

# **Agenda**

## **Sacramento Suburban Water District**

### **Regular Board Meeting**

3701 Marconi Avenue, Suite 100  
Sacramento, California 95821

Monday, January 23, 2017  
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.

#### **Swearing in Newly Elected Director**

The District Secretary will swear in the newly elected director.

#### **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 December 19, 2016 Regular Board Meeting  
*Recommendation: Approve subject minutes.*

2. Agreement to Grant Easement to SMUD for Palm Well N6A Project  
*Recommendation: Approve subject easement.*
3. Drug and Alcohol Program Policy (PL – HR 010)  
*Recommendation: Adopt subject policy.*

#### **Items for Discussion and Action**

4. Presentation Regarding Resolution No. 16-28 Honoring Frederick A. Gayle as District Board Member  
*Presentation to honor Frederick A. Gayle as District Board Member.*
5. Committee and Liaison Appointments for 2017  
*The Board President will consider committee and liaison appointments for 2017.*
6. Catastrophic Leave Policy – (PL – HR 008)  
*Recommendation: Approve subject Policy*
7. Sacramento LAFCo Call for Recommendations for Membership on Special District Advisory Committee (SDAC)  
*Consider submitting a nomination for Sacramento Local Agency Formation Commission (LAFCo) Special District Advisory Committee.*

#### **Information Items**

8. Update on District Actions to Address Chromium 6 Contamination of Groundwater Wells
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. General
  - f. Planning Studies
  - g. Other
11. Financial Report
- a. DRAFT - Financial Statements – December 2016
  - b. Investments Outstanding and Activity – December 2016
  - c. Cash Expenditures – December 2016
  - d. Credit Card Expenditures – December 2016
  - e. Directors Compensation and Expense Accounting – Through December 2016
  - f. Market Report Yields – January 2010 through December 2016
  - g. DRAFT - District Reserve Balances – December 2016
  - h. DRAFT - Information Required by Bond Agreement
12. 2016 Budget Reallocations
13. Financial Markets Quarterly Report
14. DRAFT -Year-to-Date Interest Expense Quarterly Report
15. San Juan Water District Wholesale Water Rates
16. California Water Fix Update
17. Human Resources Quarterly Report
18. CIP Projects Quarterly Report
19. Annual Environmental Compliance Activity Report

20. Preventive Maintenance Annual Report
21. Lead and Copper Rule Monitoring and Lead Sampling in Schools
22. 5220 Palm Avenue Water Main Failure
23. Electric Vertical Turbine Well Pump Motor Failures
24. CEQA Exemptions for Water Facility Projects: Parkland Estates Main Replacement Project and Hurley Way - Jonas Avenue Water Main Extension Project
25. Comments on Making Conservation a California Way of Life Letter
26. State Water Resource Control Board Draft Executive Order Implementation Proposal
27. Legislative and Regulatory Update
28. General Manager's Report
  - a. McClellan Park Improvement Issues Update
  - b. Long Term Warren Act Contract Update
  - c. County of Sacramento Proposed Paving Requirements
  - d. City of Sacramento Wholesale Water Rates and 9,023af of Area D Water
  - e. McClellan Restoration Advisory Board (RAB) Meeting
  - f. RWA 2017 Executive Committee Elections
29. Upcoming Policy Review
  - a. Electronic Mail Management and Retention Policy (PL – IT 003)
  - b. Investment Policy (PL – Fin 003)
30. Upcoming Water Industry Events

### **Committee Reports**

31. a. Facilities and Operations Committee (Director Locke)  
Agenda for the January 20, 2017 meeting.

- b. Finance and Audit Committee (Director Thomas)  
No report.
- 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)**

- 32. a. Regional Water Authority (Director Thomas)  
Agenda for the January 12, 2017 meeting.  
  
Regional Water Authority Executive Committee (General Manager Roscoe)  
No report.
- b. Sacramento Groundwater Authority (Director Schild)  
No report.
- c. Water Forum Successor Effort (General Manager Roscoe)  
Agenda from the December 15, 2016 Meeting.  
  
Carryover Storage Working Group Meetings  
No report.  
  
Water Forum Dry Year Conference Meeting  
No report.  
  
Water Caucus Meeting  
Agenda from the December 14, 2016 Meeting.
- d. Other Reports

**Miscellaneous Correspondence and General Information**

- 33. Correspondence received by the District
- 34. 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)**

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

**Adjournment**

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**Upcoming Meetings**

Monday, February 27, 2017 at 6:30 p.m., Regular Board Meeting

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I certify that the foregoing agenda for the January 23, 2017 meeting of the Sacramento Suburban Water District Board of Directors was posted by January 19, 2017 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

## Minutes

### Sacramento Suburban Water District **Regular Board Meeting** Monday, December 19, 2016

**Call to Order**

President Thomas called the meeting to order at 6:33 p.m.

**Roll Call**

Directors Present: Craig Locke, Neil Schild, Kevin Thomas and Robert Wichert.

Directors Absent: None.

Staff Present: General Manager Robert Roscoe, Assistant General Manager Dan York, Finance Director Dan Bills, Heather Hernandez-Fort, Greg Bundesen, David Espinoza, Annette O’Leary, Lynne Yost, James Arenz, Mitch Dion and Wayne Scherffius.

Public Present: William Eubanks, Avery Wiseman, Marian Bender, 2 high school students.

**Announcements**

General Manager Robert Roscoe (GM Roscoe) announced:

- Newly Elected Director Dave Jones letter addressed to the Board President at the dais.
- New Engineer on staff.

**Election of District Officers**

**1. Election of District Officers**

President Thomas introduced the Item, GM Roscoe explained the process.

Director Schild moved to nominate Director Wichert as President; Director Locke seconded.

Director Wichert noted that he appreciated the nomination, but preferred to have the full Board present before voting.

Director Schild suggested that the election of President and Vice President commence, but that the Committee and Liaison appointments might be tabled.

The motion passed by unanimous vote.

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

Director Thomas moved to nominate Director Locke as Vice President; President Wichert seconded. The motion passed by unanimous vote.

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

**Public Comment**

None.

**Consent Items**

2. Minutes of the November 21, 2016 Special Board Meeting
3. Minutes of the November 21, 2016 Regular Board Meeting
4. Minutes of the December 5, 2016 Special Board Meeting
5. Minutes of the December 12, 2016 Special Board Meeting
6. Resolution No. 16-26 in Recognition of Dave Jones
7. Resolution No. 16-27 in Recognition of Shauna Laurence
8. Employee Recognition and Retention Expense Policy (PL – HR 005)
9. Return to Work Policy (PL – HR 007)
10. Surplus Vehicles #13, 26, 32 and 33

President Wichert requested to pull Item’s 7 and 8.

Director Locke moved all Consent Items except 7 and 8; Director Thomas seconded. The motion passed by unanimous vote.

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

President Wichert noted that there was public comment request for Item 4, therefore reopened agenda Item 4.

William Eubanks (Mr. Eubanks) commented that the Board went to great lengths to inform the public that there were closed session meetings taking place, to which the public was not able to attend, however; he noted that there was public present according to the December 5, 2016 minutes.



President Wichert noted that the only persons present were from the legal firm that was associated with the agenda item.

Director Schild moved to modify the minutes to reflect “legal firm,” not “public present;” Director Thomas seconded. The motion passed by unanimous vote.

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

President Wichert began to briefly summarize the announcement from closed session.

GM Roscoe referred back to the official announcement from closed session, noting that is what should be publicized regarding the closed session meetings.

President Wichert read the official report that came out of closed session.

President Wichert further requested that the item be brought back to the January regular Board meeting to provide further information including budget, possibility of recovery, and the contract to the ratepayers. He further requested for legal counsel to be present at the meeting to ensure appropriate discussion takes place.

Regarding Item 7, President Wichert requested for feedback on how the Board felt about the recognition Resolution.

Director Thomas noted that he was fine with it.

Director Thomas moved to approve agenda Item 7; Director Locke seconded. The motion passes by a 3/1 vote.

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

Regarding Item 8, President Wichert noted that the item was not submitted to legal counsel for review. He further inquired if it was taxable and/or treated as taxable.

GM Roscoe noted that if the funds were used to purchase a gift card, and that gift card was given to an employee, than it would be taxable income. He noted however, if the funds were used to purchase bananas, which is not a direct cash value, then it would not be taxable. He further stated that it just depends on what the funds are spent on.

Dan Bills (Mr. Bills) provided further clarification.

Director Locke moved to approve Item 8; Director Thomas seconded. The motion passed by unanimous vote.

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

**Items for Discussion and Action**

**11. Resolution No. 16-28 Honoring Frederick A. Gayle as Board Member**

GM Roscoe presented the staff report.

Mr. Gayle was not present at the meeting.

Director Thomas moved to approve the Item; Director Locke seconded. The motion passed by unanimous vote.

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

Mr. Eubanks commented that he wanted to enter some remarks into the record, and that he was hopeful that Mr. Gayle would attend another meeting to receive his Resolution.

GM Roscoe noted that staff will attempt to contact Mr. Gayle to see if he is available for the January regular Board meeting.

**12. Well 32A Landscape Transition Project Update**

Greg Bundesen (Mr. Bundesen) introduced Marian Bender (Ms. Bender) who presented the power point presentation.

President Wichert requested that staff be sure that the video presented was placed on the District website.

GM Roscoe thanked Director Thomas for attending the ribbon cutting ceremony.

Director Schild inquired how much the District contributed to this project.

Mr. Bundesen responded that the District contributed roughly \$39,000 for the 5,000 square feet.

Director Thomas noted that the ratepayers at the event were very appreciative and energized about the project.

President Wichert inquired what opportunities we have to share the technology with those that were not able to attend.

Ms. Bender noted that Eco landscape continuously offers trainings, that information is on the District website, and she noted that they can continue to offer the basic classes, along with the upcoming similar project in the spring.

**13. Committee and Liaison Appointments for 2017**

President Wichert requested to table Item 13 until the January regular Board meeting so that Director Jones was able to participate in the appointments. He further stated that those that have been assigned to the Committee's from 2016, to continue them until the January regular Board meeting.

**14. General Manager's Out of State Travel Requests**

GM Roscoe presented the staff report.

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

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

**15. Director Compensation and Travel Reimbursement Policy and Reporting**

Mr. Bills presented the staff report noting the changes to the report. He further clarified the procedures.

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

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

President Wichert noted that the swearing in of Director Schild had not been conducted yet, and he requested for that to commence.

**Swearing in Newly Elected Directors**

Secretary Roscoe administered the oath of office to Neil Schild.

**16. Parkland Estates Paving Partnership Agreement with the County of Sacramento**

Mitch Dion (Mr. Dion) presented the staff report.

Director Schild expressed his support noting that he believed it was a money saver for the District. He further commented that the ratepayers need to be notified of these type of Agreements.

Director Thomas moved to approve the staff report; Director Schild seconded. The motion passed by unanimous vote.

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

**17. State Water Resources Control Board Draft Executive Order Implementation Proposal**

GM Roscoe presented the staff report.

President Wichert, Director's Locke and Thomas all requested to get a copy of the letter.

GM Roscoe noted that the letter will also be posted to the District website.

**Information Items**

**18. District Activity Report**

A written report was provided.

*a. Water Operations and Exceptions Report*

A written report was provided.

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

A written report was provided.

*c. Customer Service Report*

A written report was provided.

*d. Community Outreach Report*

A written report was provided.

**19. Engineering Report**

A written report was provided.

*a. Major Capital Improvement Projects*

A written report was provided.

*b. County and City Projects/Coordination*

A written report was provided.

*c. McClellan Business Park*

A written report was provided.

*d. Groundwater Quality Projects*

A written report was provided.

*e. Developer Projects*

A written report was provided.

*f. Planning Studies*

A written report was provided.

- g. Other*  
A written report was provided.

**20. Financial Report**

A written report was provided.

Avery Wiseman (Mr. Wiseman) commented that the District is a couple million dollars ahead of what was predicted for the budget, noting that future rate increases should be reviewed.

Mr. Bills noted that the budget year was not over.

President Wichert inquired what the 4% increase amounts to in dollars.

Mr. Wiseman responded. 1.6 million dollars.

- a. Financial Statements – November 2016*  
A written report was provided.
- b. Investments Outstanding and Activity – November 2016*  
A written report was provided.
- c. Cash Expenditures – November 2016*  
A written report was provided.
- d. Credit Card Expenditures – November 2016*  
A written report was provided.
- e. Directors Compensation and Expense Accounting – Through November 2016*  
A written report was provided.
- f. Market Report Yields – January 2010 through November 2016*  
A written report was provided.
- g. District Reserve Balances – November 2016*  
A written report was provided.
- h. Information Required by Bond Agreement*  
A written report was provided.

**21. 2016 Leak Detection Project**

A written report was provided.

Director Schild commented that there wasn't much feedback on this, and asked what else was being done.

Mr. Bundesen expressed that there were not many leaks detected and noted that as we move thru the District and accomplish the leak detection project, we will be able to see where the areas of concern are.

Director Schild commented that there are other areas of conservation that staff could focus on.

Director Thomas inquired about permanent monitoring distribution leak systems connected through SCADA.

Mr. Bundesen expressed that would entail putting a monitoring system on every valve in the District.

**22. ACWA/JPIA President's Special Recognition Awards**

A written report was provided.

**23. Legislative and Regulatory Update**

A written report was provided.

**24. General Manager's Report**

A written report was provided.

*a. McClellan Park Improvement Issues Update*

A written report was provided.

Director Schild commented about the R.A.B. meeting noting that staff need to clarify the status on the agreement with McClellan Business Park (MBP).

AGM York provided additional information on the status of the agreement with MBP.

Director Schild further expressed his concerns regarding the agreement, expressing that he agreed with staffs current position and further noted that there was a potential for legal ramifications.

GM Roscoe noted that staff had a meeting scheduled with legal counsel to discuss it further.

*b. Water Transfers – Bureau of Reclamation Update*

A written report was provided.

*c. Long Term Warren Act Contract Update*

A written report was provided.

*d. County of Sacramento Proposed Paving Requirements*

A written report was provided.

e. *City of Sacramento – Wholesale Water Rates*  
A written report was provided.

f. *Walnut Corporation Yard Improvements*  
A written report was provided.

**25. Upcoming Policy Review**

A written report was provided.

a. *Drug and Alcohol Program Policy – (PL – HR 010)*

A written report was provided. Directors' comments are due by January 9, 2017.

**26. Upcoming Water Industry Events**

A written report was provided.

Mr. Eubanks commented on the Rate Study Workshop inquiring on the specific location of the Workshop.

**Committee Reports**

27. a. Facilities and Operations Committee (Director Locke)  
Notes from the December 9, 2016 meeting were provided.

b. Finance and Audit Committee (Director Thomas)  
No report.

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)**

28. a. Regional Water Authority (Director Thomas)  
No report.

Regional Water Authority Executive Committee (General Manager Roscoe)  
Agenda from the December 7, 2016 Meeting was provided.

b. Sacramento Groundwater Authority (Director Schild)  
Agenda from the December 8, 2016 Meeting was provided.

c. Water Forum Successor Effort (General Manager Roscoe)  
Agenda from the December 15, 2016 Meeting was provided.

Carryover Storage Working Group Meetings  
No report.

Water Forum Dry Year Conference Meeting  
No report.

Water Caucus Meeting  
Agenda from the December 14, 2016 Meeting was provided.

d. Other Reports

Director Schild provided an oral report regarding the Aerojet meeting on November 16, 2016; the December 8, 2016 SGA meeting; and the December 15, 2016 McClellan RAB meeting.

Director Thomas provided an oral report regarding his meetings with the General Manager on November 18, 2016, his meeting with the General Manager on December 6, 2016, and his meeting with the Assistant General Manager on November 14, 2016.

**Miscellaneous Correspondence and General Information**

29. Certain correspondence received by the District was provided.

30. General Information related to District business was provided.

**Director's Comments/Staff Statements and Requests**

None.

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

The Board convened in closed session at 8:08 p.m. to discuss the following:

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

**Return to Open Session**

The Board convened in open session at 8:49 p.m. There was no reportable action.

**Adjournment**

President Wichert adjourned the meeting at 8:50 p.m.

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





## Agenda Item: 2

**Date:** January 6, 2017

**Subject:** Agreement to Grant Easement to SMUD for Palm Well N6A Project

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

### **Recommended Board Action:**

Authorize the General Manager to execute an agreement granting a utility easement and conveying the electrical distribution facilities which will be installed for the District's Palm Well N6A Project to the Sacramento Metropolitan Utility District (SMUD) (See Exhibit 1).

### **Discussion:**

The District's consultant, Luhdorff & Scalmanini Consulting Engineers is finalizing the design of the Palm Well N6A pumping station. Construction is scheduled to commence in late March/early April. The District has received SMUD's standard commitment letter (See Exhibit 1) for electrical service for the project. The commitment letter is SMUD's standard requirement form provided to applicants requesting electrical service. The commitment letter requires the applicants to acknowledge that prior to SMUD providing electric service, the applicant is required to satisfy/implement specific conditions per SMUD's standards. Included is requirement for "conveyance of electric distribution facilities agreement" by the applicant. This serves as SMUD's assurance that an applicant will grant the appropriate easement, provide access, pay the necessary fees, install the required facilities and convey those facilities upon completion.

The installation of the required electrical facilities (See Exhibit 2) will be completed by the District's contractor and accepted by a SMUD inspector. SMUD will prepare the easement document after installation of their facilities, ensuring the easement is complete with the as-built location of the electric facilities.

It is requested that the Board of Directors authorize the General Manager to execute the commitment letter with SMUD and subsequent conveyance documents for the Palm Well N6A Project.

### **Fiscal Impact:**

There is no fiscal impact to the District associated with granting this easement. The electrical facilities to be constructed and transferred to SMUD is estimated to be approximately \$50,000, however addition improvements on the SMUD distribution may be required and those costs will not be known until the final designs are completed.

**Strategic Plan Alignment:**

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

The proposed easement allows the installation of electrical facilities, which will provide SMUD the opportunity to safely operate and maintain the electrical power distribution system.

This benefits District customers by ensuring the new production facilities are completed on schedule, ensuring on-going reliable water supply.

Powering forward. Together.



November 30, 2016

SAC SUBURBAN WATER DISTRICT  
 ATTENTION: DAVID ESPINOSA  
 3701 MARCONI AVE, SACRAMENTO, CA 95821

Notification # 31567424

## SMUD COMMITMENT LETTER

Thank you for submitting your plans for **5562 PALM AVE, SACRAMENTO** for an electric service commitment. Your cooperation enables us to give you the best service possible, as well as provide for your future requirements.

We are returning one copy of your plans indicating the service location and other requirements checked below. Our commitment is subject to changing conditions and, as a result, may not be valid after twelve months.

Please contact the Designer if additional information is desired.

Designer: VICTORIA COLELLA Telephone (916) 732-7293

Service will be: Overhead  Underground

Volts: 277/480 Phase: THREE Wire: 4 Type: WYE

(Street light service voltage will be the same as above.)

Transformer pad required:	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	SMUD Dwg. UVD 2.2 & 2.2A
Conduit required:	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	(see sketch)
Right-of-way required:	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	
Transformer protection required:	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	see sketch and SMUD Dwg. UVD 2.5
Primary pull box required:	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	SMUD Dwg. N/A & 1.2.9
Secondary J – Box Required:	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	SMUD Dwg. N/A
Service box required:	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	SMUD Dwg. N/A
Switchgear pad required:	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	SMUD Dwg. N/A
Other requirements:	See enclosed	Booklet	<input checked="" type="checkbox"/>	Prints	<input checked="" type="checkbox"/>

\*A maximum fault current of 15,100 amps, symmetrical, is based on the largest transformer that could be needed to serve the Single  Combined  main sizes of 600 amps under the following assumptions:

1. The largest transformer that could be needed is 500 kVA with 4.0 % impedance
2. A primary system impedance of zero ohms
3. No motor contributions to the fault, and
4. Zero ohms fault impedance

The meter(s) shall be located on the exterior of the building. When it is absolutely necessary to locate meters in locked rooms, cabinets, or fenced enclosures, consult SMUD's Field Metering at (916) 732-5167.

\*If future load growth necessitates increasing the main switch size, the available fault current should be recalculated.

NOTE: This commitment letter may be required by local inspection authority as part of its plan check requirements.



November 30, 2016

SAC SUBURBAN WATER DISTRICT  
ATTENTION: DAVID ESPINOSA  
3701 MARCONI AVE, SACRAMENTO, CA 95821

**SUBJECT: ELECTRIC SERVICE REQUIREMENTS**

**Project Location: 5562 PALM AVE, SACRAMENTO**

**Notification # 31567424**

In order to schedule construction activity to provide timely permanent electric service to your development, the Sacramento Municipal Utility District (SMUD) requires the following:

- A. Property owner will sign and return the enclosed Conveyance of Electric Distribution Facilities. Please Note: SMUD construction cannot be scheduled until signed documents are returned.
- B. Developer's compliance with SMUD Rules and Electric Service Requirements. Copies are available upon request.
- C. Due to the time needed for construction scheduling, SMUD fees need to be paid as soon as possible after receipt of the billing contract.
- D. Costs for relocating or modifying SMUD facilities, whether in a street or private right-of-way, as a result of a commercial, industrial, or apartment development, shall be reimbursed by the developer prior to any work being done by SMUD.
- E. The project coordinator should notify SMUD's Designer of any changes in the project's estimated start date to avoid unnecessary delays of SMUD construction.
- F. SMUD may need to secure an easement from you and possibly other private parties and/or permits from various public agencies to provide electric service to your development. If an easement is required, SMUD's Real Estate Services will contact you, typically within 2-3 weeks to properly execute a Grant of Easement, please see attached example. If you have questions or concerns regarding these items, please contact your assigned SMUD Designer as SMUD construction cannot start until these requirements are satisfied.
- G. Party responsible for electric bills should make application for service with SMUD Customer Services Department at 1-888-742-7683 as soon as possible. Connection of electric service can be scheduled upon receipt of the electrical inspection by the city/county.
- H. All metering and switchgear design and placement must be submitted and approved by SMUD's Field Metering prior to installation. Please submit metering and switchgear designs to SMUD at [metershopsuubmittals@smud.org](mailto:metershopsuubmittals@smud.org) or mail to: SMUD, Attention: Field Metering, Mail Stop EB 102, 4401 Bradshaw Road, Sacramento, CA 95827-3834 or contact them at (916) 732-5167.
- I. Multi-unit buildings must be addressed in compliance with the enclosed addressing guidelines prior to connection of electric service. A copy of the site plan showing building addresses, unit numbers, and electric service locations should be received by SMUD's Designer at least ten (10) working days prior to obtaining City/County inspection approval in order to avoid service delays. Meters cannot be set until specific building addresses and unit numbers are known and clearly identified on buildings and electric service equipment.

J. The project coordinator will conduct a pre-construction meeting prior to the start of trenching for the electric system. At the time of your pre-construction meeting you will need to supply SMUD's inspector with a copy of your building permit and a valid electrical service need date. Inspection of SMUD's required civil improvements cannot begin without these items nor until the meeting has been held. To schedule the meeting, please call the SMUD Inspector checked below two full working days prior to scheduled meeting.

Joe Alejandrez, 869-7666

Bob Lunney, 803-7932

Kenny Kehrer, 869-1107

Mike Van Muyden, 837-3798

Val Leslie, 402-2039

Dave Freeman, 849-1735

Please retain these requirements for your information.

Sincerely,



VICTORIA COLELLA  
Engineering Designer  
Design and Construction Services  
Grid Assets  
(916) 732-7293



November 30, 2016

SAC SUBURBAN WATER DISTRICT  
ATTENTION: DAVID ESPINOSA  
3701 MARCONI AVE, SACRAMENTO, CA 95821

Notification # 31567424

**SUBJECT: CONVEYANCE OF ELECTRIC DISTRIBUTION FACILITIES**

In response to your request for service at **5562 PALM AVE, SACRAMENTO**, the Sacramento Municipal Utility District (SMUD) proposes to install electrical facilities (cable, transformers, switchgear) within or upon certain underground electric distribution facilities (conduits, boxes, pads) to be installed by the property owner as shown on the attached drawing.

SMUD required facilities are to be installed in accordance with its rules and regulations. Conveyance of the owner provided electric distribution facilities will be made to SMUD upon inspection approval.

Standard District Procedure is to obtain this conveyance after SMUD inspectors have approved the owner's installation of the facilities which can sometimes result in delays in providing service. In order to avoid delays SMUD will accept conveyance of these facilities prior to the owner's installation and SMUD inspection approval, provided the legal property owner(s) agree:

- A. To install SMUD required electric distribution facilities, with above ground appurtenances as described below and in the attached drawing. Such installation will be in accordance with SMUD Rules, Regulations, and Electric Service Requirements.
- B. To grant title to the installed facilities to SMUD.
- C. To insure integrity and accuracy of facilities (conduits, boxes, pads, etc.) for one year upon system being completed and energized.

Those electric distribution facilities conveyed to SMUD consist of:\*

- \_\_\_\_\_ Ft. - 2" Conduit
- \_\_\_\_\_ Ft. - 3" Conduit
- \_\_\_\_\_ Ft. - 4" Conduit
- \_\_\_\_\_ Ft. - 5" Conduit
- \_\_\_\_\_ Ft. - 6" Conduit
- 1   Each Transformer Pad(s)
- \_\_\_\_\_ Each Primary Pull Box(es)
- \_\_\_\_\_ Each Secondary J – Box(es)
- \_\_\_\_\_ Each Service Box(es)
- \_\_\_\_\_ Each Switchgear Pad(s)

\*Conduit footages are approximate.

Please indicate your acceptance by signing in the space provided and returning this letter to SMUD Distribution Line Design, Grid Assets, 4401 Bradshaw Rd., MS EA105, Sacramento, CA 95827-3834.

I, \_\_\_\_\_, owner and grantor agree to the terms and conditions stated above and hereby grant, bargain, and convey to SACRAMENTO MUNICIPAL UTILITY DISTRICT, a municipal utility district, Grantee, its successors and assigns, free and clear of all liens and encumbrances, those certain underground electric distribution facilities, with any above ground appurtenances described above and in the attached drawing, now installed or to be installed on or adjacent to grantor's premises in the County of Sacramento, State of California.

