc., a materials testing laboratory in Hayward, for forensic analysis and testing. Anamet has now provided the District with a summary of their findings. Formal reports are due to the District by September 2, 2016. Anamet’s findings were as follows: “For one of the pipes (white pipe), a leaking service saddle resulted in wall loss from erosion by water born soil. Overload fracture initiated at the bottom of a large erosion pit where the remaining wall thickness was approximately 0.050-inch. There was not sufficient un-cracked pipe to perform flattening tests, but the crack morphology indicated no problems with the material toughness. For the second pipe (blue pipe), the sample did not contain the fracture origin, so the cause of fracture initiation could not be determined. The crack morphology indicated no problems with the material toughness.”

#### **2016 Meter Retrofit WaterSMART Grant Project**

The District’s contractor, Flowline Contractors, Inc. (Flowline), is well underway in completing the project. Construction work began on January 8, 2016. As of the end of August, 895 services have been retrofitted with meters and a total of \$1,075,640 has been spent on the project. Flowline’s contract is for \$1,154,763 for the installation of a total of 896 meters.

### **2016 Meter Retrofit CalFED Grant Project**

Flowline has been awarded the contract in the amount of \$772,656 and the work is well underway. As of the end of August, 395 services have been retrofitted with meters and a total of \$445,397 has been spent on the project. A total of 614 meters are scheduled to be installed with this project.

## **B. County and City Projects/Coordination**

Two County paving overlay projects are completed (one on Fulton Avenue and one on Marconi Avenue/El Camino Avenue/Eastern Avenue). Staff is not aware of any other 2016 County projects that will affect the District's facilities.

## **C. McClellan Business Park**

The District continues to work with McClellan Business Park on a couple of new projects that will enhance the infrastructure to meet current standards. Discussions for drainage easements from District facilities have proceeded favorably. The District is initiating the internal cleaning and recoating work for Tank 216, prominent in McClellan Business Park (located at Dudley and Peacekeeper).

## **D. Groundwater Quality Projects**

### **Local Groundwater Assistance Grant Project**

As previously reported, construction of both monitoring well clusters is completed and a Notice of Completion was filed with the County Clerk/Recorder's Office. The initial water quality results have been received from the laboratory and all six samples (three different depths at each monitoring well) were non-detect for both NDMA and perchlorate. Staff has been working to complete the required deliverables for this project in accordance with the Grant Funding Agreement with the Department of Water Resources (DWR). The District's engineering consultant, Brown and Caldwell (B&C), has prepared a Draft Groundwater Sampling Work Plan which has been submitted to DWR. B&C is also currently finalizing a required Technical Memorandum documenting the installation and construction of the monitoring wells. A final site inspection will be scheduled sometime in September with the grant administrator from the Department of Water Resources (DWR).

## **E. Developer Projects**

### **General**

There are approximately 38 projects in various stages of the approval process within the District. The majority of these are commercial projects. Currently there are 22 projects approved by the District, 11 of which have started or are under construction, and 11 that are scheduled, but have not provided the required deliverables prior to start of construction.

During the month of August, the following projects were approved for construction:

▪ **749 Estate Drive**

This project is located in the South Service Area, Division 5, of the District's service area. The project is the construction of eight single family homes. Eight new domestic water services and one new irrigation water service will be installed.

▪ **3932 Dudley Boulevard**

This project is located in the North Service Area, Division 2, of the District's service area. The project is the installation of a fire protection water tank for the new US Cold Storage building at McClellan. One new fire service will be installed.

Total fees collected for CY 2016 are approximately \$312,391, of which Facilities Development Charges accounted for approximately \$242,083.

**F. Planning Studies**

**Water Master Plan Update**

Progress continues to be made by the District's consultant, Brown and Caldwell (B&C), on the Water Master Plan Update. Current efforts include continued peer review and prioritization of the District's various asset management plans and evaluating the District's future infrastructure needs. B&C is using the District's distribution system hydraulic model in order to analyze future infrastructure requirements. Ultimately, this analysis will lead to the development of a recommended 15-year Capital Improvement Program (CIP). It is anticipated that critical CIP needs will include meter retrofits, an improved transmission mains the North Service Area (NSA) and consolidation of production campuses. Due to some re-focusing on certain aspects of the scope of work, the current schedule shows that a Draft Water System Master Plan will be completed in November 2016. Note that B&C representatives will attend the Facilities and Operations Committee Meeting scheduled for September 29, 2016, to provide another update on the status of the Water Master Plan.

**G. Other**

Nothing to report this month.



## Agenda Item: 11

**Date:** September 13, 2016

**Subject:** Financial Report

**Staff Contact:** Daniel A. Bills, Finance Director

Eight reports are attached for your information. They are:

- Financial Statements – August 2016
- Investments Outstanding and Activity – August 2016
- Cash Expenditures – August 2016
- Credit Card Expenditures – August 2016
- Directors Compensation and Expense Accounting – Through August 2016
- Market Report Yields – January 2010 through August 2016
- District Reserve Balances – August 2016
- Information Required by Bond Agreement

### Financial Statements

#### Balance Sheet:

District cash and cash equivalents increased to \$4.8 million as of August 31, 2016, up from \$3.1 million at year-end. Cash held in the District's bank accounts (\$3.4 million as of August 31) is held in accordance with state and federal regulations, which state that cash held in the District's bank accounts above the FDIC insured limits must be fully collateralized with government securities that are equal to or greater than 110% of the District's cash balance in the bank at any time.

Investments increased since year-end by \$0.6 million to a total of \$37.8 million, reflecting net unrealized market value gains and the reinvestment of interest received.

Capital assets grew \$11.5 million to \$440.4 million as of August 31, 2016, reflecting expenditures on distribution main replacement projects, well replacement projects, and meter retrofits. 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 \$233.2 million as of August 31, 2016, compared to \$225.7 million at year-end for an increase of \$7.5 million.

Income Statement:

The net position increase of \$7.5 million in 2016, when compared to \$6.8 million for the same year-to-date period in 2015, shows:

1. Water Consumption Sales increased by \$1.1 million compared to the same period in 2015 due primarily to increased water deliveries as 20,451 acre-feet of water was delivered in the first eight months of 2016 compared to 18,966 acre-feet in 2015 for an increase of 8 percent. In addition to the increased income from water consumptions sale was a 4 percent rate increase that took effect at the beginning of 2016.
2. Capital Facility Charges increased by \$0.6 million in line with the 4 percent rate increase referred to above.
3. Operating expenses increased by \$1.6 million due primarily to the purchase of surface water in the North Service Area at a cost of \$1.5 million as surface water is available to the District this year. Partially offsetting the increased cost from purchasing surface water is a decrease of \$0.4 in groundwater pumping costs.
4. Interest and Investment income increased by \$0.3 million compared to the same period a year ago due primarily to the increase of unrealized market value gains on investments.
5. Facility Development Charges decreased by \$0.3 million compared to the same period a year ago as a large project in 2015 did not recur in 2016.
6. Increased developer contributions of \$0.8 million compared to the same period a year ago was primarily attributable to the donations of water system infrastructure assets from many different developer sponsored projects.

Amended Budgets:

The District's operating and maintenance expenditures through August 2016 are less than the amended budget by \$0.5 million. Some of this positive variance is due to position vacancies as many positions have turned over during the year.

Operating capital project expenditures in August were \$0.05 million, bringing expenditures to-date of roughly \$0.4 million, with an additional \$0.3 million encumbered. The total amended budget for the year is \$1.0 million.

The District's amended capital improvement project (CIP) budget for 2016 is \$18.8 million. To date, \$10.3 million has been spent, while \$5.8 million is encumbered. Expenditures continue to be primarily in distribution system replacements, well improvements/replacements and meter retrofit projects.

#### Debt – August 2016

This report shows District activity in repaying its long-term debt obligations. Scheduled principal payments for 2016 are not due until October. Total principal outstanding as of August 31, 2016 is \$89.6 million.

#### Investments Outstanding and Activity – August 2016

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 District's investments are under the day-to-day management of PFM Asset Management, LLC (PFM). PFM manages the portfolio in compliance with the District's Investment Policy and provides monthly and quarterly reporting, analysis and proposes strategies for the District. The market portfolio is currently earning a rate of 1.38% per annum, while LAIF is earning 0.61% per annum. 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 five Federal Agency Notes for \$2.7 million (par). The District sold five US Treasury Notes for \$1.7 million (par) and one Federal Agency Note for \$0.9 million (par). The District received principal paydowns on three Federal Agency Collateralized Mortgage Obligations of \$15,970 (par) and two Asset-Backed Security Obligations for \$25,913 (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 – August 2016

During the month of August, the District made cash payments totaling \$3.7 million. The primary expenditures were – \$1.7 million for capital improvement projects, \$0.1 million for capital improvement and operating and maintenance inventory items, \$0.2 million operating capital projects, \$0.3 million for water costs including surface water costs, pumping and chemical costs, \$0.1 million for Warren Act consulting, \$0.5 million for distribution of pump back project grant fund to San Juan Water District, \$0.1 million for postage and customer billing costs, \$0.2 million for debt service, and \$0.6 million for payroll, pension and health benefits.

#### Purchasing Card Expenditures – August 2016

Per the District's Purchasing Card Policy (PL – FIN 006), a monthly report detailing each purchasing card transaction by cardholder is provided.

During the month, the District spent \$15,247 for various purchases on the six District purchasing cards. Details by vendor and purpose are included in this report.

#### Directors Compensation and Expense Accounting – August 2016

Director meetings attended during the month of August 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. Directors who have not reported their meeting attendance to District staff are not included in this report and are expected to make an oral report at the Board meeting.

#### Market Report Yields – January 2010 through August 2016

The first page in this report shows current market rate data. The overall yield curve was increased compared to the prior month. The yield on 30-year Treasury Bonds increased 22 basis points compared to the prior month to 2.46% and short-term rate increased by 8 bps to 0.35%. 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 2.96% while the short-term rate was at 0.03%. The Federal Reserve Target Rate increased by 25 basis points to 50 basis points compared to 25 basis points one year ago.

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 Bank of America/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.

#### 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 August 31, 2016 are \$46,177,710 compared to \$43,839,120 at December 31, 2015.

#### 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.



**Financial Statements  
August 31, 2016**

**Sacramento Suburban Water District  
Balance Sheet**

As Of

	Month End 8/31/2016	Year End 12/31/15
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$4,787,751.74	\$3,107,756.76
Restricted Cash and cash equivalents	13,039.43	16,646.54
Accounts receivable, net of allowance for uncollectible accounts	2,749,623.79	2,303,487.73
Interest receivable	134,066.33	119,499.25
Restricted Interest receivable	10,255.24	10,807.97
Grants receivables	136,650.64	238,325.47
Other receivables		637,224.83
Inventory	481,159.08	484,946.83
Prepaid expenses and other assets	704,792.05	339,374.05
TOTAL CURRENT ASSETS	9,017,338.30	7,258,069.43
NONCURRENT ASSETS		
Investments	37,841,680.78	37,206,112.72
Restricted Investments	3,524,983.44	3,495,980.65
TOTAL NONCURRENT ASSETS	41,366,664.22	40,702,093.37
Property, plant and equipment	440,427,438.39	428,897,522.75
Accumulated depreciation	(156,986,743.16)	(149,076,072.93)
TOTAL CAPITAL ASSETS	283,440,695.23	279,821,449.82
<b>TOTAL ASSETS</b>	<b>333,824,697.75</b>	<b>327,781,612.62</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amount on long-term debt refunding	7,535,588.79	7,964,338.07
Deferred outflow of effective swaps	765,224.00	765,224.00
Pension contribution subsequent to measurement date	414,789.00	546,726.00
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>342,540,299.54</b>	<b>337,057,900.69</b>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Current portion of long-term debt and capital leases	3,945,000.00	3,945,000.00
Accounts payable	471,230.56	2,341,285.19
Accrued interest	747,908.45	427,131.48
Deferred revenue and other liabilities	665,893.31	666,050.73
Accrued expenses	487,123.65	503,876.74
TOTAL CURRENT LIABILITIES	6,317,155.97	7,883,344.14
NONCURRENT LIABILITIES		
Long-term debt	94,718,266.08	95,148,711.88
Compensated absences	1,036,342.93	1,003,877.70
Net pension liability	5,722,018.00	5,722,018.00
Fair value of interest rate swaps	765,224.00	765,224.00
TOTAL NONCURRENT LIABILITIES	102,241,851.01	102,639,831.58
<b>TOTAL LIABILITIES</b>	<b>108,559,006.98</b>	<b>110,523,175.72</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Employee pensions	798,534.00	798,534.00
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	188,692,076.01	188,692,076.01
Restricted	3,523,435.16	3,523,435.16
Unrestricted	40,967,247.39	33,520,679.80
<b>TOTAL NET POSITION</b>	<b>233,182,758.56</b>	<b>225,736,190.97</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<b>342,540,299.54</b>	<b>337,057,900.69</b>

**Sacramento Suburban Water District  
Income Statement  
Period Ended**

	Month	Year-To-Date	Month	Year-To-Date
	8/31/2016	8/31/2016	8/31/2015	8/31/2015
<b>OPERATING REVENUES</b>				
Water consumption sales	\$1,708,980.42	\$7,154,069.85	\$1,066,677.64	\$6,072,796.96
Water service charge	534,064.93	4,196,661.16	535,849.34	4,214,756.30
Capital facilities charge	1,882,635.48	14,761,401.56	1,805,556.33	14,148,324.33
Wheeling water charge	803.33	165,109.71	550.20	4,110.84
Other charges for services	78,694.17	640,937.27	81,483.82	664,407.39
<b>TOTAL OPERATING REVENUES</b>	<b>4,205,178.33</b>	<b>26,918,179.55</b>	<b>3,490,117.33</b>	<b>25,104,395.82</b>
<b>OPERATING EXPENSES</b>				
Source of supply	241,209.21	1,542,507.12	6,093.97	35,695.22
Pumping	425,173.23	2,463,965.12	576,323.96	2,848,997.72
Transmission and distribution	312,832.49	2,234,167.88	237,808.92	1,754,231.93
Water conservation	40,848.82	284,079.99	68,601.81	394,308.99
Customer accounts	91,796.05	734,243.85	114,194.05	762,696.15
Administrative and general	586,932.41	3,999,094.55	492,160.22	3,838,203.08
<b>TOTAL OPERATING EXPENSES</b>	<b>1,698,792.21</b>	<b>11,258,058.51</b>	<b>1,495,182.93</b>	<b>9,634,133.09</b>
Operating income before depreciation	2,506,386.12	15,660,121.04	1,994,934.40	15,470,262.73
Depreciation and amortization	(986,942.79)	(7,910,670.23)	(942,912.79)	(7,567,014.53)
<b>OPERATING INCOME</b>	<b>1,519,443.33</b>	<b>7,749,450.81</b>	<b>1,052,021.61</b>	<b>7,903,248.20</b>
<b>NON-OPERATING REV. (EXP.)</b>				
Rental income	23,804.20	178,814.70	21,459.26	170,248.50
Interest and investment income	(63,114.44)	737,992.52	(13,745.53)	400,839.65
Interest expense	(338,614.61)	(2,397,830.52)	(273,045.04)	(2,435,192.15)
Other non-operating revenues	110.95	7,398.75	(533.44)	20,640.98
Grant revenue pass-through to sub recipients	42,583.00	729,874.28		
Other non-operating expenses		6.33	(5.44)	(98.89)
Sub recipient grant expenses	(42,583.00)	(729,874.28)		
Gain(loss) on disposal of capital assets				6,251.53
<b>NON-OPERATING REV. (EXP.)</b>	<b>(377,813.90)</b>	<b>(1,473,618.22)</b>	<b>(265,870.19)</b>	<b>(1,837,310.38)</b>
<b>NET INCOME (LOSS) BEFORE CAPITAL</b>	<b>1,141,629.43</b>	<b>6,275,832.59</b>	<b>786,151.42</b>	<b>6,065,937.82</b>
<b>CAPITAL CONTRIBUTIONS</b>				
Facility development charges	80,785.00	247,370.00	-	523,936.00
Developer contributions	773,540.00	773,540.00	-	-
Federal, state and local capital grants	-	149,825.00	475.00	171,171.61
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<b>854,325.00</b>	<b>1,170,735.00</b>	<b>475.00</b>	<b>695,107.61</b>
<b>CHANGE IN NET POSITION</b>	<b>1,995,954.43</b>	<b>7,446,567.59</b>	<b>786,626.42</b>	<b>6,761,045.43</b>
Net position at beginning of period	231,186,804.13	225,736,190.97	226,296,344.59	220,321,925.58
<b>NET POSITION AT END OF PERIOD</b>	<b>\$233,182,758.56</b>	<b>\$233,182,758.56</b>	<b>\$227,082,971.01</b>	<b>\$227,082,971.01</b>

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

	Month Of August			2016 YTD		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>BUDGETED OPERATING EXPENSES</b>						
Board of Directors	\$1,713.06	\$2,788.71	\$1,075.65	\$28,105.86	\$35,509.68	\$7,403.82
Administrative	208,566.37	198,051.95	(10,514.42)	1,265,464.90	1,302,811.60	37,346.70
Finance	86,728.97	78,257.47	(8,471.50)	674,846.80	711,859.76	37,012.96
Customer Services	91,796.05	101,472.88	9,676.83	734,243.85	784,873.04	50,629.19
Field Operations	31,795.99	33,067.85	1,271.86	238,409.88	269,542.80	31,132.92
Production	666,382.44	587,426.23	(78,956.21)	4,006,472.24	4,015,909.84	9,437.60
Distribution	194,114.79	216,178.65	22,063.86	1,378,483.18	1,457,629.20	79,146.02
Field Services	118,717.70	94,912.28	(23,805.42)	854,785.70	766,563.24	(88,222.46)
Maintenance	54,353.03	51,829.23	(2,523.80)	398,456.93	414,633.72	16,176.79
Water Conservation	40,848.82	44,493.98	3,645.16	284,079.99	344,451.84	60,371.85
Engineering	84,561.70	92,629.42	8,067.72	566,129.01	740,920.36	174,791.35
GIS/CAD	29,909.68	28,433.59	(1,476.09)	213,777.54	233,968.72	20,191.18
Human Resources	15,641.57	11,831.32	(3,810.25)	115,761.56	164,330.56	48,569.00
MIS	73,662.04	61,751.61	(11,910.43)	499,041.07	543,388.88	44,347.81
<b>TOTAL OPERATING EXPENSES</b>	<b>1,698,792.21</b>	<b>1,603,125.17</b>	<b>(95,667.04)</b>	<b>11,258,058.51</b>	<b>11,786,393.24</b>	<b>528,334.73</b>

SACRAMENTO SUBURBAN WATER DISTRICT  
OPERATING CAPITAL AMENDED BUDGET  
8/31/2016

Project Number	Project Name	Original Budget	Budget Amendments	Amended Budget	Current Month Expenditures	Expenditures Year-To-Date	Committed Year-To-Date	Remaining Balance
SF16-344	2015 URBAN MASTER PLAN	\$42,000.00		\$42,000.00	\$ (19,900.11)	\$ 20,992.87		\$ 21,007.13
SF16-345	UPDATE WATER SYS MASTER PLAN	\$73,000.00	\$61,000.00 <sup>1</sup>	\$134,000.00	40,477.06	59,722.70	23,531.55	50,745.75
SF16-371	OFFICE FURNITURE SUITE 200	\$5,000.00		\$5,000.00		567.47		4,432.53
SF16-372	OFFICE FURNITURE WALNUT	\$10,000.00		\$10,000.00		8,942.62		1,157.38
SF16-373	BOARD ROOM WALL MAPS	\$5,000.00		\$5,000.00		-		5,000.00
SF16-374	NEW VEHICLE-FIELD SERVICE DEPT	\$45,000.00		\$45,000.00		-	42,491.00	2,509.00
SF16-375	VEH REPL/ RIGHT SIZE TRUCK#32	\$124,000.00	\$10,000.00 <sup>2</sup>	\$134,000.00		-	133,282.00	718.00
SF16-376	VEH REPL-TRUCK# 26	\$33,500.00		\$33,500.00	884.40	28,716.89		4,783.11
SF16-377	VEH REPL/RIGHT SIZE -TRUCK# 13	\$33,500.00		\$33,500.00	5,319.00	32,651.49		848.51
SF16-378	ASPHALT REPAIR/REPL-WELL SITES	\$35,500.00		\$35,500.00	170.07	24,970.07		10,529.93
SF16-379	PROD METERS REPL/MAGMETERS	\$15,000.00		\$15,000.00		10,983.48		4,016.52
SF16-380	NOMAD 360/AREA SPOTET LIGHT	\$4,000.00		\$4,000.00		3,658.18		341.82
SF16-381	METER VAULT LID RETROFIT	\$10,500.00		\$10,500.00		-		10,500.00
SF16-382	WATER CONSERV -MASTER PLAN	\$45,000.00	(\$45,000.00) <sup>2</sup>	\$0.00		-		-
SF16-383	REMODEL CUSTOMER SERV AREA	\$35,000.00	\$30,000.00 <sup>2</sup>	\$65,000.00	2,914.61	43,386.44	21,793.39	(179.83)
SF16-384	REPL EXT/GARAGE LIGHTING-LED	\$20,000.00	(\$3,000.00) <sup>3</sup>	\$17,000.00		14,486.47	1,648.53	865.00
SF16-385	INSTL 5 CAMERAS @ WALNUT	\$20,000.00	\$3,000.00 <sup>3</sup>	\$23,000.00		-	21,588.00	1,412.00
SF16-386	REPL CAMERAS @ MARCONI	\$6,000.00		\$6,000.00		-		6,000.00
SF16-387	HVAC/ROOF/BUILD REPAIRS	\$30,000.00		\$30,000.00	3,600.00	3,600.00	6,375.00	20,025.00
SF16-388	BUILD & STRUCTURES MAINTENANCE	\$95,000.00	\$5,000.00 <sup>2</sup>	\$100,000.00		71,520.00	27,180.00	1,300.00
SF16-389	HARDWARE REFRESH	\$170,000.00	(\$65,000.00) <sup>1</sup>	\$105,000.00	14,001.10	53,715.43	22,513.44	28,771.13
SF16-390	SOFTWARE ENHANCEMENTS/MODULES	\$115,000.00		\$115,000.00	(2,240.00)	20,720.00	13,560.00	80,720.00
SF16-391	TRIMBLE HANHELD COMPUTR-FIELD	\$6,000.00		\$6,000.00		4,650.00		1,350.00
SF16-392	WEB SITE UPGRADE	\$35,000.00	(\$35,000.00) <sup>1</sup>	\$0.00		-		-
SF16-393	GPS ASSET LOCATION PROJECT	\$75,000.00	(\$75,000.00) <sup>1</sup>	\$0.00		-		-
		<b>\$ 1,088,000.00</b>	<b>\$ (114,000.00)</b>	<b>\$ 974,000.00</b>	<b>\$ 45,226.13</b>	<b>\$ 403,184.11</b>	<b>\$ 313,962.91</b>	<b>\$ 256,852.98</b>

Sacramento Suburban Water District  
Capital Improvement Project Amended Budget  
8/31/2016

Project No.	Project Name	Original Budget	Amended Budget	Current Month Expenditures	Expenditures Year-To-Date	Committed Year-To-Date	Remaining Balance
SC16-007	GROUNDWTR MONITORING/MODELING	\$50,000.00	\$200,000.00 <sup>1</sup>	\$ 5,918.86	\$ 21,771.48	\$ 228,167.52	\$ 61.00
SC16-009	WELL REHAB/PUMP ST IMPROVEMENT	\$890,000.00	\$841,560.00 <sup>2,3,4</sup>	\$226,620.48	718,248.34	620,327.00	392,984.66
SC16-010	SCADA RTU/COMMUN IMPROVEMENT	\$200,000.00	(\$88,000.00) <sup>3</sup>	20,623.81	63,462.81	47,543.00	994.19
SC16-011	WELLHEAD TREATMENT/CHEM FEED	\$370,000.00	(\$100,000.00) <sup>3</sup>	\$270,000.00	68,285.24	182,214.76	19,500.00
SC16-012	WELL REPLACEMENTS	\$2,600,000.00	\$420,000.00 <sup>4</sup>	5,652.28	2,275,391.51	194,473.40	550,135.09
SC16-013	ELEC ARC FLASH MOD @ WELL SITES	\$330,000.00	\$330,000.00	14,365.76	134,132.76	54,485.24	141,382.00
SC16-018	DISTRIBUTION MAIN REPLACEMENTS	\$8,420,000.00	\$173,500.00 <sup>2,6</sup>	1,054,762.36	4,626,919.14	3,940,696.79	25,884.07
SC16-019	DIST MAIN IMPRV/EXT/INTERTIES	\$775,000.00	\$801,500.00 <sup>6</sup>	39,969.80	218,238.73	582,979.57	281.70
SC16-022	LOWERING/RAISING VALVE BOXES	\$150,000.00	(\$24,000.00) <sup>2</sup>	46,918.00	76,903.75	47,287.00	1,809.25
SC16-024	METER RETROFIT PROGRAM	\$1,900,000.00	(\$63,300.00) <sup>3</sup>	186,290.00	1,240,958.35	590,034.00	5,707.65
SC16-024A	VOLUNTARY METER RETROFIT PROGRAM	\$75,000.00	\$75,000.00	-	22,059.33	19,199.00	33,741.67
SC16-027	DISTRIB MAJOR REPAIRS	\$350,000.00	\$350,000.00	132,584.06	256,771.55	11,424.94	81,803.51
SC16-028	DISTRIB SYSTEM IMPRV	\$375,000.00	(\$375,000.00) <sup>5</sup>	(23,459.75)	-	-	-
SC16-034	RESERVIOR/TANK IMPROVMENT	\$200,000.00	\$200,000.00	3,735.00	36,759.54	59,117.00	104,123.46
SC16-034A	CORROSION CONTRL/TRANSMISSION MAII	\$450,000.00	(\$300,000.00) <sup>2</sup>	6,745.00	6,225.00	1,945.00	141,830.00
SC16-035	PROFESSIONAL/SPECIAL PROJ	\$100,000.00	(\$10,560.00) <sup>3</sup>	8,496.53	54,291.70	8,670.97	26,477.33
SC16-038	LARGE WTR METER >3" REPL	\$140,000.00	\$140,000.00	41,067.44	84,567.17	14,205.56	41,227.27
SC16-039	FIRE HYDRANT REPL/REHAB/ADD	\$200,000.00	(\$200,000.00) <sup>5</sup>	(16,240.00)	-	-	-
SC16-040	ENGINE GENERATOR COMPLIANCE	\$75,000.00	(\$20,700.00)	6,745.00	53,091.93	1,205.00	3.07
SC16-042	METER REPLACE/REPAIR - WMP	\$558,000.00	\$558,000.00	17,120.00	391,289.63	154,687.00	12,023.37
SC16-044	CAPITAL IMPRV CTP(SJWD AGREEMENT)	\$7,000.00	\$7,000.00	-	-	-	7,000.00
SC16-045	ENTERPRISE INTERTIE IMPROVEMENT	\$180,000.00	(\$79,000.00) <sup>1</sup>	-	-	-	101,000.00
<b>Totals SSWD</b>		<b>\$ 18,395,000.00</b>	<b>\$ 401,000.00</b>	<b>\$ 1,771,169.63</b>	<b>\$ 10,349,367.96</b>	<b>\$ 6,758,662.75</b>	<b>\$ 1,687,969.29</b>

**Sacramento Suburban Water District  
Debt  
8/31/2016**

**Current Month**

	Series 2009A COP	Series 2009B COP	Series 2012A	Total
Beginning Balance	\$ 42,000,000	\$ 26,045,000	\$ 21,515,000	\$ 89,560,000
Additions:				
Reductions:				
Payment	-			-
Ending Balance	<u>\$ 42,000,000</u>	<u>\$ 26,045,000</u>	<u>\$ 21,515,000</u>	<u>\$ 89,560,000</u>

**Year-To-Date**

	Series 2009A COP	Series 2009B COP	Series 2012A	Total
Beginning Balance	\$ 42,000,000	\$ 26,045,000	\$ 21,515,000	\$ 89,560,000
Additions:				
Reductions:				
Payment	-	-	-	-
Ending Balance	<u>\$ 42,000,000</u>	<u>\$ 26,045,000</u>	<u>\$ 21,515,000</u>	<u>\$ 89,560,000</u>

**Investments Outstanding and Activity  
August 2016**



SACRAMENTO SUBURBAN WATER DISTRICT  
INVESTMENTS OUTSTANDING - OPERATING FUND

August 31, 2016

MONTH END:

Detail of Securities Held:

SECURITY TYPE	CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	S&P RATING	TRADE DATE	SETTLE DATE	ORIGINAL COST	YTM AT COST	ACCRUED INTEREST	MARK-TO-MARKET	MARKET VALUE
SUPRA-NATIONAL AGENCY BOND	438182DX7	INTER-AMERICAN DEVELOPMENT BANK	525,000.00	1.000	5/13/2019	AAA	4/5/2016	4/12/2016	523,425.00	1.10	2,027.08	633.68	524,058.68
			525,000.00						523,425.00	1.10	2,027.08	633.68	524,058.68
CORPORATE NOTE	084664BS9	BERKSHIRE HATHAWAY FIN GLOBAL NOTE	350,000.00	2.300	5/15/2017	AA	1/8/2013	1/15/2013	354,987.50	1.26	1,648.89	(3,522.40)	351,465.10
	24422ESN0	JOHN DEERE CAPITAL CORP NOTES	670,000.00	1.125	6/12/2017	A	6/12/2014	6/13/2014	669,685.10	1.14	1,654.06	1,005.00	670,690.10
	4045JCA3	HSBC USA INC	290,000.00	1.300	6/23/2017	A	6/16/2014	6/23/2014	289,559.20	1.35	712.11	243.60	289,802.80
	16676AA8	CHERVON CORP (CALLABLE) GOBAL NOTES	150,000.00	1.104	12/5/2017	AA-	11/29/2012	12/5/2012	150,811.50	0.99	395.60	(593.70)	150,217.80
	493200HK0	CHERVON CORP (CALLABLE) GOBAL NOTES	230,000.00	1.104	12/5/2017	AA-	11/28/2012	12/5/2012	228,000.00	1.10	580.21	319.44	228,319.44
	084670BH0	IBM CORP GLOBAL NOTES	485,000.00	1.250	2/8/2018	AA-	3/5/2013	2/8/2013	482,778.70	1.35	387.33	4,420.78	487,199.48
	30231GAL6	BERKSHIRE HATHAWAY GLOBAL NOTE (EX-CALL)	525,000.00	1.550	2/9/2018	AA	1/29/2013	2/11/2013	524,270.25	1.58	497.29	4,652.55	528,922.80
	669526V39	EXXON MOBIL CORP NOTES	800,000.00	1.305	3/6/2018	AA+	3/4/2015	3/6/2015	800,000.00	1.31	5,075.00	2,450.00	802,450.00
	037833AJ9	GENERAL ELBIC DAP CORP GLOBAL NOTES	300,000.00	1.625	4/2/2018	AA+	4/10/2013	4/15/2013	301,285.00	1.57	3,362.85	3,668.00	304,953.00
	06406HDB2	APPLE INC GLOBAL NOTES	475,000.00	1.000	5/3/2018	AA+	4/30/2013	5/3/2013	473,247.25	1.08	1,556.94	1,673.43	474,920.68
	17275RAR3	BANK OF NEW YORK MELLON CORP	400,000.00	1.600	5/3/2018	A	5/22/2015	5/29/2015	399,964.00	1.60	1,760.00	2,933.60	402,897.60
	3814GV78	CHERVON CORP GLOBAL NOTES	680,000.00	1.718	6/24/2018	AA-	6/17/2013	6/24/2013	680,000.00	1.72	2,174.22	7,220.92	687,220.92
	16676AA8	CISCO SYSTEM INC GLOBAL NOTES	375,000.00	2.125	3/1/2019	AA-	8/29/2014	9/4/2014	378,562.50	1.90	3,984.38	5,101.88	383,664.38
	02665VAH4	GOLMAN SACHS GRP INC CORP INT (CALLABLE)	50,000.00	2.000	4/25/2019	BBB+	4/20/2016	4/25/2016	49,861.00	2.10	350.00	711.75	50,572.75
	94974BG57	GOLMAN SACHS GRP INC CORP INT (CALLABLE)	325,000.00	2.000	4/25/2019	BBB+	4/21/2016	4/26/2016	324,792.00	2.02	2,275.00	3,930.88	328,722.88
	12189TBC7	CITI INC CORP NOTES	145,000.00	2.050	6/7/2019	BBB+	6/2/2016	6/9/2016	144,924.60	2.07	677.07	1,341.64	146,166.24
	46625HK47	AMERICAN HONDA FINANCE GLOBAL NOTES	800,000.00	2.250	8/15/2019	A+	9/4/2014	9/9/2014	798,320.00	2.29	800.00	22,061.60	820,381.60
	802367CF0	BURLINGTON NTH CORP	200,000.00	4.700	10/1/2019	A	6/3/2016	6/8/2016	220,780.00	1.48	3,916.67	(338.00)	220,442.00
	46625HW8	JPMORGAN CHASE & CO (CALLABLE)	500,000.00	2.250	12/3/2020	A-	10/1/2015	10/6/2015	496,400.00	2.43	1,187.50	10,604.00	507,004.00
	94974BG57	WELLS FARGO & COMPANY	400,000.00	2.150	1/30/2020	A	2/2/2015	2/5/2015	402,796.00	2.00	740.56	3,940.80	406,736.80
	02665VAH4	TOYOTA MOTOR CORP NOTES	250,000.00	2.150	3/15/2020	AA-	3/23/2015	3/27/2015	252,220.00	1.96	2,523.26	3,882.50	256,102.50
	94974BG57	JPMORGAN CHASE & CO CORP NT (CALLABLE)	300,000.00	2.000	3/15/2020	A-	9/1/2015	9/4/2015	301,491.00	2.64	1,558.33	7,469.10	308,960.10
	02665VAH4	WELLS FARGO & COMPANY NOTES	375,000.00	2.600	7/22/2020	A	9/1/2012	9/4/2012	377,103.75	2.48	1,056.25	8,965.88	386,069.63
	02665VAH4	BANK OF NEW YORK MELLON CORP	375,000.00	2.500	4/15/2021	A	5/16/2016	5/16/2016	383,817.50	2.00	5,000.00	2,623.88	386,441.38
	02665VAH4	AMERICAN EXPRESS CREDIT CORP NOTES	225,000.00	2.250	5/5/2021	A-	5/25/2016	5/31/2016	224,478.00	2.30	1,631.25	4,474.13	228,952.13
	05531FV5	BRANCH BANKING & TRUST CORP NOTE	200,000.00	2.050	5/10/2021	A-	5/10/2016	5/16/2016	199,868.00	2.06	1,264.17	1,853.00	201,721.00
	85747AV3	STATE STREET CORP NOTES	110,000.00	1.950	5/19/2021	A	5/19/2016	5/24/2016	109,532.50	2.04	607.75	1,563.65	111,096.15
			10,175,000.00						10,211,335.35	1.74	47,376.69	102,527.91	10,314,063.26
FED AGENCY BOND/NOTE	3137EADH9	FREDDIE MAC GLOBAL NOTES	65,000.00	1.000	6/29/2017	AA+	8/11/2014	8/13/2014	65,076.05	0.96	111.94	113.23	65,189.28
	3137EADH9	FREDDIE MAC GLOBAL NOTES	500,000.00	1.000	6/29/2017	AA+	8/11/2014	8/13/2014	500,477.00	0.97	861.11	979.00	501,456.00
	3130A8PK3	FHLB NOTE	690,000.00	0.625	8/7/2018	AA+	8/11/2016	8/11/2016	687,405.60	0.82	2,875.00	(792.12)	686,613.48
	3135GOVT4	FANNIE MAE GOLBAL NOTES	260,000.00	1.625	11/27/2018	AA+	10/22/2014	10/23/2014	262,470.00	1.39	1,103.19	1,659.32	264,129.32
	3135GOYT4	FANNIE MAE GOLBAL NOTES	650,000.00	1.625	11/27/2018	AA+	6/16/2014	6/19/2014	650,019.50	1.62	2,757.99	10,303.80	660,323.30
	3135GOJ53	FNMA BENCHMARK NOTE	555,000.00	1.000	2/6/2019	AA+	2/19/2016	2/23/2016	553,690.20	1.08	77.08	1,663.89	555,354.09
	3137EADG1	FREDDIE MAC NOTES	400,000.00	1.750	5/30/2019	AA+	12/1/2014	12/3/2014	404,544.00	1.49	1,769.44	3,948.00	408,492.00
	3135GON33	FNMA BENCHMARK NOTE	880,000.00	0.875	8/2/2019	AA+	7/29/2016	8/2/2016	878,521.60	0.93	620.28	(3,177.68)	875,343.92
	3137A8V72	FHLB GLOBAL NOTE	500,000.00	0.875	8/5/2019	AA+	8/3/2016	8/4/2016	499,040.00	0.94	328.13	(1,281.00)	497,759.00
	3135G0P49	FNMA NOTE	950,000.00	1.000	8/28/2019	AA+	8/31/2016	9/2/2016	948,518.00	1.05	0.00	(65.10)	948,462.90
	3137A8055	FHLB GLOBAL NOTE	975,000.00	1.125	7/14/2021	AA+	7/14/2016	7/15/2016	969,071.03	1.25	1,432.03	(3,353.03)	965,718.00
	3135G0N82	FNMA NOTES	130,000.00	1.125	8/17/2021	AA+	8/17/2016	8/19/2016	129,855.27	1.32	54.17	(161.46)	129,693.81
	3135G0N82	FNMA NOTES	420,000.00	1.125	8/17/2021	AA+	8/17/2016	8/19/2016	418,299.00	1.33	175.00	(257.46)	418,041.54
			6,975,000.00						6,966,687.25	1.14	9,577.86	9,589.39	6,976,276.64
MUNICIPAL BOND/NOTE	13017HAD8	CA EARTHQUAKE AUTH TXBL REV BONDS	215,000.00	1.824	7/1/2017	NR	10/29/2014	11/6/2014	215,000.00	1.82	653.60	1,186.80	216,186.80
	13063CFC9	CA ST TXBL GO BONDS	750,000.00	1.750	11/1/2017	AA-	10/22/2013	11/5/2013	752,677.50	1.66	4,375.00	3,787.50	756,465.00
	91412G5Z9	UT OF CAL TXBL REV BONDS	695,000.00	2.054	5/15/2018	AA	9/26/2013	10/2/2013	695,000.00	2.05	4,203.28	12,523.90	707,523.90
	20772ZJK1	CT ST TXBL GO BONDS	230,000.00	1.974	3/15/2019	AA-	3/16/2015	3/25/2015	230,646.30	1.90	2,093.54	2,548.40	233,194.70
			1,890,000.00						1,893,323.80	1.85	11,325.42	20,046.60	1,913,370.40
FEDERAL AGENCY COLLATERALIZED MORTGAGE OBLIGATION	3136AN3Y4	FNMA SERIES 2015-M7 ASQ2	185,000.00	1.550	4/1/2018	AA+	4/15/2015	4/30/2015	186,849.33	0.83	238.96	(1,246.40)	185,602.93
	3136AMM00	FNMA SERIES 2015-M3 FA	124,372.46	0.392	6/1/2018	AA+	2/12/2015	2/27/2015	124,335.95	0.38	67.59	(192.13)	124,147.82
	3136AMTM1	FNMA SERIES M4 FA	112,476.79	0.385	9/25/2018	AA+	3/12/2015	3/31/2015	112,447.97	0.39	66.84	6.89	112,514.86
	3136AOSW1	FNMA SERIES 2015-M15 ASQ2	170,000.00	1.899	9/1/2019	AA+	10/7/2015	10/30/2015	171,699.98	1.20	268.89	(331.24)	171,368.74
	3136AOD00	FANNIE MAE SERIES 2015-M13 ASQ2	355,000.00	1.646	9/1/2019	AA+	10/6/2015	10/30/2015	358,554.93	1.08	486.94	(2,051.36)	356,503.57
	3136AP5Z3	FNMA SERIES 2015-M12 FA	370,716.15	0.540	4/25/2020	AA+	9/10/2015	9/30/2015	370,382.71	0.54	238.52	(29.30)	370,353.41