\_\_\_\_\_  
Owner Name Signature

\_\_\_\_\_  
Owner Name Print

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

Date: \_\_\_\_\_

Designer Name: VICTORIA COLELLA

Notification #: 31567424

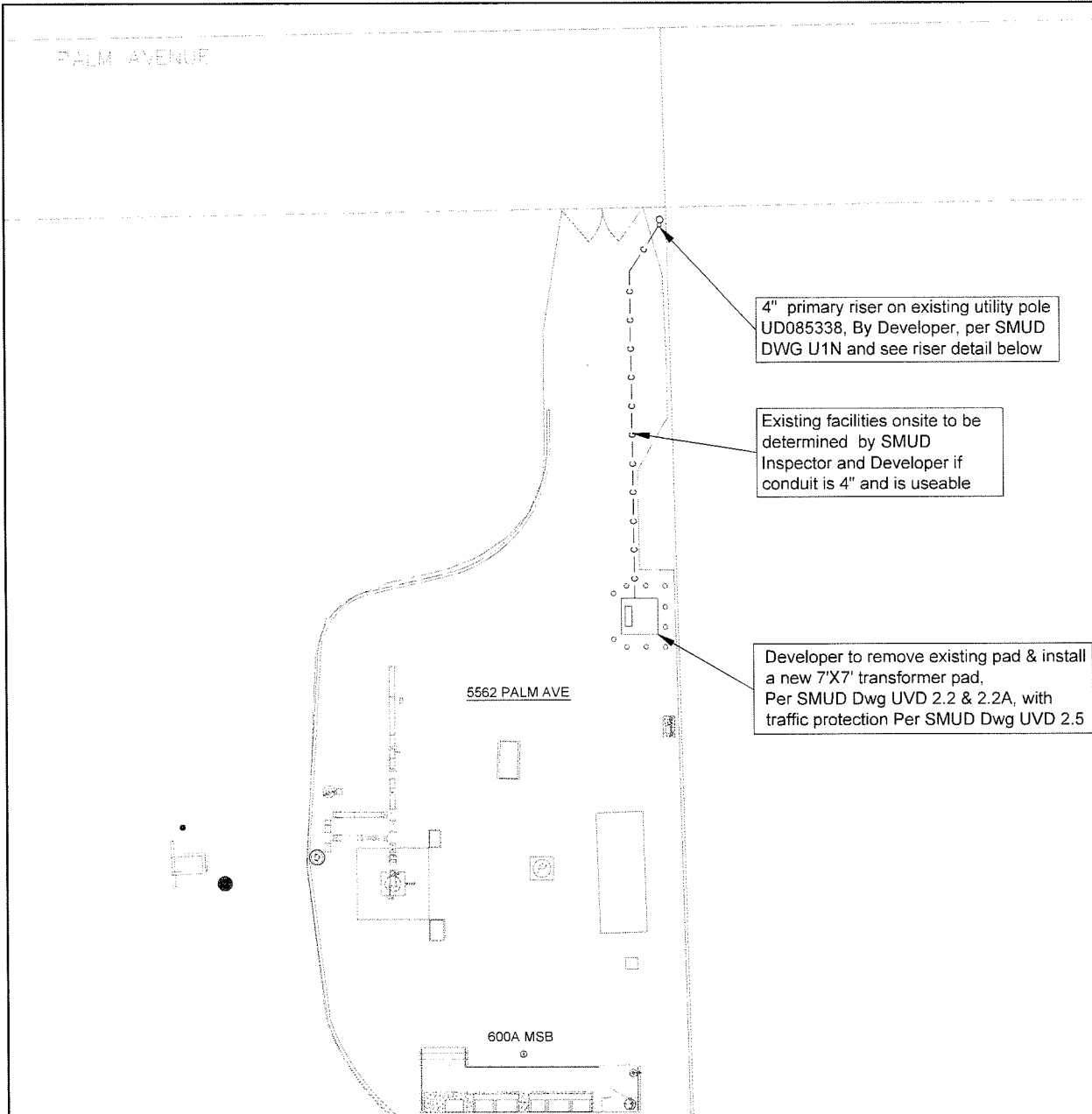
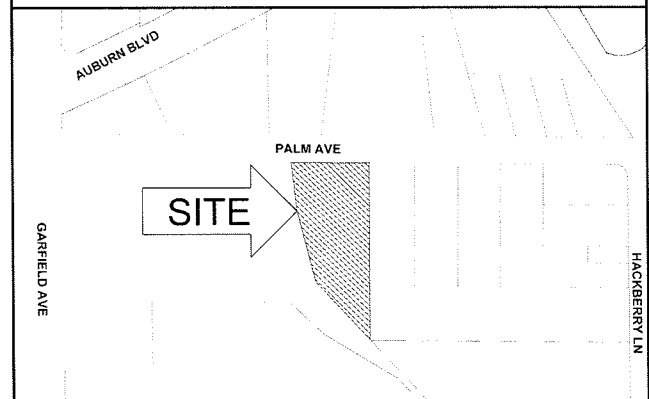
**SMUD NOTES**

DEVELOPER IS RESPONSIBLE FOR THE FOLLOWING

1. Call U. S. A. prior to digging. 1-800-227-2600
2. All metering and switchgear design and placement must be submitted and approved by SMUD's Field Metering prior to installation. Please submit metering and switchgear designs to SMUD at [meteringsubmittals@smuc.org](mailto:meteringsubmittals@smuc.org), mail to Sacramento Municipal Utility District, Attention: Field Metering, Mail Stop EB 102, 4401 Bradshaw Road, Sacramento, Ca 95827-3834 or contact them at (916) 732-5167.
3. All metering equipment shall be located on the outside of the building. The metering equipment is **NOT ALLOWED** to be located inside the building. Metering equipment shall include: metering sections, current and potential transformer sections, pull sections, and the main disconnect. Any questions regarding deviation of this requirement, the locations of meters or for remote metering consideration please contact Field Metering @ (916) 732-5167.
4. All SMUD transformers must be accessible to a 26,000-pound SMUD service vehicle in all weather. For transformer pad openings and specifications see SMUD Electric Service Requirements Booklet: Distribution Underground Structure Engineering Specification T007, Drawings UVD 2.2, UVD 2.3A, UVD 2.3B and UVD 2.3A1. Precast transformer pads are preferred construction. See Appendix B for manufacturers.
5. No obstructions are permitted and level terrain is required within three (3) feet of sides / back and eight (8) feet in front of all operable SMUD equipment doors (Transformers, Cubicles, T-Taps, etc.). No planting of trees within eight (8) feet or all sides of any operable SMUD equipment.
6. Barricades are required if edge of pad is less than 5' from vehicular traffic (SMUD Electric Service Requirements Booklet: Distribution Underground Structure Engineering Specification T007, Drawings: UVD 2.4 and UVD 2.5).
7. Any building overhang of transformer must be approved by SMUD Designer.
8. Joint trench to be maximum 5' deep and remain minimum of 5 feet from footings of any building or structure. All conduits to be inspected by SMUD inspector prior to installing and pouring concrete. Conduits to be PVC-D6 120 grade or better. SMUD approved pull tape required. All elbows to be schedule 40 or better. Concrete encasement may be required. See Electric Service Requirements book et. Distribution Underground Structure Engineering Specification T007 and SMUD commitment sketch.
9. Maximum number of utility conduits allowed to rise on a pole is three. Please review utility conduit risers with SMUD Inspector prior to placement of conduits on poles.
10. An on-site pre-construction meeting with SMUD inspector is mandatory 48 hours in advance of construction. Copies of the local agency building permit will be required prior to scheduling pre-construction meetings with SMUD inspectors for non-residential developments. Call: [ ] Joe Alejandro: (916) 869-7696, [ ] Ron Lunny: (916) 803-9512, [ ] David Freeman: 848-1735, [X] Mike Van Muyden: 537-3798, [ ] Larry Gonzalez: 866-9706.
11. All SMUD concrete box lids, existing & proposed, are to be changed out to spring assist lids per SMUD inspector directions.
12. Only those electrical conduits intended for electric service shall be placed under a SMUD transformer pad. The placement of other conduits or structures foreign to the electric service must be approved by a SMUD Designer or SMUD inspector.
13. If the number of service conductors being terminated exceed those allowed, a "J" Box enclosure adjacent to the transformer may be required. See SMUD Electric Service Requirements booklet: Distribution Underground Structure Engineering Specification T007, drawings UVD 1.7, UVD 1.8 and UVD 3B1. Conductor tails to be "0" above box. Verify with SMUD Designer the maximum number of SMUD and customer cables that can be connected in the J-box.
14. Customer service runs are per local agency codes and inspected and approved by the local inspection agency. Customer is responsible for and will be required to provide SMUD approved connectors and compression tooling for any non-standard SMUD secondary conductors. Please contact SMUD's Designer when necessary.
15. A grant of right-of-way to SMUD may be required for conduit runs, vaults, transformer pads, etc. prior to any SMUD construction.
16. Any street light required by the City or County must be coordinated with SMUD.
17. Service voltage will be 277/480 volts, THREE phase, 4 wire, WYE. Street light service voltage will be the same.
18. Any deviation from this commitment must be approved by SMUD Designer or inspector prior to installation of underground facilities.
19. Call SMUD Customer Services to apply for service at 1-877-742-7683.
20. PLEASE NOTE: It is the responsibility of the developer to install all infrastructure as shown per SMUD commitment drawing as normally be required after one (1) year unless a customer has requested and received written approval for a longer period of time from a SMUD Designer.
21. PLEASE NOTE: SMUD reserves the right to revise commitments after twelve (12) months. A new SMUD commitment will normally be required after one (1) year unless a customer has requested and received written approval for a longer period of time from a SMUD Designer.

ORDER # 30132381 SMUD DESIGNER: VICTORIA COLELLA  
TELEPHONE: (916) 732-7293 DATE: 11/30/16

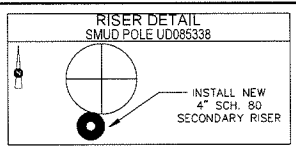
**VICINITY MAP**



4" primary riser on existing utility pole UD085338. By Developer, per SMUD DWG U1N and see riser detail below

Existing facilities onsite to be determined by SMUD Inspector and Developer if conduit is 4" and is useable

Developer to remove existing pad & install a new 7'X7' transformer pad, Per SMUD Dwg UVD 2.2 & 2.2A, with traffic protection Per SMUD Dwg UVD 2.5



TB259C6

DESIGNER: VICTORIA COLELLA	JOB NAME: SAC SUBRUBAN WD PALM WELL
PHONE: (916) 732-7293	LOCATION: 5562 PALM AVE SACRAMENTO
DATE: 11/30/2016	TYPE OF DRAWING: COMMITMENT SKETCH
MAP NUMBER: 354/188	JOB NUMBER: 30132381
SMUD SACRAMENTO MUNICIPAL UTILITY DISTRICT	REVISION SHEET 1 OF 1
NOTIFICATION: 31567424	



Know what's below.  
Call before you dig,  
or (800) 227-2600

NOTE: UNDERGROUND FACILITIES WILL BE INSTALLED PER SMUD'S STANDARD ENTITLED "ELECTRIC SERVICE REQUIREMENTS DISTRIBUTION UNDERGROUND STRUCTURE" ENGINEERING SPECIFICATION T007. SMUD INSPECTOR'S APPROVAL OF THE EXACT LOCATION AND CONFIGURATION OF ELECTRIC DISTRIBUTION FACILITIES IS REQUIRED BEFORE THE START OF TRENCHING. SEE SMUD NOTE #10 FOR MORE INFORMATION.

EXHIBIT 2





## Agenda Item: 3

**Date:** January 9, 2017

**Subject:** Drug and Alcohol Program Policy (PL – HR 010)

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

**Recommended Board Action:**

Approve the updated Drug and Alcohol Program Policy (PL – HR 010) attached as Exhibit 2

**Discussion:**

Included with this report is a redline version (Exhibit 1) of the updated Drug and Alcohol Program Policy (PL – HR 010) for the Board’s review. This policy was originally adopted by the Board in July 2008 and last reviewed in November 2014.

After the Board’s initial review last month, District legal counsel reviewed the draft policy and spoke with ACWA/JPIA General Counsel Rob Greenfield to insure all recommended revisions were consistent with ACWA/JPIA’s recommended guidelines as the District’s insurer and primary risk management agent. The attached redline version is consistent with that discussion and includes retaining language at the end of Section 200.00(1)(b) as suggested by Director Schild. A clean version is shown as Exhibit 2 for Board approval.

Staff is also reviewing the Drug and Alcohol Program Manual and any recommended changes will be submitted for General Manager review and approval after the policy is approved by the Board.

**Fiscal Impact:**

None.

**Strategic Plan Alignment:**

Customer Service – 3.A. Operate in an open and public manner.

Customer Service – 3.B. Attract and retain a well-qualified staff with competitive compensation, effective training, and professional development to ensure safe, efficient and effective job performance.

District customers benefit from District policies that protect the safety of employees and customers during all times employees are engaged in District business and/or operations.

## Exhibit 1

Sacramento Suburban Water District

**Drug and Alcohol Program Policy**

Adopted: July 21, 2008

Revised: June 21, 2010; January XX, 2017**100.00 Purpose of the Policy**

The purpose of this policy is to 1) confirm the District's commitment to maintain a drug and alcohol-free workplace, 2) insure the health and safety of all District employees, customers and the general public by authorizing the development and implementation of a Drug and Alcohol Program to identify and discipline employees who abuse alcohol or use controlled substances, and 3) establish guidelines for drug and alcohol testing for non-safety and safety sensitive positions.

**200.00 Policy**

The District has a significant interest in insuring the health and safety of its employees. It has an obligation to insure that its employees do not present a safety risk to the general public. Substance abuse can affect job performance and employee and public safety. Subject to the requirements of the federal Americans with Disabilities Act (ADA), the District will be firm in identifying and disciplining those employees who are impaired by use of alcohol, marijuana or any legal or illegal substance while on the job ~~abuse alcohol or use illegal or controlled substances in violation of the following, up to and including termination of employment:~~

1. No District employee who is on duty or on standby duty will:
  - a) Use, possess, or be under the influence of illegal or unauthorized drugs or other illegal mind-altering substances; or
  - b) ~~Use or be~~ Be under the influence of or impaired by a controlled substance, including alcohol or marijuana to any extent that impedes the employee's ability to perform his/her duties safely and effectively.<sup>1</sup>
2. No District employee will engage in any duties or activities that, because of drugs taken under a legal prescription, cannot be performed without posing a threat to the health or safety of the employee or others. This includes medications that

<sup>1</sup> While marijuana is now legal for recreational use in California, it remains an illegal Schedule I substance under the United States Controlled Substances Act.

may impair the employee's ability to operate small or large machinery/equipment or motor vehicles.

3. Employees will be subject to drug and alcohol testing when there is reasonable suspicion that ~~the~~an employee has violated the rules ~~expressed~~provided in Section 1 and/or 2 above. ~~In addition, when such an employee has already been found in violation of Section 1 and/or 2 above through any action or medical examination process under the District's Drug and Alcohol Program, as a result of substance testing under that program, or by the employee's own admission, the employee will be required to submit to periodic substance testing as a condition of remaining in or returning to District employment.~~

### **300.00 Authority and Responsibility**

The Human Resources Coordinator, Operations Manager, Assistant General Manager and General Manager will be responsible for administering this policy. This will include developing and maintaining a Drug and Alcohol Program Manual that will be provided to all current and new employees.

### **400.00 Policy Review**

This Policy shall be reviewed at least biennially.

## Exhibit 2

Sacramento Suburban Water District

**Drug and Alcohol Program Policy**

Adopted: July 21, 2008

Revised: June 21, 2010; January XX, 2017

**100.00 Purpose of the Policy**

The purpose of this policy is to 1) confirm the District's commitment to maintain a drug and alcohol-free workplace, 2) insure the health and safety of all District employees, customers and the general public by authorizing the development and implementation of a Drug and Alcohol Program to identify and discipline employees who abuse alcohol or use controlled substances, and 3) establish guidelines for drug and alcohol testing for non-safety and safety sensitive positions.

**200.00 Policy**

The District has a significant interest in insuring the health and safety of its employees. It has an obligation to insure that its employees do not present a safety risk to the general public. Substance abuse can affect job performance and employee and public safety. Subject to the requirements of the federal Americans with Disabilities Act (ADA), the District will be firm in identifying and disciplining those employees who are impaired by use of alcohol, marijuana or any legal or illegal substance while on the job in violation of the following, up to and including termination of employment:

1. No District employee who is on duty or on standby duty will:
  - a) Use, possess, or be under the influence of illegal or unauthorized drugs or other illegal mind-altering substances; or
  - b) Be under the influence of or impaired by alcohol or marijuana to any extent that impedes the employee's ability to perform his/her duties safely and effectively.<sup>1</sup>
2. No District employee will engage in any duties or activities that, because of drugs taken under a legal prescription, cannot be performed without posing a threat to the health or safety of the employee or others. This includes medications that

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<sup>1</sup> While marijuana is now legal for recreational use in California, it remains an illegal Schedule I substance under the United States Controlled Substances Act.

may impair the employee's ability to operate small or large machinery/equipment or motor vehicles.

3. Employees will be subject to drug and alcohol testing when there is reasonable suspicion that an employee has violated the rules provided in Section 1 and/or 2 above.

### **300.00 Authority and Responsibility**

The Human Resources Coordinator, Operations Manager, Assistant General Manager and General Manager will be responsible for administering this policy. This will include developing and maintaining a Drug and Alcohol Program Manual that will be provided to all current and new employees.

### **400.00 Policy Review**

This Policy shall be reviewed at least biennially.



## Agenda Item: 4

**Date:** January 11, 2017

**Subject:** Presentation Regarding Resolution No. 16-28 Honoring Frederick A. Gayle as District Board Member

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

**Discussion:**

At the December 2016 regular Board meeting, the Board of Directors approved Resolution 16-28 recognizing Frederick A. Gayle's public service with the District. He was unable to attend the December meeting, so staff contacted Mr. Gayle to invite him to receive his Resolution at the January 2017 regular Board meeting.



## Agenda Item: 5

**Date:** January 3, 2017

**Subject:** Committee and Liaison Appointments for 2017

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

### **Recommended Board Action:**

Approve the recommended Committee and Liaison Appointments for 2017, attached to this report as Exhibit 2, make appointments to standing and ad hoc committees, and assign Board member liaisons to outside organizations.

### **Discussion:**

The Board President appoints Directors to various committees. Typically, there is an annual review of committee assignments.

Included with this report is the most recent list of the 2016 Committee and Liaison Assignments indicating the appointments for the past year, attached as Exhibit 1. Staff is recommending the following changes to the 2017 Committee and Liaison Assignments, which is attached to this report as Exhibit 2:

Facilities and Operations Committee: Remains as a standing committee.

Finance and Audit Committee: Remains as a standing committee.

Ad Hoc General Manager Performance Review Committee: Remains as a committee.

2x2 Water Management Ad Hoc Committee: There were no appointments to this committee in 2016 and the committee has not been utilized since June 2014. Staff is recommending removing the committee from the 2017 Committee Assignments.

Ad Hoc Water Banking and Transfer Committee: This committee was assigned no regular meeting time. Staff is recommending placing this committee under the umbrella of the Facilities & Operations Committee.

Government Affairs Committee: Staff is recommending placing this committee under the umbrella of the Facilities & Operations Committee.

Ad Hoc Water Right Review Committee: This committee was assigned the task of reviewing and discussing the San Juan Water District Water Rights. That particular task has been

completed. Staff is recommending removing the committee from the 2017 Committee Assignments.

**Fiscal Impact:**

Payment to Directors will be made in accordance to District policy. Total annual payments are expected to be within budgeted amounts.

**Strategic Plan Alignment:**

Leadership – 5.B. Engage with professional water industry groups (e.g. ACWA, AWWA, SAWWA) to enhance proficiency in technical and policy matters.

Representation at meetings can forward the District’s position and increase knowledge of other professional groups’ activities.



# EXHIBIT 1

## Sacramento Suburban Water District 2016 Committee and Liaison Assignments

### Committees (date of last appointment)

Facilities and Operations Committee (12/21/15).....	Craig Locke, Chair
(Standing: no regularly assigned meeting time) .....	Neil Schild
.....	Staff Contact: Dan York
Finance and Audit Committee (12/21/15) .....	Kevin Thomas, Chair
(Standing: no regularly assigned meeting time) .....	Neil Schild
.....	Staff Contact: Dan Bills
Ad Hoc General Manager Performance Review Committee (12/21/15)....	Fred Gayle, Chair
(no regularly assigned meeting time) .....	Bob Wichert
2x2 Water Management Ad Hoc Committee (12/21/15) .....	Open, Chair
(no regularly assigned meeting time) .....	Open
.....	Open, Alternate
(Committee Chair: Open/Vice Chair: Open).....	Staff Contact: Rob Roscoe
Ad Hoc Water Banking and Transfer Committee (12/21/15) .....	Bob Wichert, Chair
(no regularly assigned meeting time) .....	Neil Schild
.....	Staff Contact: Rob Roscoe
Government Affairs Committee (12/21/15) .....	Craig Locke, Chair
(no regularly assigned meeting time/quarterly) .....	Kevin Thomas
.....	Staff Contact: Rob Roscoe
Ad Hoc Water Right Review Committee (12/21/15) .....	Neil Schild, Chair
.....	Bob Wichert
.....	Staff Contact: Rob Roscoe

### Liaison Assignments (date of last appointment)

ACWA/JPIA (12/21/15) .....	Director Position: Neil Schild
.....	Staff Position: Rob Roscoe
ACWA/JPIA Workers Compensation Committee (12/21/15) .....	Neil Schild
ACWA Federal Affairs Committee (12/21/15) .....	Neil Schild
ACWA General Election Voting Delegate (12/21/15).....	Neil Schild

ACWA Groundwater Committee (12/21/15) ..... Craig Locke  
..... Neil Schild  
..... Kevin Thomas  
..... Bob Wichert  
..... Robert Roscoe

ACWA Local Government & Outreach Committees (12/21/15) ..... Kevin Thomas

ACWA Water Management Committee (12/21/15) ..... Fred Gayle  
..... Craig Locke  
..... Kevin Thomas  
..... Robert Roscoe

California Special Districts Association (12/21/15) ..... Fred Gayle  
..... Craig Locke

CSDA Transparency and Formation Expert Feedback Teams (12/21/15) ..... Fred Gayle

CSDA Fiscal and Education Committees (12/21/15) ..... Fred Gayle

LAFCo Special District Advisory Committee (12/21/15) ..... Fred Gayle  
..... Kevin Thomas

Regional Water Authority (12/21/15) ..... Kevin Thomas  
..... Robert Roscoe  
..... Neil Schild, Alternate  
..... Bob Wichert, Alternate  
..... Craig Locke, Alternate

Sacramento Groundwater Authority (12/21/15) ..... Neil Schild, Board Rep.  
..... Rob Roscoe, Staff Rep.  
..... Kevin Thomas, Alternate  
..... Bob Wichert, Alternate  
..... Craig Locke, Alternate

Sacramento Water Forum Successor Effort (12/21/15) ..... Staff Rep: Robert Roscoe  
..... Neil Schild  
..... Craig Locke, Alternate  
..... Kevin Thomas, Alternate  
..... Bob Wichert, Alternate

## EXHIBIT 2

### Sacramento Suburban Water District 2017 Committee and Liaison Assignments

#### Committees (date of last appointment)

Facilities and Operations Committee (12/21/15).....Open, Chair  
(Standing: no regularly assigned meeting time) .....Open  
.....Staff Contact: Dan York

Finance and Audit Committee (12/21/15) .....Open, Chair  
(Standing: no regularly assigned meeting time) .....Open  
.....Staff Contact: Dan Bills

Ad Hoc General Manager Performance Review Committee (12/21/15)....Open, Chair  
(no regularly assigned meeting time) .....Open

#### Liaison Assignments (date of last appointment)

ACWA/JPIA (12/21/15) .....Director Position: Open  
.....Staff Position: Rob Roscoe

ACWA/JPIA Workers Compensation Committee (12/21/15) .....Open

ACWA Federal Affairs Committee (12/21/15) .....Open

ACWA General Election Voting Delegate (12/21/15).....Open

ACWA Groundwater Committee (12/21/15) .....Open  
.....Open  
.....Open  
.....Open  
.....Robert Roscoe

ACWA Local Government & Outreach Committees (12/21/15).....Open

ACWA Water Management Committee (12/21/15).....Open  
.....Open  
.....Open  
.....Robert Roscoe

California Special Districts Association (12/21/15).....Open

.....Open

CSDA Transparency and Formation Expert Feedback Teams (12/21/15).Open

CSDA Fiscal and Education Committees (12/21/15).....Open

LAFCo Special District Advisory Committee (12/21/15).....Open

.....Open

Regional Water Authority (12/21/15).....Open

.....Robert Roscoe

.....Open, Alternate

.....Open, Alternate

.....Open, Alternate

Sacramento Groundwater Authority (12/21/15).....Open, Board Rep.

.....Rob Roscoe, Staff Rep.

.....Open, Alternate

.....Open, Alternate

.....Open, Alternate

Sacramento Water Forum Successor Effort (12/21/15).....Staff Rep: Robert Roscoe

.....Open

.....Open, Alternate

.....Open, Alternate

.....Open, Alternate



## Agenda Item: 6

**Date:** January 10, 2017

**Subject:** Catastrophic Leave Policy - (PL – HR 008)

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

**Recommended Board Action:**

Approve the revised Catastrophic Leave Policy (PL – HR 008) retroactive to January 1, 2017.

**Discussion:**

Included with this report is a redline version of the updated Catastrophic Leave Policy for the Board’s review and approval, attached as Exhibit 1. This policy was originally adopted by the Board in July 2005 and last reviewed in August 2015. Typically District policies are brought before the Board a month in advance as upcoming policies. This allows the Board ample time to review and comment prior to approval. Due to the need for a District employee to apply for Catastrophic Leave due to the loss of an immediate family member, staff is requesting that this policy be approved at the January 23, 2017 regular Board meeting rather than February 2017.

Staff is requesting this policy be significantly amended to simply state the authority and responsibility to administer the Policy and that specific details be developed by the General Manager and established as a formal District Procedure along with other District Procedures. A final version is attached to this report as Exhibit 2.

**Fiscal Impact:**

None.

**Strategic Plan Alignment:**

Customer Service – 3.A. Operate in an open and public manner.

Customer Service – 3.B. Attract and retain a well-qualified staff with competitive compensation, effective training, and professional development to ensure safe, efficient and effective job performance.

District customers benefit from the District 1) providing leave for staff who are unable to work as a result of catastrophic illness, injury or similar events, and 2) insuring the catastrophic leave requirements and approval process are implemented fairly and consistently.

# Exhibit 1

PL - HR 008

Sacramento Suburban Water District

Field Code Changed

## Catastrophic Leave Policy

Field Code Changed

Adopted: July 18, 2005

Revised: June 18, 2007; June 15, 2009; July 18, 2011; January XX, 2017

### 100.00 Purpose of the Policy

The purpose of this policy is to provide benefits to Regular and Management employees who: 1) with have a serious or catastrophic non-industrial illness or injury; ~~or~~ 2) who must provide necessary full-time care for a spouse or domestic partner, dependent child or parent; 3) experience the death of a spouse or child; or 4) experience similar catastrophic events.

### 200.00 Policy

The District provides a program where employees may voluntarily donate accrued vacation, sick leave, or compensatory time off to another employee who: 1) has a serious or catastrophic non-industrial illness or injury; 2) ~~or who~~ must provide necessary full-time care for a spouse or domestic partner, dependent child or parent; 3) experiences the death of a spouse or child; or 4) experiences a catastrophic event, as approved by the General Manager.

The employee must meet the following requirements to be eligible to receive catastrophic leave:

- ~~1. The employee must have achieved full time Regular or Management status with the District.~~
- ~~2. The employee must have exhausted all accrued leave balances.~~
- ~~3. The employee must have a verifiable serious or catastrophic illness or non-industrial injury which is estimated to last for at least thirty (30) calendar days. Serious or catastrophic illness or injury is defined as one in which the employee is incapacitated and unable to work as certified by their physician. If the catastrophic leave is requested for a family member, the family member must have a verifiable serious illness or injury which is estimated to incapacitate them for at least thirty (30) calendar days as certified by their physician and the illness or injury must result in the employee being required to provide verifiable full-time care for that family member.~~
- ~~4. The employee must not be receiving any short or long term disability or similar benefit.~~

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The maximum length of Catastrophic Leave that may be received and taken in any calendar year is:

~~a) sixty (60) calendar days for an employee's own qualifying non-industrial illness or injury, or until the employee becomes eligible for short or long term disability or similar benefits, whichever is shorter; or~~

~~b) sixty (60) calendar days for an employee providing care to a family member.~~

All donations will be subject to the following:

- ~~1. An employee receiving donated leave will not accrue vacation or sick leave time; retirement, health and other employee benefit contributions will continue as long as the employee is in paid status.~~
- ~~2. Employees donating leave may not deplete their sick or vacation leave balances to less than forty (40) hours.~~
- ~~3. Donations shall be made on the appropriate District form to be signed by the donating employee and are subject to the approval of the Department Manager and General Manager.~~
- ~~4. All donations must be in whole hours. Total donations from one donating employee may not exceed forty (40) hours in any twelve (12) month period.~~
- ~~5. Donations will be transferred hour-for-hour regardless of pay scale.~~
- ~~6. Donations are irrevocable and non-transferable.~~
- ~~7. Donated leave time shall be subject to the recipient's normal payroll deductions.~~
- ~~8. Donations will be used in the order received by Payroll.~~
- ~~9. Donated hours are not tax deductible.~~

### **300.00 Authority and Responsibility**

~~Employee eligibility criteria, length of time Catastrophic Leave may be received, and the donation process will be developed by the General Manager and established as a District Procedure. The General Manager is authorized and responsible for establishing a leave donation process that will be administered by the General Manager or designee.~~

### **400.00 Policy Review**

This Policy shall be reviewed at least biennially.

## Sacramento Suburban Water District

**Catastrophic Leave Policy**

Adopted: July 18, 2005

Revised: June 18, 2007; June 15, 2009; July 18, 2011; January XX, 2017

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**100.00 Purpose of the Policy**

The purpose of this policy is to provide benefits to Regular and Management employees who: 1) have a serious or catastrophic non-industrial illness or injury; 2) must provide necessary full-time care for a spouse or domestic partner, dependent child or parent; 3) experience the death of a spouse or child; or 4) experience similar catastrophic events.

**200.00 Policy**

The District provides a program where employees may voluntarily donate accrued vacation, sick leave, or compensatory time off to another employee who: 1) has a serious or catastrophic non-industrial illness or injury; 2) must provide necessary full-time care for a spouse or domestic partner, dependent child or parent; 3) experiences the death of a spouse or child; or 4) experiences a catastrophic event, as approved by the General Manager.

**300.00 Authority and Responsibility**

Employee eligibility criteria, length of time Catastrophic Leave may be received, and the donation process will be developed by the General Manager and established as a District Procedure.

**400.00 Policy Review**

This Policy shall be reviewed at least biennially.





## Agenda Item: 7

**Date:** December 14, 2016

**Subject:** Sacramento LAFCo Call for Recommendations for Membership on Special District Advisory Committee (SDAC)

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

### **Recommended Board Action:**

Nominate a SSWD Board of Director at pleasure. A nomination is not required.

### **Discussion:**

Sacramento Local Agency Formation Commission (LAFCo) has invited the District to recommend a member of the Board to join the Special District Advisory Committee (SDAC). This committee provides LAFCo input on issues related to special districts as well as receive information on matters before the Commission.

There are two Special District Commissioners, an Alternate Special District Commissioner, and representatives from recreation and park, fire, water, flood control, cemetery and other types of special districts on the committee of 17. There will be seven (7) vacant seats for Office "B" on the Committee. Director Locke's term in office "A" is expiring.

Evening meetings are held quarterly on the fifth Tuesday, or as needed, at 6:15 p.m. at the County Administration Center (700 H Street, Hearing Room #2).

The nomination form is attached with further information. Should the Board choose to nominate a Director, the form must be signed by the Board President, and attested by the Secretary of the Board, including a resume of the nominee, and must be received by LAFCo before Monday, January 30, 2017.

A letter from LAFCo and the Special District Advisory Committee nomination form are included with this report.

### **Fiscal Impact:**

SDAC members serve 2 year terms without LAFCo compensation. Reimbursement for service if selected will amount to a standard meeting stipend and eligible expenses in accordance with District Policy. Reimbursement is within the District's 2017 budget.

### **Strategic Plan Alignment:**

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

If a Director joins this committee, the District would be actively participating and advancing the District's position on issues related to special districts, to the benefit of District customers.



SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

1112 I Street, Suite 100 • Sacramento, CA 95814 • (916) 874-6458 • Fax (916) 874-2939  
[www.saclafco.org](http://www.saclafco.org)

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**DATE:** December 8, 2016  
**TO:** All Special District Boards  
**SUBJECT:** **Nominations for Membership on SDAC**

You are cordially invited to nominate a Member of your Board to join the Special District Advisory Committee (SDAC). The purpose of the Committee is to provide Sacramento LAFCo with input on issues related to Special Districts, as well as to receive information on issues before the Commission.

The SDAC membership of seventeen is composed of the two LAFCo Special District Commissioners, and the Alternate Special District Commissioner, and representatives from recreation and park, fire, water, flood control, cemetery and other types of special districts. SDAC members serve 2 year terms without compensation. Currently there are seven (7) vacant seats for Office "B" on the Committee. New members will be selected by the SDAC *Sub-committee on Membership* from the pool of nominees provided by the Special Districts.

SDAC meetings are held quarterly on the fifth Tuesday, or as needed. The SDAC meets at 6:15 PM @ County Administration Center (700 H Street) Sacramento, in Hearing Room #2.

A nomination form is attached. If you wish to nominate a member of your Board, please complete the form and return it to me no later than **Monday, January 30, 2017**.

Please feel free to contact me by email or phone if you have questions about this process.

Sincerely,

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**

Donald J. Lockhart, AICP  
Assistant Executive Officer  
(916) 874-2937  
[Donald.Lockhart@SacLAFCo.org](mailto:Donald.Lockhart@SacLAFCo.org)

Enclosure: Nomination Form  
Current Roster



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**SPECIAL DISTRICT ADVISORY COMMITTEE  
Nomination Form**

*Recommendation to the **SDAC Selection Committee***

In accordance with the bylaws of the Special District Advisory Committee, the  
Governing Board of the \_\_\_\_\_ District  
nominates \_\_\_\_\_ (Board Member)  
for the following position on the SDAC:

Office "B" -two year term (ends 12/31/18)

Signature: \_\_\_\_\_  
Board Chairperson

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
District Manager or District Secretary

\_\_\_\_\_  
Please print e-mail address

**Please attach resume of Nominee.**

**Please send completed nominations to:**

Donald J. Lockhart, AICP, Assistant Executive Officer.  
Sacramento LAFCo  
1112 "I" Street; Suite 100  
Sacramento CA 95814  
[Donald.Lockhart@SacLAFCo.org](mailto:Donald.Lockhart@SacLAFCo.org)



Sacramento LAFCo Special District Advisory Committee Membership Roster November, 2016

OFFICE "A" 1/16 – 12/17						
Initial	First	Last	District	Phone	Form 700	Email address
	Raymond	Riehle	Citrus Heights Water District			<a href="mailto:rriehle@chwd.org">rriehle@chwd.org</a>
	Frederick	Goethel	Galt-Arno Cemetery District			<a href="mailto:galar@softcom.net">galar@softcom.net</a>
	Becky	McDaniel	Rio Linda/ Elverta R&P District			<a href="mailto:bmcdaniel@fecrecrepark.com">bmcdaniel@fecrecrepark.com</a>
	Thomas	Barandas	Reclamation District No. 1000			<a href="mailto:TBarandas@aol.com">TBarandas@aol.com</a>
	Brandon	Rose	Fair Oaks R&P District			<a href="mailto:brandonrose@hotmail.com">brandonrose@hotmail.com</a>
	Brian	Danzl	Cordova R&P District			<a href="mailto:Bdanzl@crpd.com">Bdanzl@crpd.com</a>
	Gerald	Pasek	Rancho Murieta CSD			<a href="mailto:jpasek@rmcsd.com">jpasek@rmcsd.com</a>
OFFICE "B" 1/15 – 12/16 SEVEN (7) VANCANCIES DUE TO TERMS ENDING						
	Ryan	Saunders	Del Paso Manor WD	696-0280 (M)		<a href="mailto:Ryan.saunders@sbcglobal.net">Ryan.saunders@sbcglobal.net</a>
	Rod	Brewer	Cosumnes CSD	208-8841 (M)		<a href="mailto:Rodbrewer5@gmail.com">Rodbrewer5@gmail.com</a>
	Michael	Stickney	Orangevale R&PD	988-9784		<a href="mailto:michaelstckny@aol.com">michaelstckny@aol.com</a>
	Stacey	Bastian	Rio Linda/ Elverta R&PD	217-1485		<a href="mailto:stacbastian@yahoo.com">stacbastian@yahoo.com</a>
	Carolyn	Flood	Fair Oaks Cemetery Dist.	966-9294		<a href="mailto:carolynflood2@gmail.com">carolynflood2@gmail.com</a>
	Craig	Locke	Sac Suburban WD	919-3082		<a href="mailto:Craig locke@hotmail.com">Craig locke@hotmail.com</a>
	William	Pavão	American River FCD	654-5913		<a href="mailto:w.pavao@comcast.net">w.pavao@comcast.net</a>
OFFICE "C" COMMISSIONERS						
	Paul	Green, Jr. (Alt.)	Rio Linda/ Elverta Comm. Water District	991-6180		<a href="mailto:prgreenjr1@juno.com">prgreenjr1@juno.com</a>
	Gay	Jones (Chair)	Sacramento Metropolitan Fire District	cell: 916-208-0736 office: 916-859-4305		<a href="mailto:h2ogay@pacbell.net">h2ogay@pacbell.net</a>
	Ron	Greenwood	Carmichael Water District	712-4442		<a href="mailto:ron.greenwood@cbnorcal.com">ron.greenwood@cbnorcal.com</a>



[Back to Agenda](#)

## Agenda Item: 8

**Date:** January 19, 2017

**Subject:** Update on District Actions to Address Chromium 6 Contamination of Groundwater Wells

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

**Discussion:**

At the December 19, 2016 regular Board meeting, Board President Wichert requested staff to add the Chromium 6 litigation topic to the January 23, 2017 regular Board meeting agenda. Attached to this report as Exhibit 1, is a statement regarding that topic.

## EXHIBIT 1

### STATEMENT OF SACRAMENTO SUBURBAN WATER DISTRICT REGARDING CHROM 6 CONTAMINATION LITIGATION

As part of tonight's meeting we want to make a statement regarding the Board's recent decision to hire the law firm of Sher Edling LLP to investigate and to possibly file claims against entities that are responsible for causing contamination of the District's groundwater wells with Chromium 6.

The Board takes its responsibilities to protect the public water supply very seriously. In 2015, after the state lowered the standard for Chromium 6 contamination of public drinking water supplies, staff informed the Board that a number of District wells either had contamination over or near to the new Chrome 6 standard of 10 parts per billion. Wells with contamination over the limit have been taken out of service. The Board and staff have been working on this problem ever since. Chrome 6 is very difficult and expensive to treat and steps taken by the District to date to address this issue have already cost ratepayers significant expenses related to taking wells out of service and obtaining replacement supplies.

A majority of the Board has decided to not only take wells out of service and work to both remedy the contamination issue and, to the extent we can identify those responsible for the contamination, to make them pay to clean it up so that the ratepayers are not stuck with the bill. The good news is that the District's outside lawyers are handling this matter on a contingency basis. This means that, aside from some small expense for time expended by staff and the District's general legal counsel, which is expected to be a small percentage of any costs, the District's outside lawyers will front all costs and expenses of any claims and lawsuits and will not recover any money in attorneys' fees from the ratepayers unless they obtain damages or other remedies from those responsible for contaminating the District's wells with Chrome 6.

Due to the very early nature of this litigation, we will not be able to conduct a discussion or respond to verbal questions without conferring with our legal counsel separately. If any member of the public has a statement or wishes to express their viewpoint, we will listen to those statements and viewpoints. If members of the public have questions, please go ahead and ask them and we will convert them to written questions in the minutes and we will do our best to answer them in writing at the next meeting. We need to be careful to not answer questions that might disadvantage our legal position and as the case unfolds, we will be able to give more details as they are made public.

We appreciate your understanding and your interest and your patience.



## Agenda Item: 9

**Date:** January 5, 2017

**Subject:** District Activity Report

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

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

### a. Water Operations And Exceptions Report

- i. Monthly Water Production – Exhibit WO-1**  
This indicates the amount of water produced, both ground and surface water, in the District’s North Service Area (McClellan Business Park, The Arbors at Antelope, and portions of North Highlands, Antelope, Carmichael, and Citrus Heights) and South Service Area (Portions of Arden Arcade, Carmichael, and City of Sacramento) for Calendar Year 2015 and 2016. The District continues to receive surface water supplies as the primary water source for the North Service Area, while the primary source in the South Service remains groundwater.
- ii. Water Wheeled to Other Purveyors – Exhibit WO-2**  
This indicates the amount of water the District served to other water purveyors in Calendar Year 2016. The amount is indicated in Million Gallons (MG) and Acre Feet (AF). Cal American Water continues to take surface water deliveries from the North Service Area.
- iii. Water Operations Activity – Exhibit WO-3**  
This shows the types and number of activities that are conducted daily in the Production, Distribution and Field Services Departments.
- iv. Claims Update – Exhibit WO-4**  
This is a summary report of claims received by the District that are less than \$10,000, and approved or rejected by the General Manager.
- v. General System Discharges by Category – Exhibit WO-5**  
This report quantifies the amount of water discharged to waste for each discharge type. In December 2016, the total volume of water flushed was 0.477 MG or 0.08% of the total water produced for the month. Of the 0.386 MG discharged, 0.009 MG or 2.3% was reused through land application.

**vi. Exception Report for December**

On December 4, 2016 the District's On-Call staff responded to a leak at 5220 Palm Avenue. The leak was the result of a failed section of 10" Mortar Lined Steel pipe that resulted in damage to the county roadway, sidewalk, several apartment units and a home. Please see Agenda Item 22 for a full report of the incident.

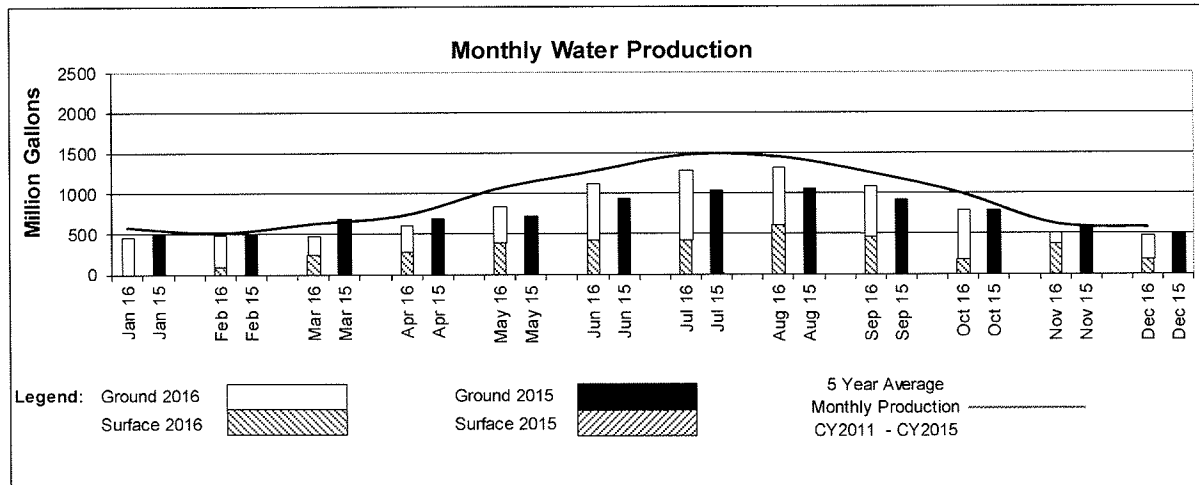
During a three day period beginning December 10, 2016, three electric motors on vertical turbine well pumps at three separate sites failed. The incidents do not appear to have been related in any way as they are in differing areas within the District and also in differing electric utility substation blocks. Please see Agenda Item 23 for a full report of the motor failures.



## Monthly Water Production 2016

Exhibit WO-1

North Service Area *			South Service Area **			Total North & South Service Areas (MG)	Average MG/Day	% Of Total Year to Date Production	
Month	Surface (MG)‡	Ground (MG)	Sub Total (MG)	Surface (MG)	Ground (MG)				Sub Total (MG)
Jan	0.000	283.684	283.684	0.000	182.615	182.615	466.299	15.042	4.882
Feb	97.179	200.496	297.675	0.000	194.894	194.894	492.569	16.985	5.157
Mar	244.176	42.663	286.839	0.000	192.734	192.734	479.573	15.470	5.021
Apr	278.717	81.561	360.278	0.000	258.657	258.657	618.935	20.631	6.480
May	406.766	77.756	484.522	0.000	369.033	369.033	853.555	27.534	8.937
Jun	429.012	203.588	632.600	0.000	499.511	499.511	1,132.111	37.737	11.853
July	432.815	303.528	736.343	0.000	558.374	558.374	1,294.717	41.765	13.556
Aug	609.658	105.222	714.880	1.321	609.991	611.312	1,326.192	42.780	13.885
Sep	470.076	132.325	602.401	0.000	491.019	491.019	1,093.420	36.447	11.448
Oct	143.770	315.482	459.252	41.146	301.798	342.944	802.196	25.877	8.399
Nov	289.731	8.776	298.507	95.432	120.624	216.056	514.563	17.152	5.387
Dec	190.646	95.170	285.816	0.000	191.280	191.280	477.096	15.390	4.995
<b>MG</b>	<b>3592.546</b>	<b>1850.251</b>	<b>5,442.797</b>	<b>137.899</b>	<b>3970.530</b>	<b>4,108.429</b>	<b>9551.226</b>	<b>26.096</b>	
<b>AF</b>	<b>11,025.119</b>	<b>5,678.212</b>	<b>16,703.331</b>	<b>423.196</b>	<b>12,185.109</b>	<b>12,608.306</b>	<b>29,311.636</b>		



\* North Service Area (North Highlands, Northridge, McClellan Park and The Arbors)

\*\* South Service Area (Town and Country)

‡ The delivered quantities of surface water for February 2016 through June 2016 have been amended to match the delivered quantities reported to USBR by San Juan Water District (SJWD) to ensure reporting consistency. The difference between the previously reported quantities and the amended quantities from SJWD are a result of a slight time differential in meter reads and are considered inconsequential. The differences range from 0.038 MG in February which accounted for 0.01% of total production, to 0.565 MG in June which accounted for 0.05% of total monthly production. Going forward SJWD's reported monthly surface water delivery quantities will be considered the data of record for reporting.

Note: Reported production values do not include water wheeled/sold to other purveyors.

Mo/Yr	Million Gallons (MG)			Difference
	Surface	Ground	Total	
Jan 16	0.000	466.299	466.299	-45.265
Jan 15	0.000	511.564	511.564	
Feb 16	97.179	395.390	492.569	-8.416
Feb 15	0.000	500.985	500.985	
Mar 16	244.176	235.397	479.573	-212.648
Mar 15	0.000	692.221	692.221	
Apr 16	278.717	340.218	618.935	-83.470
Apr 15	0.000	702.405	702.405	
May 16	406.766	446.789	853.555	130.605
May 15	0.000	722.950	722.950	
Jun 16	429.012	703.099	1,132.111	182.300
Jun 15	5.200	944.611	949.811	
Jul 16	432.815	861.902	1,294.717	252.019
Jul 15	0.465	1,042.233	1,042.698	
Aug 16	610.979	715.213	1,326.192	268.871
Aug 15	0.000	1,057.321	1,057.321	
Sep 16	470.076	623.344	1,093.420	159.617
Sep 15	20.375	913.428	933.803	
Oct 16	184.916	617.280	802.196	13.311
Oct 15	0.000	788.885	788.885	
Nov 16	385.163	129.400	514.563	-56.844
Nov 15	0.000	571.407	571.407	
Dec 16	190.646	286.450	477.096	-10.274
Dec 15	0.047	487.323	487.370	

**SACRAMENTO SUBURBAN WATER DISTRICT**  
**Water Wheeled To Other Purveyors**  
 2016

Month	California American Water		Citrus Heights Water District		City of Sacramento		County of Sacramento		Rio Linda / Elverta Water		San Juan Water District		City of Roseville	
	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)
January	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	13.058	4.255	0.000	0.000
February	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.178	0.058
March	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
April	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
May	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
June	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
July	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
August	1.479	0.482	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
September	106.628	34.745	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
October	26.837	8.745	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
November	27.510	8.964	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
December	88.270	28.763	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>YTD</b>	<b>250.725</b>	<b>81.699</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	<b>13.058</b>	<b>4.255</b>	<b>0.178</b>	<b>0.058</b>

Note: Water wheeled to other purveyors includes water sold.

**Exhibit WO-3**

**Water Operations Activity**

	<u>December 2016</u>	<u>Monthly Average</u>	<u>CY 2016</u>
<b><u>Production Department</u></b>			
<b><u>Service Orders</u></b>			
<u>Preventive Maintenance: Work Orders Completed</u>	783	689	8266
<u>Corrective Maintenance: Work Orders Completed</u>	4	12	142
<b><u>Water Quality</u></b>			
<u>Complaints</u>	0	1	13
<u>Inquiries</u>	15	16	197
<b><u>Distribution Department</u></b>			
<b><u>Service Orders</u></b>			
<u>Main Leaks</u>	7	6	66
<u>Service Line Leaks</u>	5	6	75
<u>Locate &amp; Expose (L&amp;E)</u>	17	17	208
<u>Determine Responsibility (DR)</u>	58	55	654
<b><u>Water Main Shutdown</u></b>			
<u>-- Emergency</u>	3	2	29
<u>-- Scheduled</u>	1	1	13
<b><u>Preventive Maintenance Program</u></b>			
<u>Fire Hydrants Inspected</u>	0	21	251
<u>Fire Hydrant Valves Inspected</u>	0	21	247
<u>Fire Hydrant Valves Exercised</u>	0	19	225
<u>Mainline Valves Inspected</u>	0	73	880
<u>Mainline Valves Exercised</u>	0	59	705
<b><u>Underground Service Alert</u></b>			
<u>Reviewed</u>	1257	1734	20811
<u>Marked</u>	299	370	4444
<b><u>After Hours Activity (On-Call Technician)</u></b>			
<u>Calls Received</u>	32	62	741
<u>Calls Responded</u>	17	35	422
<u>Average Call Time Hours</u>	1.65	2	2
<u>Overtime Hours</u>	28	62	748
<b><u>Field Services Department</u></b>			
<b><u>Meters</u></b>			
<u>Preventive Maintenance - Meters Tested</u>	16	11	128
<u>Preventive Maintenance - Meters Replaced</u>	6	97	1159
<u>Preventive Maintenance - Meter Re-Builds</u>	0	20	240
<b><u>Customer Service</u></b>			
<u>Shut Off (non-payment)</u>	134	150	1804
<u>Restore Service</u>	140	145	1742
<u>Customer Pressure Inquiries</u>	4	12	143
<b><u>Field Operations Department</u></b>			
<u>Service Requests Generated</u>	1230	1341	16092
<u>Work Orders Generated</u>	709	1035	12417

**Exhibit WO-4**

**Date:** January 5, 2017

**Subject:** Claims Update

**Staff Contact:** Jim Arenz, Operations Manager

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

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

**CLAIMS APPROVED/REJECTED BY GENERAL MANAGER**

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

**CLAIMS UNDER REVIEW/INVESTIGATION**

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

**CLAIMS IN LITIGATION**

There are no claims in litigation at this time.

**Exhibit WO-5**

# General System Discharges by Category

From 12/1/2016 to 12/31/2016

Report Group	Water Used (MG)
<b>Distribution Flushing</b> (14 detail records)	
Discharge Sub Total	0.279
Portion Reused	0.008
<b>Meter Testing</b> (1 detail record)	
Discharge Sub Total	0.026
Portion Reused	0.002
<b>Contractor Flush – SWPPP</b> (0 detail records)	
Sub Total	0.000
Portion Reused	0.000
<b>Raw Water Pump-to-Waste</b> (2 detail records)	
Sub Total	0.081
Portion Reused	0.000
<b>Other – Non Event</b> (0 detail records)	
Sub Total	0.000
Portion Reused	0.000
<hr style="border: 0.5px solid black;"/>	
<b>Total Water Flushed for all Types of Discharges::</b>	<b>0.386</b>
<b>Total Monthly Production for December 2016:</b>	<b>477.096</b>
<b>Percent of Total Production Discharged to Waste:</b>	<b>0.08%</b>
<b>Total Water Reused for all Types of Discharges:</b>	<b>0.009</b>
<b>Percent Reuse for all Types of Discharges:</b>	<b>2.3%</b>

## **b. Water Conservation and Regional Water Efficiency Program Report**

### **i. Program Overview for December 2016**

The District continues to message water conservation and use efficiency to its customers, and the District's website continues to reflect the new watering restrictions and the updates to the District's Regulation No. 15. The District will continue to reach out to customers to ensure they are aware of the conservation programs that the District is offering in 2016. The following is a list of District conservation activities for December 2016.