**Investment Activity  
August 2016**



**Managed Account Security Transactions & Interest**

For the Month Ending August 31, 2016

**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
<b>BUY</b>										
	07/29/16	08/02/16 FNMA BENCHMARK NOTE	3135G0N33	880,000.00	(878,521.60)	0.00	(878,521.60)			
		DTD 08/02/2016 0.875% 08/02/2019								
	08/03/16	08/04/16 FHLB GLOBAL NOTE	3130A8Y72	500,000.00	(499,040.00)	0.00	(499,040.00)			
		DTD 08/04/2016 0.875% 08/05/2019								
	08/11/16	08/12/16 FHLB NOTES	3130A8PK3	690,000.00	(687,405.60)	(59.90)	(687,465.50)			
		DTD 07/08/2016 0.625% 08/07/2018								
	08/17/16	08/19/16 FNMA NOTES	3135G0N82	420,000.00	(418,299.00)	0.00	(418,299.00)			
		DTD 08/19/2016 1.250% 08/17/2021								
	08/17/16	08/19/16 FNMA NOTES	3135G0N82	130,000.00	(129,555.27)	0.00	(129,555.27)			
		DTD 08/19/2016 1.250% 08/17/2021								
	<b>08/31/16</b>	<b>09/02/16 FNMA NOTES</b>	<b>3135G0P49</b>	<b>950,000.00</b>	<b>(948,518.00)</b>	<b>0.00</b>	<b>(948,518.00)</b>			
		DTD 09/02/2016 1.000% 08/28/2019								
<b>Transaction Type Sub-Total</b>				<b>3,570,000.00</b>	<b>(3,561,339.47)</b>	<b>(59.90)</b>	<b>(3,561,399.37)</b>			

Transaction Type	Trade Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
<b>INTEREST</b>										
	08/01/16	08/01/16 MONEY MARKET FUND	MONEY0002	0.00	0.00	0.85	0.85			
		DTD 09/01/2015 0.772% 04/01/2020								
	08/01/16	08/25/16 FNMA SERIES 2015-M12 FA	3136AP3Z3	378,688.46	0.00	256.97	256.97			
		DTD 09/01/2015 0.772% 04/01/2020								
	08/01/16	08/25/16 FANNIE MAE SERIES 2015-M13 ASQ2	3136A0D00	355,000.00	0.00	486.94	486.94			
		DTD 10/01/2015 1.646% 09/01/2019								
	08/01/16	08/25/16 FNMA SERIES 2015-M7 ASQ2	3136ANJY4	185,000.00	0.00	238.96	238.96			
		DTD 04/01/2015 1.550% 04/01/2018								
	08/01/16	08/25/16 FNMA SERIES 2015-M3 FA	3136AMMCO	128,272.69	0.00	73.79	73.79			
		DTD 02/01/2015 0.652% 06/01/2018								
	08/01/16	08/25/16 FNMA SERIES M4 FA	3136AMTMI	116,574.09	0.00	66.06	66.06			
		DTD 03/01/2015 0.642% 09/01/2018								
	08/01/16	08/25/16 FNMA SERIES 2015-M15 ASQ2	3136AOSW1	170,000.00	0.00	268.89	268.89			
		DTD 11/01/2015 1.898% 01/01/2019								
	08/08/16	08/08/16 IBM CORP GLOBAL NOTES	459200HK0	485,000.00	0.00	3,031.25	3,031.25			
		DTD 02/08/2013 1.250% 02/08/2018								
	08/09/16	08/09/16 BERKSHIRE HATHAWAY GLOBAL NOTE	084670BHO	525,000.00	0.00	4,068.75	4,068.75			
		DTD 02/11/2013 1.550% 02/09/2018								





For the Month Ending August 31, 2016

**Managed Account Security Transactions & Interest**

**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
<b>INTEREST</b>											
	08/15/16	08/15/16	CARMAX ABS 2016-3 A2	14314EAB7	325,000.00	0.00	264.06	264.06			
			DTD 07/20/2016 1.170% 08/15/2019								
	08/15/16	08/15/16	NISSAN ABS 2015-A A3	65477UAC4	295,000.00	0.00	258.13	258.13			
			DTD 04/14/2015 1.050% 10/15/2019								
	08/15/16	08/15/16	AMERICAN HONDA FINANCE GLOBAL NOTES	02665WAH4	800,000.00	0.00	9,000.00	9,000.00			
			DTD 09/09/2014 2.250% 08/15/2019								
	08/15/16	08/15/16	HONDA ABS 2015-1 A2	43814KAB7	19,242.57	0.00	11.22	11.22			
			DTD 01/28/2015 0.700% 06/15/2017								
	08/15/16	08/15/16	BANK OF AMER CREDIT CARD TR 2015-A2	05522RCU0	280,000.00	0.00	317.33	317.33			
			DTD 04/29/2015 1.360% 09/15/2020								
	08/15/16	08/15/16	ALLY ABS 2016-3 A3	02007LAC6	130,000.00	0.00	156.00	156.00			
			DTD 05/31/2016 1.440% 08/15/2020								
	08/15/16	08/15/16	HYUNDAI ABS 2016-A A3	44930UAD8	70,000.00	0.00	91.00	91.00			
			DTD 03/30/2016 1.560% 09/15/2020								
	08/15/16	08/15/16	NISSAN ABS 2015-B A3	65475WAD0	195,000.00	0.00	217.75	217.75			
			DTD 07/22/2015 1.340% 03/15/2020								
	08/15/16	08/15/16	FORD ABS 2015-B A3	34530VAD1	200,000.00	0.00	193.33	193.33			
			DTD 05/26/2015 1.160% 11/15/2019								
	08/15/16	08/15/16	TOYOTA ABS 2015-B A3	89237CAD3	385,000.00	0.00	407.46	407.46			
			DTD 06/17/2015 1.270% 05/15/2019								
	08/15/16	08/15/16	FORD ABS 2016-B A3	34532EAD7	85,000.00	0.00	94.21	94.21			
			DTD 04/26/2016 1.330% 10/15/2020								
	08/15/16	08/15/16	TOYOTA ABS 2015-A A2	89236WAB4	27,980.43	0.00	16.56	16.56			
			DTD 03/04/2015 0.710% 07/15/2017								
	08/17/16	08/17/16	HSBC BANK USA NA FLOATING CERT DEPOS	40428AR41	750,000.00	0.00	2,333.73	2,333.73			
			DTD 11/18/2015 1.394% 11/17/2017								
	08/21/16	08/21/16	HONDA ABS 2015-2 A3	43813NAC0	285,000.00	0.00	247.00	247.00			
			DTD 05/20/2015 1.040% 02/21/2019								
	08/24/16	08/24/16	SVENSKA HANDELSBANKEN NY FLT CERT DEPOS	86958DH54	750,000.00	0.00	2,129.99	2,129.99			
			DTD 11/24/2015 1.275% 08/24/2017								



**PFM Asset Management LLC**



**Managed Account Security Transactions & Interest**

For the Month Ending August 31, 2016

**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
<b>INTEREST</b>									
08/26/16	08/26/16	FNMA BENCHMARK NOTE	3135G0J53	555,000.00	0.00	2,775.00			
		DTD 02/23/2016 1.000% 02/26/2019			2,775.00				
08/28/16	08/28/16	FANNIE MAE GLOBAL NOTES	3135G0M23	900,000.00	0.00	3,937.50			
		DTD 07/20/2012 0.875% 08/28/2017			3,937.50				
08/31/16	08/31/16	US TREASURY NOTES	912828U01	275,000.00	0.00	1,718.75			
		DTD 02/28/2013 1.250% 02/29/2020			1,718.75				
08/31/16	08/31/16	US TREASURY NOTES	912828B90	625,000.00	0.00	6,250.00			
		DTD 02/28/2014 2.000% 02/28/2021			6,250.00				
08/31/16	08/31/16	US TREASURY NOTES	912828V99	675,000.00	0.00	7,171.88			
		DTD 09/03/2013 2.125% 08/31/2020			7,171.88				
08/31/16	08/31/16	US TREASURY NOTES	912828U01	275,000.00	0.00	1,718.75			
		DTD 02/28/2013 1.250% 02/29/2020			1,718.75				
<b>Transaction Type Sub-Total</b>				<b>10,245,758.24</b>	<b>0.00</b>	<b>47,802.11</b>		<b>47,802.11</b>	

<b>PAYDOWNS</b>									
08/01/16	08/25/16	FNMA SERIES M4 FA	3136AMTM1	4,097.30	0.00	4,097.30	1.05	0.00	
		DTD 03/01/2015 0.642% 09/01/2018			0.00				
08/01/16	08/25/16	FNMA SERIES 2015-M3 FA	3136AMMCO	3,900.23	0.00	3,900.23	1.02	0.00	
		DTD 02/01/2015 0.652% 06/01/2018			0.00				
08/01/16	08/25/16	FNMA SERIES 2015-M12 FA	3136AP3Z3	7,972.31	0.00	7,972.31	2.87	0.00	
		DTD 09/01/2015 0.772% 04/01/2020			0.00				
08/15/16	08/15/16	TOYOTA ABS 2015-A A2	89236WAB4	12,350.71	0.00	12,350.71	0.11	0.00	
		DTD 03/04/2015 0.710% 07/15/2017			0.00				
08/15/16	08/15/16	HONDA ABS 2015-1 A2	43814KAB7	13,562.39	0.00	13,562.39	0.70	0.00	
		DTD 01/28/2015 0.700% 06/15/2017			0.00				
<b>Transaction Type Sub-Total</b>				<b>41,882.94</b>	<b>0.00</b>	<b>41,882.94</b>	<b>5.75</b>	<b>0.00</b>	

<b>SELL</b>									
07/29/16	08/02/16	US TREASURY NOTES	912828TR1	875,000.00	879,921.88	2,964.48	21,225.59	16,265.67	SPEC LOT
		DTD 10/01/2012 1.000% 09/30/2019							
08/03/16	08/04/16	US TREASURY NOTES	912828F39	475,000.00	488,526.37	2,861.68	6,160.16	8,325.29	SPEC LOT
		DTD 09/30/2014 1.750% 09/30/2019							





**Managed Account Security Transactions & Interest**

For the Month Ending August 31, 2016

**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
<b>SELL</b>											
08/11/16	08/12/16	US TREASURY NOTES	912828V00	425,000.00	430,511.72	190.56	430,702.28	(1,095.70)	1,759.86	SPEC LOT	
		DTD 07/31/2013 1.375% 07/31/2018									
08/11/16	08/12/16	US TREASURY NOTES	912828V00	250,000.00	253,242.19	112.09	253,354.28	380.86	1,351.19	SPEC LOT	
		DTD 07/31/2013 1.375% 07/31/2018									
08/17/16	08/19/16	US TREASURY NOTES	912828PC8	350,000.00	372,134.77	2,396.74	374,531.51	423.83	1,760.54	SPEC LOT	
		DTD 11/15/2010 2.625% 11/15/2020									
08/17/16	08/19/16	US TREASURY NOTES	912828PC8	165,000.00	175,434.96	1,429.89	176,564.85	676.76	1,298.14	SPEC LOT	
		DTD 11/15/2010 2.625% 11/15/2020									
<b>08/31/16</b>	<b>09/02/16</b>	<b>FANNIE MAE GLOBAL NOTES</b>	<b>313560MZ3</b>	<b>900,000.00</b>	<b>901,629.00</b>	<b>87.50</b>	<b>901,716.50</b>	<b>(603.00)</b>	<b>1,176.30</b>	<b>SPEC LOT</b>	
		<b>DTD 07/20/2012 0.875%</b>									
		<b>08/28/2017</b>									
<b>Transaction Type Sub-Total</b>				<b>3,440,000.00</b>	<b>3,501,400.89</b>	<b>9,742.94</b>	<b>3,511,143.83</b>	<b>27,168.50</b>	<b>31,936.99</b>		
<b>Managed Account Sub-Total</b>					<b>(18,055.64)</b>	<b>57,485.15</b>	<b>39,429.51</b>	<b>27,174.25</b>	<b>31,936.99</b>		
<b>Total Security Transactions</b>					<b>(\$18,055.64)</b>	<b>\$57,485.15</b>	<b>\$39,429.51</b>	<b>\$27,174.25</b>	<b>\$31,936.99</b>		

Bolded items are forward settling trades.



**Cash Expenditures  
August 2016**



**Sacramento Suburban Water District  
Cash Expenditures  
August-16**

<u>Type</u>	<u>Payee</u>	<u># Inv</u>	<u>Purpose</u>	<u>Amount</u>
<b>CIP EXPENSES</b>				
	Affinity Engineering	24	CIP Project Engineering Services	\$ 45,786.00
	Area West Engineers	2	Engineering & Consulting CIP Services	37,473.45
	Auburn Constructors	3	Flow Meter Modifications and Improvements	24,098.46
	Brown & Caldwell	7	Well Rehab & Monitoring	95,437.80
	County of Sacramento Public Works	11	Inspection Fees	14,472.02
	County of Sacramento Public Works	1	Paving Partnership	380,900.00
	DCM Group	2	Labor Compliance/Rutland	3,402.03
	Domenichelli & Associates	1	Engineering & Consulting CIP Services	17,747.25
	Doug Veerkamp Engineering	1	Main Replacement Projects 2016	353,420.75
	ERC Contracting	2	Location Verification Services	15,275.00
	Flowline	3	Meter Installation Project	196,465.00
	GM Construction	1	Drayton Heights Main Replacement	224,616.20
	GM Construction	1	Large Water Meter Replacements	27,570.00
	GM Construction	1	Norris Main Repair	23,920.00
	GM Construction	1	Antelope Road Main Repair	38,464.06
	Kirby Pump & Mechanical	1	Well 23 Pull Pump and Survey	7,500.00
	Loewen Pump Maintenance	4	Pump Rehabilitation - Various	60,410.44
	Luhdorff & Scalmanini	6	Palm Well N6A	3,461.18
	Performance Piping	1	Magpie Creek Main Replacement	3,643.60
	Prodigy Electric	3	Pump Rehabilitation - Various	15,091.50
	Rawles Engineering	5	District Leak Repairs	70,538.00
	S E Ahlstrom Inspection	1	Inspection Services	11,680.00
	Tesco	1	Pump Site ARC Flash Mitigation	6,745.00
	Tetra Tech	2	System Improvements	28,575.00
	West Coast Well Logging	2	Well Video Logs	1,550.00
<b>INVENTORY AND CIP SUPPLIES</b>				
	Armorcast	1	Inventory/CIP Supplies	13,026.87
	HD Supply/Whitecap	4	Inventory/CIP Supplies	772.52
	Ferguson/DBA Groeniger	10	Inventory/CIP Supplies	39,083.54
	KP Electronics	3	Inventory/CIP Supplies	59,275.00
	MCCrometer	3	Inventory/CIP Supplies	67,019.34
	National Meter and Automation	4	Inventory/CIP Supplies	10,332.79
	Pace Supply	3	Inventory/CIP Supplies	18,453.49
<b>OPERATING CAPITAL EXPENSES</b>				
	Advanced Roof Design	1	Cutters Well 71 - Jesuit	3,600.00
	CDWG	1	Servers/Computer Equipment	593.15
	Dell Marketing	2	Computer Equipment	14,001.10
	Central Valley Engineering & Asphalt	1	District Asphalt Repairs	90,063.00
	Silicon Shelving and Equipment	1	Customer Service Remodel	2,264.13
<b>WATER COSTS</b>				
	City of Sacramento - Water	1	Water	29,817.96
	PG&E	3	Gas Service Buildings & P.S.	13.72
	Sierra Chemical	5	Water Quality Services/Chemicals	39,233.31
	SMUD	8	Electrical Utilities	231,587.08

Sacramento Suburban Water District  
Cash Expenditures  
August-16

<u>Type</u>	<u>Payee</u>	<u># Inv</u>	<u>Purpose</u>	<u>Amount</u>
<b>OPERATIONS &amp; MAINTENANCE</b>				
	A & A Stepping Stone	2	Top Soil Materials	165.24
	Accountemps	1	Accounting Temp	1,050.24
	Advanced Integrated Pest Management	6	Pest Control Services	548.50
	Airgas USA LLC	1	Field Supplies	93.63
	All Pro Backflow	3	Backflow Services	3,133.00
	Answernet/Signius Inv Corp	2	Monthly After Hours Answering Service	1,264.20
	Anton Building Company	1	Hydrant Deposit Refunds	2,143.90
	Arrow Construction	1	Hydrant Deposit Refunds	2,289.00
	AT&T Calnet3	5	Phone Service	5,111.80
	A-Tach Construction	1	Hydrant Deposit Refunds	2,264.80
	Atlas Disposal	2	Trash Removal Services	225.59
	Automatic Door Systems	1	Door Repair	272.95
	Backflow Technologies	1	Backflow Services	259.49
	Badger Meter	1	Service Renewal	132.00
	Bay Alarm Company	1	Security Alarm Services	116.55
	Brower Mechanical	5	HVAC Maintenance	4,687.81
	Bud's Tri County Tree Service	2	Tree Removal	7,200.00
	Burt's Lawn & Garden Service	1	Pump Site Maintenance	4,992.50
	California Laboratory Services	1	Lab Services	120.00
	Capital Rubber Co Ltd	1	Field Supplies	334.18
	Capitol Elevator Company	4	Elevator Maintenance	442.00
	Carmichael Recreation & Park Dist	1	Founders Day Registration	50.00
	Cashier - State of CA	1	Hydrant Deposit Refunds	2,275.80
	CINTAS	13	Uniforms and Janitorial Supplies - Walnut	2,205.79
	Citrus Heights Saw & Mower	2	Small Equipment Repair	129.20
	Citrus Heights Water District	1	Conservation Joint Ad	124.67
	City of Sacramento	1	Utilities	33.07
	Clear Vision Window Cleaning	1	Building Maintenance	225.00
	Comcast	2	Cable	27.37
	Consolidated Communications	1	Telephone Services - Antelope	412.94
	Corix Water Products	3	Field Supplies	26,677.22
	Cotton Shoppe	1	Field Safety Shirts	1,045.07
	Coughran Mechanical	2	Pump Site Maintenance	875.43
	County of Sac - Environmental Mgt	3	Annual Permit Fees	1,785.00
	County of Sac Utilities	4	Monthly Utilities	970.65
	Crown Distributing	1	Janitorial Supplies	270.89
	Culligan	1	Water System - Walnut	68.75
	Custom Transitions	1	Table Top - GIS Work Station	846.98
	Customer Rebates	14	Rebate Programs	3,607.00
	Customer Refunds	224	Customer Refunds	50,777.53
	Dawson Oil	1	Fuel	1,776.17
	Direct TV	1	Cable - Walnut	5.00
	Ditch Witch	1	Equipment Maintenance	178.28
	DST Output	11	Billing Production Processing & Postage	38,599.58
	Emigh Hardware	9	Field Supplies	243.08
	Eurofins Eaton Analytical	2	Lab Services	1,746.00
	Fastenal Company	4	Field Supplies	2,134.76
	Fleet Wash	3	Vehicle Maintenance	1,020.00

Sacramento Suburban Water District  
Cash Expenditures  
August-16

<u>Type</u>	<u>Payee</u>	<u># Inv</u>	<u>Purpose</u>	<u>Amount</u>
<b>OPERATIONS &amp; MAINTENANCE</b>				
	GASB	1	Publications	450.00
	Geospace Technologies	1	Nicor Connectors	2,625.00
	GM Construction	7	System Repairs	34,617.97
	Graybar	6	Production Supplies	257.62
	Griffin's Janitorial	2	Janitorial Services	6,816.40
	H2H Properties	1	Parking Lease	1,197.00
	Harrold Ford	5	Vehicle Maintenance	1,528.53
	Hazard Management Services	1	Employee Training	1,100.00
	Herburger Publications	1	Community Outreach	235.00
	Iron Mountain Offsite Data Storage	2	Data Storage	848.05
	J&J Locksmith	1	Locksmith Services	650.48
	Jerry Beams	1	Certification Renewal Reimbursement	60.00
	Les Schwab Tire Center	3	Vehicle Maintenance	2,303.17
	Lifeguard First Aid	2	First Aid Supplies	152.51
	Municipal Consulting Group	1	Warren Act Consulting	138,142.47
	Nor Cal Pipelines	1	Hydrant Deposit Refunds	2,271.40
	Mike Jenner	2	Certification Renewal Reimbursement	240.00
	Mitch Dion	1	Conference Reimbursement	59.78
	Normac	2	Field Supplies	187.54
	Office Depot Inc	7	Office Supplies	1,091.56
	One Stop Truck Shop	4	Vehicle Utility Beds	12,210.13
	Pacific Copy and Print	1	Print Services	153.36
	Paladin Security	1	After Hours Security	460.00
	Panatrack	1	Office Supplies	43.75
	Patricia Weddle	1	Reimburse Out of Pocket Expenses	199.00
	PFM Asset Management	2	Investor Services	12,213.36
	Pitney Bowes Leases	1	Postage Meter Lease	528.85
	PG&E	1	Hydrant Deposit Refunds	2,293.40
	Rachel Middlestead	1	Education Reimbursement	719.86
	Ramos Oil	1	Pump Site Maintenance	475.00
	Ray Morgan	3	Printer/Copier Monthly Lease	711.69
	Regional Water Authority	1	AWE Research Initiative	10,000.00
	Robert D Ames	1	Certification Renewal Reimbursement	151.17
	Robert Roscoe	1	Reimburse Out of Pocket Expenses	243.44
	Ron Turley Associates	1	Licensing Renewal	1,704.00
	Rue Equipment	11	Equipment Maintenance	10,054.36
	Sacramento Bee	1	Conservation Ad	998.00
	Sacramento Lafco	1	Annexation Deposit	2,500.00
	Sacramento Chamber of Commerce	1	Annual Membership/Dues	1,399.50
	Sacramento Suburban Water District	1	Petty Cash Replenishment	436.36
	San Juan Water District	2	Grant Funding Water Projects	485,651.43
	Shred It	1	Shredding Services	56.96
	Sierra National Construction	1	Hydrant Deposit Refunds	2,275.80
	Signs in One Day	2	District Signage	302.40
	Sonitrol	3	Alarm Services	1,942.84
	Sophos Solutions	2	Systems Maintenance	3,680.00
	Star Creek Land Stewards	1	Hydrant Deposit Refunds	2,245.47
	Sutter Medical Foundation	1	Preemployment Physicals	42.00

Sacramento Suburban Water District  
Cash Expenditures  
August-16

<u>Type</u>	<u>Payee</u>	<u># Inv</u>	<u>Purpose</u>	<u>Amount</u>
<b>OPERATIONS &amp; MAINTENANCE</b>				
	Tina Lynn Design	3	Product Design Services	150.00
	Todd Artrip	2	Certification Renewal Reimbursement	276.00
	True Point Solutions	1	Billing Software Annual Maintenance	45,000.00
	USA Replacement Auto Glass	1	Auto Glass Replacement	191.80
	United Parcel Service	2	Express Shipping	22.96
	US Bank Corporate Payment Systems	1	Calcard	15,247.38
	Vantiv Integrated Systems	1	Payment Systems	429.42
	Verizon Wireless	3	Cell Service	2,880.78
	Vision Technology Solutions LLC	1	Web Site Monthly Fees	231.52
	Voyager Fleet Systems	1	Fuel	6,724.76
	Waste Management	4	Garbage Service	429.75
	Ward Technical Products	1	Pump Site Maintenance	5,894.62
	Waterwise Consulting	1	Waterwise Audits	1,575.00
	Wells Sweeping	1	Monthly Maintenance/ Annual Cleaning	88.75
	Wienhoff Drug Testing	1	Drug Testing DOT Program	135.00
<b>DEBT SERVICE EXPENSES</b>				
	Citigroup Global Markets	1	Fees	13,053.28
	Wells Fargo Swap	1	COP Payments	69,372.12
	Sumitomo Mitsui Banking Corp.	2	COP Payments	69,586.56
<b>LEGAL &amp; AUDIT</b>				
	Bartkiewicz, Kronick & Shanahan	1	Legal	11,196.84
<b>PAYROLL , PENSION &amp; BENEFITS</b>				
	ADP	2	August Payroll	373,868.12
	ACWA/JPIA Insurance/EAP	1	Employee Assistance Program	138.65
	ADP	3	Payroll Processing Fees	1,054.04
	AFLAC	1	Supplemental Insurance	815.88
	Ameritas/Vision	1	Vision Insurance	1,740.84
	CIGNA - Dental Insurance	2	Dental Insurance	10,602.79
	CIGNA Healthcare	1	Life/LTD	3,438.91
	PERS Health	2	PERS Health Insurance	88,253.60
	PERS Long Term Care	2	Di Pietro	2,254.17
	PERS Pension	4	August/ July Contributions	112,224.87
<b>BANK CHARGES</b>				
	Brinks	2	Courier Fees	668.63
	Westamerica Analysis Fees	1	Analysis Charge and Card Processing	25.12
	Westamerica Card Processing Fees	1	Monthly Card Processing Fee	6,389.51
	Wells Fargo Statement & Notices	1	Monthly Statement	8,411.88
<b>EMPLOYEE RETENTION/MORALE FUND</b>				
<b>Total Cash Expenditures</b>				<u><u>\$ 4,103,238.51</u></u>

**Credit Card Expenditures  
August 2016**

Sacramento Suburban Water District  
 US Bank Purchasing Card Program  
 CalCard Expenditures  
 August-16

Type	Vendor	Purpose	Cost	
<b>CIP/OCB Expenses</b>				
<b>OPERATIONS &amp; MAINTENANCE</b>				
	The Sacramento Bee	Conference - Director Gayle	20.00	01-55002
	Round Table Pizza	Budget Kick Off Meeting	58.28	03-55002
	Govt Finance Officers Assoc	Employee Training	135.00	03-51406
	Govt Finance Officers Assoc	Employee Training	70.00	03-51406
	Govt Finance Officers Assoc	Employee Training	485.00	03-51406
	Southwest	ACWA Airfare	267.96	02-55001
	ACWA Fall Conference	Conference Registration- Roscoe	695.00	02-55001
	ACWA Fall Conference	Conference Registration - Director Schild	695.00	01-55001
	Tableclothsfactory.com	Table Cloths for Antelope	286.06	12-52101
	Sac County Waste Management	Universal Waste Disposal	559.25	12-54010
	Tractor Supply Co.	Exhaust Rain Cap	7.01	12-54003
	The Home Depot	Water Filters	32.32	12-52101
	The Home Depot	ABS Pipe Tube	33.00	12-54003
	Pep Boys	Vehicle Maintenance Supplies	25.89	12-52101
	NT-ice.com	Ice Machine Cleaner	50.85	12-52101
	Shell	Fuel for Vehicle	50.00	12-52101
	Sac Ice LLC	Ice Machine Repair	180.00	12-54008
	Amazon.com	Chargers	49.98	12-53503
	Gciron.com	Fuel Cap	122.70	12-54003
	The Home Depot	Building Supplies	27.26	12-52101
	Ram Mounts	Laptop Supports for Vehicles	50.99	12-54006
	CSDA	Employee Training	550.00	17-51407
	Southwest Airlines	Travel - Training	117.96	17-55001
	Jobs Available	Annual Subscription Renewal	45.00	17-52502
	Brown & Caldwell	Job Ad	200.00	17-51402
	Boxwood Technology	Job Ad	100.00	17-51402
	Rakuten.com	Performance Evaluation Handbooks	15.03	17-52502
	Transitalent.com	Job Ad	145.00	17-51402
	Ratuten.com	Performance Evaluation Handbooks	8.72	17-52502
	Flashpoint Studios	Messages on Hold	79.00	03-54506
	Govt Finance Officers Assoc	Credit	(70.00)	03-54503
	ESRI	Training	1,611.00	16-51407
	Wondershare	Recovery Software	39.95	18-52101
	Hyatt Chicago	Hotel Accomodations - Conference	876.99	13-55001
	PR Diamond Products	Field Supplies	421.00	07-52101
	Myron L Company	Field Supplies	3,452.41	06-52101
	Watersmart Innovations	Conference Registration	285.00	13-55001
	Office Depot	Office Supplies	21.59	05-52108
	Office Depot	Office Supplies	20.07	06-52108
	The Home Depot	Field Supplies	288.64	05-52101
	Hach	Water Quality Supplies	325.44	06-52101
	US Plastics Corp	Water Quality Supplies	36.60	06-52101
	The Home Depot	Building Supplies	330.48	13-52101
	Irrigation Association	Employee Training	750.00	13-51406
	The Home Depot	Building Supplies	53.84	07-52101
	The Home Depot	Building Supplies	40.02	12-52101
	The Home Depot	Building Supplies	152.94	05-52101
	The Home Depot	Building Supplies	308.24	05-52101
	Branom Instrument Co	Field Supplies	611.70	06-52101
	Hach	Water Quality Supplies	223.02	06-52101
	Late Charge		8.33	03-54503
	<b>Employee Morale Fund</b>			
	Noah's Bagels	All Hands Meeting	59.96	
	Raley's	All Hands Meeting	14.16	
	Walmart	All Hands Meeting	15.78	
	Gala Gifts	Greeting Cards	10.76	
	Bettays Flowers	Flowers - Employee Event	97.20	
	The Smile Train	Donation - Employee Event	100.00	
			<u>15,247.38</u>	

**Directors Compensation and Expense Accounting –  
Through August 2016**

Sacramento Suburban Water District  
Board of Directors Meetings Attended (1)  
Pay Rate per Diem is \$100.0  
August 2016

Director Locke:

Director Schild:

08/11/2016	Sacramento Groundwater Board Meeting
08/12/2016	SSWD Finance and Audit Committee Meeting
08/15/2016	SSWD Regular Board Meeting

Director Wichert:

Director Gayle:  
08/15/2016 SSWD Regular Board Meeting

Director Thomas:

08/10/2016	San Juan Board Meeting
08/11/2016	SGA Meeting
08/12/2016	SSWD Finance and Audit Committee Meeting
08/15/2016	SSWD Regular Board Meeting
08/17/2016	Meeting with AGM
08/24/2016	Executive Committee

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

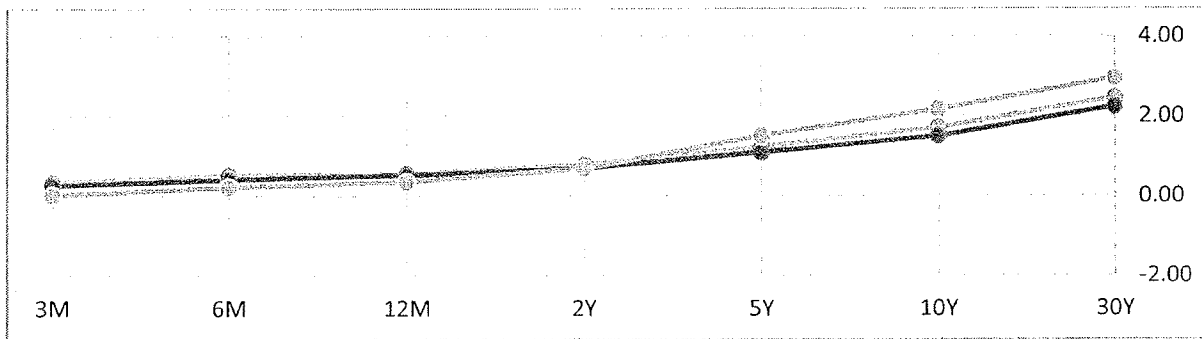




**Market Report Yields -  
January 2010 through August 2016**

**Sacramento Suburban Water District**  
**United States Treasury and Federal Reserve Yields/Rates**  
**As of: September 13, 2016**  
**(Source: Bloomberg Market Data)**

## US Treasury Yields



Change shown in basis points

NAME	COUPON	PRICE	YIELD	1 MONTH	1 YEAR	TIME (EDT)
3 Month	0.00	0.27	0.35%	+8	+32	3:51 PM
6 Month	0.00	0.49	0.53%	+11	+30	3:52 PM
12 Month	0.00	0.56	0.57%	+4	+21	3:51 PM
2 Year	0.75	99.91	0.79%	+9	+9	3:52 PM
5 Year	1.13	99.42	1.24%	+14	-28	3:52 PM
10 Year	1.50	98.03	1.72%	+21	-46	3:51 PM
30 Year	2.25	95.67	2.46%	+22	-50	3:52 PM

## Federal Reserve Rates

Rate	Current	1 Year Prior	Rate	Current	1 Year Prior
Fed Funds Rate	0.42	0.14	Fed Reserve Target	0.50	0.25
Prime Rate	3.50	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>8/31/2016</u>	<u>SSWD Holdings</u>	<u>ML 0-5 Year UST Index</u>
Under 6 Months	0.0%	13.9%
6 - 12 Months	18.7%	12.1%
1 - 2 Years	25.7%	22.9%
2 - 3 Years	22.6%	20.4%
3 - 4 Years	14.5%	15.8%
4 - 5 Years	18.5%	15.0%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

**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%
3/31/2015	0.28%	0.34%	1.10%
4/30/2015	0.09%	0.03%	1.10%
5/31/2015	0.06%	0.08%	1.12%
6/30/2015	-0.13%	-0.07%	1.14%
7/31/2015	0.17%	0.15%	1.15%
8/31/2015	-0.05%	-0.01%	1.15%
9/30/2015	0.38%	0.43%	1.18%
10/31/2015	0.02%	-0.18%	1.28%
11/30/2015	-0.12%	-0.24%	1.28%
12/31/2015	-0.23%	-0.11%	1.32%
1/31/2016	0.68%	0.86%	1.32%
2/29/2016	0.14%	0.20%	1.35%
3/31/2016	0.44%	0.20%	1.35%
4/30/2016	0.08%	0.01%	1.36%
5/31/2016	-0.04%	-0.12%	1.38%
6/30/2016	0.69%	0.78%	1.38%
7/31/2016	0.05%	-0.03%	1.38%
8/31/2016	0.17%	-0.24%	1.38%

**District Reserve Balances  
August 31, 2016**

**Sacramento Suburban Water District  
Reserve Fund Balance**

	<u>August 31, 2016</u>	<u>December 31, 2015</u>
Debt Service Reserve	\$ 3,548,278	\$ 3,523,427
Facilities Reimbursement	-	21,873
Emergency/Contingency	10,387,000	10,758,000
Operating	6,490,750	6,468,857
Rate Stabilization	5,630,000	5,870,000
Interest Rate Risk	-	-
Grant	1,068,000	654,000
Capital Asset	19,053,682	16,542,963
<b>TOTAL</b>	<b>\$ 46,177,710</b>	<b>\$ 43,839,120</b>

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

	<u>August 31, 2016</u>	<u>December 31, 2015</u>
Cash and cash equivalents	\$ 4,787,751	\$ 3,109,581
Investments	37,841,681	37,206,113
Restricted assets	3,548,278	3,523,427
<b>TOTAL</b>	<b>\$ 46,177,710</b>	<b>\$ 43,839,120</b>

## **Information Required by Bond Agreement**



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

	<i>As Of</i>	<i>Amended Budget</i>
	<i>Actual</i>	<i>Year-To-Date</i>
	<u>8/31/2016</u>	<u>8/31/2016</u>
<b>REVENUES</b>		
Water sales charges	\$12,156,777.99	\$13,821,336.00
Capital facilities charge	14,761,401.56	14,687,334.00
Facility development charges	247,370.00	333,328.00
Interest and investment income	737,992.52	453,336.00
Rental & other income	185,888.45	200,000.00
<b>TOTAL REVENUES</b>	<u><b>28,089,430.52</b></u>	<u><b>29,495,334.00</b></u>
<b>EXPENSES</b>		
Source of supply	1,542,507.12	1,501,346.64
Pumping	2,463,965.12	2,514,563.20
Transmission and distribution	2,234,167.88	2,224,192.44
Water conservation	284,079.99	344,451.84
Customer accounts	734,243.85	784,873.04
Administrative and general	3,999,088.22	4,416,966.08
<b>TOTAL EXPENSES</b>	<u><b>11,258,052.18</b></u>	<u><b>11,786,393.24</b></u>
<b>NET REVENUE</b>	<u><b>16,831,378.34</b></u>	<u><b>17,708,940.76</b></u>

**Sacramento Suburban Water District  
6 - Months Debt Service Schedule  
8/31/2016**

Month	Total SSWD Debt Service					Debt Service
	Principal	Interest Adjustable/Fixed/Swap	Facility Fee	Remarketing		
Sep-16	\$ -	\$ 98,580.95	\$ 47,250.00	\$ 13,125.00	\$ 158,955.95	
Oct-16	3,945,000.00	1,220,443.95	-	-	5,165,443.95	
Nov-16	-	98,580.95	-	-	98,580.95	
Dec-16	-	98,580.95	47,250.00	13,125.00	158,955.95	
Jan-17	-	98,580.95	-	-	98,580.95	
Feb-17	-	98,580.95	-	-	98,580.95	

Month	Series 2012A Fixed Rate Bonds (\$23,440,000.00)					Debt Service
	Principal	Interest - Fixed 4.25%				
Sep-16	\$ -	\$ -	\$ -	\$ -	\$ -	
Oct-16	1,995,000.00	461,613.00	-	-	2,456,613.00	
Nov-16	-	-	-	-	-	
Dec-16	-	-	-	-	-	
Jan-17	-	-	-	-	-	
Feb-17	-	-	-	-	-	

Month	Series 2009A Adjustable Rate COPs (\$42,000,000.00)					Debt Service
	Principal	Interest, Adjustable 0.60%	Facility Fee 0.450%	Remarketing 0.125%		
Sep-16	\$ -	\$ 21,000.00	\$ 47,250.00	\$ 13,125.00	\$ 81,375.00	
Oct-16	-	21,000.00	-	-	21,000.00	
Nov-16	-	21,000.00	-	-	21,000.00	
Dec-16	-	21,000.00	47,250.00	13,125.00	81,375.00	
Jan-17	-	21,000.00	-	-	21,000.00	
Feb-17	-	21,000.00	-	-	21,000.00	

Month	Series 2009B Fixed Rate COPs (\$27,915,000)					Debt Service
	Principal	Interest - Fixed 5.00%				
Sep-16	\$ -	\$ -	\$ -	\$ -	\$ -	
Oct-16	1,950,000.00	660,250.00	-	-	2,610,250.00	
Nov-16	-	-	-	-	-	
Dec-16	-	-	-	-	-	
Jan-17	-	-	-	-	-	
Feb-17	-	-	-	-	-	

Month	2012 SWAP Interest, Net (\$33,000,000.00)					Debt Service
	Principal	Interest, Swap Net (3.283-0.30729-0.18)%				
Sep-16		\$ 77,580.95	-	-	77,580.95	
Oct-16		\$ 77,580.95	-	-	77,580.95	
Nov-16		\$ 77,580.95	-	-	77,580.95	
Dec-16		\$ 77,580.95	-	-	77,580.95	
Jan-17		\$ 77,580.95	-	-	77,580.95	
Feb-17		\$ 77,580.95	-	-	77,580.95	



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## Agenda Item: 12

**Date:** September 9, 2016  
**Subject:** 2017/18 Budget Status  
**Staff Contact:** Daniel A. Bills, Finance Director

### Discussion:

The 2017/18 Budget\* was presented to the full Board at the Board Workshop on Friday, September 16, 2016, after posting agenda materials for the September Regular Board Meeting.

A verbal update will be provided by staff at the Board meeting.

(\*The District's Budget is comprised of the Operations and Maintenance Budget (O&M), Operating Capital Budget (OCB), and the Capital Improvement Program Budget (CIP).)



## Agenda Item: 13

**Date:** September 13, 2016

**Subject:** Internal Controls Update from Audit

**Staff Contact:** Daniel A. Bills, Finance Director

### Discussion:

As part of their 2015 Audit, the Auditors (Richardson & Company, LLP) provided the Board with recommendations to improve District procedures in their Management Letter. Staff concurred with the recommendations and is in the process of implementing them in 2016. The original request and current implementation status are as follows:

#### 1. Customer Billing/Receipts Internal Controls

##### *Auditor Comment:*

*Due to recent review of internal control process related to customer billings and cash receipts, we recommend that the District re-evaluate its process related to the customer billing/receipts functions, including the following areas:*

- 1. Currently the administrative services manager has the ability to process customer payments and post adjustments to customer accounts. If these duties cannot be separated, then we recommend either the Assistant General Manager or Finance Director review and approve credit adjustments and refunds and that a list of billing adjustments be produced and reviewed by the Assistant Controller to ensure that proper approval have been obtained. The list of billing adjustments needs to include sufficient descriptions and related back-up documentation to evaluate the propriety of the adjustments.*
- 2. A process needs to be set up for review of master file changes made in the billing system, including any changes to customer accounts and billing rate changes. Such master file changes represent any global changes to the billing system that affect all customers, including changes to billing rates, changes to methods of billing and changes to billing cycles. Due to segregation of duties issues, the administrative services manager and customer service representatives should not have access to master file changes that affect the amount of revenue recorded in the GL. Such changes should be made by someone in the Finance Department, such as the Assistant Controller, but should be approved prior to the change being made and the changes should be reviewed after they are made. Master file changes affecting only customer data could be done by someone having access to the billing and receipts functions, but such changes should be reviewed by the Finance Director at least after the fact. An edit report should be generated from the billing system showing changes that were made that is reviewed by someone not involved*

- in the billing or receipts function, such as the Assistant Controller or Finance Director, to ensure changes were not made that were not reviewed.*
- 3. The customer service representatives prepare the bills and the administrative services manager reviews them. To detect possible unbilled accounts prior to the bills being sent to customers, we recommend that a preview of the billing register be reviewed by the Assistant General Manager or Finance staff where reasonableness tests can be performed on the billings to determine they are complete. This verification process should include comparing the number of customer connections in the billing cycle to the number of connections on the billing register. The District should ensure that the system has built in checks for consistency of billings and error messages are produced for inconsistencies detected by the system. A list of these error messages should be generated and reviewed by Finance staff.*
  - 4. The administrative services manager has full access to the billing system. The District needs to ensure that at least one other staff member has access to make changes to the billing system as back-up. We recommend that back-up person be designated that are not involved in the customer receipts processing. The District needs to ensure that billing adjustments should verify that approval was obtained for the adjustments/refunds that are over the specified threshold.*
  - 5. An update to the Regulations and new procedures for billing write-offs and billing adjustments should be developed. This Regulation update and procedures should require that credit adjustments and refunds over a certain dollar amount be reviewed by the Assistant General Manager or Finance Director before the transaction is processed. Finance staff reviewing the list of billing adjustments should verify that approval was obtained for the adjustments/refunds that are over the specified threshold.*
  - 6. The Finance Department should be reviewing the delinquency report to ensure timely follow-up is being made on delinquent accounts.*
  - 7. Access rights to various functions in the billing system should be reviewed. For instance, access to the administrative functions, such as access controls custom field templates, reporting, workflow and creating and deleting history logs should be restricted to just the IT person, rather than allowing the customer service manager to have this access. The IT person and consultants should not have access to make changes to customer accounts. In addition, we noted some log-ins that appear to be for employees of Truepoint or other consultants but are in addition to the company log-ins. Users having access to all functions that are other than District and Truepoint log-ins should be removed from the system. Currently the customer service representatives and managers, who also have access to generate bills and process payments have the ability to post credit memos. This access should be limited to the accountant that posts the customer payments to the system. The customer service representatives and manager should not have access to create or edit meter readings.*
  - 8. Consideration should be given as to whether the billings/receipts function of the customer service department should be reporting to positions with sufficient technical understanding of the billing/receipts process.*

Status:

The District changed its billing/receipts software system in 2014. As part of this change, staff desired to develop improved processes to ensure accuracy and completeness in its billing/receipts and customer information processes. To that end, staff developed a new operating manual and reached out to its auditors to request better methods to ensure billing accuracy and proper handling of customer payments. Staff, therefore, appreciates these recommendations.