- a. In May 2016 the District's Board of Directors declared Normal Water Supply conditions, but called on District customers to continue to use water as efficiently as possible. The District set an overall water conservation goal of 10%. The District achieved a 32% reduction in December 2016 (when compared to December 2013), exceeding the District's 10% goal. Since the Emergency Drought Regulations were enacted in June 2015, the District has achieved a 27.3% reduction in water use when compared to 2013 (see Exhibit 1).
- b. The Regional Water Authority (RWA) issued the regional water conservation results for November 2016. The Sacramento Region reduced water use by 35.1% in November 2016 (compared to October 2013), 24.8% year to date in 2016 (compared to CY2013), and 28.1% since Emergency Drought Regulations were enacted in June 2015. See Exhibit 2 for regional drought monitoring results.
- c. Customer Leak Notifications – Staff sent out 346 notifications of 72 hour continuous flow events in December 2016. Of those 346 notifications sent, 133 notifications were sent to customers that had not been previously identified on the Continuous Flow Report.
- d. Public Outreach – The District utilized an info graphic for media outreach advising customers to turn off their sprinklers for the winter (see Exhibit 3). The online advertisements used for Facebook generated 155 clicks, reached 17,331 people and left 128,480 impressions. The online advertisements used for Google, generated 390 clicks and left 252,929 impressions.

### **ii. Water Conservation Program and Results**

District staff continues to promote water conservation directly to the District customers. During December 2016 District staff and our contract company performed 24 indoor residential Water-Wise House Calls (WWHC), 17 outdoor residential WWHC's, and 2 Commercial WWHCs. Staff received 14 calls and 6 reports via the District's website regarding reports of water waste. Staff issued 12 Information Only Notices, and 3 Notices of Violation (see Exhibit 4).

Through the District's rebate program customers were provided with 2 Weather Based Irrigation Controller rebates, 1 hot water pump rebate, and 2 Irrigation Efficiency Upgrade rebates. Exhibit 4 provides a breakdown of how many rebates of each type were distributed in December 2016, as well as year to date.

**iii. California Urban Water Conservation Council (Council)**

In December 2016 staff reported that the Council had proposed a major shift in its future direction to its members. By a vote of 85 to 1 the motion to amend the Council's bylaws and transform the Council from a Memorandum of Understanding (MOU) implementation focused organization to a member services organization has passed<sup>1</sup>. The MOU will now be memorialized and the successor organization will now begin working on the following changes:

1. Creating a new name (to be determined at a later time);
2. Changing the Council's principal purpose from MOU implementation to other activities that promote conservation and efficiency;
3. Eliminating the separate member groups so that all members in good standing will be entitled to serve on the Board and vote on matters submitted to Council members;
4. Inclusion of one-person, one-vote and simple majority decision-making at both the board and member levels;
5. Requiring that members be "in good standing" before they are eligible to vote or enjoy other privileges and benefits;
6. Creating a Transition Board and officers; and,
7. Beginning a transition period for the Transition Board to receive member input and propose additional necessary or desirable bylaws amendments to further revitalize the organization.

The District's Water Conservation Supervisor, Greg Bundesen, has been part of the Council's Board of Directors since 2014, and has been part of the strategic planning process for the future of the Council. Mr. Bundesen firmly believes that the new Direction for the Council will benefit the District and all California urban water agencies as they begin to navigate the new proposed legislation from the State Water Resources Control Board to make conservation a way of life in California.

Though not every member of the Council agreed to these changes (several members of Group 2, non-profit environmental organizations such as the Pacific Institute and Friends of the River, will not be continuing on with the successor organization) they did vote to move forward with the transition. The Council will split financial assists between Group 1 and Group 2. This financial split will be sufficient for the Transition Board to complete its task of fully amending the bylaws by the end of CY2017 at which point the new Board of Directors of the successor organization will take effect.

The District voted in favor of the bylaws changes.

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<sup>1</sup> 79 Group 1 agencies and 6 Group 2 agencies voted "Yes". 1 Group 1 agency voted "No".

**iv. District Rebate Program Update**

In an effort to ensure the District is offering the most cost effective water conservation measures, staff conducted a review of the District’s rebate program offerings in December. As a result of the investigation, the following changes to the District’s rebate program will now be in effect:

1. The District will no longer be offering rebates for hot water pumps as the cost-benefit calculation shows that hot water pump rebates are not cost effective.
2. The District will no longer be partnering with the Sacramento Municipal Utilities District for its clothes washer rebates.
  - a. SMUD is no longer offering rebates for efficient clothes washers to residential customer.
  - b. The District will continue to offer a \$75 rebate and process the applications in house.

**v. State Water Resources Control Board (SWRCB)**

The SWRCB is due to submit their proposal to “make conservation a way of life in California.” The proposal, presented by staff during the December Regular Board Meeting<sup>2</sup>, was due to the Governor by January 10, 2017. After reviewing the proposal, the Association for California Water Agencies (ACWA) and the Regional Water Authority (RWA) drafted comment letters regarding the content of the proposal. The District agreed with both ACWA’s and the RWA’s comments and signed onto both of the response letters. Exhibit 6 shows the RWA response letter. Given the size of the document, a copy of the AWCA response letter can be provided upon request. Staff will continue to update the Board regarding the progress of the proposal through the Governor’s office and the legislature.

**vi. Upcoming Events**

- a. SWRCB Proposal Meeting – January 18, 2017, Sacramento, CA
- b. CUWCC Board Meeting – January 19, 2017, Sacramento, CA

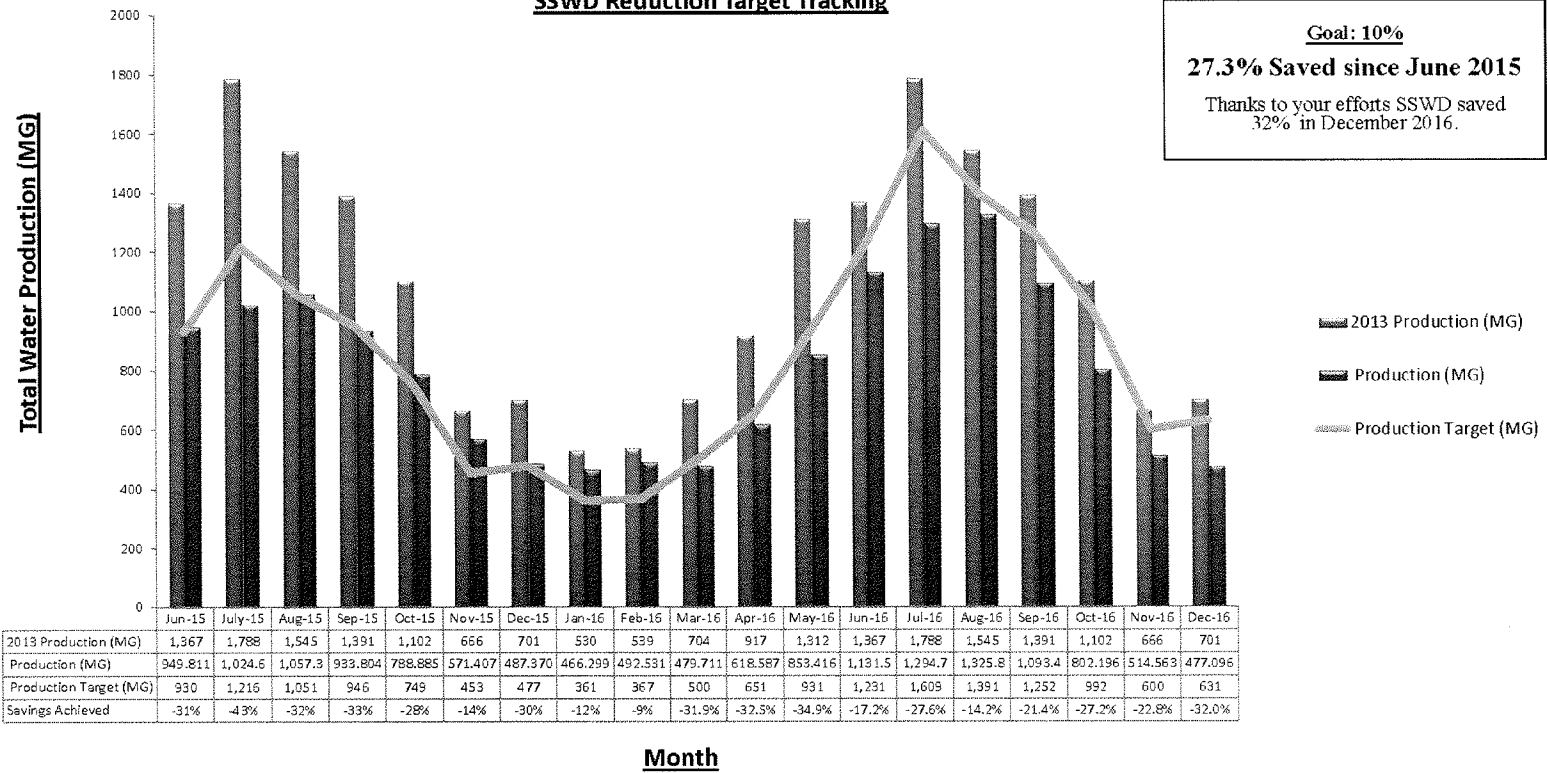
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<sup>2</sup> December 19, 2016, Regular Board Meeting, Agenda Item 17



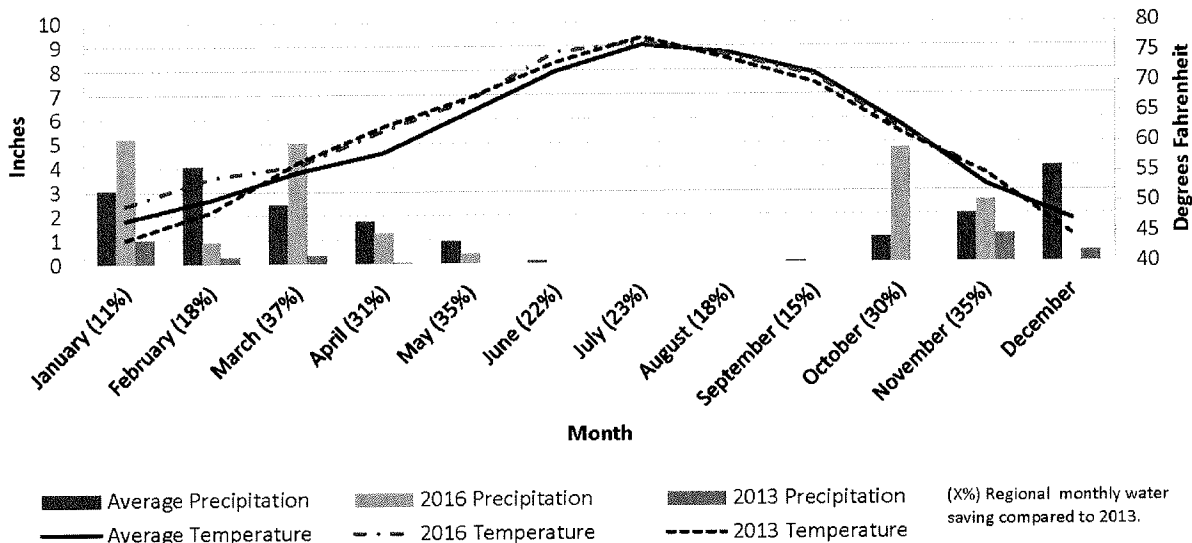
Exhibit 1

**SSWD Reduction Target Tracking**





### Precipitation and Temperature, Average (1998-2015), 2013 and 2016



Water Agency	2016 Residential Gallons Per Capita Per Day (R-GPCD)											
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
California American Water	59	59	58	76	91	121	131	122	111	79	57	
Carmichael Water District	75	78	76	115	155	241	258	276	221	148	94	
Citrus Heights Water District	80	77	77	107	155	213	237	242	189	123	85	
City of Davis	59	60	58	79	99	116	124	142	132	92	68	
City of Folsom	83	89	89	127	166	226	256	259	230	155	106	
City of Lincoln	59	64	55	104	122	156	188	194	167	121	77	
City of Roseville	49	41	46	73	85	135	145	166	160	108	70	
City of Sacramento	72	60	65	85	112	141	156	154	125	90	70	
City of West Sacramento	85	80	75	103	123	159	168	172	147	106	90	
City of Woodland	56	58	52	72	85	115	119	120	113	86	64	
City of Yuba City	73	75	78	105	123	152	144	153	138	104	75	
El Dorado Irrigation District	76	69	79	80	153	183	302	207	230	104	90	
Elk Grove Water District	50	54	52	75	93	135	146	144	132	98	59	
Fair Oaks Water District	69	74	76	122	176	262	293	282	249	149	91	
Golden State Water Company	83	81	83	107	129	191	202	211	202	144	110	
Orange Vale Water Company	84	86	76	115	170	263	290	275	239	143	85	
Placer County Water Agency	56	76	79	95	147	185	211	212	184	139	94	
Rancho Murieta CSD	77	79	74	117	151	245	294	296	255	217	105	
Rio Linda/Elverta CWD	84	90	86	123	167	257	281	268	224	138	95	
Sacramento County Water Agency	65	70	69	102	126	166	171	168	152	103	76	
<b>Sacramento Suburban WD</b>	<b>64</b>	<b>68</b>	<b>63</b>	<b>89</b>	<b>118</b>	<b>153</b>	<b>163</b>	<b>162</b>	<b>139</b>	<b>112</b>	<b>60</b>	
San Juan Water District	97	92	114	198	296	466	534	521	415	221	116	
<b>Sacramento Regional Average</b>	<b>68</b>	<b>66</b>	<b>68</b>	<b>93</b>	<b>123</b>	<b>164</b>	<b>185</b>	<b>180</b>	<b>159</b>	<b>108</b>	<b>76</b>	

Exhibit 3

December Online Advertisements



**Give Them A Holiday**

[sswd.org](http://sswd.org)

Give your sprinklers a winter break and leave them off until spring.



Exhibit 4

## 2016 BMP Activity Report

	<u>Month</u>	<u>Year</u>
	<u>December</u>	<u>2016</u>
<b><u>Foundational BMPs - No Measurable Water Savings</u></b>		
1.1-1 Conservation Coordinator	*	Yes
1.1-2 Water Waste Prevention	*	Yes
1.1-3 Wholesale Agency Assistance	N/A	N/A
1.2 Water Loss Control	N/A	Yes
1.3 Metering/Commodity Rates	44	2,313
1.4 Retail Conservation Pricing	*	N/A
2.1 Public Information	*	N/A
2.2 School Education	*	N/A

<b><u>Programmatic BMPs - Demonstrated Water Savings</u></b>		
3 Residential Audits - Indoors	24	201
3 Residential Audits - Outdoors	17	314
3 Water Conservation Kits - Indoor	25	506
3 Water Conservation Kits - Outddor	0	45
3 High Bill Investigates	13	159
3 Leak Notifications Sent - All Customers	346	4,088
3 Leak Notifications - New Customers	133	NA
4 CII Audits	2	10
5 Large Landscape Audits	0	3

**Current Rebates**

	<u>Monthly Spend</u>		<u>To Date Spent</u>	
Rebates - Cash for Grass	0	\$0	8	\$4,889
Rebates - Pool Covers	0	\$0	5	\$725
Rebates - Hot Water Pumps	1	\$200	20	\$1,962
Rebates - WBIC	2	\$300	21	\$1,806
Rebates - Rain Sensors	0	\$0	0	\$0
Rebates - Irrigation Upgrades	2	\$1,000	23	\$5,279
Rebates - Clothes Washers	0	\$0	84	\$6,483
Rebates - HET Toilets	0	\$0	0	\$0

**Water Waste Calls and Notifications**

Water Waste Calls	14	232
Water Waste via Website	6	233
Notice - Information Only	12	375
Notice of Violation	3	364
Warning Notice of Violation	0	41
1st Violation - Water Waste	0	4
2nd Violation - Water Waste	0	0
3rd Violation - Water waste	0	0

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

Exhibit 6

**Regional Water Authority**  
*Building Alliances in Northern California*

Tel: (916) 967-7692  
Fax: (916) 967-7322  
[www.rwah2o.org](http://www.rwah2o.org)



Spencer Short, Chair  
Jim Peifer, Vice Chair

December 19, 2016

The Honorable Felicia Marcus, Chair  
State Water Resources Control Board  
1001 I Street, 24th Floor  
Sacramento, CA 95814

The Honorable Mark Cowin, Director  
California Department of Water Resources  
P.O. Box 942836, Room 1115-1  
Sacramento, CA 94236-0001

**Members**

California American Water  
Carmichael Water District  
Citrus Heights Water District  
Del Paso Manor Water District  
El Dorado Irrigation District  
Elk Grove Water District  
Fair Oaks Water District  
Folsom, City of  
Golden State Water Company  
Lincoln, City of  
Orange Vale Water Company  
Placer County Water Agency  
Rancho Murieta Community Services District  
Roseville, City of  
Rio Linda / Elverta Community Water District  
Sacramento, City of  
Sacramento County Water Agency  
Sacramento Suburban Water District  
San Juan Water District  
West Sacramento, City of  
Woodland-Davis Clean Water Agency  
Yuba City, City of

SUBJECT: Comments on "Making Water Conservation a California Way of Life" November 2016 Public Review Draft

Dear Chair Marcus and Director Cowin:

The Regional Water Authority (RWA) appreciates the opportunity to comment on the "Making Water Conservation a California Way of Life" November 2016 Public Review Draft (Draft). RWA is a Joint Powers Authority that represents 21 water suppliers in the greater Sacramento region. Collectively, these agencies provide reliable water supplies to over two million residents and thousands of businesses.

The Sacramento region is dedicated to preparing for future droughts and continuing water reliability investments through a balanced approach of supply augmentation and demand management. To increase reliability, our region's suppliers have planned and built numerous projects, including system interties, expanded groundwater extraction capacity, and increased surface water diversion and treatment as a part of an integrated conjunctive use program. Our region's customers have decreased total water demand 9% from 2000 to 2013, while population increased 17%, demonstrating a commitment to long-term water efficiency. Additionally customers saved 19% in 2014 under voluntary conservation targets and 30% from June 2015-June 2016 under State mandated conservation targets, demonstrating the ability to aggressively conserve in times of potential shortage. Through ongoing planning, investment, efficiency and conservation efforts, we are good stewards of our water resources and we will continue to be in the future.

With this shared sense of stewardship, we appreciate the EO agencies' continued commitment to implementing Governor Brown's Executive Order B-37-16. We support the following recommendations in the Draft:

- **Update Urban Water Management Plans to include a 5-Year Drought Risk Assessment**, following a similar methodology to the current 3-Year assessment.
- **Update Water Shortage Contingency Plans to include an Annual Water Budget Forecast**, focusing only on a single current year (not multi-year) analysis.
- **Require monthly reporting and transparency of data**, dependent on the State clearly identifying existing statutory authority to implement this requirement.
- **Develop performance measures for the Commercial, Industrial and Institutional (CII) sector in lieu of an overall CII percent reduction**, implemented through a joint committee of water agencies, CII leadership and other interested parties while

**Associates**

El Dorado County Water Agency  
Sacramento Area Flood Control Agency  
Sacramento Municipal Utility District  
Sacramento Regional County Sanitation District

incorporating previous work from the CII Task Force Water Use Best Management Practices Report to the Legislature (dated October 21, 2013).

**Our main concern with the Draft is that Section 3.1 New Water Use Targets Based on Strengthened Standards (target method) falls short of Executive Order B-37-16's stated intent that, "targets shall be customized to the unique conditions of each water agency."** A number of unique conditions are neglected in the Draft as described below, including water rights and the availability and reliability of water; local authority, planning and decision making; cost effectiveness; local need; and quality of life. The Draft should be revised to incorporate consideration of these unique conditions.

- **Water rights are not adequately recognized or protected, and local water availability and reliability are not considered in the target method, potentially resulting in "rationing" of water rather than its efficient use, while stranding current investments and stifling similar future investments.** The ability for suppliers to bank or transfer conserved water in conjunction with the target method must be assured. The methodology should consider the relative availability of water supply at the local level, in both target setting and compliance timelines. Water supplier revenue is returned to customers through investments in both supply and infrastructure reliability. We applaud the State for contributing to these causes through numerous grant programs for billions of dollars over the last decade via Propositions 50 and 84. Customers have paid for these investments through water rates and State bonds. By not allowing local suppliers to use these investments, we are betraying the trust of customers and those who voted for these propositions in good faith.
- **The target method is "one size fits all" and is not fully customized to local conditions.** One method with a singular "customizable" component like population in the indoor use calculation does not account for the age of housing stock, use of swamp coolers and other factors. More importantly, the target method completely disregards the difference between consumptive and total indoor use. We estimate that more than 40% of the region's potable use is returned to the Sacramento River watershed for downstream use by others or the environment, substantially decreasing our net or consumptive use. These local conditions are integrated into local planning and decision making efforts (e.g. infrastructure investments) by water suppliers and elected officials. The target method undermines those decisions and discredits the effective leadership and planning that has been successfully demonstrated in the recent drought by a majority of the water suppliers statewide.
- **The target method is unnecessarily data intensive and out of portion to the water savings benefits.** Success of the target method is critically dependent on the ability to accurately calculate parcel-specific landscape areas statewide. Methods for calculating landscape areas at this scale have broadly documented errors and have been implemented locally by very few urban water suppliers, at great expense and for very specific local purposes. Establishing permanent statewide policy on such limited experience takes a gamble with public resources and potentially puts both state and local staff in an uncomfortable position to defend the investment, especially considering the aggressive timeline for implementation outlined in Section 3.1.3. The State should adjust the timeline to ensure the landscape area methodology has a level of accuracy to facilitate expected levels of water savings. In addition, a simpler alternative approach, like the percent reduction used in the successful implementation of SBX7-7, should be included to achieve the same level of savings through local decision making without the vast resources required with the target method.

- **The State provides no clear definition of the purpose of the water savings that would be required under the target method.** A need for improvement in long term efficiency by any specific water supplier should be documented in the supplier's urban water management plan as a part of its comprehensive water management strategy. With respect to conservation during drought, the State identifies (Section 3.2.3) the intent to "allow for local control in defining the risk tolerance." The State should base water use standards on a clearly identified need at either the local or statewide level, neither of which are included in the Draft.
- **Any future changes to quantitative standards in the target method must be made through legislation to maintain local quality of life values for all of California's communities.** Section 3.1.3 states the target method standards will be reevaluated every 5 years starting in 2025 and may be revised "downward." There is a threshold in which water targets go beyond efficiency and eliminating waste and move to redefining customer quality of life values. Movement toward this threshold is outside of this Draft's scope and should be decided through a public and inclusive legislative process.

Executive Order B-37-16 and the California Water Action Plan prioritize "making water conservation a California way of life." However, the Draft focuses implementation and enforcement solely on water suppliers and is not inclusive of all of California's water users and associated entities. For example, the target method would task water suppliers with requirements for actions that are outside their authority, such as controlling landscaping choices of California citizens. For success, we need a shared responsibility among water suppliers, the State, and all water use sectors, which starts with identifying authority and targeting the appropriate entities to get the job done. In addition, extensive outreach efforts will be needed to educate the public on how to become more water efficient. The Draft states (Section 3.1.3) that "the EO agencies will actively communicate the need for water use targets and their implementation through public outreach and engagement, sharing the responsibility for public education with water suppliers." As a first step, the State should robustly fund Save Our Water (SOW) and continue to promote it as the "go to" customer resource for statewide efficiency information. The historical SOW budget (\$1-\$4 million annually) is grossly insufficient for a State of 39 million people.

The comments above build on those provided by RWA and a number of signatories throughout the State on multiple occasions, which we fully support. RWA is also a signatory to a comment letter signed by over 100 water suppliers and partners from around the State that provides additional feedback on components of the Draft and identifies areas of shared concern.

Executive Order B-37-16 states "strengthening local and regional drought planning are critical to California's resilience to drought and climate change." We couldn't agree more. Water agencies need the flexibility to plan and make investments in infrastructure and efficiency programs that take locality into account not an unproven methodology that could inhibit local solutions.

Respectfully,



John Woodling  
Executive Director



**c. Customer Service Report**

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

1. Customer Service Activity Report shows activity for the month of December 2016.
2. Call Volume Report shows number of calls received, abandoned calls, and queue times.

**ii. Customer Service Exceptions**

There were no significant exceptions to report.

**Exhibit CS-1**

	<u>December 2016</u>		<u>Calendar Year 2016</u>	
<b><u>Customer Service Department</u></b>				
<b><u>Billing</u></b>				
Water Connections - Total Active	46,661		n/a	
Active Flat w/o Meter	8,041		n/a	
Active Flat w/Meters	2,044		n/a	
Active Meter Non-Residential	7,309		n/a	
Active Meter Residential	29,267		n/a	
Water Connections - Suspended	495		n/a	
Owner/Tenant Billing Agreement	1,270		n/a	
E-billing	2,860		n/a	
Water Statements Mailed	39,935		476,700	
Monthly Calls	3,066		43,149	
Customer Changes	275		2,960	
<b><u>Collections</u></b>				
15-Day Notices	1,622		17,194	
48-hour Door Tags Generated	807		8,646	
Lock-off Door Tags Generated	178		2,340	
Bankruptcy Processed	1		53	
<b><u>Payments</u></b>				
Cash/Check Payments (Front Office)	1,548	4.0%	18,919	4.1%
Credit Card Payments (Front Office)	729	1.9%	8,783	1.9%
SSWD Customer Web Payments	4,050	10.4%	43,390	9.4%
Direct Payment Service (Auto Pay-Checking)	4,651	12.0%	56,003	12.2%
Direct Payment Service (Auto Pay-Credit Card)	2,819	7.3%	28,852	6.3%
IVR (Automated Phone System)	1,360	3.5%	16,611	3.6%
Electronic Payments (Online Banking)*	11,343	29.2%	132,342	28.8%
LockBox (Checks)	12,296	31.7%	155,221	33.7%
<b>Total Payments</b>	<b>38,796</b>	<b>100.0%</b>	<b>460,121</b>	<b>100.0%</b>

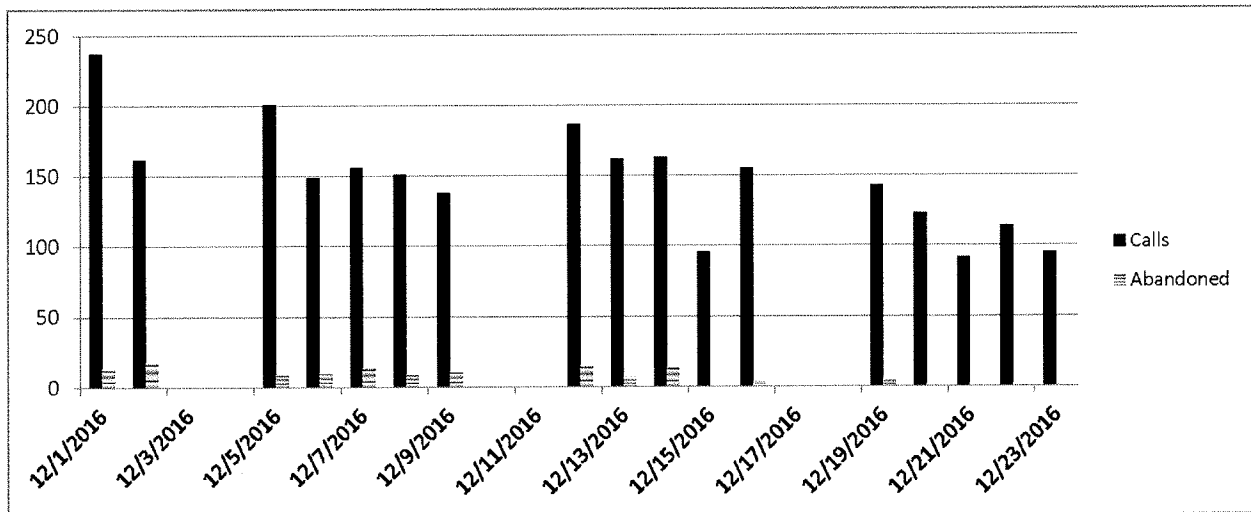
\*Electronic payments have been combined into one category

**Exhibit CS-2**

Date Ranges : 12/01/2016 - 12/31/2016

Time Ranges : 08:00 a.m. - 04:30 p.m.

Date	Calls Accepted	Calls Abandoned	% of Calls Abandoned	Avg Wait On Queue	Max Wait on Queue	Avg Talk Time
12/1/2016	237	13	5.49%	2m, 36s	16m, 52s	3m, 30s
12/2/2016	162	18	11.11%	2m, 42s	11m, 18s	4m, 32s
12/5/2016	201	9	4.48%	1m, 59s	11m, 48s	3m, 18s
12/6/2016	149	10	6.71%	1m, 18s	9m, 54s	3m, 10s
12/7/2016	156	14	8.97%	3m, 24s	21m, 40s	4m, 9s
12/8/2016	151	9	5.96%	1m, 17s	10m, 15s	3m, 56s
12/9/2016	138	11	7.97%	1m, 53s	15m, 1s	4m, 15s
12/12/2016	187	15	8.02%	2m, 23s	14m, 8s	2m, 50s
12/13/2016	162	7	4.32%	1m, 29s	14m, 31s	3m, 18s
12/14/2016	163	14	8.59%	2m, 31s	18m, 11s	4m, 2s
12/15/2016	96	0	0.00%	54s	8m, 39s	3m, 17s
12/16/2016	155	3	1.94%	40s	6m, 55s	2m, 50s
12/19/2016	143	4	2.80%	57s	7m, 11s	3m, 49s
12/20/2016	123	1	0.81%	51s	5m, 54s	3m, 21s
12/21/2016	92	2	2.17%	31s	4m, 48s	3m, 7s
12/22/2016	114	1	0.88%	28s	4m, 47s	3m, 37s
12/23/2016	95	1	1.05%	17s	3m, 51s	2m, 53s
12/27/2016	155	2	1.29%	54s	7m, 28s	3m, 21s
12/28/2016	127	0	0.00%	43s	6m, 59s	4m, 3s
12/29/2016	130	3	2.31%	1m, 5s	9m, 58s	3m, 29s
12/30/2016	130	1	0.77%	1m, 5s	6m, 14s	3m, 30s
<b>GroupTotal</b>	<b>3066</b>	<b>138</b>	<b>4.50%</b>			



#### **d. Community Outreach Report**

##### **i. February Bill Insert**

The February bill insert will begin on January 23, 2017 and continue until February 19, 2017. The bill insert includes the following articles:

- H<sub>2</sub>O Hero: DIY Yard Conversion
- Conservation 365, Landscape Profile
- Flush with Savings
- How Does SSWD Supply Your Water; Production Department
- E-mail List

The bill insert is scheduled to be posted on the District's website at the end of December, 2016. A sample of the bill insert has been included with this report.

##### **ii. February Envelope Message**

The February envelope reminds customers to turn off their sprinklers until the spring. The envelope will begin on January 23, 2017 and continue until February 19, 2017.

##### **iii. Community Meetings/Events**

Staff, representing SSWD, attended the following agency meetings, conference calls, community meetings, and events in December 2016:

<u>Date:</u>	<u>Meeting:</u>	<u>Staff:</u>
12/01-12/02	ACWA all Conference	Roscoe/Mitch Dion
12/07/16	RWA Executive Committee	Rob Roscoe
12/08/16	Kennedy/Jenks Water Quality Meeting	Rob Roscoe
12/08/16	SGA Meeting	Roscoe/York/Dion
12/08/16	RWA & SGA Annual Event	Roscoe/York
12/13/16	McClellan Park Contamination Meeting	Dan York
12/14/16	Garden on Eden Ribbon Cutting Event	Roscoe/York
12/14/16	Water Caucus Meeting	Roscoe/York
12/14/16	RWA Regional Water Transfer	Dan York
12/14/16	McClellan RAB Meeting	Dan York
12/15/16	SAWWA Meeting	Roscoe/York
12/15/16	Water Forum Meeting	Dan York
12/19/16	Supervisor Elect Sue Frost Meeting	Dan York
12/21/16	RWA Lobbyist Subscription Meeting	Rob Roscoe
12/21/16	CHWD Compensation Study	Dan York
12/22/16	2017 Water Transfer – Reclamation	Dan York

00183344



# H<sub>2</sub>O on the Go

February 2017

## Conservation 365 Landscape Profile | Create a Garden That Loves the Rain


**365**  


Conserve Water Every Day

Thinking about redoing your yard? Consider creating a rain garden.

In a rain garden, rainwater from downspouts or the pavement is channeled toward a dry creek bed lined with stones and then into a shallow depression planted with deep-rooted native plants. The rain garden allows water to slowly filter into the ground rather than running off to a storm drain. It helps keep our rivers clean, stops storm drains from overflowing and can even replenish the groundwater table.

Make sure to use low-water plants that are durable and well adapted to our climate and soils. You can find a list of plants at [BeWaterSmart.info](http://BeWaterSmart.info).

You can also tour SSWD's new Garden on Eden at 4900 Eden Court in Carmichael to see how a rain garden looks in person. 

[sswd.org](http://sswd.org)

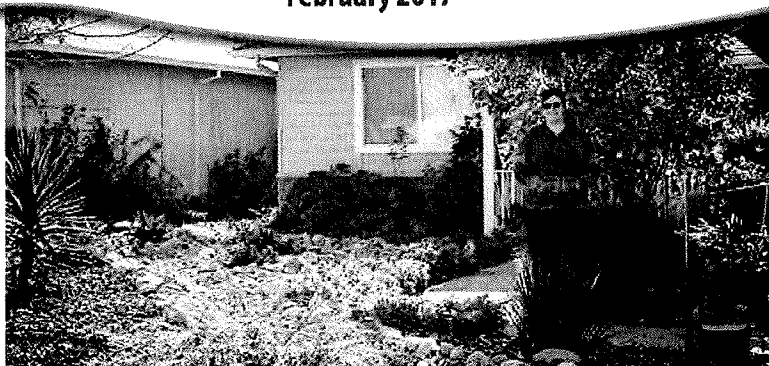
Phone: 916.972.7171

Fax: 916.972.7639

3701 Marconi Avenue, Suite 100

Sacramento, CA 95821-5346

Hours: M-F, 8:00 a.m. to 4:30 p.m.



## H<sub>2</sub>O Hero: DIY Yard Conversion | With A Little Help From a Friend

Maureen, our February H<sub>2</sub>O Hero, moved into her new home last year and knew right away she wanted to redo the yard.

"I wanted to do my part to conserve water – and free up my weekends," Maureen explained. "I'm also allergic to grass, so getting rid of my lawn provided lots of benefits."

Maureen began the process by letting her lawn die over the fall and winter, and made sure to apply for the rebates SSWD was offering. In the spring, Maureen and her friend Mike removed the dead lawn in the front and back yard using a sod cutter and hand tools, and hauled away a few truckloads of dead sod and dirt.

*H<sub>2</sub>O Hero | page 2*

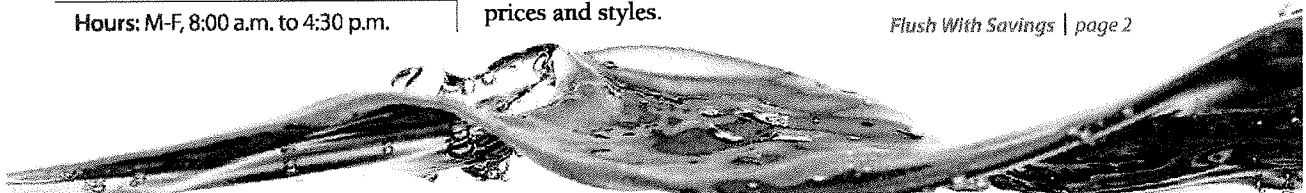
## Flush With Savings

Toilets use the most water of any fixture in a home and account for nearly 30 percent of an average home's water use. Older toilets can use as much as 6 gallons of water per flush. New WaterSense-labeled high-efficiency toilets can use as little as 1.28 gallons per flush or less and still provide equal or superior performance to older models.

By replacing your old toilets with WaterSense-labeled high-efficiency models you can reduce water use by 20 to 50 percent, that's almost 13,000 gallons a year in water saved. Toilets that have the WaterSense label have been independently certified to meet rigorous criteria for performance and efficiency. WaterSense-labeled toilets are available at wide variety of prices and styles.



*Flush With Savings | page 2*





### How Does SSWD Supply Your Water | An Overview Of The SSWD Production Department

The 12 member SSWD production department oversees the production of the water delivered to your home and is responsible for making sure it is the highest quality.

The production team is busy seven days a week monitoring the 100+ water production facilities that include wells, treatment facilities, booster pump stations, pressure reduction stations, elevated tanks and ground level reservoirs. On a daily basis they log system conditions (e.g. pressure, flow and tank levels), conduct water quality sampling and complete system repairs and preventive maintenance to keep everything operating at peak efficiency.

SSWD relies principally on groundwater sources, operating 73 active wells and seven stand-by wells. In addition to the wells, the District has four elevated storage tanks and three 5 million gallon reservoirs, many with emergency back-up power sources, to ensure an uninterrupted supply of water to our valued customers.

In 2015, SSWD produced 8,961 million gallons of water (an average of 25 million gallons per day, or 1 million gallons per hour). We've invested substantially over the years in the region's groundwater system, making our water supply exceptionally reliable. Even with the region relying more heavily on groundwater sources during the drought, our supply remains stable and healthy.

#### Flush With Savings | from page 1

If you hear your toilet "running" and it hasn't been flushed in awhile, you may have a leaky flapper valve. This is a simple fix that will prevent you from wasting water and money.

You can check out models available and learn more about other WaterSense-labeled products at [www3.epa.gov/watersense](http://www3.epa.gov/watersense).

#### H<sub>2</sub>O Hero | from page 1

With help from Mike, Maureen developed the layout for her new landscape. They began by making note of what they saw in neighboring yards and liked. Maureen then sketched out the design for where the plants would go, and incorporated a dry creek bed as a key design element.

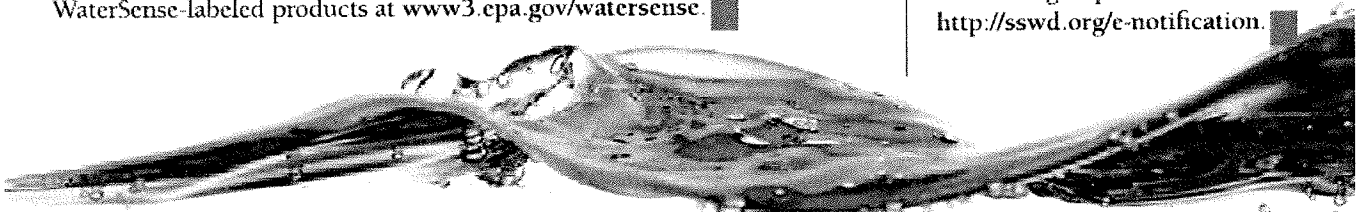
Maureen selected and placed her plants based on heights so that they had a nice flow and used red-hot poker, lantana and various succulents to add color and interesting shapes. She also converted the existing sprinkler system into drip irrigation to water the new plants. The whole process took about three weeks of work.

"I no longer have to worry about the lawn affecting my allergies and I've created a new home for hummingbirds, bees and other pollinators. I love the colors we added and placed a small section of artificial turf in the backyard for my dogs. My new yard is extremely low maintenance, saves a lot of water, and is very pretty. I couldn't be happier with the results. And my neighbors love it too."

Are you a H<sub>2</sub>O Hero? Let us know and you could be featured in a SSWD bill insert and on our website.

#### E-Mail List

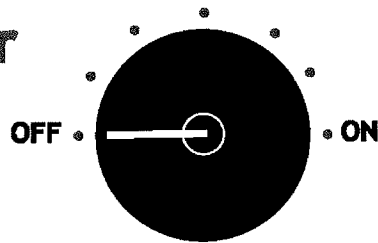
Interested in getting the latest news about watering guidelines, upcoming events, rebates, other SSWD activities and updates? You can sign up online at <http://sswd.org/e-notification>.



sswd.org

**Turn OFF Your  
Sprinklers  
This Winter**

**Volunteer to Help**



**OFF Until  
Spring**





## Agenda Item: 10

**Date:** January 6, 2017

**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

Weather has become an aspect in all of our projects. Wet season work requires additional considerations such as limited daylight hours and stormwater runoff control provisions. The District has continued to deliver CIP projects at a steady rate supporting operations and ensuring the readiness of District supply and facilities.

#### 1) Supply

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

Final completion of the project was delayed due to punch list and operations requested items to be completed by the District's contractor, Koch & Koch, and the time to negotiate and process a final project change order. However, the well continues to produce water into the system. One key punch list item completed is the submittal of the various manufacturer's operation and maintenance (O&M) manuals. The final change order included; site drainage improvements, redundant venting of chlorine tank and a few other minor items. Koch & Koch has notified the District that all punch list work has been completed and a final inspection and walk-through is scheduled for the week of January 9<sup>th</sup>. A Notice of Completion will then be filed at the County Clerk/Recorder's Office. The District's engineer, Wood Rodgers, is currently working on preparing the as-built drawings for the project.

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

The District's consultant, Luhdorff and Scalmanini Consulting Engineers (LSCE), is providing design, bidding and construction management services for the construction of a replacement well at the District's Palm Well (N6A) site. Roadrunner Drilling & Pump Company completed the development of the well. The well and pumping facilities are anticipated to be constructed and operational in July 2017. Design of the pump and facilities is nearing completion and is scheduled for bid in early February 2017.



### **Well Evaluation and Rehabilitation Consulting Services**

The District requested Statements of Qualifications (SOQ) from nine (9) qualified consulting firms to assist District staff in evaluating groundwater well performance and making recommendations on specific well rehabilitation work and improvements. These services are broad and include; review of existing well data and design information, well exploration and evaluation recommendations and services, well rehabilitation recommendations and services, design of recommended well improvements, permitting services, coordination with regulatory agencies, bidding and/or contractor selection services, and construction management. The SOQ's have been reviewed and rated, interviews will be conducted with the top three or four, and then a recommendation will be provided to the General Manager. This is anticipated to be a multi-year contract for up to three years.

### **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. General contractor Clyde G. Steagall, Inc. is under contract for this work. Construction work at this site continued during the month of December. On December 8<sup>th</sup>, a Factory Acceptance Test (FAT) was conducted on the new motor control center (MCC) panel. As a result of the test, a few programming modifications were requested. The new MCC panel was delivered and installed during the week of December 19<sup>th</sup>. Electrical conductors were then pulled to/from the panel. Final site paving was completed during December. The new submersible pump/motor that was pre-purchased by the District was received during the week of December 12<sup>th</sup> and will be installed in January 2017. Due to some changes during the course of construction, the contracted completion date has been extended to January 27, 2017.
- Well #59A, Bainbridge/Holmes – An existing sound enclosure was refurbished and re-installed over the vertical turbine pump to control noise. This well can be operated into the system, but is best restrict during day-time until the sound enclosure is completed.
- Well #31A, Watt/Elkhorn – The source of the new gravel was previously identified and the District's consulting engineer, LSCE, is completed field tests and has prepared a report providing a recommendation repairs.
- Well #3A, Kubel/Armstrong – The new well pump and motor has been installed and the discharge piping has been rebuilt. Some additional site electrical work remains to be completed. The new electrical panel and conduit/wire will be installed in January.

- Well #N8, Field – The work to restore the well to operations is underway. The well was taken out of service and required oil (food grade lubricating oil) was removed from casing. Over 200 gallons of pump oil were removed from the well. The new configuration is to use water lube bearings which avoid the reoccurring biological contamination issue.
- Well #N15, Cabana – Concentrations of Trichloroethylene (TCE) above the maximum contaminant level (MCL) was detected in early-2016 and the well was taken off-line. TCE is a volatile solvent commonly used an industrial degreaser or is a by-product of Tetrachloroethylene (PCE) degradation. The District has contracted with Sierra West Consultants (SWC) to perform an Environmental Assessment (ESA) to determine the source of the TCE contamination. The study will also examine past land uses dating back 50 to 100 years using database searches, historical Sanborn insurance maps, and dated aerial photographs. A report is pending. The site is very restrictive in size and access, it is unlikely that a treatment process can be accommodated on the site and an alternative source may be needed.
- Well #N17, Oakdale –The replacement 5,000 gallon hydro pneumatic tank was delivered and installed. This new tank is pressure rated for service in this location. The well is also undergoing a light refurbishment while it is off line this winter.

## 2) Distribution

### **2017/2018 Water Transmission Mains Project**

In November, the District received Statements of Qualifications (SOQ) from seven (7) qualified consulting firms interested in providing design and construction management services for three proposed sections of transmission mains in the District's North Service Area (NSA). Following review and ranking of the SOQ's, four of the firms were short listed and interviewed. The District intends to retain the two most qualified consultants. The short listed firms were Domenichelli & Associates, Forsgren Associates, Quincy Engineering, and MWH/Stantec. Interviews were conducted with the four firms. Recommendations and proposed contracts will be submitted to the General Manager in January.

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

Doug Veerkamp General Engineering and GM Construction have completed the project pending punch list. The Notice of Completion will be filed with the County of Sacramento Recorder's Office during the week of January 3rd.

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

Construction work by Tetra-Tech is completed. Close-out documentation is underway.

**Edison Meadows Main Replacement Project**

This project has been rescheduled until late-2017 to coordinate with other main replacement projects, County needs and school schedules.

**Parkland Estates Main Replacement Project**

This project has been divided into two phases. Phase 1 of the main line installation is nearly complete with 1,700 feet (out of 1,800 feet) of ductile iron (DI) pipe installed. GM Construction has 19 services to complete. The Phase 1 project is on schedule and under budget. Phase 2 work is expected to begin in early February and will take 7 to 9 months to complete.

**2017 Meter Retrofit Project**

The 2017 Meter Retrofit Project was bid in November. The bid opening for the project was held on December 22, 2016. The District received three bids with Flowline Contractors, Inc. providing the lowest responsible bid at \$1,345,845. A Notice of Award as been issued to Flowline along with contract documents. The District intends to issue a Notice to Proceed for the week of January 16, 2017. The project will retrofit and install approximately 1,150 meters located within 15 areas. Seven areas are located in the North Service Area (NSA) and eight in the South Service Area (SSA). The engineer's estimate for this project was \$1,450,000. Approximately 2,100 meters were installed in 2016 and the balance of unmetered accounts is approximately 7,500. In compliance with CEQA, a Notice of Exemption (Categorical Exemption, Class 1) was filed with the County of Sacramento Clerk's office on November 22, 2016.

**b. County and City Projects/Coordination**

The County of Sacramento's trench and paving repairs initiative has been tentatively scheduled presentation to the Board of Supervisors on February 6, 2017.

**c. McClellan Business Park**

Discussions have continued in attempted to resolve on-going concerns and disagreement regarding the infrastructure and cost liability for the McClellan area.

**d. Groundwater Quality Projects**

**Local Groundwater Assistance Grant Project**

The District has completed and submitted all of the required deliverables for this project per the Grant Funding Agreement with the Department of Water Resources (DWR). On December 27, 2016, the final Monitoring Results Technical Memorandum was received from B&C and uploaded to DWR's GRanTS Website. Subsequently, on December 31, 2016, the final Project Completion Report was received from B&C and it was also uploaded to the GranTS website. Through these actions, the agreed upon deliverables were submitted to DWR or before the grant termination date of December 31, 2016. The only remaining item to be submitted to DWR is an invoice package for grant reimbursement. This invoice package is currently being prepared by the District.

**e. General**

There are approximately 40 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 December, the following projects were approved for construction:

▪ **4540 American River Drive – Rio Americano High School**

This project is located in the South Service Area, Division 5, of the District's service area. The project is the expansion of the existing school facilities. One fire service will be installed.

▪ **3701 Dudley Boulevard**

This project is located in the North Service Area, Division 2, of the District's service area. The project is the remediation of soils at McClellan Business Park. A section of water main will be temporarily removed and permanently replaced.

▪ **5441 Garfield Avenue – Trojan Storage of Sacramento**

This project is located in the South Service Area, Division 3, of the District's service area. The project is the expansion of the existing storage facilities. One fire service will be installed.

▪ **4552 Palm Avenue – Malibu Palm Court Subdivision**

This project is located in the North Service Area, Division 3, of the District's service area. The project is the construction of a 20-home subdivision. Twenty domestic water services will be installed.

Total fees collected for CY 2016 were approximately **\$522,308**, of which Facilities Development Charges accounted for approximately **\$426,413**.

**f. Planning Studies**

**Water Master Plan Update**

An Administrative Draft of the Water Master Plan Update report was completed in November by the District's consultant, Brown and Caldwell (B&C), and copies of the draft report were distributed for review. In December, an update of the Water Master Plan was presented to the Facilities and Operations Committee. Based on the current schedule, we will complete a final draft report by January 13, 2017, and this final draft report will be presented to the F&O Committee at their meeting scheduled for January 20<sup>th</sup>. Final review comments are due January 27<sup>th</sup> and a final report will then be prepared for proposed adoption at the regular March meeting of the Board of Directors.

**g. Other**

**New Property on Antelope North Road**

The new property that was recently acquired on Antelope North Road has been cleared and grubbed. Area West Engineers is currently preparing a Grading Plan and Frontage Improvement Plan for the property. Staff is also obtaining quotes from fence contractors to fence the site perimeter after it is graded.

**Sacramento County LAFCo**

The Sacramento Local Agency Formation Commission (LAFCo) is scheduled to take action on the Carmichael Water District /SSWD annexation and de-annexation in February.

**Sacramento Suburban GPS/GIS Implementation Project**

The District has commenced a program to acquire and use GPS and eliminate inefficient and inaccurate descriptive criteria in mapping. Includes is an update the base map which will facilitate the use of GPS data and in the mapping products provided by the GIS.

**San Juan Water District Wholesale Water Management and Reliability Study**

San Juan Water District initiated their study in March 2016 and recently conducted a joint meeting with member agencies to disseminate information regarding their key finding, recommendations and next steps. They anticipate the planning to continue through 2108.



## Agenda Item: 11

**Date:** January 16, 2017

**Subject:** Financial Report

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

Eight reports are attached for your information. They are:

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

### Draft Financial Statements

**These Financial Statements and certain other reports noted above and below are presented in Draft form and should not be relied upon for investment or other decision making purposes. As December 31 is the District's year-end for financial reporting purposes, amounts presented in this report will remain "Draft" until the external auditor's financial audit is complete and the Board accepts the audited 2016 annual report (CAFR). The results of the audit and the CAFR are expected to be complete and brought to the Board at the April Board meeting.**

#### DRAFT - Balance Sheet:

District cash and cash equivalents decreased to \$2.7 million as of December 31, 2016, down from \$3.1 million at December 31 2015. Cash held in the District's bank accounts (\$3.2 million as of December 31) is held in accordance with state and federal regulations, which state that cash held in the District's bank accounts above the FDIC insured limits must be fully collateralized with government securities that are equal to or greater than 110% of the District's cash balance in the bank at any time.

Investments decreased since December 31, 2015 by \$2.6 million to a total of \$34.6 million, reflecting a planned reduction of reserves, net of unrealized market value losses and the reinvestment of interest received.

Capital assets grew \$20.2 million to \$449.1 million as of December 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 \$235.7 million as of December 31, 2016, compared to \$225.7 million at December 31, 2015 for an increase of \$10 million.

Income Statement:

The net position increase of \$10.0 million in 2016, when compared to \$12.8 million in 2015, shows:

1. Water Consumption Sales increased by \$1.4 million (14.6%) compared to 2015 due primarily to increased water deliveries as 29,312 acre-feet of water was delivered in 2016 compared to 27,502 acre-feet in 2015 for an increase of 6.7 percent. In addition to the increased income from water consumptions sales was a 4.0 percent rate increase that took effect at the beginning of 2016.
2. Capital Facility Charges increased by \$1.0 million in line with the 4.0 percent rate increase referred to above.
3. Operating expenses increased by \$0.9 million due primarily to the purchase of surface water in the North Service Area at a cost of \$2.3 million as surface water was available to the District in 2016. Partially offsetting the increased cost from purchasing surface water was a decrease of \$1.2 million in groundwater pumping costs.
4. 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.
5. Developer contributions decreased by \$0.4 million compared to the same period a year ago, attributable to a reduction in donations of water system infrastructure assets from many different developer sponsored projects.
6. Sales of pumping capacity did not recur in 2016. In 2015, the District sold capacity to San Juan Water District via the pump back project.