To date staff has been formulating procedures and working through the billing process to better identify control points and to develop reports that accurately capture billing activity before each billing cycle. We expect to have those done and in operation by November of this year.

**2. Gift Cards Provided to Employees**

*Auditor Comment:*

*We noted that the District provided \$5.00 gift cards to employees, but did not include the value of the cards in the employee W-2s. According to IRS Publication 15-B, gift cards, regardless of the value, are not excludable as a de minimis benefit. Going forward, we recommend the District include these amounts in the W-2s provided to employees.*

Update:

The District had a long practice of handing out \$5 gift cards to certain employees recognized by their peers for exceptional service as part of an employee “hats-off” recognition program. This practice has ceased in 2016.

**3. Expense Reimbursements**

*Auditor Comment:*

*We noted a few instances in our review of expense reimbursements where no receipt was provided and a lost receipt form was not completed. We also noted that a reimbursement was issued for an expense without information regarding the business purpose of the expense and that a receipt provided by an employee to support an expense reimbursement was not a detailed receipt. The District’s policy states a detailed receipt must be provided. We recommend the District ensures that complete records are submitted by the employee requesting the reimbursement and that supporting documentation includes a business purpose and a detail of the expense.*

*Additionally, we noted an employee requested reimbursement of a meal expense as part of a per diem. However, the meal expense was included in the registration fees for the event the employee attended. As a result, the meal expense was paid twice by the District. We recommend the District verify per diem expenses have not already been paid prior to providing reimbursement.*

Staff Response:

Finance Department staff will provide additional training to all District employees and approvers on appropriate support for reimbursement requests by October 31. Two

Finance Department staff now review all employee expense reimbursement requests prior to reimbursement.

#### **4. Review of Pension Information**

*Auditor Comment:*

*We recommend that the District ensure that the proper reviews are taking place of the census data maintained by CalPERS, to ensure it is complete and accurate, as this information is used as a basis for calculating the District's share of the net pension liability. Consideration should be given to reviewing census information of all current employees and set up a process for reviewing the census information going forward.*

Staff Response:

The additional controls requested relate to census data and not monetary data that has been closely reviewed for many years. District staff now have two reviewers on all new employee data entered into CalPERS plus a check is done annually of all employees in CalPERS to assure their data is correct. This annual review is also performed by two employees.

#### **5. Capital Assets**

*Auditor Comment:*

*The District is currently recording assets based on their identifiable pieces so they are easier to remove when disposed, but this practice was not done in earlier years. As a result, the District's capital asset list may contain items that are no longer in service, but most of these items are likely fully depreciated. The District is in the process of reviewing the asset list for possible items that can be removed that may no longer be in service.*

Update:

The District's capital asset accounting records prior to the formation of SSWD contained minimal information on the location or identity of specific capital assets. During 2015, all capital assets, excluding distribution system assets, were reviewed to remove assets that had been replaced over the years. This was done by comparing the accounting records to the asset management and insurance records. The effect of this effort was to remove \$982,368 of capital assets (net of depreciation) from the accounting records.

In 2016, efforts have been completed to update distribution system assets for month and year of acquisition in the GIS database so that distribution system assets that have been replaced over the years can be removed from the accounting records. Staff is presently reviewing the data and setting up a process to remove previously replaced distribution system assets and to continue doing so in the future as such assets are replaced.



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## Agenda Item: 14

**Date:** September 6, 2016

**Subject:** Sacramento County Paving Requirements

**Staff Contact:** Mitchell S. Dion, Technical Services Director

**Discussion:**

This item is presented for informational purposes only; the Board of Directors may have discussion and provide appropriate direction which would be subject to an action at a later date.

On May 10<sup>th</sup> 2016, the County Board of Supervisors (BOS) conducted a workshop innocuously titled; "Pavement Maintenance Workshop". There was no outreach or awareness of the details being proposed. Only SMUD became aware in a timely manner and provided some input at the workshop from a Utility perspective. SMUD was successful in requesting more time from the BOS. The action of this item was rescheduled to July and subsequently postponed for action until the BOS meeting on September 27, 2016.

The report presented to the BOS outlined the deficiencies in the road surface conditions due to deferred maintenance and funding needed to address the program based upon the Pavement Management Pavement Condition Index (PCI) which is a systematic assessment tool to measure and score road surfaces from Failed to Very Good. The Staff Report and the presentation were vague about the expanded trench cut restoration and the implication for underground utilities. One slide in the presentation identified Trench Cuts as a contributing factor to accelerate pavement deterioration and only one slide addressed changes to the trench cut restoration requirements. The proposed changes to trench cut restoration were not called out as a recommendation in the solutions. Furthermore restored trench cuts were not quantified as contributing factor for low PCI scores (nor were the aspects of trench cut restoration exuberated by the lack of maintenance and deferred repair policy of Sacramento County). The value of the proposed trench cut restoration was not quantified to support justification for the change. In general the report and presentation were focused upon funding and sources of funding to appropriately manage surface conditions on Sacramento County's 5,450 lane miles of roadway to "a Best Management Practice level".

Following the meeting the County Department of Transportation (DOT) provided Exhibit A and B to provide clarity of the proposed changes to Pavement Restoration in Roadways. While the County lacks funds to do adequate work each year, the purpose of the changes to the requirements were apparently driven by the County to reduce the number of phone calls related to the roadway surface condition. It followed that the criteria established for the expansion of the grinding and overlay were to improve the visual and rideable criteria. These are valid but subjective components of a PCI, therefore a standard for restoration of these two elements is elusive.



Consistent with the District's Improvement Standards and Technical Specification which state; *"All water mains and pipelines will be constructed and installed within improved streets, between curbs."* The District has the right to be in the right-of-way and the County has the right to impose trench cut restoration requirements. This condition was affirmed in the litigation filed by Arcade Water District against Sacramento County in 2000 to remove conditions for trench cut fees or trench warranties. Generally, to impose a condition upon an applicant, there needs to be a reasonable connection between the impact of the project and the conditions that are placed upon issuance of the permit. The District is required to restore the right-of-way to its former state as near as may be possible. The DOT intent to require full lane (12 to 14 foot longitudinal and 20 foot for transversal) appears to be an overreach to restore visual and rideable factors to roadway surfaces.

To best serve District ratepayers, District has engaged DOT with an interest to making an equitable resolution to this issue attempting to avoid placing excessive burden for roadway surface improvements upon utilities. These efforts have resulted in little relief of the proposed impacts, but leave an excessive burden upon underground utilities. In addition to direct liaison with DOT the District has written and met with several members of the BOS.

The District's position has been to enhance cooperation and keep paving responsibilities with DOT, the entity most knowledgeable of paving issues. The District has sought and proposed alternatives to reduce waste and save costs for the County and underground Utilities.

The District has developed and maintained a successful working relationship with DOT exemplified in the "Paving Partnerships" as a model for effective and coordinated programs to deliver upgraded water distribution, as well as, full restoration of roadways and roadway surfaces. If Measure B (sales tax funding for roadways) passes in November, the County will have expanded funds to match funding opportunities such as in the Paving Partnerships, while District will have less money to spend on replacing infrastructure to meet the proposed requirements.

**Fiscal Impact:**

There is no action being proposed in this report, however, it is estimated that the County proposal will cost the District ratepayers an additional \$300,000 to \$350,000 annually in paving requirements.

**Strategic Plan Alignment:**

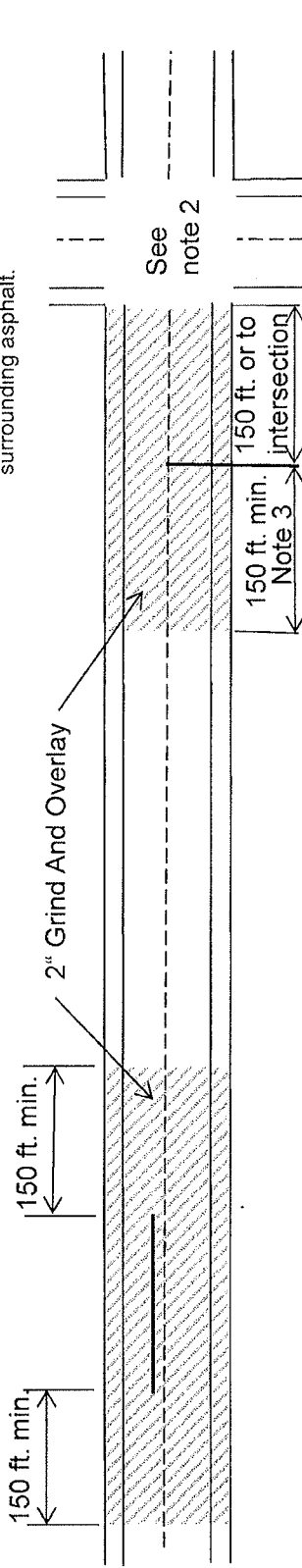
Facilities and Operations – 2.B. Monitor and improve the system efficiencies in operating and maintaining system infrastructure. This item aligns with this goal because easements are necessary to maintain the District's infrastructure such as pipelines.

This proposal is consistent with improving and implementing the cost effective and timely project delivery in the replacement of infrastructure to support the long term reliability of water delivery for customers and adhering to all regulatory requirements.

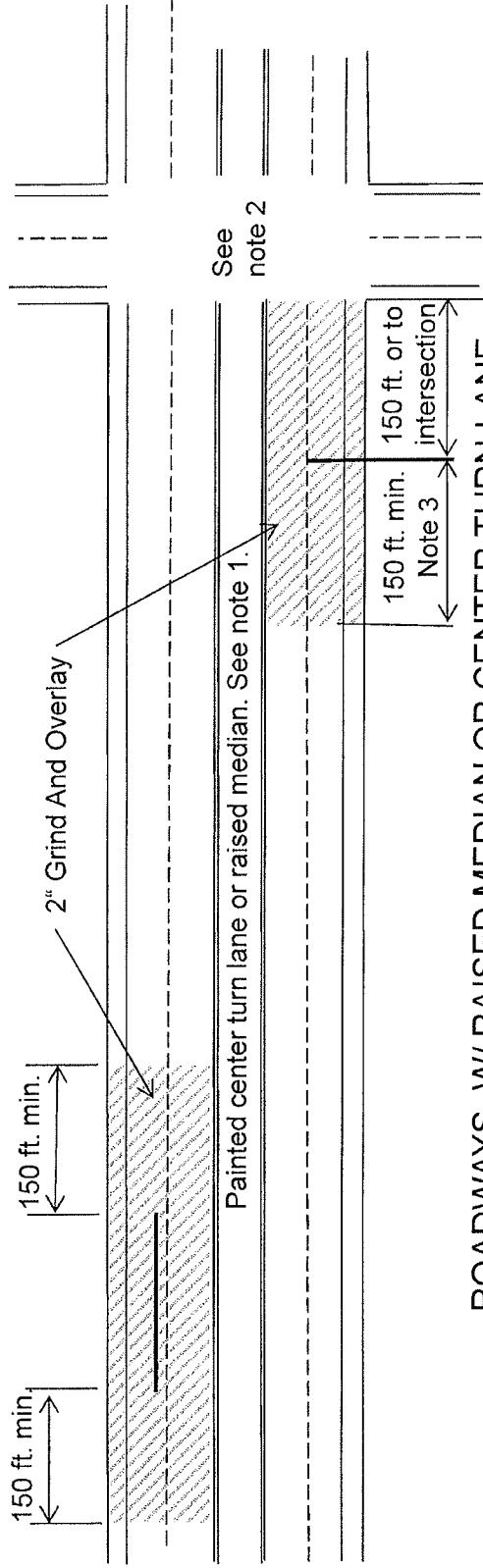
District customers benefit by ensuring all regulatory matters are addressed correctly and appropriately.

# PAVEMENT RESTORATION IN ROADWAYS LESS THAN 3 YEARS OLD

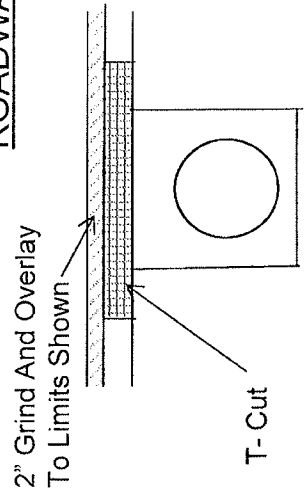
**Special Allowance For Cored Potholes 12 in Dia or less**  
Restoration for cored potholes 12 in. diameter or less may consist of backfilling with CDF with the top 12 inches consisting of 4000 psi black colored concrete to match surrounding asphalt.



## ROADWAYS W/O RAISED MEDIAN OR CENTER TURN LANE



## ROADWAYS W/ RAISED MEDIAN OR CENTER TURN LANE



**Notes:**

1. If excavation impacts a travel lane and extends into the center turn lane or raised median, grind and overlay shall include center turn lane or median plus all lanes on the side of the road that is impacted. If excavation only impacts center turn lane / raised median, then grind and overlay center turn lane / raised median only.
2. If excavation occurs in intersection, grind and overlay entire intersection including curb return.
3. 150 ft. beyond T-cut

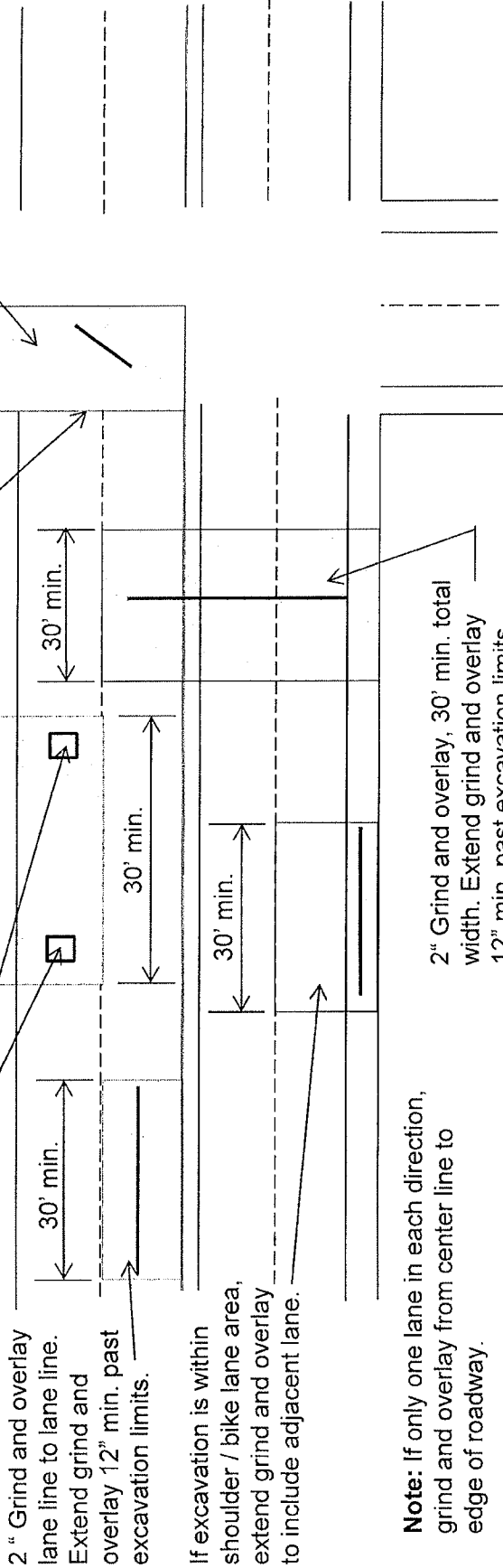
# PAVEMENT RESTORATION IN ROADWAYS

## GREATER THAN 3 YEARS OLD

Combine grind and overlay for excavations less than 80 ft. apart.  
 Extend grind and overlay 12" min. past excavation limits.

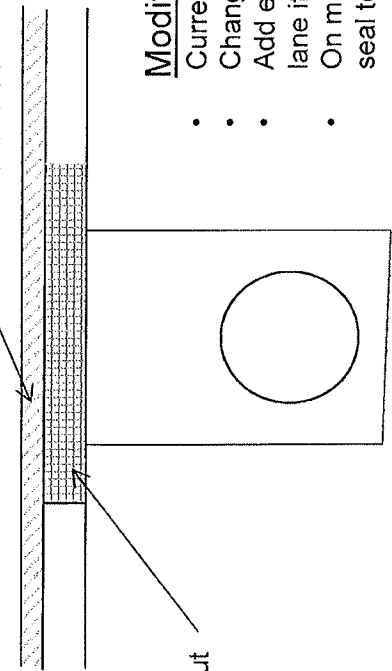
Limits to extend to back of crosswalk

2" Grind and overlay intersection quadrant



**Note:** If only one lane in each direction, grind and overlay from center line to edge of roadway.

2" Grind and overlay to limits shown

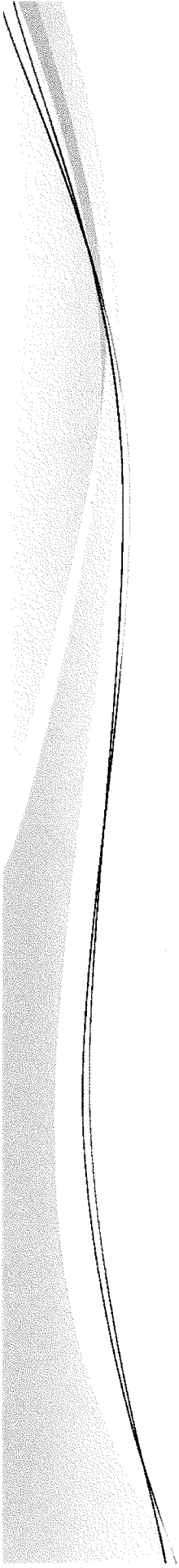


### Special Allowance For Cored Potholes 12 in Dia or less

Restoration for cored potholes 12 in. diameter or less may consist of backfilling with CDF with the top 12 inches consisting of 4000 psi black colored concrete to match surrounding asphalt.

### Modification From Current Req.

- Currently 3 to 5 year and greater than 5 yr.
- Change grind thickness from 1 1/2 in to 2 in.
- Add extending grind & overlay to adjacent lane if excavation within bike lane/shoulder.
- On minor roadways, change from slurry seal to grind and overlay



# **Sacramento County Trench Restoration Paving Proposal**

19 September 2016



## Classification of Roadway System

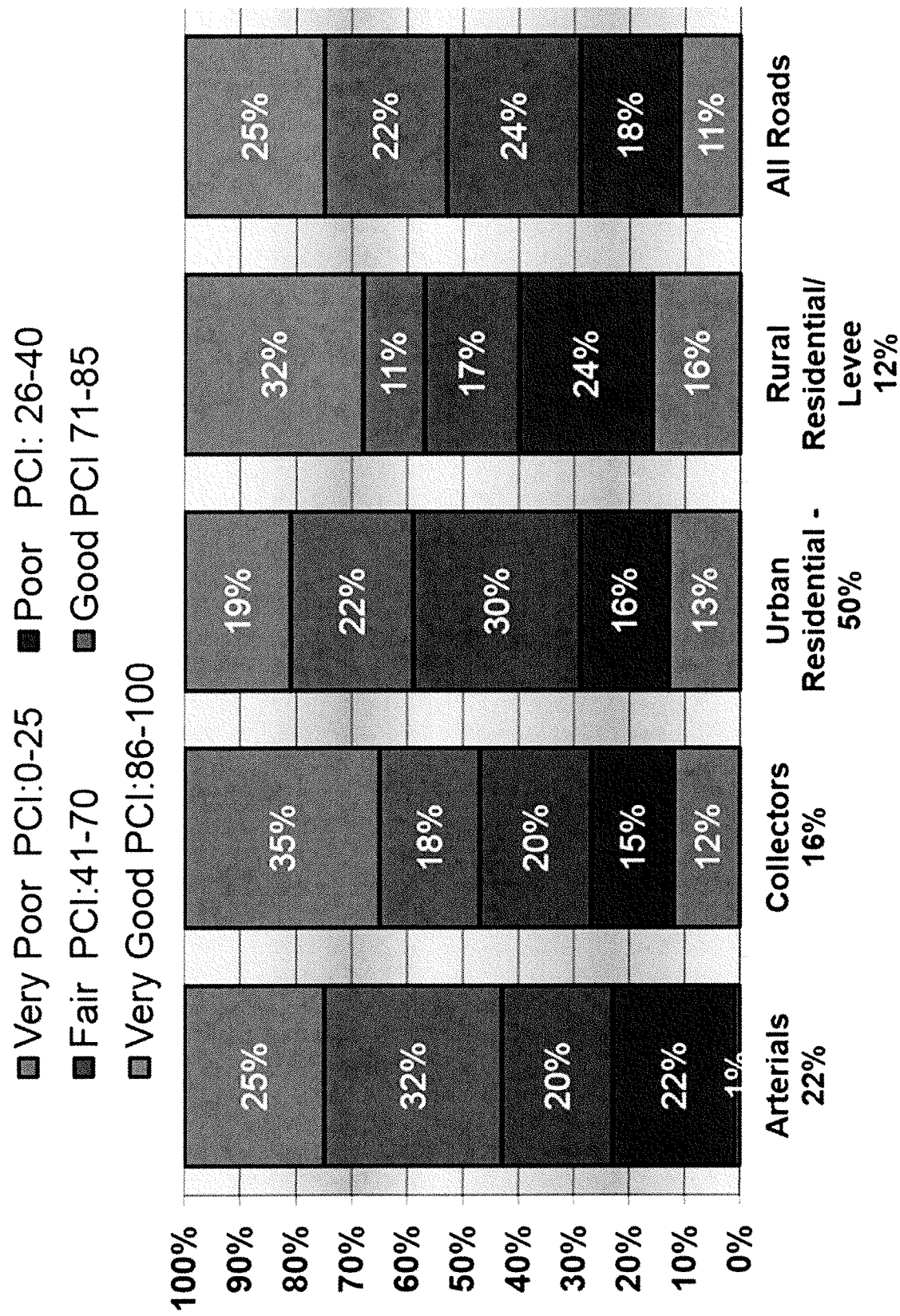
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County of Sacramento 2207 Centerline miles (5454 Lane miles): \$5.5 Billion					
Roadway Type	Funding Type	Centerline miles	Lane miles	%	
Arterial Roadways	Federal/Gas Tax	201	1171	22%	
Collectors Roadway	Federal/Gas Tax	393	872	16%	
Urban Residential Neighborhood	Gas Tax	1300	2785	50%	
Rural Residential Neighborhood	Gas Tax	261	522	10%	
Levee Roads	Gas Tax	52	104	2%	

## Pavement Maintenance Methods

PCI	CONDITION	Approx. AGE	TREATMENT
86-100	Very Good to Excellent	0-10	No Treatment
71-85	Good to Very Good	11-14	Slurry Seal, Chip Seal
41-70	Poor to Good	15-20	Chip Seal (Base Repair) Cape Seal (Chip + Slurry Seal) Double Chip (Chip + Smaller Chip) Overlay
26-40	Very Poor to Poor	21-30	Overlay
0-25	Very Poor	30+	Reconstruction

# PCI Report for Different Roadway Classes





## **Effect of Trench Cuts on Streets and Roads**

### **Utility Cuts Accelerate Pavement Deterioration**

- ❖ 25-30 miles of Trench Cut Annually

### **Encroachment Permits**

- ❖ Standard Utility
- ❖ Sidewalk and Driveway
- ❖ Annual

### **Approved Improvement Plans**





## **Effect of Trench Cuts on Streets and Roads**

### **Utility Cuts Accelerate Pavement Deterioration**

- ❖ 25-30 miles of Trench Cut Annually

### **Encroachment Permits**

- ❖ Standard Utility
- ❖ Sidewalk and Driveway
- ❖ Annual

### **Approved Improvement Plans**

# **Trench Restoration Requirements**

## **Pavement Repair for Roads < 3 years old**

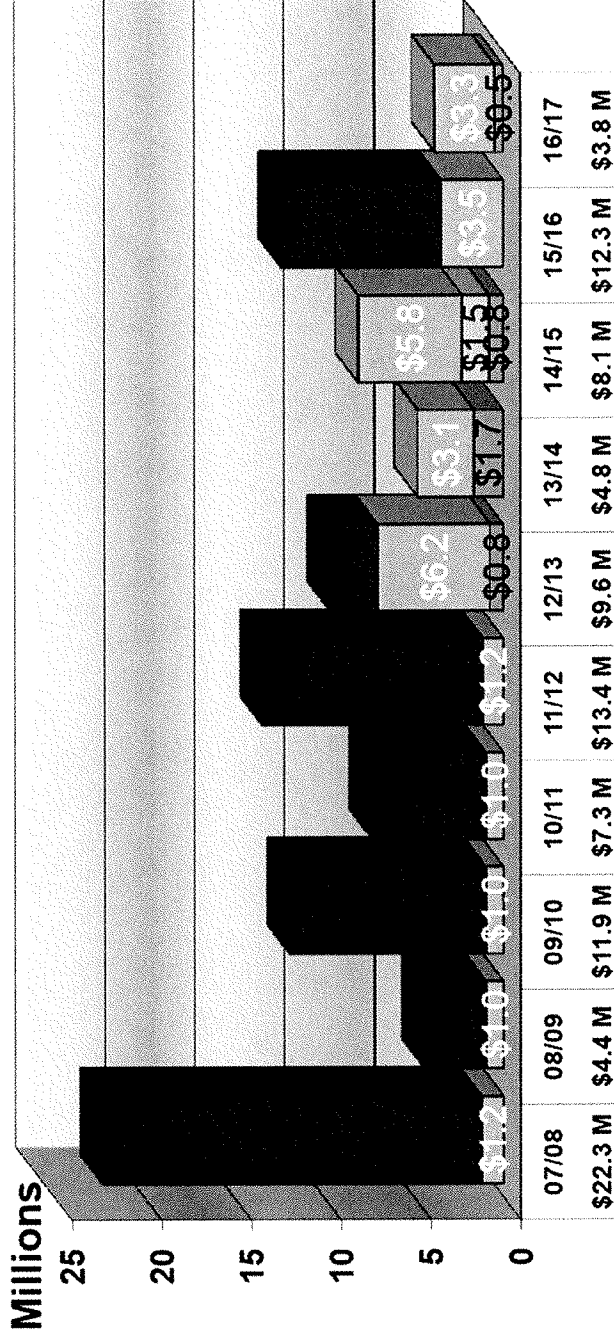
- ❖ Roadways without raised median or center turn lane
  - Grind and overlay entire roadway for a distance 150 ft. past excavation limits.
- ❖ Roadways with raised median or center turn lane
  - Grind and overlay affected side of roadway for a distance 150 ft. past excavation limits.

## **Pavement Repairs for Roads > 3 years old**

- ❖ Grind and overlay affected lane (plus shoulder if applicable) for a distance of 12 inches beyond limits of excavation. Minimum length 30 ft.

# Funding Trends for Pavement Maintenance Program (2007-2016)

Utility/SHRA  
  General Fund  
  SacDOT (Gas Tax)  
  State & Federal



**Average Construction Annual Funds: \$8.4 million**



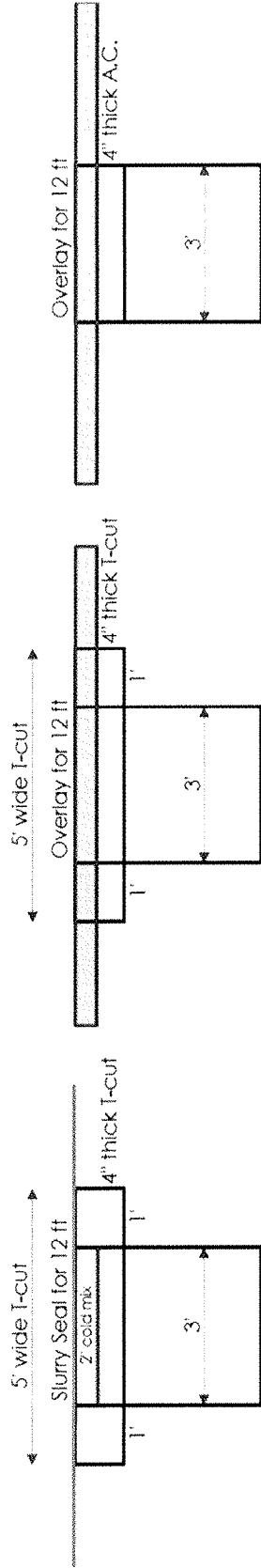
## Conclusion

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### ❖ Potential Options to Increase Maintenance Funding

- Maintenance District- CFD
- Repurpose existing Measure A Sales Tax Funds, within the confines set by law
- Obtain greater amount of Regional Federal Funds for Maintenance/Overlays (RSTP)
- New Sales Tax Measure- “Measure B”
- Parcel Tax
- Increase Gas Tax
- Statewide Sales Tax for Maintenance
- Vehicle License Fee

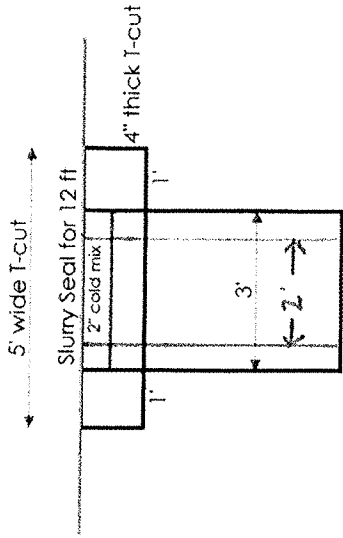
# TRENCH CUT REQUIREMENTS: 12 ft. PAVEMENT > 3 YEARS OLD: Residential Roadways SUMMARY



EXISTING	PROPOSED	PROPOSED MODIFIED
<b>Original County Estimate</b>		
2" Cold mix plug: .039 tons x \$125/ton	2" Cold mix plug: .039 tons x \$125/ton	4" A.C. plug: .08 tons x \$125/ton
4" Grind: 5' x \$1.10	4" Grind: 5' x \$1.10	2" Grind: 12' x \$0.30/sf
4" A.C. Plug: 0.13 tons x \$125/ton	4" A.C. Plug: 0.13 tons x \$125/ton	2" Overlay: 0.16 tons x \$90/ton
Slurry Seal: 12' x \$0.50 /sf	2" Overlay: 0.16 tons x \$90/ton	2" Overlay: 0.16 tons x \$90/ton
<b>\$32.47</b>	<b>\$44.04</b>	<b>\$27.24</b>
<b>Revised County Estimate</b>		
2" Cold mix plug: .039 tons x \$94/ton	2" Cold mix plug: .039 tons x \$94/ton	4" A.C. plug: .08 tons x \$94/ton
4" Grind: 5' x \$1.10	4" Grind: 5' x \$1.10	2" Grind: 12' x \$0.65/sf
4" A.C. Plug: 0.13 tons x \$125/ton	4" A.C. Plug: 0.13 tons x \$94/ton	2" Overlay: 0.16 tons x \$90/ton
Slurry Seal: 12' x \$0.27 /sf	2" Overlay: 0.16 tons x \$90/ton	2" Overlay: 0.16 tons x \$90/ton
<b>\$28.53</b>	<b>\$43.03</b>	<b>\$29.04</b>
	% Increase over Existing =	% Increase over Existing =
	<b>51%</b>	<b>2%</b>
<b>SSWD Experience</b>		
2" Cold mix plug: .039 tons x \$117/ton	2" Cold mix plug: .039 tons x \$117/ton	4" A.C. plug: .08 tons x \$118/ton
4" Grind: 5' x \$1.10	4" Grind: 5' x \$1.10	2" Grind: 12' x \$0.60/sf
4" A.C. Plug: 0.13 tons x \$118/ton	4" A.C. Plug: 0.13 tons x \$117/ton	2" Overlay: 0.16 tons x \$117/ton
Slurry Seal: 12' x \$0.27 /sf	2" Overlay: 0.16 tons x \$117/ton	2" Overlay: 0.16 tons x \$117/ton
<b>\$28.52</b>	<b>\$34.48</b>	<b>\$34.48</b>
	% Increase over Existing =	% Increase over Existing =
		<b>21%</b>

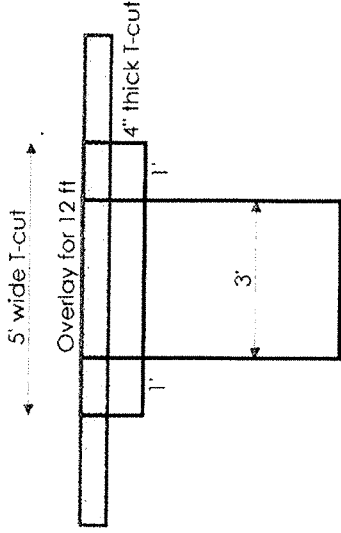


# TRENCH CUT REQUIREMENTS: 12 ft. PAVEMENT > 3 YEARS OLD: Residential Roadways SUMMARY



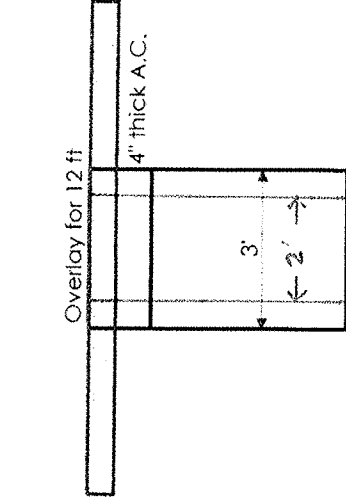
**EXISTING**

2" Cold mix plug: .039 tons x \$125/ton \$4.84  
 4" Grind: 5' x \$1.10 \$5.50  
 4" A.C. Plug: 0.13 tons x \$125/ton \$16.15  
 Slurry Seal: 12' x \$0.50 /sf \$6.00  
**\$32.49**



**PROPOSED**

2" Cold mix plug: .039 tons x \$125/ton \$4.84  
 4" Grind: 5' x \$1.10 \$5.50  
 4" A.C. Plug: 0.13 tons x \$125/ton \$16.15  
 2" Grind: 12' x \$0.30/sf \$3.60  
 2" Overlay: 0.16 tons x \$90/ton \$13.95  
**\$44.04**



**PROPOSED  
MODIFIED**

4" A.C. plug: .08 tons x \$125/ton \$9.69  
 2" Grind: 12' x \$0.30/sf \$3.60  
 2" Overlay: 0.16 tons x \$90/ton \$13.95  
**\$27.24**

**SSWD Experience**

2" Cold mix plug: .039 tons x \$117/ton \$4.63  
 4" Grind: 5' x \$1.10 \$5.50  
 4" A.C. Plug: 0.13 tons x \$118/ton \$15.34  
 Slurry Seal: 12' x \$0.27 /sf \$3.12  
**\$28.59**

4" A.C. plug: .08 tons x \$118/ton \$9.44  
 2" Grind: 12' x \$0.60/sf \$7.20  
 2" Overlay: 0.16 tons x \$117/ton \$18.72  
**\$35.36**

**Consider 3in A.C. plug and 10ft grind w/overlay**  
 3" A.C. plug: .06 tons x \$115/ton \$6.90  
 2" Grind: 10' x \$0.60/sf \$6.00  
 2" Overlay: 0.13 tons x \$117/ton \$15.60  
**\$28.50**

**Consider 3in A.C. plug and 8ft grind w/overlay**  
 3" A.C. plug: .06 tons x \$115/ton \$6.90  
 2" Grind: 8' x \$0.60/sf \$4.80  
 2" Overlay: 0.11 tons x \$117/ton \$12.87  
**\$24.57**



# Issues and Concerns

- County Requirement is beyond reasonable
  - 12 feet to cover 2 foot trench
  - County Requirement is a “betterment” exceeding the obligation for restoration and Water Code
  - No tangible linkage of requirement to PMI/PCI
  - Hidden costs to raise iron increases significantly
- Less Costly alternatives not considered
- New Connections for new homes and businesses heavily impacted
- No cost improvements such as Project Coordination and Master Paving Contract Service by County are not implemented





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## Agenda Item: 15

**Date:** September 12, 2016

**Subject:** Cost Increase for Water Supply Agreement for Groundwater Stabilization

**Staff Contact:** Dan York, Assistant General Manager

The District's Board of Directors were previously apprised that the cost of surface water jumped dramatically in 2016 for the North Service Area due to treatment costs (from \$67 per acre-foot to \$135 per acre-foot) while water in the South Service Area continues to escalate dramatically. Currently, the cost of surface water from the City of Sacramento is \$429 per acre-foot (af), well above the \$330 per af assumed at rate adoption.

The District was notified and invoiced in August 2016 that Placer County Water Agency (PCWA) increased their per af cost from \$35.00 per af to \$48.55 per af. Per the Water Supply Agreement for Groundwater Stabilization between SSWD and PCWA, on Page 8, Section 12. Rate and Method of Payment for Water, it states the District shall pay PCWA per af the highest of the following rates:

1. Thirty-five (\$35).
2. One hundred seventy-five percent (175%) of the af price PCWA charges the City of Roseville and San Juan Water District that year for water made available to them in Folsom Reservoir for use in Placer County.
3. One hundred fifty percent (150%) of the total amount, per af, including restoration and other fees and charges, which PCWA is required to pay that year to Reclamation for water to be used with PCWA pursuant to their September 18, 1970 contract with Reclamation as amended and supplemented or pursuant to any renewals of that contract.

PCWA determined Item #2 is the highest of the three. Therefore, PCWA invoiced the District for the 3<sup>rd</sup> and 4<sup>th</sup> quarter take or pay entitlements, at \$48.55 per af, which totaled \$291,300. The Water Supply Agreement for Groundwater Stabilization, Amendment No. 1, and invoice are attached to this report as Exhibits 1-3. Note: PCWA provided Amendment No. 1, which is no longer valid due to Amendment No. 2 being approved by both agencies. Staff has attached Amendment No. 2 as Exhibit 4 to this report.

# EXHIBIT 1

## AGREEMENT BETWEEN PLACER COUNTY WATER AGENCY AND NORTHRIDGE WATER DISTRICT FOR A WATER SUPPLY FOR GROUNDWATER STABILIZATION

This Agreement is entered into as of the 1st day of June, 2000, and amends and supersedes in its entirety the agreement (as amended) entered into on August 21, 1995, by and between Placer County Water Agency, a public agency (the "Agency"), and Northridge Water District, a public agency ("Northridge") in the County of Sacramento, California.

### Recitals

A. The Agency is a public agency created and existing under the Placer County Water Agency Act (Statutes 1957, Chapter 1234, as amended), and is authorized to conserve and utilize, within and outside of the Agency, water for any purpose useful to the Agency.

B. The Agency owns and operates the Middle Fork American River Project pursuant to water right permits 13855 through 13858 issued by the State of California ("Agency Water Rights").

C. Northridge is a public agency located in northern Sacramento County, created and existing under the County Water District Law (Division 12 of the Water Code, commencing with section 30,000), and is authorized to acquire water rights and entitlements to provide water service within its service area.

D. Northridge currently provides water for potable use within its service area primarily from groundwater. The groundwater aquifer utilized by Northridge (and other water purveyors) is located in both Placer and Sacramento Counties. This aquifer has experienced a steady decline for many years, and is expected to continue to decline in the future unless surface water is made

available as a supplemental water source to enable implementation of a conjunctive use program to stabilize the aquifer in Placer and Sacramento Counties.