DRAFT - Amended Budgets:

The District’s operating and maintenance expenditures through December 2016 essentially came in at budget as the difference is less than \$6,000.

Operating capital project expenditures in December were \$0.4 million, bringing expenditures to-date to \$0.95 million. The total amended budget for the year is \$0.974 million.

The District's amended capital improvement project (CIP) budget for 2016 is \$18.8 million. For 2016, \$18.5 million has been spent. Expenditures continue to be primarily in distribution system replacements, well improvements/replacements and meter retrofit projects.

#### Debt – December 2016

This report shows District activity in repaying its long-term debt obligations. Scheduled 2016 principal payments of \$3.9 million were made in October along with \$1.1 million in semi-annual interest. Total principal outstanding as of December 31, 2016 is now \$85.6 million.

#### Investments Outstanding and Activity – December 2016

Reserve funds are invested in diverse investments that consist of corporate notes, Federal Agency bonds and discount notes, Supra-National Agency Bonds, U.S. Treasury bonds, notes and bills, collateralized mortgage obligations, commercial paper, municipal bonds, negotiable certificates of deposit, Asset-Backed Securities 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 1.43% per annum, while LAIF is earning 0.68% 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 two Certificates of Deposit for \$1.5 million (par), one US Treasury Note for \$1.0 million (par) and one Federal Agency note for \$0.4 million (par). The District sold two Certificates of Deposit for \$1.6 million (par), five US Treasury Notes for \$1.6 million (par) and one Agency Notes for \$0.6 million (par). The District received principal paydowns on three Federal Agency Collateralized Mortgage Obligations of \$30,862 (par) and three Asset-Backed Security Obligations for \$40,791 (par). See "Investment Activity" section in the attached report for further details.

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

#### Cash Expenditures – December 2016

During the month of December, the District made cash payments totaling \$5.7 million. The primary expenditures were – \$2.2 million for capital improvement projects, \$1.6 million for capital improvement and operating inventory and supplies, \$0.2 million for operating capital projects, \$0.2 million for water costs including surface water costs, pumping and chemical costs, \$0.2 million for District water system maintenance and repairs, \$0.2 million for debt service, and \$0.6 million for payroll, pension and health benefits.

#### Purchasing Card Expenditures – December 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 \$11,814 for various purchases on the six District purchasing cards. Details by vendor and purpose are included in this report.

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

Director meetings attended during the month of December and expenses are attached in accordance with the District's Directors' Compensation and Expense Reimbursement Policy (PL – BOD 003) and Government Code Section 53065.5. 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 December 2016

The first page in this report shows current market rate data. The overall yield curve was decreased compared to the prior month and increased compared to prior year. The yield on 30-year Treasury Bonds decreased 22 basis points compared to the prior month to 2.95% while short-term rate increased 3 bps to 0.52%. 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 2.81% while the short-term rate was at 0.23%. The Federal Reserve Target Rate increased by 25 basis points to 75 basis points compared to 50 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.

#### DRAFT - District Reserve Fund Balances

The District's Reserve Policy, PL – Fin 004, requires the District to maintain a certain level of cash and investments on hand at any one time, as determined by the Board annually. Balances as of December 31, 2016 are \$40,845,329 compared to \$43,839,120 at December 31, 2015.

#### DRAFT - Information Required by Bond Agreement

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

**DRAFT - Financial Statements  
December 31, 2016**

**Sacramento Suburban Water District  
Balance Sheet**

	As Of		
		<u>Month End</u>	<u>Year End</u>
		<u>12/31/2016</u>	<u>12/31/15</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		\$2,676,072.13	\$3,107,756.76
Restricted Cash and cash equivalents		9,608.59	16,646.54
Accounts receivable, net of allowance for uncollectible accounts		2,278,424.85	2,303,487.73
Interest receivable		133,898.21	119,499.25
Restricted Interest receivable		8,714.06	10,807.97
Grants receivables		136,650.64	238,325.47
Other receivables			637,224.83
Inventory		456,899.48	484,946.83
Prepaid expenses and other assets		2,011,574.66	339,374.05
<b>TOTAL CURRENT ASSETS</b>		<u><b>7,711,842.62</b></u>	<u><b>7,258,069.43</b></u>
<b>NONCURRENT ASSETS</b>			
Investments		34,619,873.12	37,206,112.72
Restricted Investments		3,531,060.83	3,495,980.65
<b>TOTAL NONCURRENT ASSETS</b>		<u><b>38,150,933.95</b></u>	<u><b>40,702,093.37</b></u>
Property, plant and equipment		449,142,302.68	428,897,522.75
Accumulated depreciation		(160,912,017.73)	(149,076,072.93)
<b>TOTAL CAPITAL ASSETS</b>		<u><b>288,230,284.95</b></u>	<u><b>279,821,449.82</b></u>
<b>TOTAL ASSETS</b>		<u><b>334,093,061.52</b></u>	<u><b>327,781,612.62</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on long-term debt refunding		7,321,214.15	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>		<u><b>342,594,288.67</b></u>	<u><b>337,057,900.69</b></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Current portion of long-term debt and capital leases		4,060,000.00	3,945,000.00
Accounts payable		2,330,818.03	2,341,285.19
Accrued interest		491,892.27	427,131.48
Deferred revenue and other liabilities		701,057.39	666,050.73
Accrued expenses		646,422.28	503,876.74
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>8,230,189.97</b></u>	<u><b>7,883,344.14</b></u>
<b>NONCURRENT LIABILITIES</b>			
Long-term debt		90,441,926.68	95,148,711.88
Compensated absences		926,833.12	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
<b>TOTAL NONCURRENT LIABILITIES</b>		<u><b>97,856,001.80</b></u>	<u><b>102,639,831.58</b></u>
<b>TOTAL LIABILITIES</b>		<u><b>106,086,191.77</b></u>	<u><b>110,523,175.72</b></u>
<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		43,494,051.73	33,520,679.80
<b>TOTAL NET POSITION</b>		<u><b>235,709,562.90</b></u>	<u><b>225,736,190.97</b></u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>		<u><b>342,594,288.67</b></u>	<u><b>337,057,900.69</b></u>

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

	Month 12/31/2016	Year-To-Date 12/31/2016	Month 12/31/2015	Year-To-Date 12/31/2015
<b>OPERATING REVENUES</b>				
Water consumption sales	\$614,928.10	\$11,053,442.75	\$650,594.11	\$9,644,073.24
Water service charge	573,910.16	6,350,348.98	608,574.61	6,401,956.05
Capital facilities charge	2,163,412.31	22,574,500.03	2,076,517.44	21,646,181.98
Wheeling water charge	304.48	167,336.90	316.68	6,367.50
Other charges for services	53,355.15	939,272.31	83,742.09	991,839.92
<b>TOTAL OPERATING REVENUES</b>	<b>3,405,910.20</b>	<b>41,084,900.97</b>	<b>3,419,744.93</b>	<b>38,690,418.69</b>
<b>OPERATING EXPENSES</b>				
Source of supply	162,500.03	2,340,956.38	8,612.01	56,993.48
Pumping	468,458.12	3,907,621.62	1,187,012.67	5,124,319.44
Transmission and distribution	429,489.61	3,437,797.34	1,169,912.90	3,620,756.92
Water conservation	81,540.29	574,604.29	149,640.53	772,712.83
Customer accounts	129,139.63	1,125,961.36	117,905.06	1,159,030.92
Administrative and general	785,889.98	6,402,209.41	709,394.74	6,120,589.88
<b>TOTAL OPERATING EXPENSES</b>	<b>2,057,017.66</b>	<b>17,789,150.40</b>	<b>3,342,477.91</b>	<b>16,854,403.47</b>
Operating income before depreciation	1,348,892.54	23,295,750.57	77,267.02	21,836,015.22
Depreciation and amortization	(975,497.00)	(11,835,944.80)	(932,572.83)	(11,257,105.70)
<b>OPERATING INCOME</b>	<b>373,395.54</b>	<b>11,459,805.77</b>	<b>(855,305.81)</b>	<b>10,578,909.52</b>
<b>NON-OPERATING REV. (EXP.)</b>				
Rental income	11,060.00	247,719.19	17,256.58	250,293.00
Interest and investment income	41,644.31	556,442.53	(54,825.05)	457,730.90
Interest expense	(317,550.34)	(3,586,997.37)	(302,476.74)	(3,633,088.52)
Other non-operating revenues	1,708.75	12,907.22	71,616.18	107,919.62
Grant revenue pass-through to sub recipients		763,754.28		369,443.00
Other non-operating expenses		(3,579.41)	(40.48)	(138.37)
Sub recipient grant expenses		(763,754.28)		(369,443.00)
Gain(loss) on disposal of capital assets				6,251.53
<b>NON-OPERATING REV. (EXP.)</b>	<b>(263,137.28)</b>	<b>(2,773,507.84)</b>	<b>(268,469.51)</b>	<b>(2,811,031.84)</b>
<b>NET INCOME (LOSS) BEFORE CAPITAL</b>	<b>110,258.26</b>	<b>8,686,297.93</b>	<b>(1,123,775.32)</b>	<b>7,767,877.68</b>
<b>CAPITAL CONTRIBUTIONS</b>				
Facility development charges		264,209.00	7,802.00	542,558.00
Developer contributions		773,540.00	613,143.00	1,203,637.99
Federal, state and local capital grants		249,325.00	167,890.72	413,879.33
Sales of pumping capacity			2,889,142.20	2,889,142.20
<b>TOTAL CAPITAL CONTRIBUTIONS</b>		<b>1,287,074.00</b>	<b>3,677,977.92</b>	<b>5,049,217.52</b>
<b>CHANGE IN NET POSITION</b>	<b>110,258.26</b>	<b>9,973,371.93</b>	<b>2,554,202.60</b>	<b>12,817,095.20</b>
Net position at beginning of period	235,599,304.64	225,736,190.97	229,602,450.37	212,919,095.77
<b>NET POSITION AT END OF PERIOD</b>	<b>\$235,709,562.90</b>	<b>\$235,709,562.90</b>	<b>\$232,156,652.97</b>	<b>\$225,736,190.97</b>

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

	Month Of December			2016 YTD		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>BUDGETED OPERATING EXPENSES</b>						
Board of Directors	\$21,492.79	\$32,788.71	\$11,295.92	\$58,185.32	\$76,668.52	\$18,483.20
Administrative	189,411.76	190,426.91	1,015.15	1,981,936.84	2,069,767.36	87,830.52
Finance	77,043.32	78,257.47	1,214.15	989,869.72	1,024,889.64	35,019.92
Customer Services	129,139.63	102,262.88	(26,876.75)	1,125,961.36	1,197,154.56	71,193.20
Field Operations	42,947.18	34,067.97	(8,879.21)	414,327.73	404,814.32	(9,513.41)
Production	630,958.15	445,482.15	(185,476.00)	6,248,578.00	6,057,683.68	(190,894.32)
↳ Distribution	305,593.31	268,682.65	(96,910.66)	2,106,441.81	2,083,847.80	(22,594.01)
Field Services	119,411.30	102,486.28	(16,925.02)	1,325,971.53	1,308,455.36	(17,516.17)
Maintenance	64,930.71	51,829.27	(13,101.44)	622,267.38	621,950.80	(316.58)
Water Conservation	81,540.29	44,124.98	(37,415.31)	574,604.29	580,058.84	5,454.55
Engineering	167,378.65	92,829.42	(74,549.23)	998,078.82	1,015,758.04	17,679.22
GIS/CAD	34,543.68	28,433.59	(6,110.09)	337,694.92	347,703.08	10,008.16
Human Resources	28,220.22	11,831.32	(16,388.90)	190,521.84	222,148.84	31,627.00
MIS	164,406.67	58,250.57	(106,156.10)	814,710.84	783,893.28	(30,817.56)
<b>TOTAL OPERATING EXPENSES</b>	<b>2,057,017.66</b>	<b>1,481,754.17</b>	<b>(575,263.49)</b>	<b>17,789,150.40</b>	<b>17,794,794.12</b>	<b>5,643.72</b>

SACRAMENTO SUBURBAN WATER DISTRICT  
OPERATING CAPITAL AMENDED BUDGET  
12/31/2016

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	(\$21,000.00) <sup>4</sup>	\$21,000.00		\$ 20,992.87		\$ 7.13
SF16-345	UPDATE WATER SYS MASTER PLAN	\$73,000.00	\$85,000.00 <sup>1, 4</sup>	\$158,000.00 <sup>1, 4</sup>	93,630.89	157,768.18		231.82
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	-	8,842.62		1,157.38
SF16-373	BOARD ROOM WALL MAPS	\$5,000.00	\$500.00 <sup>4</sup>	\$5,500.00 <sup>4</sup>	5,487.00	5,487.00		13.00
SF16-374	NEW VEHICLE-FIELD SERVICE DEPT	\$45,000.00		\$45,000.00	590.00	42,303.81		2,696.19
SF16-375	VEH REPL/ RIGHT SIZE TRUCK#32	\$124,000.00	\$3,000.00 <sup>2, 4</sup>	\$127,000.00 <sup>2, 4</sup>	126,904.15	126,904.15		95.85
SF16-376	VEH REPL-TRUCK# 26	\$33,500.00		\$33,500.00	-	28,716.89		4,783.11
SF16-377	VEH REPL/RIGHT SIZE -TRUCK# 13	\$33,500.00		\$33,500.00	-	32,651.49		848.51
SF16-378	ASPHALT REPAIR/REPL-WELL SITES	\$35,500.00		\$35,500.00	-	35,035.07		464.93
SF16-379	PROD METERS REPL/MAGMETERS	\$15,000.00		\$15,000.00	-	15,357.89		(357.89)
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) <sup>4</sup>	\$0.00 <sup>4</sup>		-		-
SF16-382	WATER CONSERV -MASTER PLAN	\$45,000.00	(\$45,000.00) <sup>2</sup>	\$0.00 <sup>2</sup>		-		-
SF16-383	REMODEL CUSTOMER SERV AREA	\$35,000.00	\$8,400.00 <sup>2, 4</sup>	\$43,400.00 <sup>2, 4</sup>		43,386.44		13.56
SF16-384	REPL EXT/GARAGE LIGHTING-LED	\$20,000.00	(\$3,000.00) <sup>3</sup>	\$17,000.00 <sup>3</sup>		14,486.47		2,513.53
SF16-385	INSTL 5 CAMERAS @ WALNUT	\$20,000.00	\$3,000.00 <sup>3</sup>	\$23,000.00 <sup>3</sup>		20,443.60		2,556.40
SF16-386	REPL CAMERAS @ MARCONI	\$6,000.00		\$6,000.00	5,006.00	5,006.00		994.00
SF16-387	HVAC/ROOF/BUILD REPAIRS	\$30,000.00		\$30,000.00	-	26,324.86		3,675.14
SF16-388	BUILD & STRUCTURES MAINTENANCE	\$95,000.00	(\$300.00) <sup>2, 4</sup>	\$94,700.00 <sup>2, 4</sup>		94,020.00		680.00
SF16-389	HARDWARE REFESH	\$170,000.00	(\$48,600.00) <sup>1, 4</sup>	\$121,400.00 <sup>1, 4</sup>	38,964.10	121,336.17		63.83
SF16-390	SOFTWARE ENHANCEMENTS/MODULES	\$115,000.00	(\$54,000.00) <sup>4</sup>	\$61,000.00 <sup>4</sup>	25,733.00	60,943.84		56.16
SF16-391	TRIMBLE HANHELD COMPUTR-FIELD	\$6,000.00		\$6,000.00	-	4,650.00		1,350.00
SF16-392	WEB SITE UPGRAGE	\$35,000.00	(\$35,000.00) <sup>1</sup>	\$0.00 <sup>1</sup>		-		-
SF16-393	GPS ASSET LOCATION PROJECT	\$75,000.00	(\$75,000.00) <sup>1</sup>	\$0.00 <sup>1</sup>		-		-
SF16-394	KP NETWORK UPGRADE		\$38,500.00 <sup>4</sup>	\$38,500.00	38,500.00	38,500.00		-
SF16-395	WALNUT CEILING CLEANUP/REPAIR		\$40,000.00 <sup>4</sup>	\$40,000.00	39,097.42	39,097.42		902.58
		<b>\$1,088,000.00</b>	<b>(\$114,000.00)</b>	<b>\$974,000.00</b>	<b>\$ 373,912.56</b>	<b>\$ 946,480.42</b>	<b>\$ -</b>	<b>\$ 27,519.58</b>

**Sacramento Suburban Water District  
Capital Improvement Project Amended Budget  
12/31/2016**

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	\$220,000.00 <sup>1,7</sup>	\$ 27,324.55	\$ 269,545.84		\$ 454.16
SC16-009	WELL REHAB/PUMP ST IMPROVEMENT	\$890,000.00	\$920,560.00 <sup>4,7</sup>	729,722.15	1,809,658.13		901.87
SC16-010	SCADA RTU/COMMUN IMPROVEMENT	\$200,000.00	(\$88,000.00) <sup>3</sup>	19,495.00	98,427.81		13,572.19
SC16-011	WELLHEAD TREATMENT/CHEM FEED	\$370,000.00	(\$250,000.00) <sup>3,7</sup>	21,673.00	112,701.73		7,298.27
SC16-012	WELL REPLACEMENTS	\$2,600,000.00	\$466,000.00 <sup>4,7</sup>	501,494.73	3,085,840.97		159.03
SC16-013	ELEC ARC FLASH MOD @ WELL SITES	\$330,000.00	(\$147,000.00) <sup>7</sup>	25,061.00	182,117.76		882.24
SC16-018	DISTRIBUTION MAIN REPLACEMENTS	\$8,420,000.00	\$476,500.00 <sup>4,7</sup>	1,947,419.89	8,895,935.16		564.84
SC16-019	DIST MAIN IMPRV/EXT/INTERTIES	\$775,000.00	\$26,500.00 <sup>6</sup>	4,463.16	782,773.18		18,726.82
SC16-022	LOWERING/RAISING VALVE BOXES	\$150,000.00	(\$20,000.00) <sup>7</sup>	22,460.00	129,127.01		872.99
SC16-024	METER RETROFIT PROGRAM	\$1,900,000.00	(\$63,300.00) <sup>3</sup>	37,108.00	1,834,312.35		2,387.65
SC16-024A	VOLUNTARY METER RETROFIT PROGRAM	\$75,000.00		15,923.65	43,796.30		31,203.70
SC16-027	DISTRIB MAJOR REPAIRS	\$350,000.00	(\$57,000.00) <sup>7</sup>	-	256,771.55		36,228.45
SC16-028	DISTRIB SYSTEM IMPRV	\$375,000.00	(\$375,000.00) <sup>5,7</sup>	\$0.00	-		-
SC16-034	RESERVIOR/TANK IMPROVMENT	\$200,000.00		105,352.00	148,766.54		51,233.46
SC16-034A	CORROSION CONTRL/TRANSMISSION MAIL	\$450,000.00	(\$441,000.00) <sup>2,7</sup>	-	6,225.00		2,775.00
SC16-035	PROFESSIONAL/SPECIAL PROJ	\$100,000.00	(\$10,560.00) <sup>3</sup>	18,482.25	78,773.95		10,666.05
SC16-038	LARGE WTR METER >3" REPL	\$140,000.00	\$23,000.00	53,913.52	162,564.69		435.31
SC16-039	FIRE HYDRANT REPL/REHAB/ADD	\$200,000.00	(\$200,000.00) <sup>5</sup>	\$0.00	-		-
SC16-040	ENGINE GENERATOR COMPLIANCE	\$75,000.00	(\$20,700.00) <sup>3</sup>	-	53,091.93		1,208.07
SC16-042	METER REPLACE/REPAIR - WMP	\$558,000.00		44,843.00	550,366.63		7,633.37
SC16-044	CAPITAL IMPRV CTP(SJWD AGREEMENT)	\$7,000.00		-	-		7,000.00
SC16-045	ENTERPRISE INTERTIE IMPROVEMENT	\$180,000.00	(\$79,000.00) <sup>1</sup>	26,574.03	38,134.03		62,865.97
<b>Totals SSWD</b>		<b>\$ 18,395,000.00</b>	<b>\$ 401,000.00</b>	<b>\$ 3,601,309.93</b>	<b>\$ 18,538,930.56</b>	<b>\$ -</b>	<b>\$ 257,069.44</b>

**Sacramento Suburban Water District  
Debt  
12/31/2016**

**Current Month**

	Series 2009A COP	Series 2009B COP	Series 2012A	Total
Beginning Balance	\$ 42,000,000	\$ 24,095,000	\$ 19,520,000	\$ 85,615,000
Additions:				-
Reductions: Payment	-	-	-	-
Ending Balance	<u>\$ 42,000,000</u>	<u>\$ 24,095,000</u>	<u>\$ 19,520,000</u>	<u>\$ 85,615,000</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	-	(1,950,000)	(1,995,000)	(3,945,000)
Ending Balance	<u>\$ 42,000,000</u>	<u>\$ 24,095,000</u>	<u>\$ 19,520,000</u>	<u>\$ 85,615,000</u>



**Investments Outstanding and Activity  
December 2016**

SACRAMENTO SUBURBAN WATER DISTRICT  
INVESTMENTS OUTSTANDING - OPERATING FUND

Detail of Securities Held:

MONTH END: December 31, 2016

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													
	458182DX7	INTER-AMERICAN DEVELOPMENT BANK	525,000.00	1.000	5/13/2019	AAA	4/5/2016	4/12/2016	523,425.00	1.10	700.00	(5,772.37)	517,652.63
			525,000.00						523,425.00	1.10	700.00	-5,772.37	517,652.63
CORPORATE NOTE													
	166764AA8	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	119.60	(1,150.50)	149,661.00
	166764AA8	CHERVON CORP (CALLABLE) GOBAL NOTES	220,000.00	1.104	12/5/2017	AA-	11/28/2012	12/5/2012	220,000.00	1.10	175.41	(497.20)	219,502.80
	084670BH0	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	3,209.79	1,788.15	526,058.40
	30221GAL6	EXXON MOBIL CORP NOTES	800,000.00	1.305	3/6/2018	AA+	3/4/2015	3/6/2015	800,000.00	1.31	3,335.00	(189.60)	799,810.40
	369626W9	GENERAL ELEC DAP CORP GLOBAL NOTES	500,000.00	1.625	4/2/2018	AA-	4/10/2013	4/15/2013	501,285.00	1.57	2,008.68	350.50	501,635.50
	037833AJ9	APPLE INC GLOBAL NOTES	475,000.00	1.000	5/3/2018	AA+	4/30/2013	5/3/2013	473,247.25	1.08	765.28	(28.50)	473,218.75
	06406HDB2	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	693.33	204.80	400,168.80
	166764AE0	CHERVON CORP GOBAL NOTES	680,000.00	1.718	6/24/2018	AA-	6/17/2013	6/24/2013	680,000.00	1.72	227.16	2,082.16	682,082.16
	17275RAR3	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	2,656.25	1,379.25	379,941.75
	38141GV78	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	183.33	(59.60)	49,801.40
	38141GV78	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	1,191.67	(1,082.90)	323,709.10
	172967K59	CITI INC CORP NOTES	145,000.00	2.050	6/7/2019	BBB+	6/2/2016	6/9/2016	144,924.60	2.07	198.17	(471.97)	144,452.63
	02665WAH4	AMERICAN HONDA FINANCE GLOBAL NOTES	800,000.00	2.250	8/15/2019	A+	9/4/2014	9/9/2014	798,520.00	2.29	6,800.00	9,269.60	807,789.60
	12189TBC7	BURLINGTON NRTH CORP	200,000.00	4.700	10/1/2019	A	6/3/2016	6/8/2016	220,780.00	1.48	2,350.00	(5,693.20)	215,086.80
	46625HK47	JPMORGAN CHASE & CO (CALLABLE)	500,000.00	2.250	1/23/2020	A-	10/1/2015	10/6/2015	496,400.00	2.43	4,937.50	2,423.60	498,823.00
	94974BGJ1	WELLS FARGO & COMPANY	400,000.00	2.150	1/30/2020	A	2/2/2015	2/5/2015	402,796.00	2.00	3,607.22	(4,686.00)	398,110.00
	89236TCF0	TOYOTA MOTOR CORP NOTES	250,000.00	2.150	3/12/2020	AA-	3/23/2015	3/27/2015	252,220.00	1.96	1,627.43	(2,666.00)	249,554.00
	46625HLW8	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	183.33	1,222.20	302,713.20
	94974BGM6	WELLS FARGO & COMPANY NOTES	375,000.00	2.600	7/22/2020	A	9/1/2012	9/4/2015	377,103.75	2.48	4,306.25	63.75	377,167.50
	06406FAA1	BANK OF NEW YORK MELLON CORP	375,000.00	2.500	4/15/2021	A	5/16/2016	5/16/2016	383,617.50	2.00	1,979.17	(8,200.50)	375,417.00
	0258MOEB1	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	787.50	(2,159.10)	222,318.90
	05531FAV5	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	580.83	(3,578.20)	196,289.80
	857477AV5	STATE STREET CORP NOTES	110,000.00	1.950	5/19/2021	A	5/19/2016	5/24/2016	109,532.50	2.04	250.25	(1,741.19)	107,791.31
			8,380,000.00						8,414,524.85	1.84	42,173.15	(15,421.05)	8,401,103.80
FED AGY BONDNOTE													
	3150A8PK3	FHLB NOTE	690,000.00	0.625	8/7/2018	AA+	8/11/2016	8/11/2016	687,405.60	0.82	1,725.00	(2,889.72)	684,515.88
	3135GOYT4	FANNIE MAE GOLBAL NOTES	260,000.00	1.625	11/27/2018	AA+	10/22/2014	10/23/2014	262,470.00	1.39	399.03	(510.12)	261,959.88
	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	997.57	4,880.20	654,899.70
	3130AAE46	FHLB NOTE	425,000.00	1.250	1/16/2019	AA+	12/7/2016	12/8/2016	424,983.00	1.25	339.41	(131.32)	424,851.68
	3135G0N33	FNMA BENCHMARK NOTE	880,000.00	0.875	8/2/2019	AA+	7/29/2016	8/2/2016	878,521.60	0.93	3,186.94	(10,745.68)	867,775.92
	3137A8Y72	FHLB GLOBAL NOTE	500,000.00	0.875	8/5/2019	AA+	8/3/2016	8/4/2016	499,040.00	0.94	1,786.46	(6,116.50)	492,923.50
	3135G0P49	FNMA NOTE	950,000.00	1.000	8/28/2019	AA+	8/31/2016	9/2/2016	948,518.00	1.05	3,140.28	(9,071.55)	939,446.45
	3137A8O55	FHLB GLOBAL NOTE	975,000.00	1.125	7/14/2021	AA+	7/14/2016	7/15/2016	969,071.03	1.25	5,088.28	(27,942.53)	941,128.50
	3135G0N82	FNMA NOTES	130,000.00	1.125	8/17/2021	AA+	8/17/2016	8/19/2016	129,555.27	1.32	595.83	(3,914.17)	125,641.10
	3135G0N82	FNMA NOTES	420,000.00	1.125	8/17/2021	AA+	8/17/2016	8/19/2016	418,299.00	1.33	1,925.00	(12,381.60)	405,917.40
			5,880,000.00						5,867,883.00	1.15	19,183.80	(68,822.99)	5,799,060.01
MUNICIPAL BONDNOTE													
	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	1,960.80	614.90	215,614.90
	91412GS29	UNIV 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	1,824.07	5,650.35	700,650.35
	20727JZK1	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	1,336.84	(23.00)	230,623.30
			1,140,000.00						1,140,646.30	1.98	5,121.71	6,242.25	1,146,888.55
FEDERAL AGENCY COLLATERALIZED MORTGAGE OBLIGATION													
	3136ANJY4	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	(1,743.25)	185,106.08
	3136ANMC0	FNMA SERIES 2015-M3 FA	114,056.02	0.652	6/1/2018	AA+	2/12/2015	2/27/2015	114,026.21	0.39	71.46	54.13	114,080.34
	3136AMTM1	FNMA SERIES M4 FA	110,317.44	0.642	9/1/2018	AA+	3/12/2015	3/31/2015	110,289.17	0.38	74.85	37.27	110,326.44
	3136AOSW1	FNMA SERIES 2015-M15 ASQ2	170,000.00	1.899	11/1/2019	AA+	11/6/2015	11/30/2015	171,699.98	1.20	268.89	(1,094.75)	170,605.23
	3136AODO0	FANNIE MAE SERIES 2015-M13 ASQ2	355,000.00	1.646	9/1/2019	AA+	10/7/2015	10/30/2015	358,554.92	1.08	486.94	(3,981.60)	354,573.33
	3136AP5Z3	FNMA SERIES 2015-M12 F4	329,865.75	0.772	4/1/2020	AA+	9/10/2015	9/30/2015	329,747.02	2.00	247.63	517.90	330,264.92
			1,264,239.21						1,271,166.64	0.80	1,388.73	(6,210.30)	1,264,956.34
CERTIFICATE OF DEPOSIT													
	21684BXH2	RABOBANK NEDERLAND NV NY CD	1,000,000.00	1.070	4/21/2017	A-1	4/22/2015	4/27/2015	1,000,000.00	1.07	2,080.56	(107.00)	999,893.00
	05574BRW5	BMO HARRIS BANK NA CD	800,000.00	1.000	4/24/2017	A-1	10/22/2015	10/23/2015	800,000.00	1.01	9,688.89	512.80	800,512.80