E. San Juan Water District (“San Juan”) diverts water from Folsom Reservoir (including water purchased from the Agency) for treatment and distribution within its service area, which is in both Placer and Sacramento Counties. San Juan has completed a project to increase the capacity of its water conveyance system from its treatment plant (“San Juan Pipeline”), and Northridge has purchased the right to use a portion of the capacity in the San Juan Pipeline for use within Northridge’s service area. San Juan has also agreed to give Northridge first priority to use of surplus capacity in San Juan’s water treatment facility. Northridge has installed a pipeline to convey treated surface water from the San Juan Pipeline to Northridge’s service area to enable Northridge to better conserve and utilize its groundwater resources.

F. The Agency has determined that, subject to the terms and conditions set forth in this Agreement, there will be water available under the Agency’s water rights for delivery to Northridge for the purpose of stabilizing the groundwater basin in Placer and Sacramento Counties as provided for in this Agreement.

G. The Agency is willing to deliver to, and Northridge is willing to pay for, water delivered by the Agency under the terms and conditions set forth in this Agreement.

H. The Agency (as lead agency) and Northridge (as a responsible agency) have prepared and approved a final environmental impact report (“EIR”) under the California Environmental Quality Act for the sale of water under this agreement.


I. The State Water Resources Control Board (“SWRCB”) issued orders on May 24,

2000 ("SWRCB Orders") that approve a change in the place of use of the Agency Water Rights to include the area served by Northridge, which is described in Article 19 of this Agreement.

J. The Agency and Northridge are signatories to the Water Forum Agreement, which sets forth provisions that are related to the diversion and use of water under this Agreement that are implemented by the EIR and SWRCB Orders.

K. Northridge and the U.S. Bureau of Reclamation ("Reclamation") have entered into an agreement that authorizes Northridge to use Reclamation facilities at Folsom Reservoir to convey water delivered by the Agency under this Agreement (the "Warren Act Contract", including any renewal, extensions or subsequent agreement for that purpose).

Now, therefore, in consideration of the mutual covenants contained, herein, the parties agree as follows:

1. **Recitals Incorporated.** The foregoing recitals are incorporated by reference.
2. **Term of Agreement.** This Agreement shall be effective as of June 1, 2000, and shall remain in effect through December 31, 2025, unless terminated earlier under the provisions of this Agreement. 
3. **Renewals of Term.** Renewals of this Agreement may be made for successive periods not to exceed twenty-five years each. The terms and conditions of each renewal shall be agreed upon by the parties not later than one year before the expiration of the then current term of the Agreement.
4. **Water to be Furnished to Northridge.** Each year during the term of this Agreement the Agency

shall make available to Northridge, subject to the water shortage provisions set forth in this Agreement, and the operating criteria set forth in Exhibit A to this Agreement, the following amounts of untreated water ("Northridge Annual Entitlement"):

<u>YEAR</u>	<u>NORTHRIDGE ANNUAL ENTITLEMENT</u>
June 1 through December 31, 2000	7,000 acre-feet
2001	11,000 acre-feet
2002	12,000 acre-feet
2003	14,000 acre-feet
2004	16,000 acre-feet
2005	18,000 acre-feet
2006	20,000 acre-feet
2007	22,000 acre-feet
2008	23,000 acre-feet
2009	24,000 acre-feet
2010	25,000 acre-feet
2011	26,000 acre-feet
2012	27,000 acre-feet
2013	28,000 acre-feet
2014 and each year thereafter	29,000 acre-feet

Each year Northridge shall be required to pay for its Annual Entitlement or surrender its right to some of it so that the Agency will be free to put the water to use elsewhere. In order to do this, if Northridge does not take or pay for the Northridge Annual Entitlement for any year, the Northridge Annual Entitlement for each year thereafter shall be reduced by an amount equal to 50% of the amount which Northridge did not take or pay for during that year.

5. Water Shortage Provisions.

(a) The Northridge Annual Entitlement shall be subject to temporary or permanent reduction or elimination whenever the Agency notifies Northridge that the Agency has determined that it will not have sufficient water (1) to meet the needs of the Agency's then current customers within Placer County, (2) to meet the contractual entitlement of San Juan under its water supply contract with the Agency, or (3) to meet the Agency's obligations under its April 30, 1963 Middle Fork Project Power Purchase Contract with Pacific Gas and Electric Company ("the Power Purchase Contract"). Such notification shall be provided at the earliest date feasible. The Northridge Annual Entitlement shall not be subject to reduction or elimination because the Agency has insufficient water to meet the needs of other Agency contractors or users whose service areas are outside of Placer County, except for San Juan.



NOTE

(b) The Agency may temporarily discontinue or reduce the amount of the Northridge Annual Entitlement for the purpose of maintaining, repairing, replacing, investigating or inspecting any of the facilities necessary for the storage or furnishing of water to Northridge. In so far as it is feasible, the Agency will give Northridge due notice in advance of such temporary discontinuances or reductions except in cases of emergency, in which case notice will be provided at the earliest date feasible. In the event of any such discontinuance or reduction, the Agency will, upon the resumption of service, attempt to approximate delivery of the quantity of Northridge Annual Entitlement that would have been furnished to Northridge in the absence of such event.

(c) The Northridge Annual Entitlement shall be subject to reduction in accordance with the provisions of Exhibit A.

(d) In the event of a water shortage as described in subparagraphs (a), (b) or (c) of this

article, Northridge shall be solely responsible for obtaining alternative supplies of water to meet its customers' needs, and no liability shall accrue against the Agency or any of its directors, officers, agents or employees for any damage, direct or indirect, arising from such shortages. In any year in which less than the Northridge Annual Entitlement from the schedule set forth in Article 4 is available to Northridge, a proportionate adjustment shall be made to the amounts to be paid by Northridge provided for in Article 12. To the extent that there is a deficiency in the availability of the Northridge Annual Entitlement not caused by wrongful conduct of the Agency, such adjustment shall constitute the sole remedy of Northridge or anyone having or claiming to have by, through or under Northridge the right to the use of any of the water supply provided for herein.

6. **Delivery of Water.** The Agency shall deliver the Northridge Annual Entitlement into Folsom Reservoir, and Northridge shall be responsible for diversion, treatment and conveyance of such water, including without limitation the payment of any charges to Reclamation concerning the diversion of such water from Folsom Reservoir and the cost of any facilities necessary to divert such water from Folsom Reservoir.

7. **Commencement of Water Service.** Water service to Northridge under this Agreement shall commence on June 1, 2000.

8. **Delivery Schedule.** Prior to commencement of water service, Northridge shall submit a written schedule to the Agency indicating the time and quantities of the Northridge Annual Entitlement to be diverted from Folsom Reservoir for delivery to Northridge pursuant to this Agreement during the remainder of the year. Thereafter, on or before December 1 of each year, Northridge shall submit a written schedule to the Agency indicating the times and quantities of the Northridge Annual Entitlement to be diverted from Folsom Reservoir for delivery to Northridge pursuant to this Agreement during the following year. The Agency shall, consistent with the Agency Water Rights,

the Power Purchase Contract and the provisions hereof, furnish the Northridge Annual Entitlement to the maximum extent feasible in accordance with the schedules submitted by Northridge or any revisions thereof that are satisfactory to the Agency. The Agency shall cooperate with Northridge in any revisions to the schedule for water deliveries as necessary to accommodate limitations in the available capacity of water diversion, treatment and conveyance facilities to be utilized by Northridge.

9. **Measurement.** Northridge shall measure or cause to be measured all water furnished pursuant to this Agreement at the point of diversion at Folsom Reservoir. Such measurement shall be with equipment satisfactory to the Agency and to Northridge, and Northridge shall furnish the Agency written reports quarterly showing the weekly diversions to Northridge. The Agency may inspect such measuring equipment for the purpose of determining the accuracy thereof at any time, and any errors therein will be adjusted.

10. **Water Quality.** The Agency assumes no responsibility with respect to the quality of the water to be furnished pursuant to this Agreement and does not warrant the quality of any such water.

11. **Responsibilities for Delivery and Distribution of Water.** Neither the Agency nor its directors, officers, agents or employees shall be liable for the control, carriage, handling, use, disposal or distribution of water furnished to Northridge hereunder outside of facilities then being operated or maintained by the Agency, nor for claims of damages of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal or distribution of such water beyond such facilities, and Northridge shall indemnify and hold harmless the Agency and its directors, officers, agents and employees from any such damages or claims of damages.



## 12. Rate and Method of Payment for Water.

(a) Rate of Payment for Water. Each year Northridge shall pay the Agency for each acre-foot of Northridge Annual Entitlement made available for use in Northridge's service area the highest of the following three rates: (1) Thirty-five dollars (\$35); (2) One hundred seventy-five percent (175%) of the acre-foot price the Agency charges the City of Roseville and San Juan that year for water made available to them in Folsom Reservoir for use within Placer County; or (3) One hundred fifty percent (150%) of the total amount, per acre-foot, including any restoration and other fees and charges, which the Agency is required to pay that year to Reclamation for water to be used within the Agency pursuant to the Agency's September 18, 1970 contract with Reclamation as amended and supplemented or pursuant to any renewals of that contract.

Each year, Northridge shall pay the Agency for each acre-foot of Northridge Annual Entitlement which is sold, leased, transferred or disposed of by Northridge for use outside the authorized service area for Agency water as described in Article 19, either: (1) the price provided for in the previous sentence; or (2) an amount equal to 95% of the value received by Northridge for such water, whichever is higher, and the first water sold, leased, transferred or disposed of by Northridge each year for use outside the authorized service area for Agency water shall be deemed to be the water made available to Northridge by the Agency pursuant to this Agreement. Prior to December 31 each year, the Agency shall confirm and document in writing to Northridge the applicable water rate for the next year.

(b) Time and Method of Payment. Payment shall be made quarterly in advance on or before January 1, April 1, July 1 and October 1 of each year. The amount of the payment shall be based upon the amount of water in the delivery schedule or amendments thereof furnished pursuant to Article 8. At the close of each year, the Agency shall recalculate the amount owing to it for the

previous year based upon the actual deliveries and amounts of water made available to Northridge, and shall thereupon bill Northridge for any underpayments or refund any overpayments. Any amounts due and owing from one party to the other as a result of such recalculation shall be paid within thirty days after the Agency renders a statement to Northridge for such payment.

**13. Interest on Overdue Payments.** Northridge shall pay the Agency interest at the legal rate for interest on State of California judgments on any charges that remain unpaid after they become due and payable.

**14. Obligation of Northridge to Make Payments.**

(a) Character of obligation.

The obligations of Northridge arising out of or pursuant or incidental to this Agreement shall constitute general obligations of Northridge, and Northridge shall use all the powers and resources available to it under the law to collect the funds necessary for and to pay its obligations to the Agency under this Agreement. Northridge as a whole is obligated to pay to the Agency the payments coming due under this Agreement, notwithstanding any individual default by its water users, constituents or others in the payment to Northridge of assessments, taxes, tolls or other charges levied by Northridge.

(b) Refusal of Water Does Not Affect Obligation.

Northridge's failure or refusal to accept delivery of any of the Northridge Annual Entitlement in any year shall in no way relieve it of its obligation to make payments to the Agency for that year's Annual Entitlement as provided for herein to the extent the Agency was ready, willing

and able to supply the Northridge Annual Entitlement that year.

**15. Compliance with Provisions of EIR, SWRCB Orders and Warren Act Contract.**

(a) The Agency shall not petition the SWRCB for a change in the place of use under the Agency Water Rights to eliminate any of Northridge's service area as of the date of this Agreement, or for any other change to the Agency Water Rights that would adversely affect Northridge's rights under this Agreement.

(b) The Agency and Northridge shall fully comply with (1) the provisions of the EIR that limit the diversion and use of water under this Agreement and (2) the provisions of the SWRCB Orders that limit the diversion and use of water under this Agreement, by complying with the operating criteria set forth in Exhibit A.

**16. Remedies Not Exclusive.** The use by either party of any remedy specified for the enforcement of this Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.

**17. Waiver of Rights.** Any waiver at any time by either party of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement, shall not be deemed to be a waiver with respect to any other breach, default or matter.

**18. Assignment.** The provisions of this Agreement shall apply to and bind the successors and assigns of the respective parties, but no assignment or transfer of this Agreement, or any part hereof or interest herein, shall be valid until and unless approved by the Agency.

19. **Areas Served by Northridge.** Water delivered to Northridge pursuant to this Agreement shall not be sold or otherwise disposed of by Northridge for use outside of the service area shown on the map marked Exhibit B, without the prior written consent of the Agency, which consent shall not unreasonably be withheld; provided, however, in no event shall any such water be used outside the place of use described in the Agency's water right permits.

20. **Opinions and Determinations.** Where the terms of this Agreement provide for action to be based upon judgment, approval, review or determination of either party, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review or determination to be arbitrary, capricious or unreasonable.

21. **Notices.** All notices that are required either expressly or by implication to be given by any party to the other under this Agreement shall be signed for the Agency and for Northridge by such officers as they may from time to time authorize to so act. Any notices to parties required by this Agreement shall be delivered or mailed, U.S. first-class postage prepaid, addressed as follows:

To Agency:

General Manager  
Placer County Water Agency  
P.O. Box 6570  
Auburn, California 95604

To Northridge:

General Manager  
Northridge Water District  
P.O. Box 41258  
5331 Walnut Avenue  
Sacramento, California 95841

Either party may change its address for notice by sending notice of such change to the other party.

22. **Inspection of Books and Records.** The proper officers or agents of Northridge shall have full and free access at all reasonable times to the account books and official records of the Agency in so

far as the same pertain to the matters and things provided for in this Agreement, with the right at any time during office hours to make copies thereof at Northridge's expense, and the proper representative of the Agency shall have similar rights with respect to the account books and records of Northridge.

23. **Integration.** This is an integrated agreement and contains all of the terms, considerations, understanding and promises of the parties. It shall be read as a whole.

24. **Construction and Interpretation.** It is agreed and acknowledged by the parties that this Agreement has been arrived at through negotiation, and that each party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement.

25. **Amendment.** This Agreement may be modified or amended only by a subsequent written agreement approved by both parties.

26. **Attorney's Fees.** In any action brought by either party to enforce or construe this Agreement, the prevailing parties shall be entitled to an award of reasonable attorney's fees, expert witness and consulting fees, litigation costs and costs of suit.

27. **Counterparts.** This Agreement may be executed in counterparts. Northridge shall deliver its counterpart to the Agency, which shall deliver a fully-conformed counterpart to Northridge.

28. **Obligations Prior to Termination.** The obligations of the parties incurred pursuant to this

Agreement prior to the termination of this Agreement shall survive the termination.

29. **Supporting Resolutions.** Each party represents that it has legal authority to enter into this Agreement and to perform its obligations hereunder, and shall submit to the other party concurrent with execution of this Agreement a duly-authorized resolution or other document evidencing the authority and authorizing the person executing this Agreement to do so.

30. **General Indemnity.** Each party agrees to protect, defend, indemnify and hold harmless the other party, its directors, officers, agents, employees and consultants from and against any and all losses, claims, liens, demands and causes of action of every kind and character, without limitation by enumeration, occurring or in any wise incident to, connected with, or arising directly or indirectly out of the negligence or willful misconduct of the indemnifying party hereunder.

31. **Severability.** The invalidity, illegality or unenforceability of any provision of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

32. **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 parties, their respective successors and permitted transferees and assigns, and no other person or entity shall be entitled to rely upon or receive any benefit from this Agreement or any of its terms.


33. **Relationship of Parties.** Nothing in this Agreement shall 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 regard to anyone or more of the parties.

34. Additional Documents. Each party agrees to make, execute, acknowledge and deliver any and all documents reasonably required to implement this Agreement.

35. Supersedes prior Agreement. This Agreement supersedes in its entirety the "Agreement between Placer County Water Agency and Northridge Water District for a water supply for groundwater stabilization", as amended, which was entered into as of August 21, 1995.

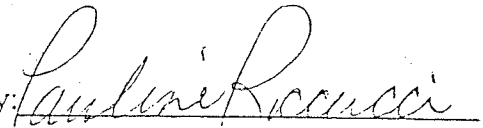
The foregoing is hereby agreed to by the parties.

PLACER COUNTY WATER AGENCY

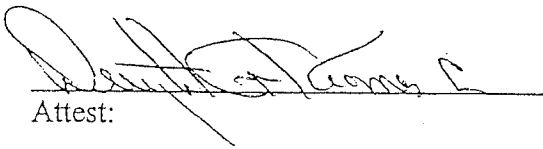
  
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Attest:

KA SMITH CLERK TO THE  
BOARD OF DIRECTORS PCWA

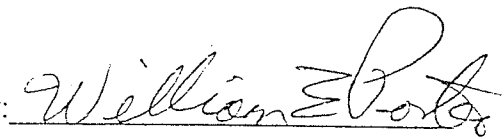
By:   
\_\_\_\_\_

NORTHRIDGE WATER DISTRICT

  
\_\_\_\_\_

Attest:

DEWIGHT F. KRAMER, SR.  
Secretary

By:   
\_\_\_\_\_

WILLIAM E. PORTER  
Board of Director  
President

## Exhibit A

### Operating Criteria

The diversion and use of water under this Agreement shall be subject to the following operating criteria, in addition to the terms and conditions set forth in the Agreement:

1. The Northridge Annual Entitlement shall not exceed the annual amount of water that is available for diversion by Northridge in accordance with the terms and conditions of the SWRCB Orders, which are attached hereto. Northridge's obligation in Article 4 of the Agreement to take or pay for the Northridge Annual Entitlement shall be based on the Northridge Annual Entitlement as adjusted in this exhibit.
2. Northridge shall compensate the Agency at the rates provided for in Article 12 for water that the Agency would have appropriated to storage but could not (and which results in a net decrease in the amount of water in storage) as a result of application of Article 2.b. of the September 30, 1999 agreement between the Agency and the Department of Water Resources that is referred to in the SWRCB Orders and attached hereto.
3. To account for the conveyance losses provided for in Article 3(b) of the Warren Act Contract, the Agency shall release five percent more than the quantity of water requested for delivery by Northridge.



## EXHIBIT 2

### AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN PLACER COUNTY WATER AGENCY AND SACRAMENTO SUBURBAN WATER DISTRICT FOR A WATER SUPPLY FOR GROUNDWATER STABILIZATION

This Amendment No. 1 ("Amendment") is entered into as of Oct 8, 2008, and amends the water supply agreement entered into on June 1, 2000 ("2000 Water Supply Agreement"), by and between Placer County Water Agency, a public agency (the "Agency"), and Sacramento Suburban Water District, a public agency ("Sacramento Suburban"), in the County of Sacramento, California. The Agency and Sacramento Suburban are collectively referred to as the "Parties." Terms defined in the 2000 Water Supply Agreement will have the same meaning in this Amendment.

#### Recitals

A. The Agency and Northridge Water District entered into the 2000 Water Supply Agreement, which provided for up to 29,000 acre-feet per year of water that would be made available by the Agency for use by Northridge Water District.

B. Sacramento Suburban is the successor entity to Northridge Water District following the consolidation of Northridge Water District and Arcade Water District, and Sacramento Suburban has succeeded to all the rights and obligations of Northridge Water District under the 2000 Water Supply Agreement.

C. The Parties desire to amend the 2000 Water Supply Agreement as set forth in this Amendment.

In consideration of the mutual covenants contained, herein, the Parties agree as follows:

1. **Recitals Incorporated.** The foregoing recitals are incorporated by reference.

2. **Amendment of Section 4.** Section 4 of the 2000 Water Supply Agreement is amended to read as follows:

#### 4. Water to be Furnished to Sacramento Suburban.

(a) Each year during the term of this Agreement the Agency will make available to Sacramento Suburban, subject to the water shortage provisions set forth in this Agreement, and the operating criteria set forth in Exhibit A to this Agreement: (1) effective September 1, 2008, 16,000 acre-feet of untreated water; and (2) effective January 1, 2009, 12,000 acre-feet of untreated water, ("Sacramento Suburban Annual Entitlement").

(b) Each year Sacramento Suburban will be required to pay for the Sacramento

Suburban Annual Entitlement or surrender its right to some of it so that the Agency will be free to put the water to use elsewhere. In order to do this, if Sacramento Suburban does not take or pay for the Sacramento Suburban Annual Entitlement for any year, the Sacramento Suburban Annual Entitlement for each year thereafter will be reduced by an amount equal to 50% of the amount which Sacramento Suburban did not take or pay for during that year.

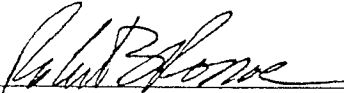
(c) In any year during the term of this Agreement, Sacramento Suburban may request that the Agency make available a water supply in addition to the Sacramento Suburban Annual Entitlement up to a total water supply of 29,000 acre-feet in any year, which if approved by the Agency would be made available to Sacramento Suburban under the applicable provisions of this Agreement. Such an approval would not change the amount of the Sacramento Suburban Annual Entitlement (unless the Parties agreed otherwise). Such an approval in one year would not obligate the Agency to approve a request in a subsequent year, and approval in one year would not require Sacramento Suburban to request an increased water supply in a subsequent year.

**3. Other Provisions Unaffected.** Except as provided in this Amendment, the remaining provisions of the 2000 Water Supply Agreement are unchanged and remain in full force and effect.

The foregoing is hereby agreed to by the Parties.

PLACER COUNTY WATER AGENCY      SACRAMENTO SUBURBAN WATER DISTRICT

By: 

By: 

Attest: 

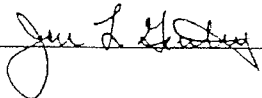
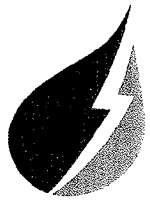
Attest: 

EXHIBIT 3

Received

AUG 29 2016

SSWD



**PCWA**  
water • energy • stewardship

PLACER COUNTY WATER AGENCY  
SINCE 1957  
BOARD OF DIRECTORS      BUSINESS CENTER  
Gray Allen, District 1      144 Ferguson Road  
Primo Santini, District 2      MAIL  
Mike Lee, District 3      P.O. Box 6570  
Robert Dugan, District 4      Auburn, CA 95604  
Joshua Alpine, District 5      PHONE  
Einar Maisch, General Manager      (530) 823-4850  
WWW.PCWA.NET      (800) 464-0030

8/25/2016

Mr. Robert S Roscoe  
Sacramento Suburban Water District  
3701 Marconi Avenue, Ste 100  
Sacramento, CA 95821

RE: Water Supply Agreement for Groundwater Stabilization  
As amended October 8, 2008

Pursuant to the Water Supply agreement dated June 1, 2000 and amended October 8, 2008, enclosed please find your invoice for Sacramento Suburban's Entitlement for the Third and Fourth Quarters of 2016.

I have enclosed copies of the original agreement, the amendment and our invoice #1332 for a total of \$291,300.

If you have questions regarding this, it is best to reach me by e-mail at [djarman@pcwa.net](mailto:djarman@pcwa.net), or you may call at (530) 823-4873.

Sincerely,

  
David Jarman  
Financial Services



INVOICE

PLACER COUNTY WATER AGENCY  
 144 FERGUSON ROAD  
 P O BOX 6570  
 AUBURN, CA 95604-6570  
 (530) 823-4873

TO: SACRAMENTO SUBURBAN WATER DISTRICT  
 Attn: Mr. Robert S. Roscoe  
 3701 MARCONI AVENUE, STE 100  
 SACRAMENTO, CA 95821

INVOICE NO: 1332  
 DATE: 08/25/2016

CUSTOMER NO: 1623/2802

TYPE: AW – AGENCY WIDE CUSTOMERS

QUANTITY	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
	QUARTERLY 2016 BILLING TAKE OR PAY 3,000 ACRE FEET (BASED ON 12TAF ENTITLEMENT) AT 175% OF THE ACRE-FOOT PRICE THE AGENCY CHARGES THE CITY OF ROSEVILLE & SAN JUAN WATER DISTRICT (SECTION 12(A) OF THE JUNE 1, 2000 AGREEMENT) $\$ 27.74 \text{ AF} \times 175\% = \$ 48.55 \text{ AF} = \$145,650$		
	PURSUANT TO THE WATER SUPPLY CONTRACT DATED JUNE 1, 2000 AND AMENDED OCTOBER 8, 2008 BETWEEN PLACER COUNTY WATER AGENCY AND SACRAMENTO SUBURBAN WATER DISTRICT (FORMERLY NORTHRIDGE)		
3000	Q3 2016 ENTITLEMENT (JUL, AUG, SEP)	\$ 48.55	\$ 145,650.00
3000	Q4 2016 ENTITLEMENT (OCT, NOV, DEC IN ADVANCE	\$ 48.55	\$ 145,650.00
W a t e r • E n e r g y • S t e w a r d s h i p			
		TOTAL DUE THIS INVOICE:	\$ 291,300.00

PLEASE DETACH AND SEND THIS COPY WITH REMITTANCE

DATE: 08/25/2016 DUE DATE: 09/26/2016  
 CUSTOMER NO: 1623/2802

NAME: SACRAMENTO SUBURBAN WATER DISTRICT  
 TYPE: AW – AGENCY WIDE CUSTOMERS

REMIT AND MAKE CHECK PAYABLE TO:  
 PLACER COUNTY WATER AGENCY  
 144 FERGUSON ROAD  
 P O BOX 6570  
 AUBURN, CA 95604-6570

INVOICE NO: 1332  
 TERMS: NET 30 DAYS

AMOUNT: \$ 291,300.00

# RECLAMATION

*Managing Water in the West*

U.S. Department of the Interior  
Bureau of Reclamation

M&I 2016 Sch A-1 F.Z.18.XLSM  
01/26/2016

CENTRAL VALLEY PROJECT  
SCHEDULE OF M&I CONTRACT AND  
COST OF SERVICE WATER RATES PER ACRE-FOOT BY CONTRACTOR  
2016 M&I WATER RATES

\* Contractor's applicable rate is shown in blue

A	B	C	D	E	F
Facility/Contractor	Direct Pumping <Sch. A-2A>	Project Use Energy 4/	Contract Rate 1/	O&M <Sch. A-2A>	Cost of Service Rate <Sch. A-2A>
Ref		Other PUE Remittance <Sch. A-2A>			
<b>Black Butte D&amp;R</b>					
County of Colusa	\$ -	\$ -	26.96	\$ 26.27	\$ 26.96
Elk Creek CSD	\$ -	\$ -	26.27	\$ 26.27	\$ 26.27
U.S. Forest Service - BB	\$ -	\$ -	30.09	\$ 26.27	\$ 30.09
Whitney Const.	\$ -	\$ -	34.99	\$ 26.27	\$ 34.99
<b>Clear Creek Unit</b>					
Clear Creek CSD	\$ -	\$ -	26.27	\$ 26.27	\$ 26.27
<b>Contra Costa Canal</b>					
Contra Costa WD 4/	\$ 11.17	\$ 1.43	25.82	\$ 25.82	\$ 25.82
<b>Cow Creek Unit</b>					
Bella Vista WD 5/	\$ -	\$ -	42.19	\$ 42.19	\$ 42.19
<b>Cross Valley Canal</b>					
County of Fresno	\$ -	\$ -	109.73	\$ 36.66	\$ 109.73
County of Tulare	\$ -	\$ -	140.55	\$ 36.66	\$ 140.55
<b>Delta-Mendota Canal</b>					
Byron Bethany ID	\$ -	\$ -	26.41	\$ 26.27	\$ 26.41
City of Tracy	\$ -	\$ -	33.19	\$ 26.27	\$ 33.19
Del Puerto WD	\$ -	\$ -	26.27	\$ 26.27	\$ 26.27
Department of Veterans Affairs	\$ -	\$ -	51.16	\$ 26.27	\$ 51.16
Panoche WD - DMC	\$ -	\$ -	26.34	\$ 26.27	\$ 26.34
San Luis WD - DMC	\$ -	\$ -	26.27	\$ 26.27	\$ 26.27

Cost  
\$ 27.74

CENTRAL VALLEY PROJECT  
SCHEDULE OF M&I CONTRACT AND  
COST OF SERVICE WATER RATES PER ACRE-FOOT BY CONTRACTOR  
2016 M&I WATER RATES

\* Contractor's applicable rate is shown in blue

A	B	C	D	E	F
Facility/Contractor	Project Use Energy	Other PUE	Contract Rate <sup>1/</sup>	O&M	Cost of Service Rate
Ref	Direct Pumping	Remittance	Contract Rate <sup>1/</sup>	<Sch. A-2A>	<Sch. A-2A>
<b>Folsom D&amp;R</b>					
City of Roseville	\$ -	-	27.65	26.27	\$ 27.65
El Dorado ID - FD&R	\$ -	-	26.65	26.27	\$ 26.65
Placer County WA	\$ -	-	27.77	26.27	\$ 27.77
Sacramento County WA	\$ -	-	33.05	26.27	\$ 33.05
San Juan WD	\$ -	-	27.83	26.27	\$ 27.83
<b>Folsom-South Canal</b>					
East Bay MUD	\$ -	-	129.55	29.11	\$ 129.55
Sacramento County WA - FSC	\$ -	-	41.35	29.11	\$ 41.35
Sacramento MUD	\$ -	-	39.60	29.11	\$ 39.60
<b>Friant Dam</b>					
County of Madera	\$ -	-	65.37	26.27	\$ 65.37
Fresno County WW#18	\$ -	-	26.92	26.27	\$ 26.92
<b>Friant-Kern Canal</b>					
Arvin-Edison WSD	\$ -	-	26.27	26.27	\$ 26.27
City of Fresno	\$ -	-	50.30	26.27	\$ 50.30
City of Lindsay	\$ -	-	26.31	26.27	\$ 26.31
City of Orange Cove	\$ -	-	26.34	26.27	\$ 26.34
Delano-Earlmar ID	\$ -	-	26.27	26.27	\$ 26.27
Lindsay-Strathmore ID	\$ -	-	26.42	26.27	\$ 26.42
Shafter-Wasco ID	\$ -	-	26.27	26.27	\$ 26.27
Terra Bella ID	\$ -	-	26.45	26.27	\$ 26.45

CENTRAL VALLEY PROJECT  
SCHEDULE OF M&I CONTRACT AND  
COST OF SERVICE WATER RATES PER ACRE-FOOT BY CONTRACTOR  
2016 M&I WATER RATES

\* Contractor's applicable rate is shown in blue

A	B	C	D	E	F
Facility/Contractor	Direct Pumping <Sch. A-2A>	Project Use Energy <sup>4/</sup> Other PUE Remittance <Sch. A-2A>	Contract Rate <sup>1/</sup> <Sch. A-2A>	O&M <Sch. A-2A>	Cost of Service Rate <Sch. A-2A>
<b>New Melones D&amp;R</b>					
Stockton East WD	\$ -	\$ -	\$ 32.22	\$ 26.27	\$ 32.22
<b>Sacramento River</b>					
City of Redding - SR	\$ -	\$ -	\$ 26.88	\$ 26.27	\$ 26.88
City of West Sacramento <sup>2/</sup>	\$ -	\$ -	\$ 25.64	\$ 26.27	\$ 26.55
Lake California P.O.A.	\$ -	\$ -	\$ 26.74	\$ 26.27	\$ 26.74
Meyer Crest Ltd.	\$ -	\$ -	\$ 26.27	\$ 26.27	\$ 26.27
Riverview Golf & CC	\$ -	\$ -	\$ 26.32	\$ 26.27	\$ 26.32
<b>San Felipe Unit</b>					
San Benito County WD <sup>4/</sup>	\$ 33.52	\$ 4.30	\$ 23.42	\$ 21.77	\$ 23.42
Santa Clara Valley WD <sup>3/4/</sup>	\$ 38.52	\$ 4.94	\$ 26.25	\$ 21.13	\$ 26.66
<b>San Luis Canal - Fresno</b>					
City of Avenal	\$ -	\$ -	\$ 45.34	\$ 26.27	\$ 45.34
City of Coalinga	\$ -	\$ -	\$ 82.10	\$ 44.77	\$ 82.10
City of Huron	\$ -	\$ -	\$ 77.39	\$ 26.27	\$ 77.39
State of CA	\$ -	\$ -	\$ 26.39	\$ 26.27	\$ 26.39
Westlands WD <sup>4/</sup>	\$ 9.39	\$ 1.20	\$ 31.70	\$ 25.07	\$ 31.70
<b>San Luis Canal - Tracy</b>					
Pacheco WD - SLC	\$ -	\$ -	\$ 45.37	\$ 26.27	\$ 45.37
Panoche WD - SLC	\$ -	\$ -	\$ 27.69	\$ 26.27	\$ 27.69
San Luis WD - SLC <sup>4/</sup>	\$ 38.41	\$ 4.92	\$ 27.55	\$ 21.35	\$ 27.55

CENTRAL VALLEY PROJECT  
SCHEDULE OF M&I CONTRACT AND  
COST OF SERVICE WATER RATES PER ACRE-FOOT BY CONTRACTOR  
2016 M&I WATER RATES

\* Contractor's applicable rate is shown in blue

A	B	C	D	E	F
Facility/Contractor	Direct Pumping <Sch. A-2A>	Project Use Energy 4/ Other PUE Remittance <Sch. A-2A>	Contract Rate 1/ <Sch. A-2A>	O&M <Sch. A-2A>	Cost of Service Rate <Sch. A-2A>
<b>Shasta D&amp;R</b>					
Centerville CSD	\$ -	\$ -	\$ 33.57	\$ 26.27	\$ 33.57
Mountain Gate CSD	\$ -	\$ -	\$ 28.99	\$ 26.27	\$ 28.99
Shasta CWA	\$ -	\$ -	\$ 30.75	\$ 26.27	\$ 30.75
<b>Spring Creek Conduit</b>					
City of Redding - SCC	\$ -	\$ -	\$ 30.34	\$ 26.27	\$ 30.34
Shasta CWA - SCC	\$ -	\$ -	\$ 30.33	\$ 26.27	\$ 30.33
Shasta CSD	\$ -	\$ -	\$ 29.86	\$ 26.27	\$ 29.86
<b>Tehama-Colusa Canal</b>					
Colusa County WD "	\$ 18.45	\$ 2.36	\$ 25.96	\$ 23.91	\$ 25.96
Kanawha WD "	\$ 4.48	\$ 0.57	\$ 28.19	\$ 25.70	\$ 28.19
<b>Toyon Pipeline</b>					
City of Redding - TP	\$ -	\$ -	\$ 26.90	\$ 26.27	\$ 26.90
City of Shasta Lake	\$ -	\$ -	\$ 94.05	\$ 94.03	\$ 94.05
U.S. Forest Service	\$ -	\$ -	\$ 36.04	\$ 26.27	\$ 36.04
<b>ASSESSMENT AND CHARGES:</b>					
<b>CVPIA Charges (effective Oct. 1, 2015 - Sep. 30, 2016):</b>					
Restoration Fund	\$ 20.41				
M&I Surcharge	\$ 42.52				
Friant Surcharge	\$ 7.00				
<b>Assessment (March 1, 2016 - February 28, 2017)</b>					
Trinity PUD Assessment	\$ 0.30				



CENTRAL VALLEY PROJECT  
SCHEDULE OF M&I CONTRACT AND  
COST OF SERVICE WATER RATES PER ACRE-FOOT BY CONTRACTOR  
2016 M&I WATER RATES

**Footnotes:**

- 1/ Contract rates are adjusted annually to the greatest of the CVP minimum rate of \$15.00 per acre-foot or the cost of service rate; otherwise noted.
- 2/ The contract rate is adjusted every five years.
- 3/ Contractor has advanced paid O&M greater than two months pursuant to terms of the agreements. The O&M component of the rate has been reduced to reflect funds advanced.
- 4/ Project Use Energy cost and Cost of Service Rate are paid in advance. Please see forward for further details.
- 5/ The rates have been increased by \$15.91 for O&M and will differ from that reported in other ratebook schedules that include an O&M component.

# EXHIBIT 4

## AMENDMENT NO. 2 TO THE AGREEMENT BETWEEN PLACER COUNTY WATER AGENCY AND SACRAMENTO SUBURBAN WATER DISTRICT FOR A WATER SUPPLY FOR GROUNDWATER STABILIZATION

This Amendment No. 2 (“Amendment”) is entered into as of June 2, 2016, and amends the water supply agreement entered into on June 1, 2000, as amended by the Amendment No. 1 dated October 2, 2008, by and between Placer County Water Agency, a public agency (the “Agency”), and Sacramento Suburban Water District, a public agency (“Sacramento Suburban”), in the County of Sacramento, California (the “Water Supply Agreement”). The Agency and Sacramento Suburban are collectively referred to as the “Parties.” Terms defined in the Water Supply Agreement will have the same meaning in this Amendment.

### Recitals

A. The Agency and Northridge Water District entered into the Water Supply Agreement, which provided for up to 29,000 acre-feet per year of water that would be made available by the Agency for use by Northridge Water District under specified conditions.

B. Sacramento Suburban is the successor entity to Northridge Water District following the consolidation of Northridge Water District and Arcade Water District, and Sacramento Suburban has succeeded to all the rights and obligations of Northridge Water District under the Water Supply Agreement.

C. The Parties desire to further amend the Water Supply Agreement as set forth in this Amendment.

In consideration of the mutual covenants contained, herein, the Parties agree as follows:

1. **Recitals Incorporated.** The foregoing recitals are true and are incorporated by reference.

2. **Amendment of Section 2.** Section 2 of the Water Supply Agreement is amended in accordance with Section 3 of that agreement to read as follows:

**2. Term of Agreement.** This Agreement shall be effective as June 1, 2000, and shall remain in effect through December 31, 2045, unless terminated earlier or extended under the provisions of this Agreement.

**3. Other Provisions Unaffected.** Except as provided in this Amendment, the remaining provisions of the Water Supply Agreement are unchanged and remain in full force and effect.

The foregoing is hereby agreed to by the Parties.

PLACER COUNTY WATER AGENCY

By: Michael R. Lee

Attest: Cheri Sprunck

SACRAMENTO SUBURBAN WATER DISTRICT

By: Ken M. [Signature]

Attest: [Signature] for BSR



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## Agenda Item: 16

**Date:** September 2, 2016

**Subject:** CEQA Exemptions for Miscellaneous Water Facility Projects

**Staff Contact:** Mitchell S. Dion, Technical Services Director

### Discussion:

To comply with the California Environmental Quality Act (CEQA), the District has submitted a “Notice of Exemption” for the following projects: Edison Meadows Phase 1 and 2 Main Replacement Project and Enterprise Intertie Improvements Project. Both projects are located in the South Service Area (SSA) of the District. A description of these projects follows:

#### **Edison Meadows Phase 1 & 2 Main Replacement Project**

The 2016/2017 Edison Meadows Phase 1 & 2 Main Replacement Project located in voting Division 2 in an area bounded by Norris Avenue on the east, Whitney Avenue on the south, Watt Avenue on the west, and Edison Avenue on the north. The project will install approximately 35,000 feet of 8-inch and 12-inch water mains and install approximately 500 new water meters. The project is divided into two phases, and may take over one year to complete, depending on budget constraints and new County of Sacramento paving requirements.

Article 15302 of CEQA allows a “Class 2” Categorical Exemption for “replacement or reconstruction of existing structures and facilities where the new structure would be located in the same site as the structure replaced and will have substantially the same purpose and capacity of the structure replaced.” For the Edison Meadows Project, a new water main will be installed below the surface in public right of ways. No additional capacity will be provided from these water mains and they are not being constructed to accommodate growth. Therefore, this project meets the criteria of “Statutory Exemption”, which qualify it as being exempt under CEQA.

The “Notice of Exemption” (NOE) for the Edison Meadows Phase 1 & 2 Main Replacement Project has been signed and was recorded with the Sacramento County Clerk/Recorder’s Office on August 25, 2016. A copy of the NOE is attached as Exhibit 1 to this report.

There is a change in the processing for CEQA documents presented to the California Department of Fish and Wildlife. Under California state law the County Recorder submits the CEQA finding to the California Department of Fish and Wildlife on behalf of the District.

#### **Enterprise Intertie Improvements Project**

This project will make improvements to an existing intertie with the City of Sacramento at SSWD's Enterprise Reservoir site. This intertie was originally designed for SSWD to take delivery of treated surface water purchased from the City of Sacramento. With additional piping,

a control valve, instrumentation and controls, this intertie can also be used by SSWD to deliver groundwater supplies to the City of Sacramento during drought and/or emergency conditions.

As part of a Proposition 84 Integrated Regional Water Management (IRWM) Grant through the Regional Water Authority (RWA), the District will receive \$118,125 in grant funding for the Enterprise Intertie Improvements. The estimated total cost of the intertie improvements is \$178,700. However, through adoption of a cost sharing agreement, the City of Sacramento has agreed to pay 100% of the estimated non-grant capital costs, which totals an estimated \$60,575.

The proposed intertie improvements will be constructed within an existing piping manifold adjacent to the existing booster pump station building. The proposed project is for public reliability, health and safety purposes that involve “minor alteration of existing public or private structures, facilities, (and) mechanical equipment” with “negligible or no expansion of an existing use.” Only existing groundwater supplies will be pumped from SSWD to the City of Sacramento to serve existing customers. These minor improvements (piping, control valve and instrumentation and controls) will not result in any serious or major disturbance to an environmental resource and, therefore, this project is exempt from the provisions of CEQA.

As proposed, this project is categorically exempt under Class 1, Section 15301(f), for Existing Facilities. Specifically, this project is a “minor alteration of existing public or private structures, facilities, (and) mechanical equipment” with “negligible or no expansion of an existing use.” Even though the project will increase the volume and certainty of a reliable water supply, the important issue is that only existing groundwater capacity will be used to serve existing development/customers, and not new development or customers.

Two separate “Notices of Exemption” (NOE) for the Enterprise Intertie Improvements project have been signed by the General Manager. One NOE will be recorded with the Sacramento County Clerk/Recorder’s Office on September 6, 2016. Because of the grant funding, a second NOE is needed for the State Clearinghouse. This NOE will be mailed to the State Clearinghouse on September 6, 2016. Copies of both NOE’s are attached as Exhibit 2 to this report.

**Fiscal Impact:**

Unless challenged, there is no significant cost in making these determinations and filing costs are nominal fees.

**Strategic Plan Alignment:**

Facilities and Operations – 2.B. Monitor and improve the system efficiencies in operating and maintaining system infrastructure. This item aligns with this goal because easements are necessary to maintain the District’s infrastructure such as pipelines.

This proposal is consistent with improving and implementing the cost effective and timely project delivery in the replacement of infrastructure to support the long term reliability of water delivery for customers and adhering to all regulatory requirements.

District customers benefit by ensuring all regulatory matters are addressed correctly and appropriately.

NOTICE OF EXEMPTION

To: County of Sacramento  
 County Clerk  
 600 8<sup>th</sup> St., Rm 101  
 Sacramento, CA 95814

From: Sacramento Suburban Water District  
 3701 Marconi Avenue, Suite 100  
 Sacramento, CA 95821-5303

<b>PROJECT TITLE:</b> 2016/2017 Edison Meadows Waterline Replacement Project Phase 1 & 2
<b>PROJECT LOCATION:</b> Within Sacramento County in the Subdivision known as Edison Meadows. The project is located within the boundaries of Norris Avenue on the West, Edison Avenue on the North, Whitney Avenue on the South, and Watt Avenue on the East.
<b>ASSESSOR'S PARCEL NUMBER(S):</b> Public right-of-way and numerous residential and commercial lots.
<b>DESCRIPTION OF PROJECT:</b> Replacement and reconstruction of existing water mains and house service lines, consisting of approximately 34,890 linear feet of water main and installation of approximately 500 residential and commercial service lines.

NAME OF PUBLIC AGENCY APPROVING PROJECT: Sacramento Suburban Water District

NAME OF PERSON OR AGENCY CARRYING OUT PROJECT: John Valdes, Engineering Department Manager, (916) 972-7171

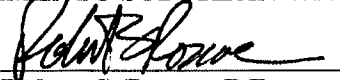
EXEMPT STATUS: (CHECK ONE)

- 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: August 25, 2016

**NOTICE OF EXEMPTION**

**To: County of Sacramento  
County Clerk  
600 8<sup>th</sup> St., Rm 101  
Sacramento, CA 95814**

**From: Sacramento Suburban Water District  
3701 Marconi Avenue, Suite 100  
Sacramento, CA 95821-5303**

<b>PROJECT TITLE:</b> SSWD Enterprise Intertie Improvements Project
<b>PROJECT LOCATION:</b> SSWD's Enterprise/Northrop Reservoir Facility located at 917 Enterprise Drive, Sacramento, CA 95825.
<b>ASSESSOR'S PARCEL NUMBER(S):</b> 285-0160-027
<b>DESCRIPTION OF PROJECT:</b> This project will make improvements to an existing intertie with the City of Sacramento at SSWD's Enterprise Reservoir site. This intertie was originally designed for SSWD to take delivery of treated surface water purchased from the City of Sacramento. With the addition of some piping, a control valve and instrumentation and controls, this intertie can also be used by SSWD to deliver excess groundwater supplies to the City of Sacramento during drought and/or emergency conditions.

**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

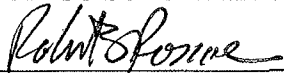
**EXEMPT STATUS: (CHECK ONE)**

- 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 1, Guidelines § 15301(f)
- STATUTORY EXEMPTION - State Code Number:

**REASONS WHY PROJECT IS EXEMPT AND DOES NOT REQUIRE FURTHER ENVIRONMENTAL DOCUMENTATION:**

The proposed intertie improvements will be constructed within an existing above-ground piping manifold adjacent to the existing booster pump station building. The proposed project is for public reliability, health and safety purposes that involve the "minor alteration of existing public or private structures, facilities, (and) mechanical equipment" with "negligible or no expansion of an existing use." Only existing excess groundwater supplies will be pumped from SSWD to the City of Sacramento to serve existing development/customers. These minor improvements (piping, control valve and instrumentation and controls) will not result in any serious or major disturbance to an environmental resource and, therefore, this project is exempt from the provisions of CEQA.

**SACRAMENTO SUBURBAN WATER DISTRICT**

**BY:**   
Robert S. Roscoe, P.E.  
General Manager

**DATE:** 9/2/16

# NOTICE OF EXEMPTION

**To:** State Clearinghouse  
1400 Tenth Street  
Sacramento, CA 95814

**From:** Sacramento Suburban Water District  
3701 Marconi Avenue, Suite 100  
Sacramento, CA 95821-5303

<b>PROJECT TITLE:</b> SSWD Enterprise Intertie Improvements Project
<b>PROJECT LOCATION:</b> SSWD's Enterprise/Northrop Reservoir Facility located at 917 Enterprise Drive, Sacramento, CA 95825.
<b>ASSESSOR'S PARCEL NUMBER(S):</b> 285-0160-027
<b>DESCRIPTION OF PROJECT:</b> This project will make improvements to an existing intertie with the City of Sacramento at SSWD's Enterprise Reservoir site. This intertie was originally designed for SSWD to take delivery of treated surface water purchased from the City of Sacramento. With the addition of some piping, a control valve and instrumentation and controls, this intertie can also be used by SSWD to deliver excess groundwater supplies to the City of Sacramento during drought and/or emergency conditions.

**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 1, Guidelines § 15301(f)  
 STATUTORY EXEMPTION - State Code Number:

**REASONS WHY PROJECT IS EXEMPT AND DOES NOT REQUIRE FURTHER ENVIRONMENTAL DOCUMENTATION:**

The proposed intertie improvements will be constructed within an existing above-ground piping manifold adjacent to the existing booster pump station building. The proposed project is for public reliability, health and safety purposes that involve the "minor alteration of existing public or private structures, facilities, (and) mechanical equipment" with "negligible or no expansion of an existing use." Only existing excess groundwater supplies will be pumped from SSWD to the City of Sacramento to serve existing development/customers. These minor improvements (piping, control valve and instrumentation and controls) will not result in any serious or major disturbance to an environmental resource and, therefore, this project is exempt from the provisions of CEQA.

**SACRAMENTO SUBURBAN WATER DISTRICT**

**BY:** Robert S. Roscoe  
Robert S. Roscoe, P.E.  
General Manager

**DATE:** 9/2/16





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## Agenda Item: 17

**Date:** September 19, 2016

**Subject:** California WaterFix – Joint Group Submissions

**Staff Contact:** Robert S. Roscoe, General Manager

The District began formally coordinating professional expert and legal services related to the Bay Delta Conservation Plan (BDCP), now referred to as California WaterFix and California EcoRestore, with other water users with similar concerns in 2012. The effort to respond to this State and Federal proposal to improve exports of northern California water by adding a new point of diversion for the State Water Project (SWP) and the Central Valley Project (CVP), and building two large water tunnels under the Delta, was judged to be significantly more cost effective for District rate payers by joining a larger group of water users with similar interests. The net result of this was the District joining with numerous other purveyors to share costs associated with provision of expert testimony on Delta habitat, anadromous fish, water rights and water system operations modeling needed to engage in the California WaterFix process in a meaningful way to protect District interest.

In 2014 and 2015, Bureau of Reclamation operations at Folsom Reservoir resulted in serious concerns that: 1) the drinking water intakes may be exposed, and 2) flows in the lower American River may be reduced to the point of rendering City of Sacramento intakes at the Fairbairn Water Treatment Plant inoperable. These obvious risks to water supplies caused a group of Sacramento region water users to work with the Sacramento Water Forum on a modified flow management standard that would include a carryover storage target for Folsom Lake operations. While continuing involvement with the "Sacramento Valley Water Users" group is still important, it became apparent that an independent review of American River specific issues was also important. This was the impetus to form a separate group, an "American River Water Agencies" group, organized through PCWA to enter a Joint Defense and Cost Sharing Agreement in 2015.

In summary, two separate groups are organized. One is focused on north of Delta issues on the Sacramento River and its tributaries broadly. The other is focused specifically on American River issues, operations and Folsom Reservoir, lower American River Flows, and environmental needs including water temperature. The Sacramento Valley Water Users group includes 26 water purveyors north of the Delta, and is concerned with ensuring water reliability is not negatively impacted with the new WaterFix tunnels project. The American River Water Agencies group is a smaller group of water purveyors with concerns that, among other things, overall operations of the CVP and the SWP are increasing water-supply risks for the District and the other purveyors

in the group by increasing pressure on Folsom Reservoir and that the WaterFix may exacerbate those risks further.

The State Water Resources Control Board's (SWRCB) water-right hearing on the WaterFix proposal began in late July with the presentation of evidence by the Bureau of Reclamation and the state Department of Water Resources (DWR). Attorneys for the District participated in cross-examining DWR's and Reclamation's witnesses in cooperation with the other attorneys involved in the Sacramento Valley Water Users and American River Water Agencies groups. The SWRCB set a September 1 deadline for the submission of evidence by agencies like the District that are protesting the WaterFix project. The District submitted its evidence concerning its water supplies and the possible effect of the WaterFix project on them. The Sacramento Valley Water Users and American River Water Agencies groups both submitted technical evidence to demonstrate how the WaterFix project could affect, among other things, the amount of water stored in Folsom Reservoir and other CVP and SWP reservoirs located north of the Delta.



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## Agenda Item: 18

**Date:** September 9, 2016

**Subject:** Legislative and Regulatory Update

**Staff Contact:** Dan York, Assistant General Manager

### RWA Government Affairs Committee

With the legislative deadline of August 31, 2016 to pass bills out of both houses, a flurry of activity occurred at the Capital. The last day for the Governor to sign or veto bills passed by the Legislature is September 30, 2016. The RWA Lobbyist Subscription Program Committee members continue to monitor the Legislative Hot List, as well as other relevant legislation, to determine what priority to give them and what position should be taken. The Hot List includes bills to be determined to be of High or Medium priority using the decision matrix included in the Legislative Platform and/or input from the Lobbyist Subscription Program Committee. Attached as Exhibit 1 is the Committee and Floor Calendar for both Assembly and Senate Bills that are being watched by the Committee. There are 16 Bills on the Calendar. In addition, there are 11 Hot Bills and 12 Medium Bills, attached to this report as Exhibits 2 and 3.

### State

The U.S. Bureau of Reclamation (Bureau) announced on September 7, 2016 that it is partnering with some local water agencies and cities in launching a new comprehensive water basin study in the American River Basin to help inform water management in the Central Valley Project. The American River Basin Study will include the development of detailed hydrologic analysis and models for the basin, which will include consideration of the impacts of climate change. It will also leverage existing stakeholder groups to identify and evaluate adaptation strategies specific to the American River Basin. To complete this study, the Bureau is partnering with the Placer County Water Agency, El Dorado County Water Agency, City of Sacramento, City of Roseville, City of Folsom and Regional Water Authority. The basin encompasses 2,140 square miles in California from its headwaters in the Sierra Nevada near Lake Tahoe to the city of Sacramento where it meets the Sacramento River. It is highly populated and the population is expected to grow 47% to nearly 3 million people by 2060. The basin supports salmon and steelhead listed under the Endangered Species Act and provides water to support the Bay-Delta ecosystem.

The Governor signed SB 814 (Hill) Drought: Excessive water use: urban retail water suppliers. The California Constitution declares that the water resources of the state be put to beneficial use to the fullest extent of which they are capable, that the waste or unreasonable use or

unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use of the waters in the interest of the people and for the public welfare. Existing law requires the Department of Water Resources and the State Water Resources Control Board to take all appropriate proceedings or actions to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of water in this state. Existing law authorizes any public entity, as defined, that supplies water at retail or wholesale for the benefit of persons within the service area or area of jurisdiction of the public entity to, by ordinance or resolution, adopt and enforce a water conservation program to reduce the quantity of water used for the purpose of conserving the water supplies of the public entity. Existing law provides that a violation of a requirement of a water conservation program is a misdemeanor punishable by imprisonment in a county jail for not more than 30 days, or by a fine not exceeding \$1,000, or both.

This bill would declare that during prescribed periods excessive water use by a residential customer in a single-family residence or by a customer in a multiunit housing complex, as specified, is prohibited. This bill, during prescribed periods, would require each urban retail water supplier to establish a method to identify and discourage excessive water use. This bill would authorize as a method to identify and discourage excessive water use the establishment of a rate structure that includes block tiers, water budgets, or rate surcharges over and above base rates for excessive water use by residential customers. This bill would authorize as a method to identify and discourage excessive water use the establishment of an excessive water use ordinance, rule, or tariff condition that includes a definition of or procedure to identify and address excessive water use, as prescribed, and would make a violation of this excessive water use ordinance, rule, or tariff condition an infraction or administrative civil penalty and would authorize the penalty for a violation to be based on conditions identified by the urban retail water supplier. By creating a new infraction, this bill would impose a state-mandated local program.

State Bills of Interest (2015 two year bills)

**Key Bills**

**Topic**

- a. **AB 453 (Bigelow)** GW Management – **(Enrolled)**
- b. **AB 1362 (Gordon)** Mosquito Abatement: apt of members - **(Enrolled)**
- c. **AB 1555 (Gomez)** Greenhouse Gas Reduction Fund – **(Referred to Committee)**
- d. **AB 1716 (McCarty)** Lower American River Conservancy – **(Enrolled)**
- e. **AB 2022 (Gordon)** Advanced Purified Demonstration Water – **(Enrolled)**
- f. **SB 163 (Hertzberg)** Recycled Water Mandate - **(Referred to Committee)**
- g. **SB 814 (Hill)** Excessive Water Use During Drought Emergency – **(Signed)**

- h. **SB 1317 (Wolk)** Permits For Ground Water Extraction – **(Suspended)**
- i. **SB 1340 (Wolk)** Water Conservation In Landscaping – **(Enrolled)**
- j. **ACA 8 (Bloom)** Local Government Financing – **(Referred to Committee)**

#### **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.
- e. **S 1140 – Federal Water Quality Protection Act (Barrasso)** - This bill requires the Department of the Army and the Environmental Protection Agency, in the interest of protecting traditional navigable waters from water pollution, to adhere to certain principles and take specified actions in proposing any regulation revising the definitions of "waters of the United States" and "navigable waters."

**Committee and Floor Calendar  
Wednesday, August 17, 2016**

**ASSEMBLY - Check-In Today At 7:00 a.m. Next Floor Session Thursday At 9:00 a.m. First Extraordinary Session Upon Call.**

**SENATE - Floor Session Today At 10:00 a.m. First Extraordinary Session Upon Call.**

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**Aug 17, 2016**

**SEN - SEN SECOND READING FILE - ASSEMBLY BILLS**

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#4 **AB 935 (Salas D)** Water projects.

**Priority:** HIGH

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**Aug 17, 2016**

**SEN - SEN THIRD READING FILE - ASM BILLS**

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#150 **AB 1362 (Gordon D)** San Mateo County Mosquito and Vector Control District: board of trustees: appointment of members.

**Priority:** HIGH

#156 **AB 2551 (Gallagher R)** Contract procurement: surface storage projects.

**Priority:** Medium

#173 **AB 1749 (Mathis R)** California Environmental Quality Act: City of Porterville.

**Priority:** Medium

#212 **AB 1716 (McCarty D)** Lower American River Conservancy Program.

**Priority:** Medium

#356 **AB 2480 (Bloom D)** Source watersheds: financing.

**Priority:** Medium

#378 **AB 1588 (Mathis R)** Water and Wastewater Loan and Grant Program.

**Priority:** Medium

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**Aug 18, 2016**

**ASM - MOTION TO RECONSIDER**

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#131 **SB 7 (Wolk D)** Housing: water meters: multiunit structures.

**Priority:** HIGH

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**Aug 18, 2016**

**ASM - SECOND READING FILE -- SENATE BILLS**

#5 **SB 554 (Wolk D) Delta levee maintenance.**

**Priority:** Medium

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**Aug 18, 2016**  
**ASM - THIRD READING FILE - SENATE BILLS**

**161**

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#202 **SB 1262 (Pavley D) Water supply planning.**

**Priority:** HIGH

#203 **SB 1263 (Wieckowski D) Public water system: permits.**

**Priority:** HIGH

#224 **SB 919 (Hertzberg D) Water supply: creation or augmentation of local water supplies.**

**Priority:** Medium

#249 **SB 1340 (Wolk D) Water Conservation in Landscaping Act.**

**Priority:** Medium

#250 **SB 1398 (Leyva D) Public water systems: lead service lines.**

**Priority:** HIGH

#355 **SB 20 (Pavley D) Low Carbon Fuels Council.**

**Priority:** HIGH

#364 **SB 552 (Wolk D) Public water systems: disadvantaged communities: consolidation or extension of service: administrative and managerial services.**

**Priority:** HIGH

Total Measures: 16

Total Tracking Forms: 16

**RWA Legislative Summary  
9/12/2016**

- AB 397** (Mathis R) **Bonds: transportation: water projects.**  
**Current Text:** Amended: 4/14/2015 [pdf](#) [html](#)  
**Summary:** Would provide that no further bonds shall be sold for high-speed rail purposes pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, except as specifically provided with respect to an existing appropriation for high-speed rail purposes for early improvement projects in the Phase 1 blended system. The bill, subject to the above exception, would require redirection of the unspent proceeds received from outstanding bonds issued and sold for other high-speed rail purposes prior to the effective date of these provisions, upon appropriation, for use in retiring the debt incurred from the issuance and sale of those outstanding bonds.
- AB 435** (Chang R) **California Environmental Protection Agency: Natural Resources Agency: Web casts of public meetings and workshops.**  
**Current Text:** Amended: 8/18/2015 [pdf](#) [html](#)  
**Summary:** Would require that each department, board, and commission of the Natural Resources Agency, except as specified, and each department, board, and office of the California Environmental Protection Agency Web cast all onsite public meetings, in a manner that enables listeners and viewers to ask questions and provide public comment by telephone or electronic communication commensurate with those attending the meeting. The bill would require the agencies to make the recording of a Web cast available online for no less than 3 years for subsequent viewing by interested members of the public.
- AB 453** (Salas D) **Extraction of groundwater: Semitropic Water Storage District.**  
**Current Text:** Enrollment: 9/8/2016 [pdf](#) [html](#)  
**Summary:** Would authorize the Semitropic Water Storage District to collect groundwater extraction information and to require the reporting of groundwater information, as specified. This bill would authorize the district to impose fees on the extraction of groundwater from the basin, as prescribed. This bill contains other related provisions.
- AB 581** (Gomez D) **Water Quality, Supply, and Infrastructure Improvement Act of 2014.**  
**Current Text:** Amended: 1/4/2016 [pdf](#) [html](#)  
**Summary:** The Water Quality, Supply, and Infrastructure Improvement Act of 2014 provides that it is the intent of the people that, to the extent practicable, a project supported by the funds made available by the act will include signage informing the public that the project received funds from the act. This bill would require certain recipients of funding pursuant to the act to post signs acknowledging the source of funds in accordance with guidelines that the Secretary of the Natural Resources Agency would be required to develop.
- AB 647** (Eggman D) **Beneficial use: storing of water underground.**  
**Current Text:** Amended: 6/30/2015 [pdf](#) [html](#)  
**Summary:** 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 repeal that declaration and instead declare that the diversion of water to underground storage constitutes a beneficial use of water if the water so stored is thereafter applied to the beneficial purposes for which the appropriation for storage was made, or if the water is so stored consistent with a sustainable groundwater management plan, statutory authority to conduct groundwater recharge, or a judicial decree and is for specified purposes.
- AB 723** (Chiu D) **Housing: finance.**  
**Current Text:** Enrollment: 9/8/2016 [pdf](#) [html](#)  
**Summary:** Would authorize the Department of Housing and Community Development to issue a Notice of Funding Availability under which the director of the department could determine that an applicant previously awarded funds is eligible to apply for, and receive, additional funds pursuant to the Community Development Block Grant Program, without regard to whether the applicant has expended at least a certain percentage of funds previously awarded. This bill contains other related provisions and other existing laws.
- AB 935** (Salas D) **Water projects.**  
**Current Text:** Enrollment: 9/8/2016 [pdf](#) [html](#)  
**Summary:** Current law establishes in the Natural Resources Agency the Department of Water Resources, which manages and undertakes planning with regard to water resources in the state. This bill would require, upon appropriation by the Legislature, the department to provide funding for a certain project provided that certain conditions are met.
- AB 937** (Salas D) **Groundwater planning: technical assistance: disadvantaged communities.**



**Current Text:** Amended: 7/16/2015 [pdf](#) [html](#)

**Summary:** Would require the Department of Water Resources to provide technical assistance to disadvantaged communities so that they may participate in groundwater planning, including, but not limited to, plans for regional groundwater banking, with any county or other local agency.

**AB 938 (Rodriguez D) Sustainable Groundwater Management Act: adjudicated basins.**

**Current Text:** Amended: 3/9/2016 [pdf](#) [html](#)

**Summary:** Would authorize the watermaster or local agency administering an adjudicated basin to elect that the adjudicated basin be subject to the provisions of the Sustainable Groundwater Management Act. The bill would authorize the court with jurisdiction over the adjudicated basin to issue an order setting a hearing to determine whether the adjudicated basin shall be subject to the act, as prescribed. This bill contains other related provisions and other existing laws.

**AB 954 (Mathis R) Water and Wastewater Loan and Grant Program.**

**Current Text:** Amended: 7/6/2015 [pdf](#) [html](#)

**Summary:** Would require the State Water Resources Control Board to establish a program to provide low-interest loans and grants to local agencies for low-interest loans and grants to eligible applicants for specified purposes relating to drinking water and wastewater treatment. This bill would create the Water and Wastewater Loan and Grant Fund and provide that the moneys in this fund are available, upon appropriation by the Legislature, to the board for expenditure for the program. This bill would transfer to the Water and Wastewater Loan and Grant Fund \$10,000,000 from the General Fund. This bill contains other related provisions.

**AB 988 (Stone, Mark D) Outdoor Environmental Education and Recreation Grants Program.**

**Current Text:** Amended: 6/30/2015 [pdf](#) [html](#)

**Summary:** Would require the Department of Parks and Recreation to establish, on or before March 30, 2016, an Outdoor Environmental Education and Recreation Grants Program with the purpose of increasing the ability of underserved and at-risk populations to participate in outdoor recreation and educational experiences by awarding grants to public organizations, nonprofit organizations, or both. The bill would require the director to develop criteria, procedures, and accountability measures as may be necessary to implement the program and to administer the program to ensure that priority is given to underserved populations, as specified.

**AB 1061 (Gallagher R) Sacramento and San Joaquin Drainage District: powers.**

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

**Summary:** Would authorize the Sacramento and San Joaquin Drainage District to sell, lease, or rent, or otherwise dispose of a right of way, easement, or property, as specified, and to take, receive, and apply for purposes of flood control the income, profit, and revenue received from the sale, lease, rental, or other disposal. By adding a new source of revenue to a continuously appropriated fund, this bill would make an appropriation. This bill contains other related provisions and other existing laws.

**AB 1180 (Garcia, Cristina D) Rates and charges for water service: payment transaction fees.**

**Current Text:** Chaptered: 9/9/2016 [pdf](#) [html](#)

**Summary:** Would, until January 1, 2022, authorize a water corporation with more than 10,000 service connections to seek commission approval, through its general rate case application, to operate a pilot program designed to evaluate customer interest in, and utilization of, bill payment options, including, but not limited to, credit card, debit card, and prepaid card bill payment options, and to assess the cost-effectiveness of, and customer interests served by, customer access to those bill payment options. The bill would limit the duration of a pilot program to the duration of the water corporation's rate case cycle.

**AB 1201 (Salas D) Fish and wildlife: Sacramento-San Joaquin Delta: predation by nonnative species.**

**Current Text:** Amended: 8/17/2015 [pdf](#) [html](#)

**Summary:** Would require the Department of Fish and Wildlife, by June 30, 2016, to develop a science-based plan that addresses predation by nonnative species upon species of fish listed pursuant to the California Endangered Species Act that reside all or a portion of their lives in the Sacramento-San Joaquin Delta and that considers predation reduction for all Chinook salmon and other native species not listed pursuant to the act.

**AB 1242 (Gray D) Water quality and storage.**

**Current Text:** Amended: 9/1/2015 [pdf](#) [html](#)

**Summary:** Would require the Department of Water Resources to increase statewide water storage capacity by 25% by January 1, 2025, and 50% by January 1, 2050, as specified. The bill would require the department, on or before January 1, 2017, to identify the current statewide water storage capacity and prepare a strategy and implementation plan to achieve those expansions in statewide water storage capacity, and would require the department to update the strategy and implementation plan on January 1, 2018, and every 2 years thereafter, until January 1, 2050.

**AB 1244 (Gray D) Workers' compensation.**

**Current Text:** Enrollment: 9/8/2016 [pdf](#) [html](#)

**Summary:** Would require the Administrative Director of the Division of Workers' Compensation to promptly suspend any physician, practitioner, or provider from participating in the workers' compensation system if as a physician, practitioner, or provider the individual or entity meets specified criteria, including if that individual has been convicted of any felony or misdemeanor involving fraud or abuse of the Medi-Cal program, Medicare program, or workers' compensation system, if that individual's license, certificate, or approval to provide health care has been surrendered or revoked, or if that individual or entity has been suspended, due to fraud or abuse, from participation in the Medicare or Medicaid programs.

**AB 1362 (Gordon D) San Mateo County Mosquito and Vector Control District: board of trustees: appointment of members.**

**Current Text:** Enrollment: 8/31/2016 [pdf](#) [html](#)

**Summary:** Would authorize a change in the appointment of the board of trustees of the San Mateo County Mosquito and Vector Control District. If a majority of the legislative bodies that include the city councils in, and the Board of Supervisors of, the County of San Mateo adopt resolutions approving the change in board composition and forward a copy of the resolution to the local agency formation commission, the bill would require the commission to adopt procedures for the reorganization of the board of trustees of the San Mateo County Mosquito and Vector Control District.

**AB 1555 (Gomez D) Greenhouse Gas Reduction Fund.**

**Current Text:** Amended: 3/28/2016 [pdf](#) [html](#)

**Summary:** Would appropriate \$800,000,000 from the Greenhouse Gas Reduction Fund for the 2016-17 fiscal year to various state agencies in specified amounts for various purposes including, among other things, low carbon transportation and infrastructure, clean energy communities, wetland and watershed restoration, and carbon sequestration. The bill would state the intent of the Legislature to reserve \$150,000,000 from the fund to fund future legislative priorities.

**AB 1585 (Alejo D) Monterey County Water Resources Agency: Lake Nacimiento and Lake San Antonio.**

**Current Text:** Amended: 5/31/2016 [pdf](#) [html](#)

**Summary:** Current law authorizes the Monterey County Water Resources Agency to award a design-build contract for the combined design and construction of a project to connect Lake San Antonio, located in the County of Monterey, and Lake Nacimiento, located in the County of San Luis Obispo, with an underground tunnel or pipeline for the purpose of maximizing water storage, supply, and groundwater recharge. This bill would appropriate \$10,000,000 from the General Fund to the Department of Water Resources and would require the department to grant the \$10,000,000 to the agency for the purpose of constructing a water conveyance tunnel between Lake Nacimiento and Lake San Antonio and spillway modifications at Lake San Antonio, as specified.

**AB 1586 (Mathis R) California Environmental Quality Act: Temperance Flat Reservoir.**

**Current Text:** Amended: 3/28/2016 [pdf](#) [html](#)

**Summary:** The California Environmental Quality Act establishes a procedure by which a person may seek judicial review of the decision of the lead agency made pursuant to the act. This bill would prohibit the court, in an action or proceeding alleging a violation of the act, from staying or enjoining the construction or operation of the Temperance Flat Reservoir unless the court makes certain findings. This bill contains other related provisions.

**AB 1587 (Mathis R) Groundwater.**

**Current Text:** Amended: 4/14/2016 [pdf](#) [html](#)

**Summary:** Would, in implementing the competitive grants for projects that develop and implement groundwater planning requirements, require special consideration be given to those projects that would create groundwater recharge basins in areas of fallow farmland. This bill would appropriate \$50,000,000 from the proceeds of the bond act for the purpose of that competitive grant program.

**AB 1588 (Mathis R) Water and Wastewater Loan and Grant Program.**

**Current Text:** Enrollment: 8/30/2016 [pdf](#) [html](#)

**Summary:** Would, to the extent funding is made available, authorize the State Water Resources Control Board to establish a program to provide funding to counties and qualified nonprofit organizations to award low-interest loans and grants to eligible applicants for specified purposes relating to drinking water and wastewater treatment. This bill would authorize a county or qualified nonprofit organization to apply to the board for a grant to award loans or grants, or both, to residents of the county, as prescribed.

**AB 1649 (Salas D) State water policy: priority: surface water storage projects and joint powers authorities.**

**Current Text:** Amended: 5/27/2016 [pdf](#) [html](#)

**Summary:** Would require the Department of Water Resources to develop a state water policy that gives priority to the formation of joint powers authorities that are formed to address critical surface water storage needs and to funding of the joint powers authorities' surface water projects. The bill

would make findings and declarations of the Legislature, including, but not limited to, that, of the water storage projects available, the Temperance Flat Dam and Sites Reservoir will meet statewide goals and provide specified public benefits to the greatest extent.

**AB 1683 (Eggman D) Alternative energy financing.**

**Current Text:** Amended: 5/16/2016 [pdf](#) [html](#)

**Summary:** The California Alternative Energy and Advanced Transportation Financing Authority Act authorizes, until January 1, 2021, the California Alternative Energy and Advanced Transportation Financing Authority to provide financial assistance in the form of a sales and use tax exclusion for projects, including those that promote California-based manufacturing, California-based jobs, advanced manufacturing, the reduction of greenhouse gases, or the reduction in air and water pollution or energy consumption. The act prohibits the sales and use tax exclusions for these projects from exceeding \$100,000,000 for each calendar year. This bill would specify that if less than \$100,000,000 is granted in a calendar year, the unallocated amount may roll over to the following calendar year.

**AB 1694 (Lackey R) State Water Resources Control Board: grant program for school drinking water.**

**Current Text:** Amended: 3/15/2016 [pdf](#) [html](#)

**Summary:** Would require the State Water Resources Control Board to establish a grant program to award grants to public elementary and secondary schools to improve access to, and the quality of, drinking water. The bill would specify various types of projects for which these grants could be awarded. The bill would require the state board to give priority to applicant public elementary and secondary schools that serve a disadvantaged community, as defined.

**AB 1704 (Dodd D) Water rights: small irrigation use: lake or streambed alteration agreements.**

**Current Text:** Amended: 6/20/2016 [pdf](#) [html](#)

**Summary:** The Water Rights Permitting Reform Act of 1988 provides that the State Water Resources Control Board is not required to adopt general conditions for small irrigation use until the board determines that funds are available for that purpose and that a registration for small irrigation use pursuant to the act is not authorized until the board establishes general conditions for small irrigation use to protect instream beneficial uses, as specified. This bill would require the board, on or before January 1, 2018, to adopt general conditions that would permit a registrant to construct a facility that would store water for small irrigation use during times of high streamflow in exchange for the registrant reducing diversions during periods of low streamflow, as specified.

**AB 1713 (Eggman D) Sacramento-San Joaquin Delta: peripheral canal.**

**Current Text:** Introduced: 1/26/2016 [pdf](#) [html](#)

**Summary:** Current law requires various state agencies to administer programs relating to water supply, water quality, and flood management in the Sacramento-San Joaquin Delta. The bill would prohibit the construction of a peripheral canal, as defined, unless expressly authorized by an initiative voted on by the voters of California on or after January 1, 2017, and would require the Legislative Analyst's Office to complete a prescribed economic feasibility analysis prior to a vote authorizing the construction of a peripheral canal.

**AB 1716 (McCarty D) Lower American River Conservancy Program.**

**Current Text:** Enrollment: 9/8/2016 [pdf](#) [html](#)

**Summary:** Would require the Wildlife Conservation Board to implement and administer the Lower American River Conservancy Program to receive and expend moneys for the benefit of the Lower American River and related lands by, among other things, providing grants to local public agencies and nonprofit organizations for projects benefiting the Lower American River. The bill would require the board to establish an advisory committee, as specified. The bill would establish the Lower American River Conservancy Program Fund in the State Treasury and would make moneys in the fund available, upon appropriation by the Legislature, for purposes of the program.

**AB 1738 (McCarty D) Building standards: dark graywater.**

**Current Text:** Amended: 3/28/2016 [pdf](#) [html](#)

**Summary:** Would define "dark graywater" as a specified wastewater that comes from kitchen sinks and dishwashers. This bill would require the Department of Housing and Community Development, at the next triennial building standards cycle, to adopt and submit for approval building standards for the construction, installation, and alteration of dark graywater systems for indoor and outdoor uses. This bill contains other existing laws.

**AB 1749 (Mathis R) California Environmental Quality Act: City of Porterville.**

**Current Text:** Amended: 8/8/2016 [pdf](#) [html](#)

**Summary:** Would require the lead agency, in certifying the environmental impact report and in granting approvals for a certain water treatment project determined by the City of Porterville based on a certain feasibility study, as specified, to comply with specified procedures, including the concurrent preparation of the record of proceedings and the certification of the record of proceedings within 5 days of the filing of a specified notice. This bill contains other related provisions.

**AB 1755 (Dodd D) The Open and Transparent Water Data Act.**

**Current Text:** Enrollment: 9/2/2016 [pdf](#) [html](#)

**Summary:** Would enact the Open and Transparent Water Data Act. The act would require the Department of Water Resources, in consultation with the California Water Quality Monitoring Council, the State Water Resources Control Board, and the Department of Fish and Wildlife, in accordance with a specified schedule, to create, operate, and maintain a statewide integrated water data platform that, among other things, would integrate existing water and ecological data information from multiple databases and provide data on completed water transfers and exchanges. This bill contains other existing laws.

**AB 1794 (Garcia, Cristina D) Central Basin Municipal Water District.**

**Current Text:** Enrollment: 8/31/2016 [pdf](#) [html](#)

**Summary:** Would require the board of directors of the Central Basin Municipal Water District to be composed of 8 directors until the directors elected at the November 8, 2022, election take office, when the board would be composed of 7 directors, as prescribed. By imposing new duties on the district, this bill would create a state-mandated local program. This bill contains other related provisions and other existing laws.

**AB 1815 (Alejo D) California Global Warming Solutions Act of 2006: disadvantaged communities.**

**Current Text:** Amended: 5/2/2016 [pdf](#) [html](#)

**Summary:** Current law requires the California Environmental Protection Agency to identify disadvantaged communities and requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund. Current law requires the 3-year investment plan to allocate a minimum of 25% of the available moneys in the fund to projects that provide benefits to disadvantaged communities. This bill would require the agency to establish a comprehensive technical assistance program, upon the appropriation of moneys from the fund, for eligible applicants, as specified, assisting eligible communities, as defined.

**AB 1841 (Irwin D) Cybersecurity strategy incident response standards.**

**Current Text:** Enrollment: 9/6/2016 [pdf](#) [html](#)

**Summary:** Would require the Department of Technology, in consultation with the Office of Emergency Services and compliance with the information security program required to be established by the chief of the Office of Information Security, to update the Technology Recovery Plan element of the State Administrative Manual to ensure the inclusion of cybersecurity strategy incident response standards for each state agency to secure its critical infrastructure controls and critical infrastructure information.

**AB 1842 (Levine D) Water: pollution: fines.**

**Current Text:** Enrollment: 8/26/2016 [pdf](#) [html](#)

**Summary:** Current law imposes a maximum civil penalty of \$25,000 on a person who discharges various pollutants or other designated materials into the waters of the state. This bill would impose an additional civil penalty of not more than \$10 for each gallon or pound of material discharged. The bill would require that the civil penalty be reduced for every gallon or pound of the illegally discharged material that is recovered and properly disposed of by the responsible party. This bill contains other related provisions and other current laws.

**AB 1866 (Wilk R) High-speed rail bond proceeds: redirection: water projects.**

**Current Text:** Introduced: 2/10/2016 [pdf](#) [html](#)

**Summary:** Would provide that no further bonds shall be sold for high-speed rail purposes pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, except as specifically provided with respect to an existing appropriation for high-speed rail purposes for early improvement projects in the Phase 1 blended system. The bill, subject to the above exception, would require redirection of the unspent proceeds received from outstanding bonds issued and sold for other high-speed rail purposes prior to the effective date of these provisions, upon appropriation, for use in retiring the debt incurred from the issuance and sale of those outstanding bonds.

**AB 1871 (Waldron R) Coastal resources: development: water supply projects.**

**Current Text:** Amended: 3/18/2016 [pdf](#) [html](#)

**Summary:** Current law, the California Coastal Act of 1976, requires any person wishing to perform or undertake any development in the coastal zone, as defined, in addition to obtaining any other permit required by law from any local government or from any state, regional, or local agency, to obtain a coastal development permit from the local government or California Coastal Commission, as specified. This bill would limit the growth-inducing impacts the commission may consider in its review of a coastal development permit for a water supply project.

**AB 1882 (Williams D) Oil and gas: groundwater monitoring.**

**Current Text:** Introduced: 2/11/2016 [pdf](#) [html](#)

**Summary:** Would require the Division of Oil, Gas, and Geothermal Resources to provide an opportunity

and the information necessary for the State Water Resources Control Board and the appropriate regional water quality control board to review, comment on, and propose additional requirements for Class II underground injection well projects. The bill would require the state board or the appropriate regional water quality control board to review, comment on, and propose additional requirements it deems necessary for those projects to ensure that the injection of fluids will not affect the quality of water that is, or may reasonably be, used for any beneficial use.

**AB 1925 (Chang R) Desalination: statewide goal.**

**Current Text:** Amended: 4/18/2016 [pdf](#) [html](#)

**Summary:** The Cobey-Porter Saline Water Conversion Law, states the policy of this state that desalination projects developed by or for public water entities be given the same opportunities for state assistance and funding as other water supply and reliability projects, and that desalination be consistent with all applicable environmental protection policies in the state. This bill would require the Department of Water Resources to establish a goal of a specific number of acre-feet of drinking water to be desalinated per year by the year 2025 and of a greater specific number of acre-feet of drinking water to be desalinated per year by the year 2030, as part of a comprehensive water plan that fully evaluates other, specified options.

**AB 1928 (Campos D) Water efficiency: landscape irrigation equipment.**

**Current Text:** Enrollment: 8/30/2016 [pdf](#) [html](#)

**Summary:** Current law requires the State Energy Resources Conservation and Development Commission, in consultation with the Department of Water Resources, to adopt, by January 1, 2010, performance standards and labeling requirements for landscape irrigation equipment and, on or after January 1, 2012, prohibits that equipment from being sold unless it meets the performance standards and labeling requirements. This bill would postpone the date by which the commission is to adopt the performance standards and labeling requirements to January 1, 2019, and would prohibit the sale or the offer for sale of that equipment manufactured on or after the effective date of the performance standards and labeling requirements unless the equipment meets the performance standards and labeling requirements and is certified by the manufacturer as meeting the performance standards.

**AB 1979 (Bigelow R) Renewable feed-in tariff: hydroelectric facilities.**

**Current Text:** Enrollment: 9/6/2016 [pdf](#) [html](#)

**Summary:** Would authorize a conduit hydroelectric facility with an effective capacity of up to 4 megawatts to participate in the renewable feed-in tariff if the facility delivers no more than 3 megawatts to the grid at any time, was operational on January 1, 1990, and complies with specified interconnection and payment requirements.

**AB 1981 (Mayes R) California Environmental Quality Act: environmental impact report.**

**Current Text:** Introduced: 2/16/2016 [pdf](#) [html](#)

**Summary:** The California Environmental Quality Act requires the lead agency to determine whether a project may have a significant effect on the environment based on substantial evidence in light of the whole record. This bill would make nonsubstantive changes to that provision.

**AB 1986 (Wilks R) Water resources: permit to appropriate: application procedure.**

**Current Text:** Amended: 4/14/2016 [pdf](#) [html](#)

**Summary:** Current law allows interested persons to file a written protest with regard to an application to appropriate water and requires the protestant to set forth the objections to the application. Current law declares that no hearing is necessary to issue a permit in connection with an unprotected application, or if the undisputed facts support the issuance of the permit and there is no disputed issue of material fact, unless the State Water Resources Control Board elects to hold a hearing. This bill, if the board has not rendered a final determination on an application for a permit to appropriate water within 20 years from the date the application was filed, would require the board to issue notice and provide an opportunity for protests before rendering a final determination, with specified exceptions.