SACRAMENTO SUBURBAN WATER DISTRICT  
INVESTMENTS OUTSTANDING - OPERATING FUND

Detail of Securities Held:

MONTH END: December 31, 2016

SECURITY TYPE				MATURITY	S&P	TRADE	SETTLE	- ORIGINAL	YTM	ACCRUED	MARK - TO-	MARKET
CUSIP	DESCRIPTION	PAR	COUPON	DATE RATING	DATE	DATE	DATE	COST	AT COST	INTEREST	MARKET	VALUE
891125SN7	NORDEA BANK FINLAND NY CD	825,000.00	1.240	6/16/2017	AA-	6/16/2015	6/19/2015	825,000.00	1.25	5,541.25	368.78	825,368.78
86958DH54	SSVENSKA HANDELSBANKEN NY FLT CD	750,000.00	0.832	8/24/2017	A-1+	11/20/2015	11/24/2015	750,000.00	0.84	1,086.34	420.00	750,420.00
06417GAS7	BANK OF NOVA SCOTIA HOUSTON CD	750,000.00	1.560	11/6/2017	A-1	11/6/2015	11/9/2015	750,000.00	1.55	1,787.50	660.00	750,660.00
83050FBG5	SKANDINAVISKA ENSKILDA BANKEN NY CD	750,000.00	1.480	11/16/2017	A-1	11/16/2015	11/17/2015	750,000.00	1.48	1,418.33	(1,271.25)	748,728.75
40428AR41	HSBC BANK USA NA FLOATING CD	750,000.00	0.954	11/17/2017	A-1+	11/17/2015	11/18/2015	750,000.00	0.97	1,402.71	1,305.00	751,305.00
78000NZ22	ROYAL BANK OF CANADA NY CD	750,000.00	1.700	3/9/2018	AA-	3/11/2016	3/15/2016	750,000.00	1.69	3,966.67	851.25	750,851.25
13606ASZ7	CANADIAN IMPERIAL BANK NY YCD	725,000.00	1.760	11/30/2018	A+	12/5/2016	12/5/2016	724,434.50	1.78	957.00	6,416.25	730,850.75
65558LWA6	NORDEA BANK FINLAND NY CD	725,000.00	1.760	11/30/2018	AA-	12/5/2016	12/5/2016	725,000.00	1.74	957.00	5,850.75	730,850.75
		7,825,000.00						7,824,434.50	1.32	28,886.25	15,006.58	7,839,441.08
ASSET-BACKED SECURITY												
43813NAC0	HONDA ABS 2015-2 A3	255,014.82	1.040	2/21/2019	AAA	5/13/2015	5/20/2015	254,975.67	1.05	73.67	(232.21)	254,743.46
89237CAD3	TOYOTA ABS 2015-B A3	385,000.00	1.270	5/15/2019	AAA	6/10/2015	6/17/2015	384,979.17	1.27	217.31	14.25	384,993.42
14314EAB7	CARMAX ABS 2016-3 A2 (EX-CALLABLE)	325,000.00	1.170	8/15/2019	AAA	7/14/2016	7/20/2016	324,973.48	1.18	169.00	(170.14)	324,803.34
65477UAC4	NISSAN AUTO RECEIVABLE OWNER 2015-A	251,354.12	1.050	10/15/2019	NR	4/7/2015	4/14/2015	251,301.28	1.06	117.50	(344.73)	250,956.55
34530VAD1	FORDO 2015-B A3	196,166.24	1.160	11/15/2019	NR	5/19/2015	5/26/2015	196,148.09	1.16	101.13	(160.93)	195,987.16
6547WAD0	NISSAN ABS 2015-B A3	195,000.00	1.340	3/16/2020	NR	7/15/2015	7/22/2015	194,984.50	1.34	116.13	(160.37)	194,824.13
47788NAC2	JOHN DEERE ABS 2016-B A3	80,000.00	1.250	6/15/2020	NR	7/19/2016	7/27/2016	79,993.63	1.25	44.44	(374.84)	79,618.79
02007LAC6	ALLY ABS 2016-3 A3	130,000.00	1.440	3/16/2020	NR	7/15/2015	7/22/2015	129,987.38	1.44	83.20	3.59	129,990.97
44930UAD8	HYUNDAI ABS 2016-A A3	70,000.00	1.560	9/15/2020	AAA	3/22/2016	3/30/2016	69,986.42	1.57	48.53	(4.23)	69,982.19
05522RCU0	BANK OF AMER CREDIT CARD TR 2015-A2	280,000.00	1.360	9/15/2020	AAA	10/28/2015	10/29/2015	280,404.69	1.30	169.24	(533.74)	279,870.95
34532EAD7	FORD ABS 2016-B A3	85,000.00	1.330	10/15/2020	NR	4/19/2016	4/26/2016	84,991.94	1.33	50.24	(271.47)	84,720.47
44891EAC3	HYUNDAI AUTO REC'VBL TRUST	195,000.00	1.290	4/15/2021	AAA	9/14/2016	9/21/2016	194,973.75	1.30	111.80	(1,544.98)	193,428.77
		2,447,555.18						2,447,700.00	1.24	1,301.99	-3,779.80	2,443,920.20
US TSY BOND/NOTE												
912828WL0	US TREASURY NOTES	405,000.00	1.500	5/31/2019	AA+	11/15/2016	11/24/2016	409,429.69	1.06	534.07	(2,563.04)	406,866.65
912828UQ1	US TREASURY NOTES	100,000.00	1.250	9/2/2020	AA+	10/8/2015	10/9/2015	99,718.75	1.32	424.72	(515.65)	99,203.10
912828J84	US TREASURY NOTES	100,000.00	1.375	3/31/2020	AA+	6/23/2016	6/27/2016	101,226.56	1.04	351.30	(1,749.96)	99,476.60
912828J84	US TREASURY NOTES	140,000.00	1.375	3/31/2020	AA+	6/22/2016	6/27/2016	141,782.81	1.03	491.83	(2,315.57)	139,267.24
912828J84	US TREASURY NOTES	309,000.00	1.375	3/31/2020	AA+	6/23/2016	6/28/2016	312,512.46	1.07	1,085.53	(5,129.77)	307,282.69
912828VP2	US TREASURY NOTES	650,000.00	2.000	7/31/2020	AA+	12/1/2015	12/4/2015	662,263.67	1.58	5,440.22	(3,859.17)	658,404.50
912828VV9	US TREASURY NOTES	675,000.00	2.125	8/31/2020	AA+	12/28/2015	12/30/2015	686,680.66	1.74	4,873.71	(764.56)	685,916.10
912828WC0	US TREASURY NOTES	1,000,000.00	1.750	10/31/2020	AA+	2/1/2016	2/3/2016	1,018,515.63	1.35	2,997.24	(16,523.63)	1,001,992.00
912828A42	US TREASURY NOTES	250,000.00	2.000	11/30/2020	AA+	3/2/2016	3/4/2016	257,138.67	1.35	439.56	(4,350.67)	252,588.00
912828A83	US TREASURY NOTES	625,000.00	2.375	12/31/2020	AA+	3/5/2016	3/31/2016	656,396.48	1.28	41.00	(16,137.73)	640,258.73
912828B90	US TREASURY NOTES	625,000.00	2.000	2/28/2021	AA+	7/6/2016	7/8/2016	655,566.41	0.92	4,247.24	(25,585.78)	629,980.63
912828WN6	US TREASURY NOTES	675,000.00	2.000	5/31/2021	AA+	9/1/2016	9/2/2016	699,257.81	1.22	1,186.81	(20,118.03)	679,139.78
912828D72	US TREASURY NOTES	550,000.00	2.000	8/31/2021	AA+	10/3/2016	10/5/2016	570,646.48	1.21	3,737.57	(18,455.28)	552,191.20
912828D72	US TREASURY NOTES	1,050,000.00	2.000	8/31/2021	AA+	12/1/2016	12/5/2016	1,053,117.19	1.93	7,135.36	1,066.01	1,054,183.20
		7,154,000.00						7,324,253.27	1.39	32,986.16	(117,402.83)	7,206,850.44
TOTAL INVESTMENT PORTFOLIO		34,615,774.39						34,814,033.56	1.43	131,741.79	-194,143.99	34,619,873.05
CASH EQUIVALENTS												
US TSY MONEY MKT												
431114563	US TREASURY MONEY MARKET				U.S. BANK			190,679.17	0.00	-	-	190,679.17
LAIF												
9034005	LOCAL AGENCY INVESTMENT FUND				STATE POO			1,154,500.98	0.68	2,156.42	16.52	1,154,517.50
TOTAL CASH EQUIVALENTS		35,960,954.54						36,159,213.71		133,898.21	-194,143.99	35,965,069.72

**Investment Activity  
December 2016**



**Managed Account Security Transactions & Interest**

For the Month Ending **December 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>											
	12/01/16	12/05/16	CANADIAN IMPERIAL BANK NY CD DTD 12/05/2016 1.760% 11/30/2018	13606A5Z7	725,000.00	(724,434.50)	0.00	(724,434.50)			
	12/01/16	12/05/16	NORDEA BANK FINLAND NY CD DTD 12/05/2016 1.760% 11/30/2018	65558LWA6	725,000.00	(725,000.00)	0.00	(725,000.00)			
	12/01/16	12/05/16	US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	1,050,000.00	(1,053,117.19)	(5,569.06)	(1,058,686.25)			
	12/07/16	12/08/16	FHLB NOTES DTD 12/08/2016 1.250% 01/16/2019	3130AAE46	425,000.00	(424,983.00)	0.00	(424,983.00)			

<b>Transaction Type Sub-Total</b>					<b>2,925,000.00</b>	<b>(2,927,534.69)</b>	<b>(5,569.06)</b>	<b>(2,933,103.75)</b>			
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<b>INTEREST</b>											
	12/01/16	12/01/16	MONEY MARKET FUND	MONEY0002	0.00	0.00	0.92	0.92			
	12/01/16	12/25/16	FNMA SERIES 2015-M3 FA DTD 02/01/2015 0.752% 06/01/2018	3136AMMC0	121,542.18	0.00	75.75	75.75			
	12/01/16	12/25/16	FNMA SERIES 2015-M7 ASQ2 DTD 04/01/2015 1.550% 04/01/2018	3136ANJY4	185,000.00	0.00	238.96	238.96			
	12/01/16	12/25/16	FNMA SERIES 2015-M12 FA DTD 09/01/2015 0.901% 04/01/2020	3136AP3Z3	352,641.39	0.00	255.04	255.04			
	12/01/16	12/25/16	FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AOSW1	170,000.00	0.00	268.89	268.89			
	12/01/16	12/25/16	FNMA SERIES M4 FA DTD 03/01/2015 0.742% 09/01/2018	3136AMTM1	110,917.26	0.00	68.20	68.20			
	12/01/16	12/25/16	FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AODO0	355,000.00	0.00	486.94	486.94			
	12/05/16	12/05/16	CHEVRON CORP (CALLABLE) GLOBAL NOTES DTD 12/05/2012 1.104% 12/05/2017	166764AA8	150,000.00	0.00	828.00	828.00			
	12/05/16	12/05/16	CHEVRON CORP (CALLABLE) GLOBAL NOTES DTD 12/05/2012 1.104% 12/05/2017	166764AA8	220,000.00	0.00	1,214.40	1,214.40			
	12/07/16	12/07/16	CITIGROUP INC CORP NOTES DTD 06/09/2016 2.050% 06/07/2019	172967KS9	145,000.00	0.00	1,469.74	1,469.74			



**Managed Account Security Transactions & Interest**

For the Month Ending December 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>											
	12/15/16	12/15/16	BANK OF AMER CREDIT CARD TR 2015-A2 DTD 04/29/2015 1.360% 09/15/2020	05522RCU0	280,000.00	0.00	317.33	317.33			
	12/15/16	12/15/16	NISSAN ABS 2015-A A3 DTD 04/14/2015 1.050% 10/15/2019	65477UAC4	267,774.33	0.00	234.30	234.30			
	12/15/16	12/15/16	ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	130,000.00	0.00	156.00	156.00			
	12/15/16	12/15/16	HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	70,000.00	0.00	91.00	91.00			
	12/15/16	12/15/16	NISSAN ABS 2015-B A3 DTD 07/22/2015 1.340% 03/15/2020	65475WAD0	195,000.00	0.00	217.75	217.75			
	12/15/16	12/15/16	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	80,000.00	0.00	83.33	83.33			
	12/15/16	12/15/16	HYUNDAI AUTO RECEIVABLES TRUST DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	195,000.00	0.00	209.63	209.63			
	12/15/16	12/15/16	FORD ABS 2015-B A3 DTD 05/26/2015 1.160% 11/15/2019	34530VAD1	200,000.00	0.00	193.33	193.33			
	12/15/16	12/15/16	TOYOTA ABS 2015-B A3 DTD 06/17/2015 1.270% 05/15/2019	89237CAD3	385,000.00	0.00	407.46	407.46			
	12/15/16	12/15/16	CARMAX ABS 2016-3 A2 DTD 07/20/2016 1.170% 08/15/2019	14314EAB7	325,000.00	0.00	316.88	316.88			
	12/15/16	12/15/16	FORD ABS 2016-B A3 DTD 04/26/2016 1.330% 10/15/2020	34532EAD7	85,000.00	0.00	94.21	94.21			
	12/21/16	12/21/16	HONDA ABS 2015-2 A3 DTD 05/20/2015 1.040% 02/21/2019	43813NAC0	275,551.99	0.00	238.81	238.81			
	12/23/16	12/23/16	JP MORGAN CHASE & CO CORP NT (CALLABLE) DTD 06/23/2015 2.750% 06/23/2020	46625HLW8	300,000.00	0.00	4,125.00	4,125.00			
	12/24/16	12/24/16	CHEVRON CORP GLOBAL NOTES DTD 06/24/2013 1.718% 06/24/2018	166764AE0	680,000.00	0.00	5,841.20	5,841.20			
	12/31/16	12/31/16	US TREASURY NOTES DTD 12/31/2013 2.375% 12/31/2020	912828A83	625,000.00	0.00	7,421.88	7,421.88			
<b>Transaction Type Sub-Total</b>					<b>5,903,427.15</b>	<b>0.00</b>	<b>24,854.95</b>	<b>24,854.95</b>			



**Managed Account Security Transactions & Interest**

For the Month Ending **December 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>PAYDOWNS</b>											
12/01/16	12/25/16		FNMA SERIES 2015-M12 FA DTD 09/01/2015 0.901% 04/01/2020	3136AP3Z3	22,775.64	22,775.64	0.00	22,775.64	8.20	0.00	
12/01/16	12/25/16		FNMA SERIES M4 FA DTD 03/01/2015 0.742% 09/01/2018	3136AMTM1	599.82	599.82	0.00	599.82	0.15	0.00	
12/01/16	12/25/16		FNMA SERIES 2015-M3 FA DTD 02/01/2015 0.752% 06/01/2018	3136AMMC0	7,486.16	7,486.16	0.00	7,486.16	1.96	0.00	
12/15/16	12/15/16		NISSAN ABS 2015-A A3 DTD 04/14/2015 1.050% 10/15/2019	65477UAC4	16,420.21	16,420.21	0.00	16,420.21	3.45	0.00	
12/15/16	12/15/16		FORD ABS 2015-B A3 DTD 05/26/2015 1.160% 11/15/2019	34530VAD1	3,833.76	3,833.76	0.00	3,833.76	0.35	0.00	
12/21/16	12/21/16		HONDA ABS 2015-2 A3 DTD 05/20/2015 1.040% 02/21/2019	43813NAC0	20,537.17	20,537.17	0.00	20,537.17	3.15	0.00	
<b>Transaction Type Sub-Total</b>					<b>71,652.76</b>	<b>71,652.76</b>	<b>0.00</b>	<b>71,652.76</b>	<b>17.26</b>	<b>0.00</b>	
<b>SELL</b>											
12/01/16	12/05/16		NORDEA BANK FINLAND NY CD DTD 05/29/2015 1.150% 05/26/2017	65558LFA5	800,000.00	800,163.49	178.89	800,342.38	163.49	163.49	SPEC LOT
12/01/16	12/05/16		CANADIAN IMPERIAL BANK NY YCD DTD 04/10/2015 1.010% 04/06/2017	13606JYY9	800,000.00	799,864.00	1,324.22	801,188.22	(136.00)	(136.00)	SPEC LOT
12/01/16	12/05/16		US TREASURY NOTES DTD 11/30/2015 0.875% 11/30/2017	912828M72	760,000.00	759,940.63	91.35	760,031.98	(1,395.31)	(1,257.30)	SPEC LOT
12/07/16	12/08/16		US TREASURY NOTES DTD 12/02/2013 1.250% 11/30/2018	912828A34	235,000.00	235,670.12	64.56	235,734.68	2,313.28	1,406.45	FIFO
12/07/16	12/08/16		US TREASURY NOTES DTD 12/31/2013 1.500% 12/31/2018	912828A75	175,000.00	176,291.99	1,148.44	177,440.43	1,462.89	1,381.40	FIFO
12/14/16	12/15/16		US TREASURY NOTES DTD 02/28/2013 1.250% 02/29/2020	912828U01	175,000.00	173,735.35	640.54	174,375.89	(772.46)	(903.01)	FIFO
12/14/16	12/15/16		US TREASURY NOTES DTD 02/28/2013 1.250% 02/29/2020	912828U01	275,000.00	273,012.70	1,006.56	274,019.26	601.57	(121.86)	FIFO
12/14/16	12/15/16		FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019	3135G0J53	555,000.00	551,503.50	1,680.42	553,183.92	(2,186.70)	(2,535.73)	FIFO
<b>Transaction Type Sub-Total</b>					<b>3,775,000.00</b>	<b>3,770,181.78</b>	<b>6,134.98</b>	<b>3,776,316.76</b>	<b>50.76</b>	<b>(2,002.56)</b>	



### Managed Account Security Transactions & Interest

For the Month Ending December 31, 2016

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
Managed Account Sub-Total					914,299.85	25,420.87	939,720.72	68.02	(2,002.56)	
Total Security Transactions					\$914,299.85	\$25,420.87	\$939,720.72	\$68.02	(\$2,002.56)	

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**Cash Expenditures  
December 2016**

**Sacramento Suburban Water District**

**Cash Expenditures**

December-16

<u>Type</u>	<u>Payee</u>	<u># Inv</u>	<u>Purpose</u>	<u>Amount</u>
<b>CIP EXPENSES</b>				
	Affinity Engineering	28	CIP Project Engineering Services	\$ 105,324.00
	All Tech Gates	2	Gate Modifications - Knox Lock	500.00
	Area West Engineers	5	Engineering & Consulting CIP Services	66,970.50
	Aqua Tech Company	1	Tower 2016 Cleaning and Repair	8,391.00
	Brown & Caldwell	7	Engineering & Consulting CIP Services	123,519.86
	Clyde G Steagall, Inc.	1	Park Estates Construction	135,104.12
	County of Sacramento Public Works	9	Inspection Fees	1,529.31
	County of Sacramento	1	Paving Partnership for 2016 Main Replacements	423,896.00
	Crusader Fence	1	Fencing Rental	1,600.00
	DCM Group	2	Labor Compliance/Rutland	4,079.02
	Doug Veerkamp Engineering	4	Main Replacement Projects 2016	369,635.70
	ERC Contracting	5	Location Verification Services	27,767.65
	Flowline	5	Meter Installation Project	68,185.00
	GM Construction	1	Drayton Heights Main Replacement	147,099.00
	GM Construction	1	District Main Repairs	22,460.00
	Loewen Pump Maintenance	2	Well Rehabilitation and Repairs	32,065.00
	Luhdorff & Scalmanini	4	Palm Well N6A/ El Prado Estates Engineering	123,199.96
	Paragon Geotechnical	1	Geotechnical Services	5,694.00
	Prodigy Electric	2	Well 59A Electrical	21,759.20
	Pump Repair Service Company	1	Well Site Rehabilitation	16,152.50
	River City Painting	1	Capehart Tank #769	69,060.00
	Roadrunner Drilling	1	Palm Station Well #2	352,878.50
	S E Ahlstrom Inspection	4	Inspection Services	20,480.00
	Spanda	2	Verner Well Site Repairs	18,600.00
	T & T Valve and Instrument	1	Valve Work	8,975.28
	TESCO	2	PLC Programming	39,000.00
<b>INVENTORY AND CIP SUPPLIES</b>				
	Armorcast	1	Inventory/CIP Supplies	83,627.71
	Corix	7	Inventory/CIP Supplies	6,206.27
	Ferguson/DBA Groeniger	19	Inventory/CIP Supplies	614,845.51
	HD Supply	1	Inventory/CIP Supplies	9,737.14
	KP Electronics Inc	1	Inventory/CIP Supplies	189,430.00
	McCrometer	2	Inventory/CIP Supplies	7,821.88
	National Meter and Automation	1	Inventory/CIP Supplies	1,813.11
	Pace Supply	3	Inventory/CIP Supplies	591,375.02
	R&B Company	3	Inventory/CIP Supplies	49,969.69
<b>OPERATING CAPITAL EXPENSES</b>				
	3D Visions	1	Additional Security in Customer Service	5,006.00
	American Truck & Trailer Body Co	1	Vehicle Truck Body	81,972.00
	Astral Communications	1	Modem Refresh Program	31,495.00
	BR Acoustical Inc	1	Walnut Ceiling Cleaning/Tile Replacement	16,830.00
	CDWG	9	Servers/Computer Equipment	13,144.98
	Costco	1	Wal Monitor - Conference Room	1,148.70
	Dell Marketing	1	Servers/Computer Equipment	1,980.31
	JM Environmental	1	Ceiling Debris Waste Removal	22,267.42
<b>WATER COSTS</b>				
	PG&E	3	Gas Service Buildings & P.S.	1,902.97
	San Juan Water District	2	Purchased Water	7,298.39
	Sierra Chemical	2	Water Quality Services/Chemicals	17,599.58
	SMUD	3	Electrical Utilities	131,805.88
<b>OPERATIONS &amp; MAINTENANCE</b>				
	A & A Stepping Stone Mfg. Inc	6	Field Supplies	701.13