**AB 1989 (Jones R) Water, energy, and reduction of greenhouse gas emissions.**

**Current Text:** Amended: 3/30/2016 [pdf](#) [html](#)

**Summary:** Would require the State Water Resources Control Board, in coordination with the State Energy Resources Conservation and Development Commission, the Public Utilities Commission, and the Department of Water Resources, to develop and implement a grant and low-interest loan program for water projects that result in the net reduction of water-related greenhouse gas emissions.

**AB 2022 (Gordon D) Advanced purified demonstration water.**

**Current Text:** Enrollment: 8/31/2016 [pdf](#) [html](#)

**Summary:** Would authorize the operator of an advanced water purification facility to cause advanced purified demonstration water to be bottled and distributed as samples for educational purposes and to promote water recycling, as specified. The bill would prohibit the advanced purified demonstration water in each bottle from exceeding 8 ounces and would prohibit that water from being distributed unless the water, among other requirements, meets or exceeds all federal and state drinking water

standards.

- AB 2038** (**Gaines, Beth R**) **California Environmental Quality Act: environmental impact report: substantial evidence.**  
**Current Text:** Introduced: 2/16/2016 [pdf](#) [html](#)  
**Summary:** The California Environmental Quality Act requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. This bill would make nonsubstantive changes to those provisions.
- AB 2040** (**Melendez R**) **Outdoor Water Efficiency Act of 2016: personal income tax credits: outdoor water efficiency.**  
**Current Text:** Amended: 5/16/2016 [pdf](#) [html](#)  
**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, 2016, and before January 1, 2019, would allow a credit equal to 25% of the amount paid or incurred by a qualified taxpayer for water-efficiency improvements, as defined, on qualified real property in this state, as specified. The bill would limit the cumulative amount of the credit to \$2,500 for each qualified real property for all taxable years.
- AB 2042** (**Harper R**) **Water desalination facilities.**  
**Current Text:** Introduced: 2/17/2016 [pdf](#) [html](#)  
**Summary:** Would declare the intent of the Legislature to enact legislation relating to water desalination facilities.
- AB 2043** (**Harper R**) **Desalination.**  
**Current Text:** Introduced: 2/17/2016 [pdf](#) [html](#)  
**Summary:** Would state that the Legislature recognizes that desalination is an important local and regional sustainable water supply and reliability option.
- AB 2076** (**Garcia, Cristina D**) **Water and energy use efficiency: certification: breweries.**  
**Current Text:** Amended: 4/5/2016 [pdf](#) [html](#)  
**Summary:** Would require the Department of Water Resources, in consultation with the California brewing industry, to develop water and energy use efficiency certification guidelines for the production of beer that include, among other things, uniform standards for the industry's use of efficiency certification seals and would require the Department of Alcoholic Beverage Control to consult in label design and approval for the use of a seal on a beer bottle.
- AB 2099** (**Stone, Mark D**) **Safe drinking water benefit.**  
**Current Text:** Amended: 6/16/2016 [pdf](#) [html](#)  
**Summary:** Would require the State Department of Social Services to, on or before February 1, 2017, convene a workgroup to develop recommendations for delivering a water benefit to supplement the purchase of drinking water for low-income households with inadequate access to safe drinking water, as specified. The bill would also make relating findings and declarations.
- AB 2112** (**Dahle R**) **Safe Drinking Water Act.**  
**Current Text:** Introduced: 2/17/2016 [pdf](#) [html](#)  
**Summary:** Current law provides that the State Water Resources Control Board succeeds to and is vested with all of the authority, duties, powers, purposes, functions, responsibilities, and jurisdiction of the State Department of Public Health, its predecessors, and its director for purposes of specified provisions relating to drinking water. This bill would make nonsubstantive changes to the provisions vesting the State Water Resources Control Board with specified authorities, including deleting an obsolete subdivision.
- AB 2124** (**Garcia, Eduardo D**) **Water: testing and reports.**  
**Current Text:** Amended: 6/23/2016 [pdf](#) [html](#)  
**Summary:** The California Safe Drinking Water Act requires a person operating a public water system to obtain and provide an analysis of the water to the state board, as provided. Under the act, a person who knowingly makes a false statement or representation in a report submitted, maintained, or used for purposes of compliance with the act may be subject to a misdemeanor. This bill would require the person to include in the analysis samples from schools, day care facilities, and health care facilities, to the extent those locations are within the public water system. The bill would require the person to report to the state board other information regarding the samples taken at those sites.
- AB 2139** (**Williams D**) **Ocean Protection Council: ocean acidification and hypoxia.**  
**Current Text:** Enrollment: 8/30/2016 [pdf](#) [html](#)  
**Summary:** Current law establishes the Ocean Protection Council in state government and prescribes the membership, functions, and duties of the council with regard to the protection and conservation of

ocean and coastal resources. This bill would, subject to the availability of funding, authorize the council to develop an ocean acidification and hypoxia science task force to ensure that council decisionmaking is supported by the best available science, and require the council to take specified actions to address ocean acidification and hypoxia, as prescribed, and, beginning January 1, 2018, and annually thereafter, at its first meeting of the year, adopt recommendations for further actions that may be taken to address ocean acidification and hypoxia.

**AB 2168 (Williams D) Public Utilities Commission Audit Compliance Act of 2016.**

**Current Text:** Enrollment: 8/30/2016 [pdf](#) [html](#)

**Summary:** The Public Utilities Act requires the commission to inspect and audit the books and records of electrical corporations, gas corporations, heat corporations, telegraph corporations, telephone corporations, and water corporations for regulatory and tax purposes. An inspection and audit is required to be done at least every 3 years if the utility has over 1,000 customers and at least every 5 years if the utility has 1,000 or fewer customers. This bill, which would be known as the Public Utilities Commission Audit Compliance Act of 2016, would delete the requirement that the reports of the inspections and audits and other pertinent information be furnished to the State Board of Equalization for use in the assessment of the public utilities and instead would require the commission to post reports of the inspections and audits and other pertinent information on its Internet Web site.

**AB 2198 (Brough R) Coastal development permits: desalinization facilities.**

**Current Text:** Introduced: 2/18/2016 [pdf](#) [html](#)

**Summary:** The California Coastal Act of 1976 requires any person wishing to perform or undertake any development in the coastal zone, as defined, to obtain a coastal development permit, except as specified, from the California Coastal Commission or from a local government. This bill would require an application for a coastal development permit for a desalinization project, as described, to be given priority for review, and would require the issuing agency to expedite the processing of any such permit application.

**AB 2241 (Dahle R) State policy for water quality control.**

**Current Text:** Introduced: 2/18/2016 [pdf](#) [html](#)

**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 2271 (Quirk D) Electricity: research programs: peer review.**

**Current Text:** Amended: 8/2/2016 [pdf](#) [html](#)

**Summary:** Would require the Public Utilities Commission to establish a procedure for an independent peer review of certain research programs proposed by an electrical corporation for approval by the commission. The bill would require the independent peer review of a proposed research program to be conducted upon the commission's receipt of the proposed program. The bill would require the commission to make available to the public on its Internet Web site the results of the review upon approval of the program.

**AB 2304 (Levine D) California Water Market Clearinghouse.**

**Current Text:** Amended: 5/11/2016 [pdf](#) [html](#)

**Summary:** Would require the clearinghouse, on or before December 31, 2018, to create a centralized water market platform on its Internet Web site that provides ready access to information that has been provided about water available for transfer or exchange and information about the process for transferring or exchanging water. The bill would require the Secretary of the Natural Resources Agency to convene a Water Market Clearinghouse Task Force, composed as prescribed, and would require the task force to make recommendations to the clearinghouse, as specified.

**AB 2335 (Gaines, Beth R) Suction dredge mining: permits: report.**

**Current Text:** Amended: 3/17/2016 [pdf](#) [html](#)

**Summary:** Current law authorizes the State Water Resources Control Board or a California regional water quality control board to adopt waste discharge requirements or a waiver of waste discharge requirements that address certain water quality impacts, specify conditions or areas where the discharge of waste or other adverse impacts on beneficial uses of the waters of the state from the use of vacuum or suction dredge equipment is prohibited, or prohibit particular use of, or methods of using, vacuum or suction dredge equipment. This bill would require the state board and the department to report to the Legislature, on or before June 1, 2017, on the status of the suction dredge permitting program.

**AB 2357 (Dahle R) Water rights: monitoring and reporting.**

**Current Text:** Amended: 4/5/2016 [pdf](#) [html](#)

**Summary:** Would restrict the State Water Resources Control Board's authorization to adopt regulations requiring measurement and reporting of water diversion and use by persons authorized to

appropriate water under a registration or certification to uses that are year-round.

**AB 2373 (Gray D) Merced Irrigation District.**

**Current Text:** Amended: 5/9/2016 [pdf](#) [html](#)

**Summary:** Would appropriate \$45,000 from the General Fund to the Merced Irrigation District for implementing on-farm irrigation system and water use efficiency improvements for small communal farms in the County of Merced. The bill would require, on or before April 30, 2018, the Merced Irrigation District to report to the Legislature how the appropriated funds were spent, how the funds resulted in improvement to irrigation efficiency, and how the funds reduced energy, fuel, and water usage.

**AB 2438 (Waldron R) California Environmental Quality Act: exemption: recycled water pipelines.**

**Current Text:** Introduced: 2/19/2016 [pdf](#) [html](#)

**Summary:** Would, until January 1, 2020, additionally exempt from CEQA a project for the construction and installation of a new pipeline or the maintenance, repair, restoration, reconditioning, relocation, replacement, removal, or demolition of an existing pipeline, not exceeding 8 miles in length, for the distribution of recycled water within a public street, highway, or right-of-way and would require the lead agency to undertake specified activities, including the filing of a notice of exemption for the project with the Office of Planning and Research and the office of the county clerk of each county in which the project is located.

**AB 2444 (Garcia, Eduardo D) California Parks, Water, Climate, and Coastal Protection and Outdoor Access For All Act of 2018.**

**Current Text:** Amended: 8/19/2016 [pdf](#) [html](#)

**Summary:** Under current law, programs have been established pursuant to bond acts for, among other things, the development and enhancement of state and local parks and recreational facilities. This bill would enact the California Parks, Water, Climate, and Coastal Protection and Outdoor Access For All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of \$3,497,500,000 pursuant to the State General Obligation Bond Law to finance a parks, water, climate, and coastal protection and outdoor access for all program. This bill contains other related provisions.

**AB 2446 (Gordon D) State Water Resources Control Board: judicial review.**

**Current Text:** Enrollment: 8/31/2016 [pdf](#) [html](#)

**Summary:** The Porter-Cologne Water Quality Control Act, within 30 days of any action or failure to act by a California regional water quality control board under specified law, authorizes an aggrieved person to petition the State Water Resources Control Board to review that action or failure to act. Current law authorizes the state board, in the case of such a review, upon notice and hearing, if a hearing is requested, to stay in whole or in part the effect of the decision and order of a regional board or of the state board. This bill would expand that provision to authorize the state board to issue a stay in the case of review by the state board of a decision or order issued under authority delegated to an officer or employee of the state board where the state board by regulation has authorized a petition for reconsideration by the state board.

**AB 2470 (Gonzalez D) Municipal water districts: water service: Indian tribes.**

**Current Text:** Enrollment: 9/2/2016 [pdf](#) [html](#)

**Summary:** Current law authorizes a district to sell water under its control, without preference, to cities, other public corporations and agencies, and persons, within the district for use within the district. Current law authorizes a district to sell or otherwise dispose of water above that required by consumers within the district to any persons, public corporations or agencies, or other consumers. This bill, upon the request of an Indian tribe and the satisfaction of certain conditions, would require a district to provide service of water at substantially the same terms applicable to the customers of the district to an Indian tribe's lands that are not within a district, as prescribed, if the Indian tribe's lands meet certain requirements and the Indian tribe satisfies prescribed conditions.

**AB 2480 (Bloom D) Source watersheds: financing.**

**Current Text:** Enrollment: 9/7/2016 [pdf](#) [html](#)

**Summary:** Would declare it to be state policy that source watersheds are recognized and defined as integral components of California's water infrastructure. The bill would state the particular importance to maintaining the reliability, quantity, timing, and quality of California's environmental, drinking, and agricultural water supply as climate change advances of source watersheds that supply the majority of the state's drinking and irrigated agricultural water.

**AB 2515 (Weber D) Water Conservation in Landscaping Act: model water-efficient landscaping ordinance.**

**Current Text:** Enrollment: 8/30/2016 [pdf](#) [html](#)

**Summary:** Would require the Department of Water Resources, on or before January 1, 2020, and every three years thereafter, to either update the model water-efficient landscaping ordinance or make a finding that an update to the model water-efficient landscaping ordinance at that time is not a useful or effective means to improve either the efficiency of landscape water use or the administration of the ordinance.



**AB 2525 (Holden D) Water-efficient landscaping.**

**Current Text:** Amended: 4/18/2016 [pdf](#) [html](#)

**Summary:** Would require the Department of Water Resources, upon identification of a funding source, to create the California Water Efficient Landscaping Program for the purpose of encouraging local agencies and water purveyors to use economic incentives that promote the efficient use of water, promote the benefits of consistent landscape ordinances, and support and enhance water inefficient grass replacement. This bill would create the Water Efficient Landscaping Fund and provide that moneys in the fund are available, upon appropriation by the Legislature, to the department for certain purposes.

**AB 2534 (Nazarian D) Santa Monica Mountains Conservancy: working group: Los Angeles River Greenway.**

**Current Text:** Amended: 6/30/2016 [pdf](#) [html](#)

**Summary:** Would require the Santa Monica Mountains Conservancy to establish the Los Angeles River San Fernando Valley Regional Access and Economic Sustainability Working Group to evaluate and make recommendations for conservancy action pertaining to public access and business integration needs, opportunities, and constraints in areas along and in the vicinity of the Los Angeles River in the San Fernando Valley, as prescribed.

**AB 2541 (Dahle R) Public utilities.**

**Current Text:** Introduced: 2/19/2016 [pdf](#) [html](#)

**Summary:** Current law authorizes the Public Utilities Commission to establish reasonable rules, specifications, and standards to secure the accuracy of all meters and appliances for measurements and requires a public utility that estimates meter readings to so indicate on its billings and to correct any incorrect estimate by the next billing period, except as specified. This bill would make nonsubstantive changes to the above-described provisions.

**AB 2543 (Gordon D) State buildings: efficiency and conservation.**

**Current Text:** Amended: 6/20/2016 [pdf](#) [html](#)

**Summary:** Would require the State Energy Resources Conservation and Development Commission, in consultation with the Department of General Services, to develop a plan to exploit cost-effective energy efficiency and water conservation measures in state facilities. This bill would require the department, in consultation with the commission, to submit recommendations on energy efficiency and water conservation goals to the Governor and the Legislature. This bill would require the department, in consultation with the commission, to make these recommendations no later than January 1, 2018.

**AB 2550 (Patterson R) State Water Resources Control Board: instream flow curtailments: compensation.**

**Current Text:** Introduced: 2/19/2016 [pdf](#) [html](#)

**Summary:** Would require the State Water Resources Control Board to financially compensate a person who is unable to divert the full amount of water authorized under his or her permit or license due to a board-issued instream flow curtailment, and a person who is required to file a statement of diversion and use and is unable to divert the same amount of water in the succeeding year due to a board-issued instream flow curtailment. The bill would only apply this requirement to instream flow curtailments issued by the board on and after January 1, 2017. This bill contains other related provisions.

**AB 2551 (Gallagher R) Contract procurement: surface storage projects.**

**Current Text:** Enrollment: 9/9/2016 [pdf](#) [html](#)

**Summary:** Would allow a local agency to use the construction manager at-risk, design-build, or design-build-operate method of delivery on a surface storage project, as described. The bill would require these contracts to be awarded on a best value basis or to the lowest responsible bidder, and establish a procurement process for these contracts. The bill would require the bidder to certify specified information under penalty of perjury. By expanding the crime of perjury, the bill would impose a state-mandated local program.

**AB 2570 (Quirk D) Telecommunications: universal service: reimbursement claims.**

**Current Text:** Enrolled: 9/2/2016 [pdf](#) [html](#)

**Summary:** The Moore Universal Telephone Service Act establishes the Universal Lifeline Telephone Service program in order to provide low-income households with access to affordable basic residential telephone service. The act requires that a lifeline telephone service subscriber be provided with one lifeline subscription, as defined by the Public Utilities Commission, at his or her principal place of residence. This bill would require the commission to adopt a portability freeze rule for the lifeline program by January 15, 2017, and would require the commission to consider including certain features as part of the rule.

**AB 2578 (Bigelow R) California Environmental Quality Act: exemptions: water service.**

**Current Text:** Amended: 3/18/2016 [pdf](#) [html](#)

**Summary:** Would exempt from the requirements of CEQA a project within a public street or highway or

other public right-of-way for the maintenance, repair, restoration, reconditioning, relocation, replacement, removal, or demolition of an existing water distribution pipeline to address water leakage. Because a local agency would be required to determine the applicability of this exemption, this bill would impose a state-mandated local program.

**AB 2583 (Frazier D) Sacramento-San Joaquin Delta Reform Act of 2009.**

**Current Text:** Amended: 3/17/2016 [pdf](#) [html](#)

**Summary:** Would add a definition of the California Water Fix to the Sacramento-San Joaquin Delta Reform Act of 2009. This bill would eliminate certain provisions applicable to the BDCP and would revise other provisions to instead refer to a new Delta water conveyance project for the purpose of exporting water. This bill would require new Delta water conveyance infrastructure to be considered as interdependent parts of a system and to be operated in a way that maximizes benefits for each of the coequal goals. This bill contains other related provisions and other existing laws.

**AB 2594 (Gordon D) Stormwater resources: use of captured water.**

**Current Text:** Enrollment: 9/2/2016 [pdf](#) [html](#)

**Summary:** Current law, the Stormwater Resource Planning Act, authorizes one or more public agencies to develop a stormwater resource plan that meets specified standards to address the capture of stormwater, as defined, and dry weather runoff, as defined. This bill would authorize a public entity that captures stormwater from urban areas, in accordance with a stormwater resource plan, before the water reaches a natural channel to use the captured water under certain circumstances.

**AB 2601 (Eggman D) Building standards: residential property: graywater.**

**Current Text:** Introduced: 2/19/2016 [pdf](#) [html](#)

**Summary:** Would require the Department of Housing and Community Development, on or after January 1, 2017, to adopt and submit to the California Building Standards Commission for approval amendments to the building standards adopted pursuant to specified provisions that require that all new single-family and duplex residential dwelling units include specified components to allow the separate discharge of graywater for direct irrigation and that all new single-family residential dwelling units include a segregated building drain for lavatories, showers, and bathtubs to allow for future installation of a distributed graywater system.

**AB 2603 (Nazarian D) Public Utilities Commission: Passenger Charter-party Carriers' Act: complaint registration and resolution mechanism.**

**Current Text:** Amended: 4/11/2016 [pdf](#) [html](#)

**Summary:** Charter-party carriers of passengers, including transportation network companies, are subject to the jurisdiction and control of the Public Utilities Commission under the Passenger Charter-party Carriers' Act. This bill would require the commission to establish a telephone communications service, with a designated telephone number, that would be available to members of the public to communicate to the commission any concerns, or register complaints, regarding service provided by charter-party carriers of passengers, including transportation network companies.

**AB 2617 (Mayes R) Water efficiency measures.**

**Current Text:** Amended: 5/27/2016 [pdf](#) [html](#)

**Summary:** Would require the Department of Water Resources to develop and solicit comments on a proposed report, in consultation with subject matter experts at the University of California, the California State University, the State Water Resources Control Board, the State Energy Resources Conservation and Development Commission, and local water districts, by December 1, 2017, and, by July 1, 2018, to issue a final report that contains, among other things, recommendations to public entities to help them achieve water-resilient communities and prioritize cost-effective water efficiency measures with low adverse environmental impacts based on local conditions.

**AB 2639 (Garcia, Eduardo D) Water quality: Porter-Cologne Water Quality Control Act.**

**Current Text:** Introduced: 2/19/2016 [pdf](#) [html](#)

**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 its purposes. This bill would make nonsubstantive changes to these definitions.

**AB 2657 (Chu D) Water Quality, Supply, and Infrastructure Improvement Act of 2014.**

**Current Text:** Introduced: 2/19/2016 [pdf](#) [html](#)

**Summary:** The Water Quality, Supply, and Infrastructure Improvement Act of 2014 provides that the sum of \$810,000,000 is to be available, upon appropriation by the Legislature, for expenditures on, and competitive grants and loans to, projects that are included in and implemented in an adopted integrated regional water management plan and respond to climate change and contribute to regional water security. This bill would make a nonsubstantive change in these provisions.

**AB 2722 (Burke D) Transformative Climate Communities Program.**

**Current Text:** Enrollment: 9/6/2016 [pdf](#) [html](#)

**Summary:** Would create the Transformative Climate Communities Program, to be administered by the Strategic Growth Council. The bill would require the council to award competitive grants to specified eligible entities for the development and implementation of neighborhood-level transformative climate community plans that include greenhouse gas emissions reduction projects that provide local economic, environmental, and health benefits to disadvantaged communities, as defined. The bill would require the council to develop guidelines and selection criteria for the implementation of the program.

**AB 2844 (Bloom D) Public contracts: discrimination.**

**Current Text:** Enrollment: 9/9/2016 [pdf](#) [html](#)

**Summary:** Would, with certain exceptions, require a person that submits a bid or proposal to, or otherwise proposes to enter into or renew a contract with, a state agency with respect to any contract in the amount of \$100,000 or more to certify, under penalty of perjury, at the time the bid or proposal is submitted or the contract is renewed that they are in compliance with the Unruh Civil Rights Act and the California Fair Employment and Housing Act, and that any policy that they have adopted against any sovereign nation or peoples recognized by the government of the United States, including, but not limited to, the nation and people of Israel, is not used to discriminate in violation of the Unruh Civil Rights Act or the California Fair Employment and Housing Act.

**AB 2874 (Gaines, Beth R) Groundwater sustainability agencies: fees.**

**Current Text:** Chaptered: 8/17/2016 [pdf](#) [html](#)

**Summary:** The Sustainable Groundwater Management Act authorizes a groundwater sustainability agency to impose fees, including, but not limited to, permit fees and fees on groundwater extraction or other regulated activity, to fund the costs of a groundwater sustainability program. This bill would require a groundwater sustainability agency, before imposing or increasing a fee pursuant to this authority relating to a groundwater basin that includes a water corporation regulated by the Public Utilities Commission, to notify the Public Utilities Commission. This bill contains other existing laws.

**AB 2909 (Levine D) Water: transfer or exchange: expedited review.**

**Current Text:** Amended: 8/1/2016 [pdf](#) [html](#)

**Summary:** 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 provides procedures for a permittee or licensee to temporarily change the point of diversion, place of use, or purpose of use due to a transfer or exchange of water or water rights, as specified. These temporary transfers are defined as transfers of one year or less. This bill would require the board to develop and implement an expedited 30-day review process for approval of petitions under those provisions to temporarily change the point of diversion, place of use, or purpose of use due to a transfer or exchange of water or water rights if the transfer is for a reoccurring water transfer, as defined, or an environmentally beneficial transfer, as defined.

**ACA 8 (Bloom D) Local government financing: water facilities and infrastructure: voter approval.**

**Current Text:** Introduced: 2/18/2016 [pdf](#) [html](#)

**Summary:** Would create an additional exception to the 1% limit for a rate imposed by a city, county, city and county, or special district to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of wastewater treatment facilities and related infrastructure, potable water producing facilities and related infrastructure, nonpotable water producing facilities and related infrastructure, and stormwater treatment facilities and related infrastructure, that is approved by 55% of the voters of the city, county, city and county, or special district, as applicable, if the proposition meets specified requirements, and would authorize a city, county, city and county, or special district to levy a 55% vote ad valorem tax. This bill contains other related provisions and other existing laws.

**SB 7 (Wolk D) Housing: water meters: multiunit structures.**

**Current Text:** Enrollment: 9/9/2016 [pdf](#) [html](#)

**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 establish 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 20 (Pavley D) Low Carbon Fuels Council.**

**Current Text:** Amended: 8/15/2016 [pdf](#) [html](#)

**Summary:** Would create the Low Carbon Fuels Council, as specified, which, among other things, would coordinate state agencies' activities that are related to the acceleration and development of the in-state production of low carbon fuels and very low carbon transportation fuels.

**SB 37 (Vidak R) Kings River East Groundwater Sustainability Agency Act.**

**Current Text:** Enrollment: 9/8/2016 [pdf](#) [html](#)

**Summary:** Would create the Kings River East Groundwater Sustainability Agency and would establish the agency's initial boundaries. The bill would authorize the boundaries of the agency to be adjusted, as specified. The bill would require the agency to elect to be a groundwater sustainability agency under the Sustainable Groundwater Management Act for that portion of the Kings Subbasin that lies within the boundaries of the agency and would require the agency to develop and implement a groundwater sustainability plan to achieve sustainable groundwater management within the territory of the agency.

**SB 122 (Jackson D) California Environmental Quality Act: record of proceedings.**

**Current Text:** Enrollment: 8/30/2016 [pdf](#) [html](#)

**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 163 (Hertzberg D) Bail: pretrial release.**

**Current Text:** Amended: 8/18/2016 [pdf](#) [html](#)

**Summary:** Current law provides for the procedure of approving and accepting bail, and issuing an order for the appearance and release of an arrested person. This bill would require, notwithstanding any other law, and upon the appearance before a competent court or magistrate of a person charged with a criminal offense, the court or magistrate to hold a specified hearing and take one of several actions, including, among others, releasing the person on his or her own recognizance or upon execution of an unsecured appearance bond, unless the court or magistrate determines that release pursuant to that provision will not reasonably assure the appearance of the person as required or will endanger the safety of any other person or the community.

**SB 248 (Pavley D) Oil and gas.**

**Current Text:** Amended: 8/17/2015 [pdf](#) [html](#)

**Summary:** Current law requires the State Oil and Gas Supervisor, on or before the first day of October of each year, to make public a report on specified information. This bill would require the supervisor to establish an inspection program for all activities regulated pursuant to these provisions and would require the total number of inspections and results of the inspections to be included in the above-referenced report. The bill would require the division's regulations, field rules, notices, manuals, and other requirements to be reviewed and revised, as needed, through a public process at least once every 10 years.

**SB 471 (Pavley D) Water, energy, and reduction of greenhouse gas emissions: planning.**

**Current Text:** Amended: 8/17/2015 [pdf](#) [html](#)

**Summary:** Would include reduction of greenhouse gas emissions associated with water treatment among the investments that are eligible for funding from the Greenhouse Gas Reduction Fund. The bill would also make legislative findings and declarations, and a statement of legislative intent, with regard to the nexus between water and energy and water and reduction of greenhouse gas emissions. This bill contains other related provisions.

**SB 512 (Hill D) Public Utilities Commission.**

**Current Text:** Enrollment: 9/9/2016 [pdf](#) [html](#)

**Summary:** The California Constitution establishes the Public Utilities Commission, with jurisdiction over all public utilities. The Public Utilities Act provides that the office of the commission shall be in the City and County of San Francisco, that the office always be open, except on legal holidays and nonjudicial days, and that the commission hold its sessions at least once in each calendar month in the City and County of San Francisco. This bill would require that the commission hold its sessions at least once in each calendar month, without specifying the location.

**SB 551 (Wolk D) State water policy: water and energy efficiency.**

**Current Text:** Amended: 7/6/2015 [pdf](#) [html](#)

**Summary:** Would declare the policy of the state that water use and water treatment shall operate in a manner that is as energy efficient as is feasible and energy use and generation shall operate in a manner that is 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: consolidation or extension of service: administrative and managerial services.**

**Current Text:** Enrollment: 9/8/2016 [pdf](#) [html](#)

**Summary:** Would authorize the State Water Resources Control Board to order consolidation where a public water system or a state small water system is serving, rather than within, a disadvantaged community, and would limit the authority of the state board to order consolidation or extension of

service to provide that authority only with regard to a disadvantaged community. This bill would make a community disadvantaged for these purposes if the community is in a mobilehome park even if it is not in an unincorporated area or served by a mutual water company. This bill contains other related provisions and other existing laws.

**SB 554 (Wolk D) Delta levee maintenance.**

**Current Text:** Enrollment: 9/1/2016 [pdf](#) [html](#)

**Summary:** Current law establishes a delta levee maintenance program pursuant to which a local agency may request reimbursement for costs incurred in connection with the maintenance or improvement of project or nonproject levees in the Sacramento-San Joaquin Delta. This bill would extend the authorization to reimburse eligible local agencies under the program and advance funds until July 1, 2020. This bill contains other related provisions and other existing laws.

**SB 814 (Hill D) Drought: excessive water use: urban retail water suppliers.**

**Current Text:** Chaptered: 8/30/2016 [pdf](#) [html](#)

**Summary:** Would declare that during prescribed periods excessive water use by a residential customer in a single-family residence or by a customer in a multiunit housing complex, as specified, is prohibited. This bill, during prescribed periods, would require each urban retail water supplier to establish a method to identify and discourage excessive water use. This bill would authorize as a method to identify and discourage excessive water use the establishment of a rate structure that includes block tiers, water budgets, or rate surcharges over and above base rates for excessive water use by residential customers.

**SB 919 (Hertzberg D) Water supply: creation or augmentation of local water supplies.**

**Current Text:** Enrollment: 8/30/2016 [pdf](#) [html](#)

**Summary:** Would require the Public Utilities Commission, before January 1, 2018, in consultation with the Independent System Operator, to address the oversupply of renewable energy resources through a tariff or other economic incentive for electricity purchased by customers operating "facilities that create or augment local water supplies," as defined, to reduce the cost of electricity to those facilities. This bill contains other related provisions and other existing laws.

**SB 930 (Gaines R) Bear Lake Reservoir: recreational use.**

**Current Text:** Chaptered: 8/19/2016 [pdf](#) [html](#)

**Summary:** Current law requires the Lake Alpine Water Company, on or before January 1, 2016, to file with the Legislature a report on the recreational uses at Bear Lake Reservoir and the water treatment program for that reservoir. Current law provides that, upon a finding of noncompliance, the Lake Alpine Water Company could be subject to suspension, amendment, or revocation of any permit issued pursuant to specified provisions, and that failure to comply with these provisions would be deemed a violation subject to specified fines, penalties, or other enforcement actions. Current law repeals these provisions on January 1, 2017. This bill would extend the operation of all these provisions until January 1, 2022, and would require the Lake Alpine Water Company to file the report on or before December 31, 2017, and biennially thereafter until January 1, 2022.

**SB 953 (Lara D) Central Basin Municipal Water District.**

**Current Text:** Enrollment: 8/30/2016 [pdf](#) [html](#)

**Summary:** Would prohibit the Central Basin Municipal Water District from using sole source contracts, except as prescribed. This bill would require the district to rebid a contract if the district significantly changes the scope of work of the contract. This bill would require the general manager of the district to submit a quarterly report to the district's board detailing all of the district's contracts, contract amendments, and contract and amendment dollar amounts. By imposing new duties on a municipal water district, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**SB 974 (Committee on Governance and Finance) Local government: omnibus.**

**Current Text:** Enrollment: 8/30/2016 [pdf](#) [html](#)

**Summary:** The Professional Land Surveyors' Act, among other things, requires a county recorder to store and index records of survey, and to maintain both original maps and a printed set for public reference. That act specifically requires the county recorder to securely fasten a filed record of survey into a suitable book. This bill would also authorize a county recorder to store records of survey in any other manner that will ensure the maps are kept together. This bill contains other related provisions and other current laws.

**SB 995 (Pavley D) Well standards.**

**Current Text:** Amended: 8/1/2016 [pdf](#) [html](#)

**Summary:** Would, on or before January 1, 2019, require the Department of Water Resources to update well standards for water wells, monitoring wells, and cathodic protection wells based on existing knowledge and to submit these standards to the State Water Resources Control Board. This bill contains other related provisions and other existing laws.

- SB 1000** **(Leyva D) Land use: general plans: safety and environmental justice.**  
**Current Text:** Enrolled: 9/9/2016 [pdf](#) [html](#)  
**Summary:** The Planning and Zoning Law requires, after the initial revision of the safety element to address flooding, fires, and climate adaptation and resilience strategies, that for each subsequent revision the planning agency review and, if necessary, revise the safety element to identify new information that was not available during the previous revision of the safety element. This bill would instead require a planning agency to review and revise the safety element to identify new information, as described above, only to address flooding and fires.
- SB 1026** **(Nielsen R) Department of Fish and Wildlife: lake or streambed alteration agreements.**  
**Current Text:** Introduced: 2/12/2016 [pdf](#) [html](#)  
**Summary:** Current law prohibits an entity from substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or from depositing certain material where it may pass into any river, stream, or lake, without first notifying the Department of Fish and Wildlife of that activity, and entering into a lake or streambed alteration agreement if required by the department to protect fish and wildlife resources. This bill would limit the diversions and obstructions governed by these alteration agreement requirements to the diversions and obstructions that alter the bed, channel, or bank of a river, stream, or lake.
- SB 1096** **(Berryhill R) Waste discharge requirements.**  
**Current Text:** Introduced: 2/17/2016 [pdf](#) [html](#)  
**Summary:** Current law, the Porter-Cologne Water Quality Control Act, requires each California regional water quality control board, after any necessary hearing, to prescribe waste discharge requirements to implement relevant water quality control plans, and authorizes the State Water Resources Control Board, after any necessary hearing, to prescribe waste discharge requirements, as specified. This bill would make technical, nonsubstantive changes to these provisions.
- SB 1112** **(Cannella R) Utilities: water and sewer system corporations: transactions.**  
**Current Text:** Enrolled: 8/31/2016 [pdf](#) [html](#)  
**Summary:** Would provide that if a water or sewer system corporation or an entity merging with or acquiring control of a water or sewer system corporation with less than 2,000 service connections fails to receive the Public Utilities Commission's approval before entering into any of the specified transactions valued at \$5,000,000 or less, the transaction is voidable by the commission until the commission either retroactively approves or conditionally approves the transaction. The bill would authorize the commission to delegate this approval authority to a specified division director. This bill contains other related provisions and other existing laws.
- SB 1114** **(Allen D) Commercial fishing: swordfish.**  
**Current Text:** Amended: 5/11/2016 [pdf](#) [html](#)  
**Summary:** Would prohibit the Department of Fish and Wildlife from issuing any drift gill net permit. The bill would require the department to revoke all latent drift gill net permits, as defined, within 12 months of a federal authorization to use deep set buoy gear or similar gear to take swordfish and would require the department to revoke all drift gill net permits if the department has not been notified of any landings under any drift gill net permit during any 2 successive fishing seasons.
- SB 1164** **(Cannella R) Sustainable Groundwater Management Act: groundwater sustainability agencies.**  
**Current Text:** Introduced: 2/18/2016 [pdf](#) [html](#)  
**Summary:** The Sustainable Groundwater Management Act authorizes a local agency or combination of local agencies overlying a groundwater basin to decide to become a groundwater sustainability agency for that basin. This bill would make a nonsubstantive change to those provisions.
- SB 1170** **(Wieckowski D) Public contracts: water pollution prevention plans: delegation.**  
**Current Text:** Amended: 8/1/2016 [pdf](#) [html](#)  
**Summary:** Would, except as specified, prohibit a public entity, charter city, or charter county from delegating to a contractor the development of a plan, as defined, used to prevent or reduce water pollution or runoff on a public works contract. The bill would also prohibit a public entity, charter city, or charter county from requiring a contractor on a public works contract that includes compliance with a plan to assume responsibility for the completeness and accuracy of a plan developed by that entity
- SB 1173** **(Hertzberg D) Water-conserving plumbing fixtures: CalConserve Water Use Efficiency Revolving Fund.**  
**Current Text:** Amended: 3/30/2016 [pdf](#) [html](#)  
**Summary:** Existing law includes specified requirements to replace plumbing fixtures that are not water conserving, defined as "noncompliant plumbing fixtures," to residential and commercial real property built and available for use on or before January 1, 1994, as specified. Existing law defines "commercial real property," "multifamily residential real property," and "water-conserving plumbing fixture" for purposes of these provisions. This bill would apply these requirements, as specified, to commercial real property regardless of when it was built. This bill contains other related provisions and other existing laws.

**SB 1233 (McGuire D) Joint powers authorities: Water Bill Savings Act.**

**Current Text:** Amended: 8/2/2016 [pdf](#) [html](#)

**Summary:** Would enact the Water Bill Savings Act, which would authorize a joint powers authority to provide funding for a customer of a local agency or its publicly owned utility to acquire, install, or repair a water efficiency improvement on the customer's property served by the local agency or its publicly owned utility. The bill would require the customer to repay the authority through an efficiency charge on the customer's water bill to be established and collected by the local agency or its publicly owned utility on behalf of the authority pursuant to a servicing agreement.

**SB 1248 (Moorlach R) Environmental quality: judicial challenge: identification of contributors.**

**Current Text:** Introduced: 2/18/2016 [pdf](#) [html](#)

**Summary:** Would require a plaintiff or petitioner, in an action brought pursuant to the provisions of CEQA, to disclose specified information regarding the plaintiff or petitioner in the complaint or petition or in a subsequent notice. The bill would require disclosure of the identity of a person or entity that contributes in excess of \$100 dollars, as specified, toward the plaintiff's or petitioner's costs of an action. The bill would provide that a failure to provide this disclosure shall be grounds for dismissal of the action by the court or, if the failure occurs during a postjudgment proceeding, the denial of attorneys' fees for a successful plaintiff or petitioner.

**SB 1262 (Pavley D) Water supply planning.**

**Current Text:** Enrollment: 8/30/2016 [pdf](#) [html](#)

**Summary:** The Sustainable Groundwater Management Act authorizes the State Water Resources Control Board to designate a basin as a probationary basin if the state board makes a certain determination and to develop an interim plan for the probationary basin. This bill would require a city or county that determines a project is subject to the California Environmental Quality Act to identify any water system whose service area includes the project site and any water system adjacent to the project site. This bill would provide that hauled water is not a source of water for the purposes of a water supply assessment, as specified.

**SB 1263 (Wieckowski D) Public water system: permits.**

**Current Text:** Enrollment: 9/8/2016 [pdf](#) [html](#)

**Summary:** Would require a person submitting an application for a permit for a proposed new public water system to first submit a preliminary technical report to the State Water Resources Control Board at least 6 months before initiating construction of any water-related improvement, as defined. Because a misstatement in the report could be a crime under the provision described above, this bill would impose a state-mandated local program by expanding the scope of a crime.

**SB 1264 (Cannella R) Monterey County Water Resources Agency: Salinas River System.**

**Current Text:** Introduced: 2/18/2016 [pdf](#) [html](#)

**Summary:** Would appropriate \$1,000,000 from the General Fund to the Monterey County Water Resources Agency, for use in the Salinas River, to assist in the removal of excess vegetation and trash, increase efficiency of instream flow using sediment and vegetation management strategies, and support the development and implementation of long-term management policies. This bill contains other related provisions.

**SB 1294 (Pavley D) The Community Climate and Drought Resilience Program of 2016.**

**Current Text:** Amended: 4/27/2016 [pdf](#) [html](#)

**Summary:** Would enact the Community Climate and Drought Resilience Program of 2016 and would require CalFire to review the urban forestry program and, if necessary, revise the program to provide funding priority to multibenefit carbon sequestration projects and to establish local or regional targets for urban tree canopy. This bill contains other related provisions and other existing laws.

**SB 1298 (Hertzberg D) Local government: fees and charges.**

**Current Text:** Amended: 8/11/2016 [pdf](#) [html](#)

**Summary:** Articles XIII C and XIII D of the California Constitution generally require that assessments, fees, and charges be submitted to property owners for approval or rejection after the provision of written notice and the holding of a public hearing. Current law, the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with Articles XIII C and XIII D of the California Constitution and defines terms for these purposes. This bill would define the term "sewer" for these purposes.

**SB 1317 (Wolk D) Groundwater extraction permit.**

**Current Text:** Amended: 6/20/2016 [pdf](#) [html](#)

**Summary:** Would prohibit a groundwater extraction facility in a high- or medium-priority basin from being developed without a valid groundwater extraction permit, with certain exceptions. The bill would not require a city or county overlying a medium- or high-priority basin to have a process for the issuance of a groundwater extraction permit for the development of a groundwater extraction facility on or after January 31, 2022, or once the department has evaluated a groundwater sustainability plan

for the basin the city or county overlies and determined the plan to be adequate and likely to achieve the sustainability goal for the basin, whichever comes first.

**SB 1318 (Wolk D) Local government: drinking water infrastructure or services: wastewater infrastructure or services.**

**Current Text:** Amended: 6/1/2016 [pdf](#) [html](#)

**Summary:** The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 governs the procedures for the formation and change of organization of cities and special districts. This bill would additionally authorize a local agency formation commission to initiate a proposal by resolution of application for the annexation of a disadvantaged unincorporated community, as specified. This bill contains other related provisions and other current laws.

**SB 1328 (Lara D) Water delivery projects: reduction of greenhouse gas emissions: funding.**

**Current Text:** Enrollment: 9/8/2016 [pdf](#) [html](#)

**Summary:** Would authorize the State Water Resources Control Board to expend moneys from the Greenhouse Gas Reduction Fund, upon appropriation by the Legislature, to provide grants to public agencies, nonprofit organizations, public utilities, and mutual water companies to implement stormwater and dry weather runoff collection and treatment, wastewater, water recycling, and drinking water projects that are intended to reduce greenhouse gas emissions by decreasing the demand for fossil fuels needed to pump, transport, and deliver water to serve water consumers, as prescribed. This bill contains other existing laws.

**SB 1340 (Wolk D) Water Conservation in Landscaping Act.**

**Current Text:** Enrollment: 8/30/2016 [pdf](#) [html](#)

**Summary:** The Water Conservation in Landscaping Act, requires the Department of Water Resources to update a specified model water efficient landscape ordinance by regulation and prescribes various requirements for the updated model ordinance. Current law requires each local agency to adopt either the updated model water efficient landscape ordinance or an ordinance that is at least as effective in conserving water as the updated model ordinance. If the local agency does not make a selection, the model ordinance shall apply within the jurisdiction of the local agency. This bill, on or after July 1, 2018, would require a local agency to require a permit for the installation of specified automatic irrigation systems, or the expansion of the same specified automatic irrigation systems to increase the irrigated area by 25% or more, for a landscape project.

**SB 1398 (Leyva D) Public water systems: lead user service lines.**

**Current Text:** Enrollment: 9/9/2016 [pdf](#) [html](#)

**Summary:** Would require a public water system to compile an inventory of known lead user service lines in use in its distribution system and identify areas that may have lead user service lines in use in its distribution system by July 1, 2018. This bill would require a public water system, after completing the inventory, to provide a timeline for replacement of known lead user service lines in the distribution system to the State Water Resources Control Board.

**SB 1415 (Bates R) California Environmental Quality Act: local water projects: scoping meetings.**

**Current Text:** Amended: 4/18/2016 [pdf](#) [html](#)

**Summary:** Would require a lead agency to call at least one scoping meeting to receive public comments for local projects for stormwater or dry weather runoff capture and reuse, water recycling, or wastewater treatment to improve water quality. Because a local lead agency would be required to conduct at least one scoping meeting, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**SB 1422 (Glazer D) Public utilities and other service suppliers: collection of local taxes.**

**Current Text:** Chaptered: 8/19/2016 [pdf](#) [html](#)

**Summary:** The Digital Infrastructure and Video Competition Act of 2006 establishes a procedure for the issuance of state franchises for the provision of video service, defined to include cable service and open-video systems, administered by the Public Utilities Commission. This bill would explicitly define the term "other service supplier" for the purpose of those provisions to include, but not be limited to, a holder of a state franchise for the provision of video service.

**SB 1425 (Pavley D) Water-energy nexus registry.**

**Current Text:** Enrollment: 9/8/2016 [pdf](#) [html](#)

**Summary:** The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. This bill would require the agency to oversee the development of a registry for greenhouse gas emissions resulting from the water-energy nexus using the best available data. The bill would authorize the agency to enter into a contract with a qualified nonprofit organization to develop and administer the registry, which would include, among other things, the above-stated actions of the former California Climate Action Registry as those relate to the water-energy nexus.

**SB 1440 (Cannella R) Environmental quality: Water Quality, Supply, and Infrastructure Improvement Act**



of 2014.

**Current Text:** Introduced: 2/19/2016 [pdf](#) [html](#)

**Summary:** Would require a lead agency, in certifying an environmental impact report and in granting approvals for certain water storage projects funded, in whole or in part, by Proposition 1, 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. The bill would authorize the lead agency to concurrently prepare the record of proceedings for the project.

**SB 1456 (Galgiani D) Safe Drinking Water State Revolving Fund Law of 1997: water systems: financing.**

**Current Text:** Enrollment: 8/31/2016 [pdf](#) [html](#)

**Summary:** Current law, for community public water systems and not-for-profit noncommunity public water systems, allows planning and preliminary engineering studies, project design, and construction costs incurred by those public water systems to be funded by loans and other repayable financing. This bill would authorize the above-described costs to be funded by loans or other repayable financing, grants, principal forgiveness, or a combination of grants and loans or other financial assistance, regardless of whether the community water system or not-for-profit noncommunity water system is owned by a public agency or private not-for-profit water company.

**SB 1469 (Stone R) Groundwater sustainability agencies.**

**Current Text:** Introduced: 2/19/2016 [pdf](#) [html](#)

**Summary:** The Sustainable Groundwater Management Act authorizes any local agency or combination of local agencies overlying a groundwater basin to decide to become a groundwater sustainability agency for that basin, as prescribed. This bill would make a nonsubstantive change to those provisions.

**SB 1472 (Mendoza D) Los Angeles County Metropolitan Transportation Authority.**

**Current Text:** Amended: 6/1/2016 [pdf](#) [html](#)

**Summary:** Current law creates the Los Angeles County Metropolitan Transportation Authority with specified powers and duties relative to transportation planning, programming, and operations in the County of Los Angeles. This bill would expand the board of directors to 22 members by adding 2 members that reside in the County of Los Angeles, one member appointed by the Speaker of the Assembly and one member appointed by the Senate Committee Rules, selected from a list of candidates submitted by the Los Angeles County City Selection Committee, and would prohibit these members from residing in the same city as another member of the authority, as specified.

**Total Measures: 132**

**Total Tracking Forms: 132**



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## Agenda Item: 19

**Date:** September 12, 2016

**Subject:** General Manager's Report

**Staff Contact:** Robert S. Roscoe, General Manager

### a. Regional Water Reliability Plan Update

At the August 2016 Regional Water Reliability Plan (RWRP) project meeting, Regional Water Authority (RWA) discussed piloting their information survey with Fair Oaks Water District and City of Lincoln. They have held meetings with those two agencies and are continuing to collect and process information. Their intent is to learn from that process, so that they can make the collection from all of the participants as efficient as possible.

RWA has been slightly delayed in the pilot process because the California Department of Water Resources released its Integrated Regional Water Management Planning Grant application in early August 2016. The planning grant is a potential source of funding for the RWRP, so RWA is prioritizing that application development. The application is due September 23, 2016.

The RWRP project committee will meet again on October 12, 2016. At that time, RWA expects to have made significant progress on the pilot process and be able to discuss the information collection process for the project participants.

To date, RWA has received six RWRP project agreements including SSWD's. RWA has been informed that many other agencies are in the process of being scheduled for authorization by Boards/Councils.

### b. Elections Status Report

The following candidates have filed to run for Board member of SSWD at the November 8, 2016 elections:

Division 1:

- Frederick Gayle
- David Alan Jones

Division 2:

- Neil Schild (unopposed)

### c. Water Conservation Executive Order Update (EO B-37-16)

In May 2016 California's Governor signed Executive Order B-37-16 (EO) making water conservation a California way of life. The EO outlines three (3) elements and ten (10)

actions that shall be taken in order to update temporary emergency water restrictions and transition to permanent, long-term improvements in water use. The EO directs the State Water Resources Control Board (SWRCB) and the Department of Water Resources (DWR) to:

1. Use Water More Wisely
2. Eliminate Water Waste
3. Strengthen Local Drought Resilience

On August 15, 2016 a group named the Urban Advisory Group met for the first time to discuss the actions outlined in the EO. The UAG was selected by the Governor's Office as key stakeholders to the EO's process. During the first UAG meeting in August, the group discussed the direction of the proposed framework for the EO's three elements while individually addressing each of the ten actions. The SWRCB and DWR provided the UAG with a presentation outlining how they plan to approach each the three elements. Going forward, the UAG has created sub groups that will hold workshop meetings to discuss the different elemental approaches.

District staff will remain heavily involved in the UAG process. Implications to the District include but are not limited to:

1. Stricter accountability for meeting pre-determined state assigned water use targets for single and multi family residential, commercial (including commercial irrigation), industrial, and institutional customer classes in the form of state issued conservation orders;
2. Expanding the District's water loss prevention program;
  - a. Strengthening the District's Water Shortage Contingency Plan (Regulation No. 15) to meet any new, state required stages, targets, and/or standards (the District is currently exceeding it's 20x2020 target).

The District can anticipate an increase in water use efficiency activities and water conservation targets as a result of the framework being drafted by the SWRCB and DWR which are due to the Governor by January 10, 2016. The framework will continue to be modified before January. In anticipation for stricter water conservation standards and/or targets, the District is investigating impacts on District workloads and staffing levels in the Conservation Department. Staff will remain engaged in the process and will continue to provide the SWRCB and DWR with feedback regarding any proposed framework.

**d. Outreach Letter to Schools on Lead**

In response to the considerably attention given to the lead levels found in the drinking water supply in the Flint, Michigan area during the past year, the State Water Resources Control Board, Division of Drinking Water, (DDW) sent a letter to all community and non-transient non-community water systems with recommendations for enhanced public access to Lead and Copper Rule (LCR) related information. The primary recommendations for enhancing public outreach efforts was posting LCR related information on water systems' websites

and/or adding LCR information to the Annual Consumer Confidence Report. Both of these recommendations were implemented by the District.

In August, in an effort to provide an additional level of public outreach, the District provided a letter to local school superintendents and/or school directors to provide regulatory overview about lead in drinking water as well as resources that are available to further evaluate the drinking water at their facilities. The additional attention to lead in recent months has been highlighted by several stories in the news about elevated levels of lead being detected in the drinking water at some public and private schools throughout the Western U.S. The U.S. Environmental Protection Agency suggests that schools evaluate the level of lead at locations where drinking water is consumed on campus, and if necessary, implement a Lead in Drinking Water Program for reducing lead levels at those locations. The District letter to local schools concludes with an invitation to contact the District to discuss how to develop a sampling program and conduct proper sample collection, and offers assistance with identifying certified testing laboratories. To date, the District has not had a response from any of the 25 school districts and private schools.

**e. Division of Drinking Water Annual System Inspection**

In November 2006, the U.S. Environmental Protection Agency published the federal Groundwater Rule (GWR). Compliance under this rule began in California on December 1, 2009. The purpose of the GWR is to provide increased protection against microbial pathogens via four major regulatory components. One of these components is a sanitary survey (system inspection) of a community water system's groundwater system at least every 3 years. The survey includes an evaluation of the following elements:

- Source – surface/groundwater
- Treatment Facilities
- Distribution System
- Water Storage – reservoirs and tanks
- Pumps, pump facilities, and controls
- Water quality monitoring, reporting, and data verification
- System management and operation
- Operator compliance with State Reqs
- Consumer Confidence Reports
- Cross-Connection Control Program
- Customer Complaint Program
- Emergency Response Program

California public water systems are required to meet all federal drinking water regulations, including the GWR. The State Water Resources Control Board, Division of Drinking Water (DDW) has increased the frequency of the system inspections for large public water systems from the GWR's recommended every three years to annually. In May 2016, DDW conducted an Annual System Inspection of the District's water system.

The survey began May 2, 2016, concluded on May 6, 2016, and included all District groundwater production facilities, elevated storage tanks, ground level reservoirs, booster

pump stations, and pressure reduction facilities. No significant findings were reported to District staff by DDW personnel during the survey. DDW is still reviewing the data gathered during the site visits as well as data provided by staff and will provide a summary report in the near future.

**f. Agreement Between Fulton El Camino Parks and Recreation**

The agreement has been executed by both parties, and coordination on design elements is expected to begin this fall. Staff is planning on pursuing a similar implementation plan as the Well 32A demonstration project, utilizing a public education forum (classes educating regarding the benefits of River Friendly Landscaping) and volunteers (class attendees) for the Garden site's preparation and installation.

**g. 2016 Premium Only Plan (POP) Discrimination Testing Results**

Custom Benefit Administrators (CBA), the plan administrator for the District's Premium Only Plan (POP) for employee pre-tax deductions for medical insurance premiums that exceed the "cap" amount paid by the District, recently conducted annual nondiscrimination testing for the District's 2016 POP. CBA notified the District on September 2, 2016, that it passed all of the required Eligibility Tests and the plan has been deemed nondiscriminatory. If a Director wishes to review the test results provided by CBA, a copy will be provided upon request.

**h. Long Term Warren Act Contract Update**

The District's consultant, ECORP, provided US Bureau of Reclamation Central Valley Operations (CVO) staff with the draft temperature modeling results in June 2016. CVO staff verbally committed to review and comment on the draft temperature modeling results in early August 2016. Staff has scheduled a meeting with Reclamation staff on September 14, 2016 to obtain an update on the status of the Long Term Warren Act Contract.

**i. 2017 Benefits Renewal Analysis for Dental, Vision and Life/Disability Insurance Plans**

As previously reported to the Board, the District will remain in the CalPERS medical program for 2017 after reviewing and comparing plans and rates for the CalPERS and ACWA/JPIA medical programs. For all other benefit plans, including dental, vision and life/disability, a renewal analysis is currently being conducted by Katie Huddleston and Lindsey Dupzyk of Edgewood Partners Insurance Center (EPIC), the consultant firm that has conducted prior benefit reviews for the District. EPIC expects their final report and recommendations to be available in mid to late September, so staff will provide a final report to the Board in October.

EPIC received initial renewal quotes from Ameritas, the current vision carrier, and CIGNA, the current dental and life/disability carrier, based on the number of enrollments when the renewal analysis began (which is subject to change based on the District's employee population at the actual time of renewal). While Ameritas is offering to renew the vision plan with no rate increase, CIGNA's proposed renewals for the dental, life and disability plans is a combined 7.09% increase compared to current premium levels (\$12,394.36 estimated cost change). EPIC will continue their efforts to request rate relief from CIGNA for these plan renewals.

	<b>Current</b>	<b>Renewal</b>	<b>Annual \$ Change Over Current</b>
	<b>Dental / Vision / Life / Disability</b>		
Dental Annual Cost	\$134,578.68	\$141,308.64	\$6,729.96
Vision Annual Cost	\$21,124.80	\$21,124.80	\$0.00
Life Annual Cost	\$16,497.29	\$18,585.56 <sup>1</sup>	\$2,088.26
STD Annual Cost	\$7,672.73	\$8,806.96	\$1,134.23
LTD Annual Cost	\$16,134.04	\$18,575.95	\$2,441.91
<b>Combined Annual Cost</b>	<b>\$196,007.54</b>	<b>\$208,401.90</b>	
<b>% Change Over Current</b>	<b>N/A</b>	<b>6.32%</b>	
<b>Estimated Annual \$ Change Over Current Annual Cost</b>	<b>N/A</b>	<b>\$12,394.36</b>	

<sup>1</sup> The premium for dependent life insurance coverage will increase from \$3.20 to \$3.68 and is not yet included in the total cost.



## Agenda Item: 20 a.

**Date:** September 2, 2016

**Subject:** Upcoming Policy Review – Facility Development Charge Setting Policy (PL – Fin 010)

**Staff Contact:** Daniel A. Bills, Finance Director

The Facility Development Charge Setting Policy (PL – Fin 010) was originally adopted by the Board in September 2014.

Staff is recommending two changes:

1. In Section 100.00, the introductory paragraph has been rewritten to better explain the purpose of Facility Development Charges (FDCs) and how they differ from amounts charged in monthly rates to existing customers.
2. Section 200.00 has been revised for consistency with language used in Regulation No. 7.

The policy was not submitted for legal counsel review.

The policy is scheduled for Board consideration and adoption at the October Board meeting. If a Director wishes to have his comments included in Board packet for Director review and consideration, please provide those comments to staff by Monday, October 3, 2016.

## EXHIBIT 1

Sacramento Suburban Water District

**Facility Development Charge Setting Policy**Adopted: September 15, 2014; October XX, 2016**100.00 Purpose of the Policy**

Facility Development Charges (FDCs) provide the means of balancing the District's cost requirements for new 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 FDCs. In contrast, the District has future capital improvement projects that are related to renewal and replacement of existing infrastructure. These infrastructure costs are typically included within the rates charged to the District's customers, and are not included in the FDCs. By establishing cost-based FDCs, the District will continue its policy of having "growth pay for growth" and existing District customers, for the most part, be sheltered from the financial impacts of growth. The establishment of FDCs will include consideration of: Customer growth and system expansion, as a result of new development, have direct impacts upon the District's infrastructure requirements, the financing of the "growth related" infrastructure, and customer rates. Through the establishment of this and other financial/rate policies, the District is attempting to shelter its existing customers, as much as reasonably possible, from the financial/rate impacts of growth and system expansion:

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

**200.00 Policy**



FDCs are intended to reflect the cost of growth and capacity expansion to serve new customers and additional capacity requirements. FDCs are a common method of assessing the cost of expansion and its additional capacity requirements. In establishing FDCs, and in concert with Regulation No. 7, “New or Additional Service Connections”, the following will be considered:

- A. Meeting Legal Requirements – FDCs will be established and administered to conform and meet any legal requirements.
- B. Methodologies – FDCs will be established using “generally accepted” methodologies and will include a debt service credit to fairly account for the method of financing used for growth and expansion projects.
- C. Determination of Cost-Basis – As appropriate, FDCs will be calculated to determine the cost-based levels for customers seeking to connect to the District’s water system.
- D. Establishing Final FDCs – The Board will establish the final FDCs, taking into consideration the cost-based levels of the charges and the Board’s policy or philosophy as it relates to the sharing of growth-related costs between existing rate payers and new customers connecting to the water system. At no time will the Board establish or adopt FDCs greater than the calculated cost-based FDCs.
- E. ~~Biennial~~ Adjustments – In accordance with Regulation No. 7, section H. 5 - FDCs will be adjusted annually biennially “to reflect cost changes in materials, labor or real property applied to projects or project capacity” using an appropriate cost index. Further, “a comprehensive review and update of the FDC methodology shall occur at least every five years.”~~retired assets, new assets, inflation, depreciation, and changes in outstanding debt.~~
- F. Master Plan and FDCs – Every three to five years, or whenever the Water System Master Plan is updated, the FDCs will be updated to reflect the changes in planning, infrastructure, and capital financing.

**300.00 Authority**

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

**400.00 Policy Review**

This Policy will be reviewed at least biennially.



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## **Agenda Item: 20 b.**

**Date:** August 30, 2016

**Subject:** Upcoming Policy Review – Employment Rules and Procedures Policy (PL – HR 001)

**Staff Contact:** Lynne Yost, Human Resources Coordinator

The Employment Rules and Procedures Policy (PL – HR 001) was originally adopted by the Board in October 2010 and last reviewed in October 2014.

Staff is recommending the Board reaffirm the policy with no changes. It was not submitted to legal counsel for review.

The policy is scheduled for Board review and approval at the October 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, October 3, 2016.

EXHIBIT 1

Sacramento Suburban Water District

**Employment Rules and Procedures Policy**

Adopted: October 18, 2010

Revised: August 20, 2012

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**100.00 Purpose of the Policy**

The purpose of this policy is to direct the General Manager to establish and maintain fair and consistent rules and procedures relating to District employment.

**200.00 Policy**

Pursuant to California Water Code Section 30580, the General Manager has full power and authority to employ, discharge and prescribe the duties of all District employees. The General Manager will insure that all rules and procedures relating to District employment comply with state and federal labor laws and regulations governing public agency employment.

**300.00 Authority and Responsibility**

The General Manager will be responsible for administering this policy. The Assistant General Manager and Human Resources Coordinator will assist the General Manager in developing and maintaining an Employee Handbook that will be provided to all current and new employees.

**400.00 Policy Review**

This Policy shall be reviewed at least biennially.



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## Agenda Item: 21

**Date:** September 9, 2016

**Subject:** Upcoming Water Industry Events

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

Below is a list of upcoming water industry events.

### Upcoming Events

1. Carmichael Founders Day Event  
September 24, 2016  
Carmichael, CA  
<http://carmichaelpark.com/>
2. Groundwater Resources Association 25<sup>th</sup> Annual Meeting and Conference  
September 28-29, 2016  
Concord, CA  
<http://www.watereducation.org/event-calendar>
3. ACWA 2016 Regulatory Summit  
October 3-4, 2016  
Sacramento, CA  
<http://www.acwa.com/content/event-registration>
4. Groundwater Tour 2016  
October 5-6  
Sacramento, CA to Capay Valley, CA  
<http://www.watereducation.org/event-calendar>
5. CSDA Annual Conference  
October 10-13, 2016  
San Diego, CA  
[www.csda.net](http://www.csda.net)
6. Water Education Foundation's Northern California Tour 2016  
October 19-21, 2016  
Sacramento, CA  
<http://www.watereducation.org/event-calendar>

Upcoming Water Industry Events

September 9, 2016

Page 2 of 2

7. AWWA Annual Meeting  
October 24 – 27, 2016  
San Diego, CA  
<http://www.awwa.org/conferences-education/events-calendar.aspx?page=5&resultsperpage=10&sd=2016-06-13>
  
8. ACWA Region 4 Walking Tour of Putah Creek  
November 7, 2016  
Winters Community Center, Winters, CA  
[www.acwa.com](http://www.acwa.com)
  
9. ACWA Fall Conference & Exhibition  
November 29 – December 2, 2016  
Anaheim, CA  
[www.acwa.com](http://www.acwa.com)

**Minutes**

Sacramento Suburban Water District  
**Facilities and Operations Committee**  
 Thursday, September 1, 2016

**Call to Order**

Director Locke called the meeting to order at 4:02 p.m.

**Roll Call**

Directors Present: Craig Locke and Neil Schild.

Directors Absent: None.

Staff Present: General Manager Robert Roscoe, Assistant General Manager Dan York, Dan Bills, Amy Bullock, Mitch Dion, John Valdes, Dave Jones, David Espinoza, James Arenz, Annette O’Leary and Lynne Yost.

**Public Present:** William Eubanks and Shelly Anderson.

**Announcements:**

General Manager Robert Roscoe (GM Roscoe) announced the following:

- Special Board Workshop on Friday, September 16, 2016 at 2:00 p.m.
- Facilities and Operations Committee Meeting on Friday, September 30, 2016 at 3:00 p.m.

**Public Comment**

None.

**Consent Items**

**1. Minutes of the July 22, 2016 Facilities and Operations Committee Meeting**

Director Schild moved to approve Item 1; Director Locke seconded. The motion passed by unanimous vote.

AYES:	Schild and Locke.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

**Items for Discussion and Action**

**2. Delegate Authority to Accept Easements – General Manager**

GM Roscoe introduced Mitch Dion (Mr. Dion) who presented the staff report.

Director Schild stated that he would be willing to suggest to the full Board the approval on the basis that all easements met Board policy. He further suggested that if the easements did not meet Board policy, then they should go before the full Board.

Mr. Dion agreed unless there is a variance that the Board issued.

Director Schild stated that he did not think we need to put the \$10,000.00 limit in and felt there is a more reasonable figure, suggesting \$5,000.00. Director Schild would like to defer the dollar amount and have it presented to the full Board for discussion.

William Eubanks (Mr. Eubanks) commended staff for bringing this forward to the Committee stating he had no comment on the dollar amount issue. He further noted that he believed that the easements were a good thing, and have gone for little money in the past.

Director Locke agreed with Director Schild to defer the dollar amount discussion to the full Board.

GM Roscoe reaffirmed both Director Schild and Director Locke's recommendation of the Committee of \$5,000.00 for land owner payment, excluding surveying, title reports and all other costs and fees that go into it. The committee affirmed \$5,000.00 is the figure to be taken to the full Board.

### **3. Draft 2016 Compensation Study**

GM Roscoe introduced the staff report and introduced Shelly Anderson (Ms. Anderson) with Bryce Consulting.

Ms. Anderson explained the process of the compensation study. She recommended using the mid-point of the third quartile as the point of comparison to help insure the District is competitive in the labor market, noting recent increase in turnover.

Ms. Anderson explained that a new employee coming into the organization who has not been a CalPERS member for the prior six months is in the 2% at 62 retirement plan as a PEPRA member, a new employee who has been a CalPERS member within the last six months is in the 2% at 55 retirement plan as a Classic Member.

Director Locke asked if a new PEPRA employee's retirement is based on highest single year or the average of the highest 3 years.

GM Roscoe and Ms. Anderson confirmed it is the average of the highest 3 years based on the plan that was in effect when PEPRA passed, which is the classic plan.

Director Schild asked if the staff report or Ms. Anderson's presentation included a comparison at the 50<sup>th</sup> percentile instead of the mid-point of the third quartile.

Ms. Anderson stated that she did not compile that data but would be willing to get the Committee that information if requested. Director Schild declined needing the data and stated it's not necessary, but it would just be interesting to know the information.

Director Schild stated that he believes if a new employee comes in under PEPRA the benefit package and salary is not as competitive in the marketplace and because the District doesn't pay the 6% employee share that must be paid by the employee as required by CalPERS regulations.

Ms. Anderson agreed with Director Schild's statement, but stated that agencies have no choice under CalPERS regulations and many agencies were struggling with this scenario.

Director Schild requested clarification on the pay ranges within the salary schedule.

Director Locke inquired what separated the pay ranges within the salary schedule.

GM Roscoe clarified there is a 5% difference between each pay/salary band. He further explained the non-exempt bands have a 10% range above and below the salary mid-point, and the exempt bands have a 15% range.

The Committee directed staff to present this item to the full Board with a unanimous recommendation to accept the compensation study. Accepting the study does not constitute a budget commitment.

#### **4. Proposed Staffing Additions 2017/18**

Assistant General Manager Dan York (AGM York) presented the staff report and introduced Annette O'Leary (Ms. O'Leary) who made a presentation on a request to add a new Customer Service Representative position.

Director Locke inquired if customers have the opportunity to leave a message on a voicemail system to be called back?

Ms. O'Leary confirmed that there is a voicemail system in place.

Director Locke inquired if using an automated system to direct customers to the appropriate department or staff is a viable option to save time for the Customer Service Representatives (CSR).

Ms. O'Leary and AGM York stated that type of system is typically not as effective verses a live CSR answering and directing customers to the right department.

GM Roscoe introduced Jim Arenz (Mr. Arenz) to present his request for four new staff positions, three positions in 2017 and one position in 2018.

GM Roscoe advised the Committee to refer to the staff report on the table showing other water districts staff verses connections as context on why the District is requesting 4 additional positions.

Director Schild stated that Fair Oaks Water District had more staff with a large construction crew and felt a comparison with them was not comparing apples to apples, when it comes to comparing total staff count between positions.

Director Locke stated that he understood and agreed with the need for more staff at the Walnut office and that paying a Superintendent wage for administrative tasks is not in the best interest for the District and its employees. He felt the Operations Manager and Superintendents should be overseeing and mentoring their staff.



Regarding the cross connection specialist position, GM Roscoe stated that the state requires the District to install 50 new backflow devices a year and the Environmental Compliance staff cannot keep up with the demand.

GM Roscoe asked the Committee to approve staff's request for all four positions in 2017 and one in 2018 and to be presented at the Special Board Workshop on the budget so that the upcoming budget is accurate when presented to the full Board.

Mr. Eubanks stated that he felt the District was not over staffed. Further noting that he felt paying staff superintendent wages for administrative tasks seems ridiculous. Mr. Eubanks stated that the Committee demanded excellence from staff, but they were not giving staff the tools to be successful. Mr. Eubanks stated that the District has 46,000 connections and it is not staffed appropriately.

GM Roscoe advised the Committee that the item would be presented at the Special Workshop on September 16, 2016.

Director Locke stated that he agreed with the need for additional staff and to bring this item before the full Board at the Special Workshop.

The Committee favored the additional 4 positions in 2017 and one position in 2018 and for the salaries for these additional positions to be considered in the CY 2017 and 2018 budget. The Committee requested for this item to be presented at the Special Board Workshop as recommended by staff.

### **Adjournment**

Director Locke adjourned the meeting at 5:35 p.m.

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

## Minutes

Sacramento Suburban Water District  
**Finance and Audit Committee**  
Friday, August 12, 2016

### Call to Order

Chair Thomas called the meeting to order at 3:07 p.m.

### Roll Call

Directors Present: Kevin Thomas and Neil Schild.

Directors Absent: None.

Staff Present: General Manager Robert Roscoe, Finance Director Dan Bills, Assistant General Manager Dan York, Heather Hernandez-Fort, Mitch Dion, Dave Jones and Lynn Pham.

**Public Present:** William Eubanks.

### Announcements

None.

### Public Comment

None.

### Items for Discussion and Action

1. **2017/18 Budget Assumptions**

Finance Director Dan Bills (Mr. Bills) presented the staff report and PowerPoint presentation.

Mr. Bills explained that the Reserve Policy was included in the report for Director comment and expressed the importance of the Reserve Policy.

General Manager Robert Roscoe (GM Roscoe) further explained the importance of maintaining and reviewing the Reserve Policy regularly.

Director Schild commented that he was not available for the Special Board Workshop that was scheduled for September 9, 2016. Mr. Bills expressed that staff would try to reschedule.

Mr. Bills reviewed the budget development process, the reserve balance, projected budget changes, key assumptions, and details with the Committee. He asked if the Committee was comfortable with the theory and idea behind how staff will prepare the 2017/18 budget and emphasized that such assumptions are just a starting point.

Director Schild commented that it is the same type of procedure that the District has followed for approximately the past 10 years, and it's worked.

Chair Thomas agreed with Director Schild noting that it is pretty straight forward.

William Eubanks (Mr. Eubanks) complimented management staff for producing the highest level of transparency when it came to financial matters. He further stated that the level of detail that was included in the presentation was much more than any other district, and that he was impressed.

Mr. Eubanks suggested that the Committee present to the Board that they have reviewed the report and that they are confident that the information presented was in the right direction.

Chair Thomas agreed, noting that that he planned on supporting the report and that staff was doing beyond a terrific job.

GM Roscoe noted that staff will present a condensed version of the 2017/18 Budget Assumptions at the Board workshop.

### **Adjournment**

Chair Thomas adjourned the meeting at 4:19 p.m.

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

**REGIONAL WATER AUTHORITY  
REGULAR MEETING OF THE BOARD OF DIRECTORS**

**Thursday, September 8, 2016; 9:00 a.m.**

5620 Birdcage Street, Suite 110

Citrus Heights, CA 95610

(916) 967-7692

**AGENDA**

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

1. **CALL TO ORDER AND ROLL CALL**
2. **PUBLIC COMMENT**
3. **CONSENT CALENDAR**
  - a) Minutes from the July 14, 2016 RWA regular board meeting  
**Action: Approve Consent Calendar Item**
  - b) **Action: Approve RWA Affiliate applications from California Pool and Spa Association and Brown and Caldwell**
  - c) **Action: Approve RWA Associate Member Policy 100.3 amendments**
4. **EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS**
  - a) Information: Final minutes of the June 22, 2016 and July 27, 2016 Executive Committee meetings and draft minutes from the August 24, 2016 Executive Committee meeting
  - b) Information: Executive Committee report on the Executive Director's performance review
5. **REGIONAL RELIABILITY PLAN UPDATE**

Presentation: Rob Swartz, Manager of Technical Services  
**Action: Adopt Resolution 2016-05 to Authorize the Executive Director to submit an application to the California Department of Water Resources for an Integrated Regional Water Management Planning Grant and to execute an Agreement if an award is made.**
6. **LEGISLATION UPDATE**

Presentation: John Woodling, Executive Director and Dave Brent, Water Policy Advisor
7. **WATER EFFICIENCY UPDATE**

Presentation: John Woodling, Executive Director

**8. 2016 AWARDS COMMITTEE APPOINTED**

Information Report: Executive Committee report on 2016 Awards Committee appointed by Chair Short

**9. EXECUTIVE DIRECTOR'S REPORT**

**10. CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(C) AND 54956.9(D) – UPDATE ON CALPERS CONTINUED OBLIGATION TO PROVIDE PENSION BENEFITS TO RWA EMPLOYEES**

**11. DIRECTORS' COMMENTS**

**ADJOURNMENT**

Upcoming meetings:

Next Executive Committee Meetings – Wednesday, September 28, 2016 and Wednesday, October 26, 2016, 8:30 a.m. at the RWA office.

Next RWA Board of Directors' Meeting – Thursday, November 10, 2016 9:00 a.m., at the RWA Office.

**REGIONAL WATER AUTHORITY  
EXECUTIVE COMMITTEE AGENDA**

**August 24, 2016; 8:30 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:** 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 July 27, 2016 Executive Committee meeting  
**Action: Approve Minutes of the July 27, 2016 Executive Committee meeting**
- 4. REGIONAL RELIABILITY PLAN UPDATE**  
Information Presentation: Rob Swartz, Manager of Technical Services
- 5. 2015 PROPOSITION 84 INTEGRATED REGIONAL WATER MANAGEMENT GRANT PROJECT AGREEMENT**  
**Action: Approve 2015 Proposition 84 Grant Project Agreement**
- 6. RWA AFFILIATE APPLICATION**  
Information Presentation - John Woodling, Executive Director  
**Action: Recommend RWA Board approval of RWA Affiliate application from Brown and Caldwell**
- 7. CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(E) AND 54957 – PUBLIC EMPLOYEE PERFORMANCE EVALUATION**  
Title: Executive Director
- 8. REPORT FROM CLOSED SESSION – EXECUTIVE DIRECTOR'S PERFORMANCE**  
**Action: Report on Executive Director's Performance Evaluation pursuant to Exhibit A of existing contract**

9. **MODIFICATION OF ASSOCIATE MEMBER POLICY 100.3**  
Action: Recommend RWA Board approval of proposed amendments to Policy 100.3
10. **RWA SEPTEMBER 8, 2016 BOARD MEETING**  
Action: Approve Agenda for September 8, 2016 Meeting of the RWA Board of Directors
11. **EXECUTIVE DIRECTOR REPORT**
12. **DIRECTOR'S COMMENTS**

**ADJOURNMENT**

**Upcoming meetings:**

**Upcoming Executive Committee Meetings** – September 28, 2016 and October 26, 2016 at 8:30 a.m. at the RWA office

**Next RWA Board of Directors' Meeting** – Thursday, September 8, 2016, at 9:00 a.m. at the RWA office

**WATER FORUM SUCCESSOR EFFORT**

Thursday, September 15, 2016

5:30 PM – 8:30 PM



**NOTE  
LOCATION**

**WATER FORUM  
1330 21<sup>st</sup> Street, Ste. 103  
Sacramento, CA 95811**

**Agenda**

**5:30 DINNER**

**5:45 INTRODUCTIONS**

**6:00 DISCLOSURES/ REPORT BACKS / ANNOUNCEMENTS**

**6:15 PRESENTATION**

Summary of Testimony to the WaterFix Hearing

**THE MODIFIED FMS**

- Tom Gohring, Jeff Weaver, Rusty Barker & Paul Bratovich

**7:00 UPDATES**

FMS – Tom Gohring

Habitat Management – Lilly Allen

Water Supply & River Conditions – Tom Gohring

Groundwater Facilitation – Tom Gohring

**7:45 ADJOURN**

**Water Forum office:** located on the corner of 21<sup>st</sup> and N streets in midtown Sacramento. See map for parking information.



# Environmental Action UPDATE

## AIR FORCE ENVIRONMENTAL ACTIVITIES AT MCCLELLAN

### Air Force nears transfer of 949 acres

Five parcels will be transferred in the future to Sacramento County for aviation, industrial uses

The Air Force Civil Engineer Center is in the final stages of finalizing a Finding of Suitability to Transfer (FOST) document for Parcels B1, C1b, C3, C17 and D1 at the former McClellan Air Force Base.

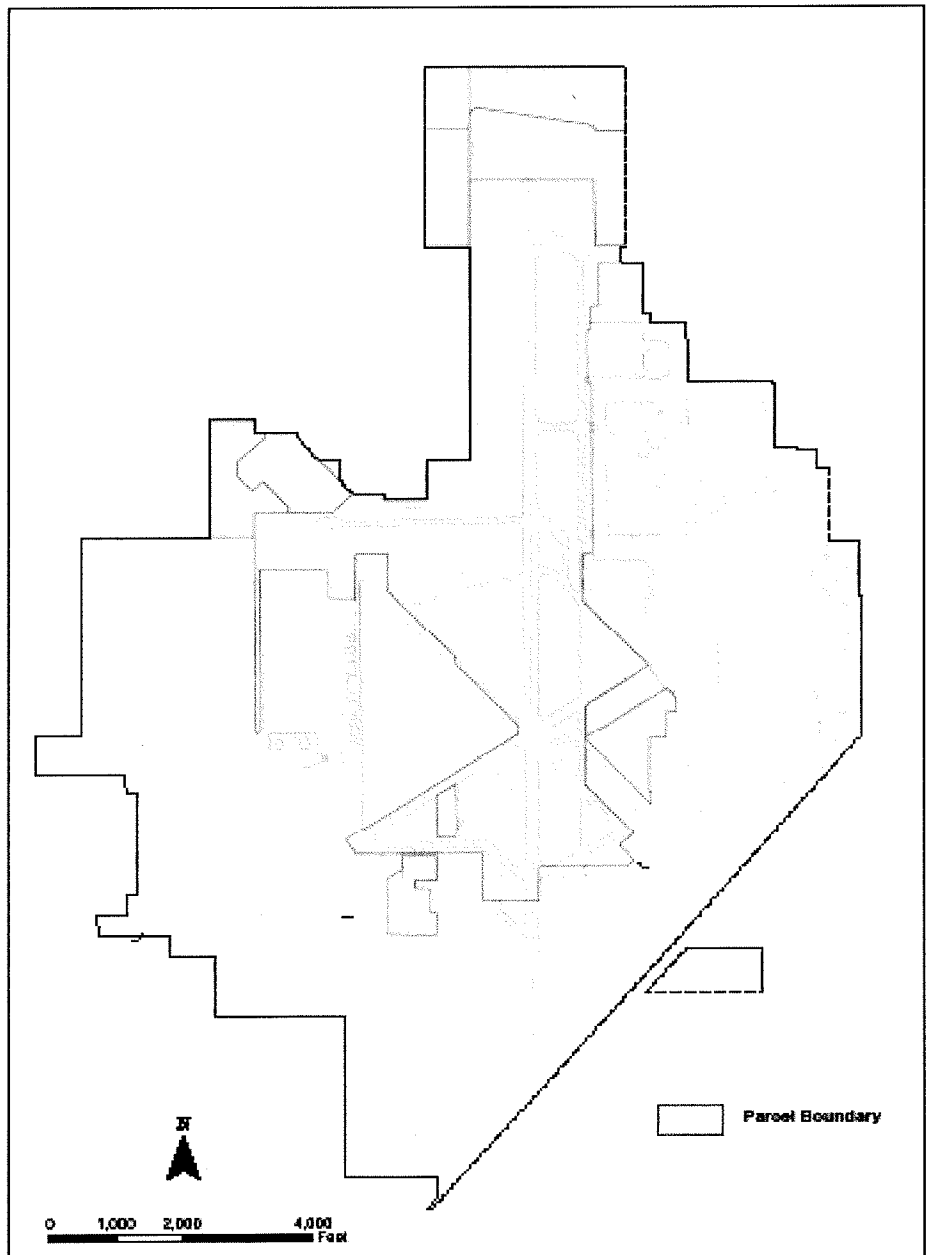
These parcels are primarily located within the Airfield and General Industrial Subdistricts of the Core Aviation/Industrial District at McClellan and collectively are approximately 949 acres in size.

“Completing this transfer will clear the way for further development here at the base, which will continue to benefit the community,” said Steve Mayer, McClellan Base Environmental Coordinator.

All five parcels will be transferred to Sacramento County, with Parcels C1b and C3 subsequently transferred from the County to McClellan Business Park. The anticipated use of these parcels includes aviation and industrial uses.

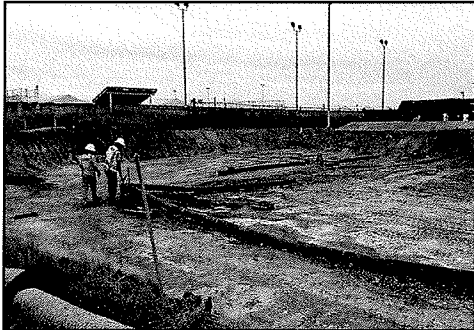
The FOST is the Air Force’s determination that the property is suitable for transfer and is based on an extensive review of the environmental condition of the property in consultation with federal and state environmental regulatory agencies.

The final FOST provides a detailed explanation of the environmental condition of the property and means that the property is environmentally ready to transfer and there are no threats to human health or the environment.



# Summer field season coming to a close

The 2016 field season at McClellan is coming to a close. Over the course of the season, the Air Force continued cleanup and removal actions at several large excavation sites falling under the Follow-On Strategic Sites project.



**PRL020:** Located adjacent to and under the Groundwater Treatment Plant, the site (pictured above) was once used for burial and occasional burning; excavation at the site is nearly complete with 4,100 cubic yards of soil removed to date. Additional soil sampling and surface scans will be done to determine if further excavation is needed.

**CS067:** Excavation was halted at this former disposal pit due to elevated radiological detections. During initial excavation 1,740 cubic yards of soil were removed. Elevated radiation readings were found during the initial excavation. A sample of the suspect soil has been sent to a commercial off-site lab for radioactivity analysis. Additional soil samples will be collected by the Air Force and analyzed. The site is currently,



*Initial excavation at CS043 is complete at this former landfill.*



*Initial excavation at CS067 was halted.*

secured and covered, and further action is pending.

**CS043:** The site was an unlined waste disposal pit and burn area that was used from the mid-1940s to 1957. Initial excavation is complete at the former landfill, with 18,900 cubic yards of soil removed from the site.

Additional excavation was done to remove an electrical conduit in the northwest section. The conduit was removed to gain access to the soil underneath, which was identified as radioactively contaminated. Sampling activities will continue and no further excavation is planned for this field season.

## IC 29 remedial process optimization proving to be a successful project

In 2013 the Air Force conducted a remedial process optimization (RPO) project at Investigation Cluster (IC) 29 in Operable Unit A.

The purpose of the project was to expedite cleanup of trichloroethylene (TCE) and other volatile organic compounds (VOCs) in groundwater.

Current data indicates the RPO was largely effective, increasing groundwater flow by 29 percent while decreasing TCE concentrations within

### IC 29 RPO Results to Date

- Groundwater extraction flow from the treatment area has increased by approximately 29 percent.
- Average TCE concentrations at monitoring wells within the treatment area have decreased by 45 percent.
- Average TCE concentrations at extraction wells within the treatment area have decreased by 53 percent.

the treatment area by 45 percent at monitoring wells and 53 percent at extractions wells.

Additional monitoring well data collected over time will evaluate the effectiveness of the RPO effort.

The RPO measures were taken because groundwater modeling predicted the IC 29 groundwater plume has the longest cleanup time of all plumes at McClellan.

This is due partly to the low-permeability aquifer material in this area. Under these conditions groundwater moves very slowly.

The RPO consisted of fracturing the aquifer to make it more permeable to improve groundwater flow and extraction rates. Once considered to be the plume with the longest cleanup time, the cleanup of IC 29 could now be reduced by as much as 17 years.

# Base hosts innovative cleanup technology projects

Over the years the former McClellan Air Force Base has hosted a number of technology demonstration projects. Most recently the former base welcomed the opportunity to support two more innovative projects, focused on the cleanup of 1,4-dioxane.

"These projects tested the effectiveness of new technologies to address 1,4-dioxane in vadose zone soils and groundwater," said Steve Mayer, McClellan Base Environmental Coordinator. "We've been very impressed with the results."

The projects were conducted at no cost to the Air Force. Funding came from two Department of Defense (DoD) environmental research programs: Strategic Environmental Research and Development Program (SERDP) and Environmental Security Technology Certification Program (ESTCP).

These programs harness the latest science and innovative technologies to respond to DoD's highest priority environmental challenges across the country. Under these programs, technology demonstrations are conducted at DoD facilities to document and validate improved performance and cost savings.

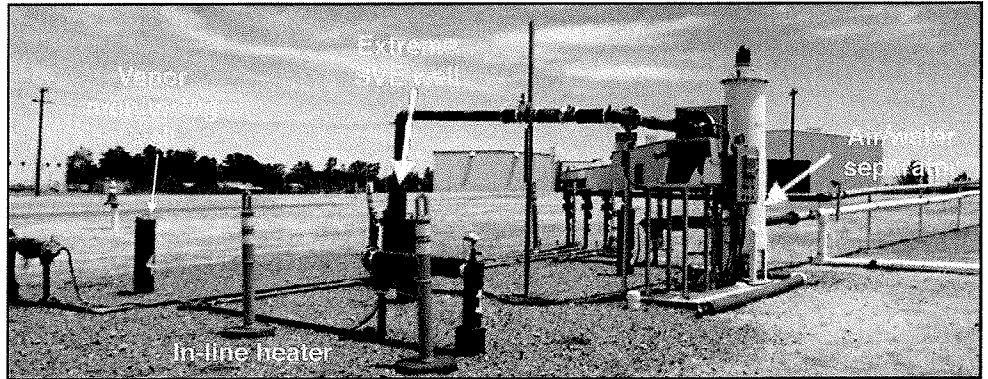
Both demonstration projects were conducted within Operable Unit (OU) D in the northwest portion of McClellan where eleven disposal pits were once located.

Chlorinated solvents, which were historically used at McClellan for cleaning metal parts and for paints and adhesives, were disposed in the OU D area.

1,4-dioxane was historically used as a stabilizer for chlorinated solvents and is present in the soil and groundwater in this area.

McClellan was selected as a suitable site for these two demonstration projects based on the presence of 1,4-dioxane in soil and groundwater and the ability to tap into existing remediation systems in operation at the former installation.

The projects were carefully designed to ensure no negative impacts to existing treatment systems and State of California and U.S. Environmental Protection Agency



**The innovative Extreme Soil Vapor Extraction project included installation of four injection wells to inject hot air into the soil, one extraction well to extract heated air and contaminants from the soil and four vapor monitoring wells to provide temperature, soil moisture, and soil gas concentration data for the system.**

representatives were involved in every step of the process.

"The Air Force is always seeking better ways to conduct the cleanup faster or cheaper," said Mayer. "And we were excited to have McClellan selected as the site for these demonstrations, partially because it helps out our cleanup program at no additional cost to the Air Force, but also because proving these technologies are effective will help cleanup programs around the country."

Extreme Soil Vapor Extraction (XSVE) was recently tested on 1,4-dioxane contamination in soil within OU D. The study involves injecting hot air into vadose zone soils to warm and dry the soil and then extracting the heated soil gas to allow for increased removal of 1,4-dioxane through SVE.

The XSVE system ran from November 2014 to December 2015 and produced positive results, indicating XSVE increased the rate of removal of 1,4-dioxane from soil within the treatment zone by more than 95 percent.

A study to evaluate biodegradation of 1,4-dioxane in groundwater was conducted in the same general area within OU D.

Research has shown that 1,4-dioxane is persistent in groundwater and does not degrade easily.

In other words, bacteria naturally present in groundwater at McClellan does not readily

break down or degrade 1,4-dioxane.

However, bacteria does naturally break down and degrade other hydrocarbon-based contaminants (such as propane). This demonstration project was designed to test whether the addition of propane to areas of 1,4-dioxane groundwater contamination would prompt the bacteria eating the propane to also eat the 1,4-dioxane – a process known as cometabolization (see inset).

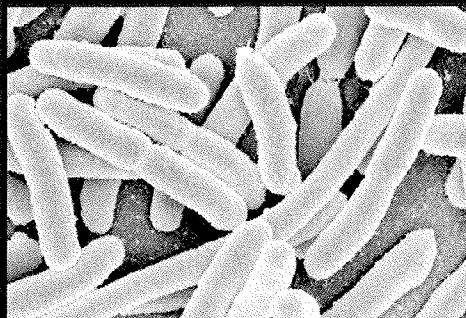
To test the theory, a groundwater recirculation system was developed. This system injected propane and oxygen into the groundwater through an injection well that stimulated the biodegradation. An extraction well, located within the treatment zone, was used to pump out the groundwater.

The wells for the injected and extracted water were screened at the same depth to ensure propane being introduced into the groundwater would be extracted from the groundwater. Monitoring wells were installed in the space between the injection and extraction wells to collect data.

Results suggest biodegradation of 1,4-dioxane in groundwater using propane is a successful treatment, effectively reducing 1,4-dioxane concentrations in groundwater monitoring wells at the site by about 99 percent.

## Biodegradation

Biodegradation uses natural microbes (bacteria) in soil and groundwater to digest chemicals in groundwater. This process can be improved by changing underground conditions to better suit microbes.



## Cometabolization

A process in which an organism (bacteria) grows on, or metabolizes, one compound (like propane) while incidentally degrading another compound (like 1,4-dioxane). This helps the natural biodegradation process be more effective.

## COME TO THE RAB MEETING AND BE A PART OF YOUR COMMUNITY

### What is a RAB?

A Restoration Advisory Board is an important way for the public to be involved in the environmental cleanup at the former McClellan Air Force Base. RAB members are committed to public outreach and communication with their community. They advise the Air Force and regulatory agencies about community concerns and provide comments on McClellan cleanup decisions.

### Who are the McClellan RAB members?

RAB members represent local stakeholder groups, the United States Air Force, and federal and state regulatory agencies. Stakeholder groups can include local government officials, local residents, environmental groups, the education community, the local business community and students.

McClellan RAB Meeting - Thursday, September 15, 2016, 6:30pm  
North Highlands Community Center, 6040 Watt Ave.

To find out more about the McClellan RAB, add your name to the mailing list or learn about the environmental cleanup at McClellan contact:

Brian Sytsma

McClellan Community Relations

(916) 643-1250 ext. 232

brian@sytsmagroup.com

Find us online at [www.afcec.af.mil/brac/mcclellanafb](http://www.afcec.af.mil/brac/mcclellanafb)

Environmentally sound: McClellan's successful, continuing cleanup has enabled its simultaneous transformation to a thriving business park.

AFCEC Western Region  
3411 Olson Street  
McClellan, CA 95652

Environmental Action  
**UPDATE**

# ITEM 24

[Back to Agenda](#)

## DIV Unkown

**From:** Matt Underwood  
**Sent:** Tuesday, August 23, 2016 8:57 AM  
**To:** '@yahoo.com'  
**Cc:** Annette O'Leary  
**Subject:** RE: Leak warning

Hello,

Thank you for investigating a possible leak at your property. Please feel free to contact me directly if you would like to discuss usage.

**Thanks,**

**Matt Underwood**  
Superintendent Field Services

**From:** Rite Fact [<mailto:@yahoo.com>]  
**Sent:** Saturday, August 20, 2016 9:17 PM  
**To:** conservation  
**Subject:** Leak warning

We got a warning that we have a water leak. Thanks for the heads ups. I checked and can assure you that we don't have a leak. We just have 3 busy workers that come home late sometimes after 4 am and they take a bath and wash their clothes at night. We also water our garden a couple times a week. Thank you.

## DIV 2

**From:** David Armand  
**Sent:** Tuesday, August 09, 2016 6:23 PM  
**To:** 'David'  
**Subject:** First Alert Water Test Result and CCR Text

Mr.,

Thank you for your inquiry. I briefly reviewed the test instructions you provided via the link for the *First Alert Drinking Water Test Kit*. In regard to the bacteria test, I was not able to ascertain the type of bacteria that the kit is designed to detect. If it is the same as what Sacramento Suburban Water District (SSWD) routinely tests for (total coliform) at wells and in the distribution system, I can tell you that it is a very sensitive test. There are several concerns that I could discuss in regard to the instructions, test method, kit contamination, etc., but I'll just focus on your result.

The fact that a water sample from your tap was positive for total coliform is not surprising. Total coliform is ubiquitous in the environment (it is all over your body, on your counter tops, on your faucet, in your mouth, etc.,) and when sampled and analyzed in accordance with standard practices, it is used as an indicator organism. That is, total coliform itself does not cause adverse health effects, however, if detected in a "closed system" it may indicate that the system is not closed and may be impacted by other bacteria or viruses of concern. Please see the attachment and note the difference in your sampling procedure versus that on pages 4, 5 and 7 of this link: <https://www.epa.gov/sites/production/files/documents/samplingprocedures.pdf>

Also, an important step not included in the sampling guidance is that sample points must be disinfected prior to bacteriological sampling. For your kitchen/bathroom sink tap that would involve removing the aerator and torching the tap or immersing it in a concentrated bleach solution. When you consider the preceding discussion, it makes sense that your water sample was present for total coliform and, is no cause for alarm.

Finally, the text you referenced in quotes below is required language by USEPA that you will find in every Consumer Confidence Report (CCR) throughout the U.S. and its territories. In fact, you probably have noticed other alarming language in the CCR. That too is required language. If you would like to get a behind the scenes look at the guidance document that public water systems in CA use to prepare their CCRs, please follow this link then select "**CCR Guidance for Water Suppliers (Word. 2MB)**": [http://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/CCR.shtml](http://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/CCR.shtml)

If you have any other questions or concerns, please let me know.

Thanks again,

David Armand  
Environmental Compliance Supervisor

**From:** David [[mailto: @gmail.com](mailto:@gmail.com)]  
**Sent:** Sunday, July 31, 2016 6:30 PM  
**To:** feedback  
**Subject:** David Armand

Hi-

We did the First Alert water quality test and it came up positive for bacteria in our water.

Should we be alarmed?

It is a bit concerning to find this blurb in your annual report:

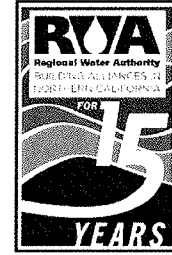
"Contaminants That May Be Present in Source Water Include: Microbial Contaminants such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife."

Thanks,  
David

Shasta Way



CITY OF  
**FOLSOM**  
DISTINCTIVE BY NATURE



**Contact:**

Ross Branch, PCWA Public Affairs Manager  
(530) 823-1937

**FOR IMMEDIATE RELEASE**

**Local Agencies and Bureau of Reclamation to Study American River Basin**

**AUBURN, Calif. (September 9, 2016)** — In a statement released earlier this week, the Department of the Interior, Bureau of Reclamation announced it has launched a new basin study for the American River Basin. The decision was applauded by the Placer County Water Agency (PCWA), El Dorado County Water Agency (EDCWA), Regional Water Authority (RWA), and Cities of Sacramento, Roseville, and Folsom, all of whom will partner with the federal agency to complete the study.

In addition to supplying water to a population of nearly a million people, water from the 2,140 square mile basin supports the Delta ecosystem and is home to endangered salmon and steelhead fish species. The study offers the agencies an opportunity to gather relevant data to diversify the region's water supply portfolio, therefore increasing reliability. The study will also provide information to help the Bureau of Reclamation operate its Central Valley Project (CVP), in light of changing environmental conditions.

Drought, in recent years, has stressed statewide operations of the State Water Project and the CVP, resulting in an increased reliance on Folsom Reservoir by the CVP to maintain compliance with Delta Water Quality Objectives and the Federal Endangered Species Act. Folsom Reservoir reached record low storage levels in 2015 as a result.



Specifically, the local agencies propose studying an expansion of groundwater storage, the integration of existing upper watershed storage reservoirs to optimize current CVP storage, improvements in water use efficiency, the benefits of a Modified Flow Management Standard for the lower American River, a revision of flood-control rules based on weather forecasts, and how a diversion facility on the Sacramento River could reduce consumptive demands on Folsom Reservoir.

Completing a study for the American River basin has been a priority for local agencies for a number of years, and the request for the study received full, bipartisan support from the region's Congressional delegation. Local and Congressional representatives praised the announcement:

**Congresswoman Doris Matsui (CA-6):** "I have long advocated for a comprehensive approach to the management of California's water resources. A study of the American River Basin will improve the reliability of our water supply and help us better understand the effects of climate change. I'm extremely pleased that the Bureau of Reclamation is taking this important step."

**Einar Maisch (General Manager, PCWA):** "The initiation of a study for the American River Basin will greatly assist water planning efforts for Placer County's future prosperity, and that of the region."

**Bill Busath (Director of Utilities, City of Sacramento):** "The study will help improve the sustainability of our water supply in light of 21<sup>st</sup> century challenges including climate change. We're confident the study will provide recommendations to preserve the American River as an environmental treasure, and to meet the water supply needs greater Sacramento region well into the future."

**Richard Plecker (Environmental Utilities Director, City of Roseville):** "We have a long and proud history of sound water planning, solid leadership, and innovative thinking in the Placer and Sacramento county region. This basin study and Reclamation's continued support and partnership is absolutely pivotal in developing next generation water resiliency solutions."

The American River Basin Study is funded by the Department of the Interior's WaterSMART program.

###



**Agenda Item: 25**

**General Information**

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# Environmental Groups Seek Emergency Regulations to Prevent Smelt Extinction

Submitted by Lisa Lien-Mager on Tue, 08/09/2016 - 4:53pm in Delta Regulatory Affairs Water News



Saying current Delta diversions threaten irreparable harm to the public trust, three environmental groups have asked the State Water Resources Control Board to adopt emergency regulations to prevent extinction of the Delta smelt.

In a letter to State Water Board Executive Director Tom Howard on Tuesday, representatives of Defenders of Wildlife, the Natural Resources Defense Council and The Bay Institute said the board is violating its obligation under the public trust doctrine by permitting diversions and exports that “threaten to permanently impair the public trust by driving Delta smelt to extinction.”

The letter says the diversions are depriving the San Francisco Bay Estuary of freshwater outflows that are “essential to for the Delta smelt’s continued existence.” To remedy the situation, the groups said the State Water Board must adopt emergency regulations establishing minimum outflow requirements through Sept. 1 and curtailing diversions that would cause outflow to drop below levels required to meet the smelt’s habitat needs.

The groups cite reductions in Delta outflows in spring and summer as a significant cause of the smelt’s decline, pointing to recent analyses showing that adequate Delta outflow during the summer is essential to both larval and juvenile smelt.

“As the Delta smelt approaches extinction, the SWRCB is legally – and morally – obligated to intervene and exercise its authority under the public trust doctrine to protect the species before it is gone forever,” the letter states.

**<http://www.acwa.com/news/delta/environmental-groups-seek-emergency-regulations-prevent-smelt-extinction>**

# **Toxic Algae Warning Issued for San Luis Reservoir and O’Neill Forebay**

Submitted by Emily Allshouse on Thu, 08/04/2016 - 12:12pm in Water Quality Water News

The Central Valley Regional Water Quality Control Board and California State Parks Thursday issued a warning for San Luis Reservoir and O’Neill Forebay due to potential health risks associated with toxic blue-green algae.

Water sampling results at San Luis Reservoir’s Dinosaur Point Boat Ramp showed the highest level of toxic algae, but O’Neill Forebay and the North Beach Swim area also have been impacted. Health advisories are now posted at those sites urging people and pets to avoid contact with the water.

While San Luis Reservoir provides drinking water to many parts of California, the State Water Resources Control Board Division of Drinking Water says there are currently no drinking water impacts from the algae.

In recent weeks, similar toxic algae warnings have been issued for other major reservoirs including Shasta Lake and Lake Oroville.

According to the California Department of Public Health, blue-green algae, known as cyanobacteria, occurs naturally in surface waters but can quickly multiply into a toxic bloom especially in warmer, summer months. Toxic algae can cause a number of health problems including cold- and flu-like symptoms, liver failure, nerve damage and death. Children and pets are especially susceptible.

**<http://www.acwa.com/news/water-quality/toxic-algae-warning-issued-san-luis-reservoir-and-o%E2%80%99neill-forebay>**

# State Water Board Posts New Fact Sheet on “Stress Test” Submissions

Submitted by Lisa Lien-Mager on Wed, 08/17/2016 - 3:30pm in Regulatory Affairs Water News



The State Water Resources Control Board has posted a new fact sheet on the “stress test” process that allows urban water suppliers to replace last year’s state-imposed mandatory conservation standards with locally determined measures.

The fact sheet provides details on stress test results released by the State Water Board on Aug. 16. The data shows that the majority of urban water suppliers (343) were able to certify they are drought-prepared in the event of an additional three dry years. At least 160 water suppliers serving about half of the state’s population have voluntary conservation targets in place, based on data submitted by suppliers by the June 22 deadline. The actual number likely is higher because not all suppliers provided that information.

Thirty-six suppliers identified new conservation standards based on the results of their stress tests. Another 32 opted to retain their state-assigned conservation standard from March 2016.

State Water Board staff indicated at the Aug. 16 meeting that monthly water use as reported by urban water suppliers must not exceed 2013 levels, regardless of the stress test results. Suppliers that exceed 2013 monthly water use levels on a cumulative basis may be subject to “progressive enforcement actions,” according to an FAQ on the State Water Board’s emergency regulation portal here. (See section on Compliance and Enforcement topics.)

For water suppliers that have a new self-certified conservation standard, the cumulative period begins in June 2016. For water suppliers that continue using their March 2016 conservation standard, the cumulative period remains from June 2015.

ACWA members with questions should contact ACWA Special Projects Manager Dave Bolland.

**<http://www.acwa.com/news/regulatory-affairs/state-water-board-posts-new-fact-sheet-%E2%80%9Cstress-test%E2%80%9D-submissions>**

## “Stress Test” Results Reveal Drought Preparedness

Submitted by Pamela Martineau on Tue, 08/16/2016 - 3:22pm in Water Supply Challenges All Water News



Water Boards

Water suppliers’ “stress test” results were reviewed during a meeting of the State Water Resources Control Board today and revealed that a majority of California water agencies have enough water supply to last three additional dry years. Many agencies with enough supply also chose to continue water-use restrictions, data indicated.

Of the 379 suppliers that submitted “stress tests,” 36 indicated that they would face supply shortages in 2019 and therefore must meet a conservation standard equal to the shortage amount. Other suppliers reported no supply gap, but stated a commitment to ongoing conservation.

Felicia Marcus, chair of the State Water Board, highlighted during the meeting that a zero gap in water supply under the “stress tests” does not equate to zero conservation.

“The bottom line is zero does not mean zero,” said Marcus.

The so-called “stress tests” follow a formula established by the State Water Board that requires agencies to show they have enough supply for three additional dry years. The method was developed as an alternative to the former state-mandated emergency conservation regulation that based conservation standards solely on usage levels compared with 2013.

Dave Bolland, special projects manager for ACWA, told the board that water agencies are “staying the course” in terms of conservation.

“A significant number of agencies are continuing to stay the course in terms of local conservation commitments they are making,” said Bolland.

The State Water Board issued nine informational orders to water suppliers whose submissions were incomplete. The submissions are available to the public here.

Marcus said the “stress test” results reveal drought preparedness, while offering customers a glimpse into the operations of their local districts.

“Demonstrating adequate preparation for drought through developing supplies like local storage, recycling, groundwater banking and other means is great. Sharing that information with customers in an accessible way is also a critical piece of developing consumer comfort and confidence,” Marcus said in a written statement. “Being prepared, however, is not a license to abandon conservation, because one thing we know is we can’t know what next year or the next will bring.”

**<http://www.acwa.com/news/water-supply-challenges/%E2%80%9Cstress-test%E2%80%9D-results-reveal-drought-preparedness>**

# New Collaborative Strategy Improves Conditions for Delta Smelt

Submitted by Pamela Martineau on Wed, 08/31/2016 - 5:14pm in Delta All Water News



Water suppliers, landowners, Sacramento Valley farmers, and state and federal officials gathered on the banks of the Yolo Bypass today to announce that a joint effort to redirect water through the bypass appears to have improved food supply for the endangered Delta smelt.

The strategy, which scientific data indicates has increased Delta smelt food supply in the western part of the Delta, is part of the state's comprehensive Delta Smelt Resiliency Plan, a multi-pronged effort to improve ecosystem conditions for the imperiled smelt.

"We're here with some hopeful news," said Mark Cowin, director of the California Department of Water Resources, whose department is a partner in the project. Cowin said that the scientific "hunch" that the redirection of water through the bypass would increase Delta plankton bloom and boost downstream food web resources for the smelt was correct.

The pulses would not have been possible without the cooperation of water providers, farmers and landowners. Those parties included the Glenn-Colusa Irrigation District, Reclamation District 108, Reclamation 2035, Knaggs Ranch, and Conaway Ranch.

Under the strategy, the Tehama-Colusa Canal Authority and the U.S. Bureau of Reclamation worked with agricultural partners in the valley to redirect water from the Sacramento River down the Colusa Basin Drain. The water then traveled through the Knights Landing Ridge Cut Slough, past Wallace Weir, through the Yolo Bypass and into the Delta to provide better conditions to create food for Delta smelt. A substantial Delta plankton bloom at Rio Vista indicates that the strategy was effective.

The idea for the redirection through the bypass arose from observations by agency scientists in the fall of 2011 and 2012 after normal than average agricultural drainage flows coursed through the Yolo Bypass. These flows produced an unusual plankton bloom in the Rio Vista area.

"It's a rare bit of good news for the Delta," said Dr. Ted Sommer, lead scientist for DWR. Sommer added that the increase in nourishing habitat for the smelt "inches them further from the brink of extinction."

Lewis Bair, general manager of Reclamation District 108, said the cooperation needed among the various entities to develop the plan indicates how "things have changed."

"It used to be that folks were in silos," said Bair. He added that stakeholders decided to stop "fighting over the 10% of things we disagree on" and are now "doing the 90% we agree on."

"It's just contagious. The dynamic is now – 'What can we get done,'" he said.

David Guy, president of the Northern California Water Association, also praised the effort.

"Folks have redirected flows trying to change the food web for smelt..." said Guy. "We're managing for many, multiple benefit uses."

Thad Bettner, general manager of the GCID, said many parties had to come to agreement to pull off the strategy, including the National Marine Fisheries Services which had to agree to increase flows from Shasta Dam.

"It was pretty amazing to see agencies and landowners put things together so quickly," said Bettner.

Bettner said planning already is underway to launch a similar strategy next year.

The Delta Smelt Resiliency Strategy is being implemented by the California Department of Fish and Wildlife, DWR, the Division of Boating and Waterways, the U.S. Fish and Wildlife Service and the U.S. Bureau of Reclamation.

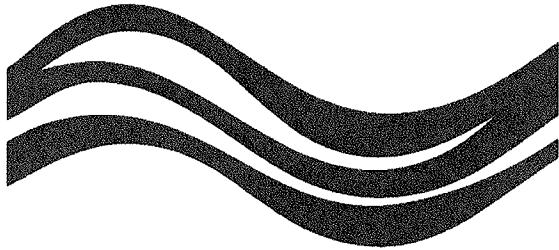
*(Photo: DWR Director Mark Cowin (far right) is joined by (r-l) Lead DWR Scientist Ted Sommer, Reclamation District 108 General Manager Lewis Bair, and President of the Northern California Water Association David Guy in announcing the success of a collaborative effort to increase food supply for Delta smelt.)*

**<http://www.acwa.com/news/delta/new-collaborative-strategy-improves-conditions-delta-smelt>**



# Water Right Holders Must File Delinquent Reports

Submitted by Teresa McGaffie on Mon, 08/29/2016 - 1:20pm in Water News



## Water Boards

The State Water Resources Control Board's Division of Water Rights has notified more than 3,700 holders of water right permits and licenses that they have failed to file their 2015 reports of diversion and use.

The annual reports are required so that the State Water Board can more accurately analyze water supply conditions to protect senior water right holders and other instream beneficial uses of water. They were due no later than July 1, 2016 and must be filed to the State Water Board's online Reporting and Management System.

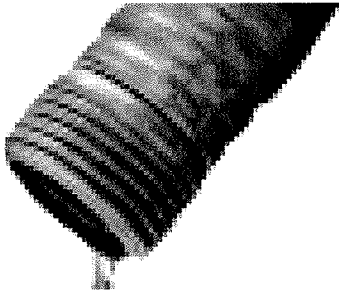
A list of water right holders who have failed to file reports of diversion and use is available on the State Water Board's website.

The notification letter gives the water right holders 30 days to correct the deficiency by filing the report. Enforcement action may include an administrative civil liability with daily fines of \$500 per day for each day of violation, with the violation period beginning on July 1, 2016.

**<http://www.acwa.com/news/water-news/water-right-holders-must-file-delinquent-reports>**

# Californians Continue Strong Water Savings Under New Conservation Metric

Submitted by Pamela Martineau on Wed, 09/07/2016 - 3:19pm in Conservation All Water News



Urban Californians statewide clocked a 20% reduction in water use in July over 2013 levels, continuing a strong pattern of water conservation under the new locally driven conservation standards, officials with the State Water Resources Control Board announced today.

The July figure is just one percentage point lower than the June savings of 21%. Overall, between June 2015 through July 2016, urban Californians saved 23.8% compared with the same months in 2013.

“The statewide July conservation results show that Californians continue to care about their communities and preserving precious water resources for the longer term,” said State Water Board Chair Felicia Marcus said in a written statement. “While Californians have maintained their conservation awareness and practices without top-down mandates, we are watching trends in parts of California that suggest some areas may be easing up more than the improved conditions may warrant, while other areas are continuing to conserve for the long term.”

Staff with the State Water Board presented board members with a status report on statewide conservation activities. According to the report, nearly all urban suppliers continued to save water in July, even those that no longer face a state-mandated reduction. Under the board’s revised conservation regulations, water agencies that pass a “stress test” of supply reliability – by demonstrating that they have sufficient supplies to withstand three years of continuous drought — will not face a mandatory percentage reduction through January 2017, but are expected to keep conserving water. The July results varied across the state, with some agencies saving a bit less than they did under state-mandated targets, while others saved more than they had in 2015. Those stress test results are here.

“These are promising trends,” State Water Board Member Steven Moore said after the staff presentation. “We’re seeing the long-term benefits of our culture change and conservation becoming a way of life.”

Under the revised emergency conservation regulation, the State Water Board expects all water suppliers to continue encouraging their customers to conserve, even if they pass their “stress test.” State Water Board officials say that the board is prepared to come back in early 2017 to reimpose higher mandatory water restrictions if needed.

Agencies that maintained strong conservation despite passing their “stress tests,” include: Sacramento, Beverly Hills, Fresno, San Luis Obispo, Park Water Company (LA County), San Jose, San Francisco, and Contra Costa Water District. Some agencies even increased their level of conservation, such as Menlo

Park, South San Francisco (California Water Company), Santa Fe Springs, Santa Barbara, Benicia, Hayward, Alhambra, Marina Coast Water District, Salinas and King City (California Water Service Company). A complete list of water supplier results for July is here.

### **July Conservation Data**

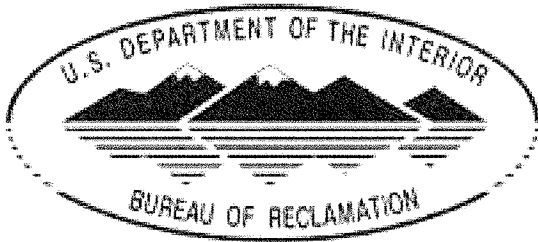
- Statewide water savings for July 2016 was 20% , 145,311 acre feet or 47.3 billion gallons.
- Cumulative statewide percent reduction for June 2015 to July 2016 (14 months) is 23.8 percent, which equates to 1,899,336 acre-feet (618.9 billion gallons).
- The cumulative water savings of 1.9 million acre feet is enough to supply more than 9.5 million people for a year.

The State Water Board continues to work with state partners to craft a long term strategy to meet Gov. Jerry Brown's executive order calling for new water use efficiency targets, permanent prohibitions on water waste, and improved drought planning. Information about the Executive Order can be found at: <http://www.water.ca.gov/wateruseefficiency/conservation/Tips> on water conservation are available at [www.saveourwater.com](http://www.saveourwater.com).

**<http://www.acwa.com/news/conservation/californians-continue-strong-water-savings-under-new-conservation-metric>**

# Bureau Launches American River Basin Study

Submitted by Pamela Martineau on Wed, 09/07/2016 - 3:46pm in Climate Change All Water News



The U.S. Bureau of Reclamation announced today that it is partnering with some local water agencies and cities in launching a new comprehensive water basin study in the American River Basin to help inform water management in the Central Valley Project.

According to a press release from the Bureau, the American River Basin Study will include the development of detailed hydrologic analysis and models for the basin, which will include consideration of the impacts of climate change. It will also leverage existing stakeholder groups to identify and evaluate adaptation strategies specific to the American River Basin. To complete this study, the Bureau is partnering with the Placer County Water Agency, El Dorado County Water Agency, City of Sacramento, City of Roseville, City of Folsom and Regional Water Authority.

"Understanding the growing imbalances between water supply and demand in the West is important for Reclamation and its partners," Bureau Commissioner Estevan López said in a press release. "Working together and using the latest science and data we can develop options that will help us achieve a sustainable water supply."

The basin encompasses 2,140 square miles in California from its headwaters in the Sierra Nevada near Lake Tahoe to the city of Sacramento where it meets the Sacramento River. It is highly populated and the population is expected to grow 47% to nearly 3 million people by 2060. The basin supports salmon and steelhead listed under the Endangered Species Act and provides water to support the Bay-Delta ecosystem.

Reclamation also will be collaborating with partners to update the St. Mary and Milk River Basins Study in Montana and Santa Fe Basin Study in New Mexico.

The Basin Study Program is part of WaterSMART. WaterSMART is the Department of the Interior's sustainable water initiative that uses the best available science to improve water conservation and help water resource managers identify strategies to narrow the gap between supply and demand. For more information on the WaterSMART program, visit [www.usbr.gov/WaterSMART](http://www.usbr.gov/WaterSMART).

To learn more about the Basin Study Program or the projects announced today, please visit [www.usbr.gov/WaterSMART/bsp](http://www.usbr.gov/WaterSMART/bsp).

**<http://www.acwa.com/news/climate-change/bureau-launches-american-river-basin-study>**

# Sustainable Groundwater Project Breaks Ground in Los Angeles County

Submitted by Teresa McGaffic on Thu, 09/01/2016 - 4:21pm in Groundwater Water News



An expansion of a major aquifer recharge facility in the Los Angeles area broke ground Aug. 22, adding momentum to California's move toward sustainable water supplies.

Construction began on the Tujunga Spreading Grounds Enhancement Project, designed to double the retention and recharge facility's stormwater capacity from 8,000 to 16,000 acre-feet per year. The spreading grounds are located in the northeast San Fernando Valley, with permeable soil linked to the San Fernando Groundwater Basin. The aquifer provides a local source of water for Los Angeles.

"In the past, most stormwater was allowed to run off to the Pacific Ocean. Those days are over," said Los Angeles Department of Water and Power (LADPW) General Manager David Wright. "With the Tujunga Spreading Grounds Enhancement Project, we ensure that these valuable water resources don't go to waste. By doubling this site's capacity, L.A.'s greatest local water asset, the San Fernando Groundwater Basin, remains replenished with Los Angeles water for Angelenos to drink."

The project is a city-county collaboration between LADPW and the Los Angeles County Department of Public Works, and is part of LADWP's Stormwater Capture Master Plan, intended to increase the city's local water supply and reduce its dependence on imported water. It will also help the City of Los Angeles meet its "Sustainable City" goal of increasing stormwater capture to 150,000 acre-feet per year by 2035.

**<http://www.acwa.com/news/groundwater/sustainable-groundwater-project-breaks-ground-los-angeles-county>**

# California's Summer of Slime:Algae Blooms Muck Up Waterways Across State

Submitted by Ryan Sabalow - The Sacramento Bee - August 12, 2016 6:00 AM



## SAN LUIS RESERVOIR

Surrounded by barren brown hills and cracked, dry clay, San Luis Reservoir was so empty this week that the nearly milelong, meandering path from the old high-water mark to the waterline could have doubled as a set in the post-apocalyptic “Mad Max” film franchise.

Down at the water, far below two dry boat ramps, Don Weber and Bob Lewis sat in lawn chairs beside their pickup. The fishermen, both from Carmel Valley, said they had not noticed that the wind-whipped water had a slightly green hue. Nor had they read the warning that state water officials issued a week earlier, recommending that people and their dogs stay out of the reservoir – the state’s fifth largest – because of potentially toxic blue-green algae.

“You sure can’t see it,” Weber said.

But the algae is there. In fact, so much is floating beneath the surface that it’s causing problems for the managers of Silicon Valley’s water supply. They’re battling foul tastes and smells caused by the algae, even after treatment renders the water safe to drink.

The problems at San Luis Reservoir in Merced County are emblematic of a troubling number of unusually large blue-green algae blooms that have formed in waterways across California and the United States this summer. In California, water quality officials say the frequency and size of the blooms offer another sign that the state’s drought never went away, despite the near average precipitation that soaked the north state earlier this year.



The warnings span the state. Since July, officials have issued notices about potentially toxic blue-green algae in the Klamath River near the Oregon border; along an arm of the state’s largest reservoir, Shasta Lake; and at Pyramid Lake in Los Angeles County. They’ve attributed the deaths of thousands of fish along a section of Clear Lake to toxic blooms. Blue-green algae also has formed in parts of the Sacramento-San Joaquin Delta, prompting health warnings about green, malodorous water in Discovery Bay and Stockton.

“It’s fair to say that it’s looking like this year is not normal,” said Greg Gearheart, a deputy director at the State Water Resources Control Board, which issues algae health alerts. He said his office is tracking more than 30 reports of toxic algae blooms already this summer. Last year, through October, there were about 25.



California isn’t the only state experiencing an unusually slimy summer. Florida has declared a state of emergency stemming from dangerous blooms of algae in Lake Okeechobee that are spreading to the state’s Treasure Coast. In Utah, dozens of people reported headaches, stomach problems and rashes because of an algae bloom that formed in Utah Lake.

Scientists say it's typical for some amount of blue-green algae to bloom this time of year, but that sewage, fertilizer and other pollutants released from cities, farms and industrial sites have contributed to an increase in their size and numbers.

In California, there's broad agreement the problem has been exacerbated by the prolonged drought. The hot summer weather, combined with unusually low water levels at reservoirs and languid, warm river flows are creating conditions perfect for these microscopic organisms called cyanobacteria. Blue-green algae prefer water that's warm, stagnant and clear.

And the rains that hit the north state last winter may have contributed, as well, washing into the waterways large amounts of nutrients that had accumulated during four extremely dry years, said William Cochlan, a San Francisco State University scientist who studies aquatic microorganisms.

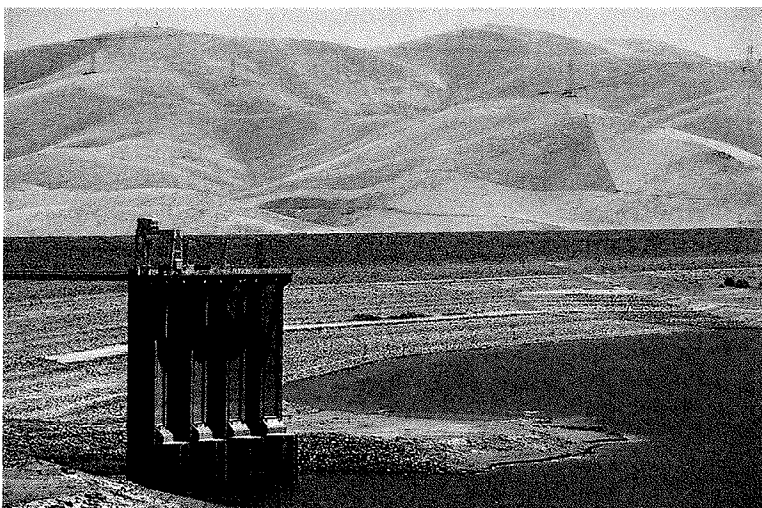
Anthony Chu, chief of the state Department of Water Resources' environmental assessment branch, said the increase in blue-green algae advisories also may reflect increased awareness: Officials have become more likely to report a bloom, based in part on a draft set of guidelines developed in recent years.

"We're observing it, and we're more aware of it," he said. "But I think there also are environmental factors going on here."

For people living near waterways under advisory, the message from health officials is fairly simple: When plumes of the bright, green algae are present, stay out of the water. Not all blue-green algae is toxic – but it can be, so caution is advised.

Ingesting toxic algae can cause severe stomach illness, and contact with skin can trigger rashes and other problems. Anglers are advised to avoid eating fish and shellfish caught in algae-fouled water.

Dogs and livestock are particularly at risk. They can die if they lap up water containing toxic algae or if they lick their fur after a swim.



At San Luis Reservoir, algae blooms form most every summer, but the lake's low waterline has made this year's bloom especially intrusive.



On the day Weber and Lewis were fishing, the reservoir was at just 10 percent of capacity, its lowest level since 1989. The lake normally refills with water pumped from the Sacramento-San Joaquin Delta, but pumping has been restricted this year to protect endangered fish.

The receding waterline eventually put the green gunk right above the intakes that siphon lake water to the treatment system for the Santa Clara Valley Water District, which serves nearly 2 million people in the South Bay. The district also has been battling algae issues from its water sources in the Delta.

While treatment makes the water safe to drink, the current method doesn't eliminate the muddy smell and taste the algae leaves. The district said it was due to geosmin, a harmless compound produced by the algae. In June, the district began getting complaints from residents in San Jose, Mountain View, Cupertino and other cities.

To improve the taste and smell, the district is mixing in more water from other sources. That's led to plummeting water levels at Coyote and Anderson reservoirs, popular summer recreation spots. Coyote closed to boating weeks earlier than normal because the water fell so low, and the water district is warning boaters that Anderson may soon close.

Shane Hunt, a spokesman for the U.S. Bureau of Reclamation which co-manages operations at San Luis Reservoir, said the good news is that the reservoir has hit its low point for the summer, and water levels are once more on the rise.

Elsewhere, relief from the green sludge will have to wait for the cooler temperatures and rainfall of autumn. At the Stockton Marina on Tuesday, the water was bright green, and the swampy odor of decaying algae hung heavy in the summer heat.

"It does smell rather bad. It does," said Donna Walker, pausing from her afternoon stroll. "I wish we had some more water flow to kind of sweep it out a bit. But it is what it is. We're in a drought season."

*Phillip Reese contributed to this report.*

**<http://www.sacbee.com/news/state/california/water-and-drought/article95209412.html>**