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

<u>Type</u>	<u>Payee</u>	<u># Inv</u>	<u>Purpose</u>	<u>Amount</u>
<b>OPERATIONS &amp; MAINTENANCE</b>				
	A1 Fabrication & Welding	2	Welding Services - Meter Lids	1,710.00
	ABF Freight	1	Shipping Services	316.54
	Accrelive Solutions	1	PCI Compliance	5,950.00
	Adler Tank Rentals	1	Tank Relocation	650.00
	Advanced Integrated Pest Management	4	Pest Control Services	311.50
	Advanced Roof Design	2	Roof Repair - Walnut	663.00
	Airgas USA LLC	1	Field Supplies	99.09
	All Pro Backflow	3	Backflow Services	4,284.00
	AM Conservation	2	Conservation Materials	7,212.55
	American River Parkway Foundation	1	Pups on the Parkway Sponsorship	500.00
	Anamet, Inc	2	Consulting Services - Engineering	5,300.00
	AT&T Calnet3	5	Phone Service	795.80
	Atlas Disposal	2	Waste Disposal Services	364.73
	Atlas Fence	5	Fence Repairs	2,405.00
	AWWA	1	Annual Membership/Dues	6,152.00
	Backflow Distributors Inc.	4	Backflow Supplies	469.36
	Badger Meter	1	Monthly Antenna Service Meter Reading	114.00
	Bay City Electric Works	8	Pump Site Services	5,259.89
	Broadridge Mail LLC/DST	13	Customer Billing Services	68,772.55
	Brower Mechanical	4	HVAC Maintenance	1,178.00
	Bryce Consulting	3	HR Services	24,560.00
	BSK Analytical Laboratory	3	Lab Water Quality Services	38,345.00
	Bud's Tri County Tree Service	4	Tree Removal	9,415.00
	Bulbman	1	Light Maintenance	10.61
	Burt's Lawn & Garden	2	Monthly Pump Station Maintenance	10,210.00
	Capitol Elevator4	4	Monthly Elevator Inspections/Maintenance	442.00
	Cell Energy Inc	1	Equipment Supplies	379.27
	Central Valley Engineering & Asphalt	1	District Paving Repairs	9,016.00
	Century Graphics	2	Map Walls	5,487.00
	Chad Jividen	1	T1 Exam and Certification	230.95
	Churchill Boosters	1	Science Fair Sponsorship	100.00
	CINTAS	15	Uniforms and Janitorial Supplies - Walnut	2,327.15
	Citigroup Global Markets	1	Remarketing Fees	13,196.72
	Citrus Heights Saw and Mower	1	Small Equipment Repair	149.86
	Citrus Heights Water District	1	Conservation Ad	124.67
	City of Sacramento	2	Utilities	25.54
	Clear Vision Window Cleaning	2	Building Maintenance	450.00
	Comcast	1	Cable	27.37
	Consolidated Communications	1	Telephone Services - Antelope	410.25
	Cotton Shoppe	1	Uniform Supplies	412.99
	Coughran Mechanical	1	Pump Station Repairs	5,844.87
	County of Sacramento Environmental Mgt	7	Annual Hazardous Permit Renewals	5,109.00
	County of Sac Utilities	3	Monthly Utilities	506.31
	County of Sacramento Voter Registration	1	Election Fees	16,633.32
	Crown Distributing	2	Janitorial Supplies	632.94
	Culligan	1	Water System - Walnut	137.50
	Customer Rebates	6	Rebate Programs	2,000.00
	Customer Refunds	78	Customer Refunds	8,751.85
	Dan York	2	Misc Mileage and Meeting Expense	160.92
	Databank IMX	1	Annual Maintenance Agreement	63,517.00
	David Espinosa	2	Cityworks Conference	696.48
	Direct TV	1	Cable - Walnut	5.00
	Domco Plumbing	1	Plumbing Maintenance	475.00
	DTC Computer Supplies	1	Register Set Up for Customer Service	488.84
	Eaton Pumps Sales and Service	1	Well 40A Motor Rewound Services	809.00
	Ecolandscape California	1	Well 31A Landscape At Home Training/Transition	23,749.50
	Emigh Hardware	8	Field Supplies	164.60
	Employee Relations Network	2	HR Services	483.35

Sacramento Suburban Water District  
Cash Expenditures  
December-16

<u>Type</u>	<u>Payee</u>	<u># Inv</u>	<u>Purpose</u>	<u>Amount</u>
<b>OPERATIONS &amp; MAINTENANCE</b>				
	Express Office Products	1	Office Supplies	141.02
	Fastenal Company	2	Storeroom Supplies	1,490.29
	Federal Express	1	Express Mail Services	316.35
	Fieldman Rolapp & Associates	1	Refunding Analysis	865.00
	Fleet Wash	3	Vehicle Maintenance	1,088.00
	Frederick Gayle	1	ACWA Conference Attendance	1,007.09
	Future Ford	2	Vehicle Maintenance	764.91
	Gary Babin	1	Safety Footwear Reimbursement	218.09
	Geremy Moody	1	Safety Footwear Reimbursement	230.95
	GM Construction	12	System Repairs/Main Line Leaks	108,382.23
	Govt. Finance Officers Association	1	Annual Membership/Dues	150.00
	Grainger	1	Misc. Field Supplies	82.94
	Graybar	2	Production Supplies	108.38
	Greg Bundesen	1	Conference Reimbursement	100.00
	Griffin's Janitorial	1	Janitorial Services	3,408.20
	H2H Properties	2	Lease Space	1,197.00
	Hannah Dunrud	1	Safety Footwear Reimbursement	178.14
	Harrold Ford	5	Vehicle Maintenance	2,359.21
	Heather Hernandez	1	Conference Attendance	265.84
	Hector Segoviano	1	Safety Footwear Reimbursement	250.00
	Herberger Publications	1	Conservation Outreach	400.00
	Hydrant Permit Deposit Refunds	3	Refunds	6,681.55
	IN Communications	2	Outreach Services	10,399.51
	Iron Mountain Offsite Data Protection	1	System Backup Protection Storage	356.53
	J&J Locksmith	2	Locksmith Services	73.44
	Jeovani Benavidez	1	Safety Footwear Reimbursement	230.95
	Jerry Beams	1	Safety Footwear Reimbursement	237.36
	John Seltzer	1	Safety Footwear Reimbursement	194.36
	Kyle Jividen	1	Safety Footwear Reimbursement	214.95
	Les Schwab Tire Center	3	Vehicle Maintenance	655.06
	Marc Matthews	1	Safety Footwear Reimbursement	250.00
	Mark Taylor	1	Safety Footwear Reimbursement	230.95
	Michael Phillips Landscape Corp	7	Landscape Maintenance Various Locations	8,710.00
	Mike Jenner	1	Safety Footwear Reimbursement	225.95
	Mitch Dion	2	Misc Mileage and Conference Expense	1,130.95
	Mitchell McCarthy	1	Safety Footwear Reimbursement	250.00
	Municipal Consulting Group	1	Warren Act Consulting	30,693.50
	Neil Schild	2	Misc Mileage and Meeting Expense	67.50
	Normac	1	Field Supplies	357.33
	One Stop Truck Shop	2	Vehicle Maintenance	3,025.00
	Paladin Private Security	2	After Hours Security	920.00
	Panatrack	1	Inventory Supplies	400.00
	Paul Johnson	1	Safety Footwear Reimbursement/Certification	64.68
	Paul Miller	2	Safety Footwear Reimbursement	214.98
	PeopleReady	10	Temp Employee Services	5,258.01
	PFM Asset Management LLC	2	Investment Services	7,520.24
	Pitney Bowes Leases	2	Postage Meter Lease	1,105.45
	Pollard Water	1	Operating Supplies	6,884.43
	Rachel Middlestead	1	Cityworks Conference	659.50
	Ramos Oil Company	1	Pump Site Supplies	76.50
	Rawles Engineering	4	District Main/Valve Repairs	23,250.00
	Ray Morgan	2	Printer/Copier Monthly Lease	622.72
	Regional Water Authority	3	Lobbying and Prop 84 Grant	14,458.00
	Resource Telecom	1	Quarterly Technical Support	652.50
	Robert D Ames	1	Safety Footwear Reimbursement	165.00
	Robert S Roscoe	1	Misc Meetings and Out of Pocket Expense	1,200.66
	Rue Equipment Inc.	16	Vehicle Maintenance	3,877.82
	Rodney Lee	1	Safety Shoe Reimbursement	230.96

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

<u>Type</u>	<u>Payee</u>	<u># Inv</u>	<u>Purpose</u>	<u>Amount</u>
<b>OPERATIONS &amp; MAINTENANCE</b>				
	Sacramento Area Creeks Council	1	Annual Membership/Dues	500.00
	Sacramento Mobile Drug & Alcohol	1	Testing Onsite	230.00
	Sacramento Suburban Water District	2	Replenish Petty Cash	1,693.45
	SAWWA	2	Membership/Dues 2017	600.00
	Shawn Shedenhelm	1	Safety Shoe Reimbursement	199.77
	Shred It	1	Shredding Services	170.88
	Signs in One Day	1	Signage	43.55
	Silicon Valley Shelving and Equipment	1	Office Supplies	766.01
	Sonitrol	2	Alarm Services	1,494.84
	Sophos Solutions	1	Systems Maintenance	15,436.00
	State Water Resource	1	SWRCB Fees	2,062.00
	Suburban Propane	2	Pump Station Supplies	2,481.86
	Sutter Medical Foundation	1	Preemployment Physicals	1,478.00
	Tetra Tech	8	District Main Line Repairs	36,396.00
	Tina Lynn Design	5	Product Design Services	1,453.65
	Tom Dickinson	1	Safety Shoe Reimbursement	225.95
	Tommy Fox	1	Safety Shoe Reimbursement	250.00
	True Point Solutions	1	Backflow Management and Portal Solution	25,733.00
	US Bank Corporate Payment Systems	2	Calcard	21,618.12
	Valley Power Systems	37	Pump Station Maintenance	33,853.47
	Vantiv Integrated Systems	1	Payment Systems	411.89
	Verizon Wireless	2	Cell Service	9,581.85
	Vision Technology Solutions LLC	1	Web Site Monthly Fees	243.10
	Voyager Fleet Systems	1	Fuel	6,705.44
	Waste Management	3	Garbage Service	486.39
	Water Environment Federation	1	Annual Membership/Dues	312.00
	Waterwise Consulting	1	Waterwise Audits	2,275.00
	Water Systems Optimization	1	Water Audits	22,000.00
<b>DEBT SERVICE EXPENSES</b>				
	Union Bank NA	1	COP Payments	-
	Wells Fargo Swap	1	COP Payments	70,717.78
	Sumitomo Mitsui Banking Corp.	1	COP Payments	83,786.18
<b>LEGAL &amp; AUDIT</b>				
	Bartkiewicz, Kronick & Shanahan	1	Legal	19,961.77
<b>PAYROLL , PENSION &amp; BENEFITS</b>				
	ADP	2	December Payroll	446,491.87
	ACWA/JPIA Insurance/EAP	1	Employee Assistance Program	145.70
	ADP	2	Payroll Processing Fees	2,472.81
	AFLAC	1	Supplemental Insurance	815.88
	Ameritas/Vision	1	Vision Insurance	1,701.72
	CIGNA - Dental Insurance	1	Dental Insurance	10,948.70
	CIGNA Healthcare	1	Life/LTD	3,442.32
	PERS Health	1	PERS Health Insurance	88,806.17
	PERS Pension	3	December Contributions	90,455.81
<b>BANK CHARGES</b>				
	Brinks	2	Courier Fees	655.11
	Westamerica Analysis Fees	1	Analysis Charge	67.09
	Westamerica Card Processing Fees	1	Monthly Card Processing Fee	3,654.35
<b>EMPLOYEE RETENTION/MORALE FUND</b>				
	Dave Jones	1	Christmas Tree	37.80
	Wat Loa Saophuth	1	Goodwill Donation	100.00
<b>Total Cash Expenditures</b>				<b>\$ 5,727,411.42</b>

**Credit Card Expenditures  
December 2016**

## Credit Card Reconciliation Form

Reconciliation Month  
DECEMBER 2016

Reconciliation #  
444791

### AP – Credit Card

Purchase Date	Vendor Name	Project/Job Description
10/28/2016	CARHARTT	HYDRANT/METER COMPETITION JACKETS - GARY AND HECTOR
Acct#/Project# 12-51408	Purchase Amount \$248.38	
Purchase Date 11/02/2016	Vendor Name THE HOME DEPOT	Project/Job Description TOILET AUGER
Acct#/Project# 12-52101	Purchase Amount \$53.98	
Purchase Date 11/11/2016	Vendor Name BATH & BODY WORKS	Project/Job Description HAND SOAPS FOR THE RESTROOMS
Acct#/Project# 12-54008	Purchase Amount \$25.92	
Purchase Date 11/14/2016	Vendor Name AMAZON.COM	Project/Job Description 10 EACH 12 VOLT PHONE CHARGERS
Acct#/Project# 12-53503	Purchase Amount \$159.90	
Purchase Date 11/16/2016	Vendor Name J&J LOCKSMITH	Project/Job Description 2EA LASER KEYS FOR BINS - VEHICLE #69
Acct#/Project# 12-54005	Purchase Amount \$140.40	
Purchase Date 11/17/2016	Vendor Name IDWHOLESALE	Project/Job Description LOCKING BADGE HOLDERS - 50 EACH
Acct#/Project# 12-54007	Purchase Amount \$57.88	
Purchase Date 10/26/2016	Vendor Name AMAZON.COM	Project/Job Description OTTER BOX PROTECTIVE CASE FOR SMART PHONES
Acct#/Project# 18-53503	Purchase Amount \$1,322.00	

## AP – Credit Card

Purchase Date 10/28/2016	Vendor Name WALMART	Project/Job Description PUMPKINS FOR HALLOWEEN POTLUCK
Acct#/Project# 02-51403	Purchase Amount \$14.40	
Purchase Date 10/27/2016	Vendor Name FLASHPOINT STUDIOS	Project/Job Description MONTHLY FEE FOR ONHOLD RECORDINGS
Acct#/Project# 04-54506	Purchase Amount \$79.00	
Purchase Date 11/05/2016	Vendor Name FINANCIAL ACCOUNTING FOUND	Project/Job Description FASB
Acct#/Project# 03-52502	Purchase Amount \$430.00	
Purchase Date 11/04/2016	Vendor Name CALIFORNIA SOCIETY OF MUN	Project/Job Description 2017 DUES
Acct#/Project# 03-52501	Purchase Amount \$110.00	
Purchase Date 11/04/2016	Vendor Name DELTA AIR	Project/Job Description TRAVEL FOR DAVID ESPINOZA FOR CITYWORKS CONFERENCE
Acct#/Project# 15-51406	Purchase Amount \$174.20	
Purchase Date 11/05/2016	Vendor Name HILTON HOTELS SALT LK CITY	Project/Job Description HOTEL FOR DAVID ESPINOZA FOR CITYWORKS CONFERENCE
Acct#/Project# 15-51406	Purchase Amount \$173.40	
Purchase Date 11/17/2016	Vendor Name LOGMEIN INC	Project/Job Description ANNUAL DUES FOR LOGMEIN PRO FOR SMALL BUSINESS
Acct#/Project# 18-54509	Purchase Amount \$649.00	
Purchase Date 11/18/2016	Vendor Name MICROSOFT STORE	Project/Job Description MICROSOFT SURFACE PRO 4 REFRESH PO 0008287
Acct#/Project# SF16-389B	Purchase Amount \$1,846.35	



## AP – Credit Card

<b>Purchase Date</b> 11/18/2016	<b>Vendor Name</b> MICROSOFT STORE	<b>Project/Job Description</b> 2 YEAR MAINTENANCE ON SURFACE
<b>Acct#/Project#</b> SF16-389B	<b>Purchase Amount</b> \$149.00	
<b>Purchase Date</b> 11/20/2016	<b>Vendor Name</b> STYMILOCK	<b>Project/Job Description</b> LOCKING DEVICES TO BE USED ON DISTRICT WELL SITES
<b>Acct#/Project#</b> 15-52101	<b>Purchase Amount</b> \$698.44	
<b>Purchase Date</b> 11/11/2016	<b>Vendor Name</b> OFFICE DEPOT	<b>Project/Job Description</b> OFFICE SUPPLIES
<b>Acct#/Project#</b> 17-52108	<b>Purchase Amount</b> \$51.81	
<b>Purchase Date</b> 10/31/2016	<b>Vendor Name</b> ACWA	<b>Project/Job Description</b> ACWA REGISTRATION FOR CRAIG LOCKE
<b>Acct#/Project#</b> 01-55001	<b>Purchase Amount</b> \$695.00	
<b>Purchase Date</b> 11/03/2016	<b>Vendor Name</b> SOUTHWEST	<b>Project/Job Description</b> FLIGHT INFO FOR DIRECTOR GAYLE
<b>Acct#/Project#</b> 01-55001	<b>Purchase Amount</b> \$373.96	
<b>Purchase Date</b> 11/04/2016	<b>Vendor Name</b> AMTRAK	<b>Project/Job Description</b> TRANSPORTATION FOR HEATHER HERNANDEZ TO CSDA
<b>Acct#/Project#</b> 02-55001	<b>Purchase Amount</b> \$44.00	
<b>Purchase Date</b> 11/09/2016	<b>Vendor Name</b> WATER EDUCATION FOUND	<b>Project/Job Description</b> LAYPERSONS GUIDES BOOKS FOR OFFICE
<b>Acct#/Project#</b> 02-52502	<b>Purchase Amount</b> \$187.75	
<b>Purchase Date</b> 11/09/2016	<b>Vendor Name</b> EWRI	<b>Project/Job Description</b> HOLIDAY MEETING REGISTRATION FOR ROB ROSCOE
<b>Acct#/Project#</b> 02-55002	<b>Purchase Amount</b> \$25.00	

## AP – Credit Card

Purchase Date 11/09/2016	Vendor Name CAPITAL BRANCH GROUNDWATER	Project/Job Description MEETING REGISTRATION
Acct#/Project# 02-55002	Purchase Amount \$25.00	
Purchase Date 11/18/2016	Vendor Name EMBASSY SUITES	Project/Job Description HEATHER HERNANDEZ ROOM FOR CSDA
Acct#/Project# 02-55001	Purchase Amount \$331.60	
Purchase Date 10/25/2016	Vendor Name WWW.OREGONPARTASSTORE.CO	Project/Job Description (20) CHAINSAW CHAIN LOOPS - REPLENISHING ON HAND STOCK
Acct#/Project# 05-52101	Purchase Amount \$330.00	
Purchase Date 10/25/2016	Vendor Name WWW.HOMEDEPT.COM	Project/Job Description (6) RAZOR-BACK 16 IN. WOOD HANDLE DRAIN SPADES - REPLENISHING STK
Acct#/Project# 05-52101	Purchase Amount \$237.89	
Purchase Date 10/27/2016	Vendor Name HOME DEPOT	Project/Job Description (4) STAINLESS STEEL CLAMPS 1-3/4" X 2-3/4" - WO#162635 REPAIR
Acct#/Project# 07-52101	Purchase Amount \$5.49	
Purchase Date 11/01/2016	Vendor Name WWW.DELTA.COM	Project/Job Description RT AIRFARE RESERVATIONS RODNEY LEE 12/05-12/08/16 SLC, UT
Acct#/Project# 05-55001	Purchase Amount \$212.20	
Purchase Date 11/01/2016	Vendor Name WWW.HILTON.COM	Project/Job Description HOTEL RESERVATION DEPOSIT/RODNEY LEE 12/05- 12/08/16 HILTON HOTEL SLC, UT
Acct#/Project# 05-55001	Purchase Amount \$173.40	
Purchase Date 11/01/2016	Vendor Name WWW.AMAZON.COM	Project/Job Description GAMES FOR ANNUAL ACHIEVEMENT EVENT, 12/03/16
Acct#/Project# 02-51403	Purchase Amount \$71.82	

AP – Credit Card

Purchase Date 11/03/2016	Vendor Name HOME DEPOT	Project/Job Description 208R RUBBER WET PATCH & SPECTRICIDE WASP SPRAY - REPLENISHING STK
Acct#/Project# 05-52101	Purchase Amount \$98.03	
Purchase Date 11/05/2016	Vendor Name WWW.PRYOR.COM	Project/Job Description FRED PRYOR SEMINAR REGISTRATION/KYLE JIVIDEN 10/25/16
Acct#/Project# 08-51407	Purchase Amount \$299.00	
Purchase Date 11/04/2016	Vendor Name REAL MAGIC & CO.	Project/Job Description ENTERTAINMENT FOR ANNUAL ACHIEVEMENT @ ANTELOPE 12/03/16
Acct#/Project# 02-51403	Purchase Amount \$445.00	
Purchase Date 11/04/2016	Vendor Name WWW.HACH.COM	Project/Job Description WATER QUALITY PRODUCTS FOR SAMPLING WATER BY ENVRON. COMPLIANCE DEPT.
Acct#/Project# 06-52101	Purchase Amount \$985.87	
Purchase Date 11/16/2016	Vendor Name WWW.PRYOR.COM	Project/Job Description SEMINAR REGISTRATION/ROBERT AMES BUSINESS WRITING FOR RESULTS 11/28/16
Acct#/Project# 07-51407	Purchase Amount \$179.00	
Purchase Date 11/15/2016	Vendor Name WWW.POLLARDWATER.COM	Project/Job Description (1) 2-1/2" X 15' RUBBER FIRE HOSE ASSY, REPLACEMENT FOR VEHICLE #62
Acct#/Project# 08-52101	Purchase Amount \$192.53	
Purchase Date 11/11/2016	Vendor Name WWW.ULTIMATEOFFICE.COM	Project/Job Description (1) SPINFILE 10-POCKET EXECUTIVE DESKTOP ORGANIZER/DISTR. SUPERVISOR
Acct#/Project# 03-52108	Purchase Amount \$155.14	
Purchase Date 11/11/2016	Vendor Name WWW.PRYOR.COM	Project/Job Description FRED PRYOR SEMINAR REGISTRATION/ RAUL P 11/15 HOW TO DELIVER EXCEPTIONAL CUSTOMER SERVICE
Acct#/Project# 08-51407	Purchase Amount \$179.00	

**AP – Credit Card**

Purchase Date	Vendor Name	Project/Job Description
Acct#/Project#	Purchase Amount	
	\$0.00	
Purchase Date	Vendor Name	Project/Job Description
11/10/2016	BULBMAN	(4) 8' FLUORESCENT LAMPS
Acct#/Project#	Purchase Amount	
06-52101	\$22.46	
Purchase Date	Vendor Name	Project/Job Description
11/14/2016	THE HOME DEPOT	(2) 8' FIXTURE RETROFIT KITS WITH LAMPS
Acct#/Project#	Purchase Amount	
06-52101	\$161.13	
<b>Total Amount</b>		
11814.33		

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

Sacramento Suburban Water District  
Board of Directors Meetings Attended (1)  
Pay Rate per Diem is \$100.00  
December 2016

Director Locke:  
(Meetings Attended Reported Verbally)

Director Schild:

Director Wichert:  
(Meetings Attended Reported Verbally)

Director Gayle:  
Nov 28-Dec 2, 2016 ACWA Conference

Director Thomas:  
12/14/2016 Garden of Eden Opening  
12/19/2016 SSWD Regular Board Meeting

(1) Meetings attended during the current month as 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.

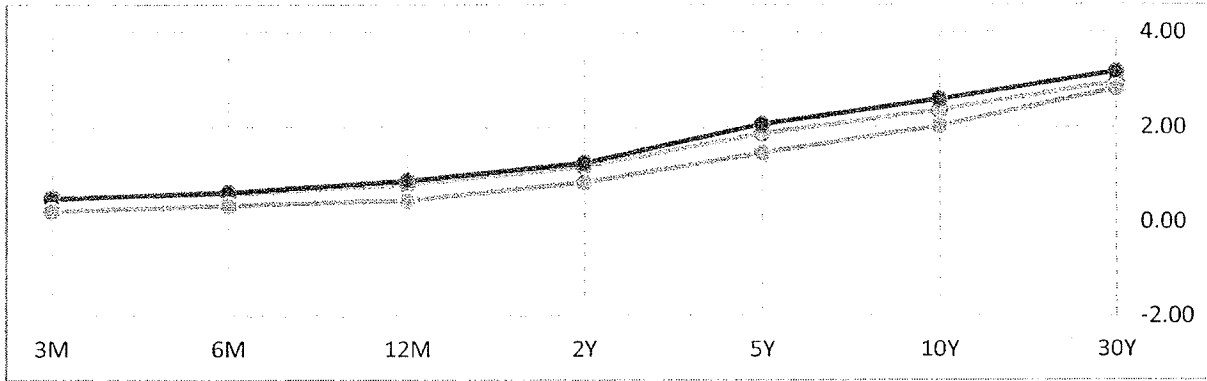


**Market Report Yields -  
January 2010 through November 2016**



**Sacramento Suburban Water District**  
**United States Treasury and Federal Reserve Yields/Rates**  
**As of: January 16, 2017**  
**(Source: Bloomberg Market Data)**

## US Treasury Yields



NAME	COUPON	PRICE	YIELD	1 MONTH	1 YEAR	TIME (EST)
3 Month	0.00	0.49	0.52%	+3	+29	12:12 AM
6 Month	0.00	0.56	0.59%	-4	+24	12:12 AM
12 Month	0.00	0.75	0.79%	-9	+33	12:12 AM
2 Year	1.25	100.14	1.17%	-8	+33	12:12 AM
5 Year	2.00	100.64	1.86%	-20	+41	12:12 AM
10 Year	2.00	96.84	2.36%	-23	+33	12:12 AM
30 Year	2.88	98.39	2.96%	-22	+14	12:12 AM

Change shown in basis points

## Federal Reserve Rates

Rate	Current	1 Year Prior	Rate	Current	1 Year Prior
Fed Funds Rate	0.00	0.36	Fed Reserve Target	0.75	0.50
Prime Rate	3.75	3.50			

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

<u>12/31/2016</u>	<u>SSWD Holdings</u>	<u>ML 0-5 Year UST Index</u>
Under 6 Months	7.6%	13.4%
6 - 12 Months	10.4%	11.5%
1 - 2 Years	24.0%	23.5%
2 - 3 Years	22.4%	20.1%
3 - 4 Years	18.0%	15.3%
4 - 5 Years	17.7%	16.2%
5 Years and Over	0.0%	0.0%
<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)**

	Unannualized Monthly Returns		Yield to Maturity at Cost SSWD Operating Fund
	SSWD	ML 0-5 Year UST Index	
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%
9/30/2016	0.12%	0.14%	1.38%
10/31/2016	-0.10%	-0.14%	1.37%
11/30/2016	-0.64%	-0.72%	1.36%
12/31/2016	0.10%	0.03%	1.43%

**DRAFT - District Reserve Balances  
December 31, 2016**

**Sacramento Suburban Water District  
Reserve Fund Balance**

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Debt Service Reserve	\$ 3,549,384	\$ 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	13,720,195	16,542,963
<b>TOTAL</b>	<u><u>\$ 40,845,329</u></u>	<u><u>\$ 43,839,120</u></u>

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

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Cash and cash equivalents	\$ 2,676,072	\$ 3,109,581
Investments	34,619,873	37,206,113
Restricted assets	3,549,384	3,523,427
<b>TOTAL</b>	<u><u>\$ 40,845,329</u></u>	<u><u>\$ 43,839,120</u></u>

**DRAFT - Information Required by Bond Agreement**

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

	Actual Year-To-Date 12/31/2016	Amended Budget Year-To-Date 12/31/2016
<b>REVENUES</b>		
Water sales charges	\$18,510,400.94	\$16,237,000.00
Capital facilities charge	22,574,500.03	22,031,000.00
Facility development charges	264,209.00	500,000.00
Interest and investment income	556,442.53	680,000.00
Rental & other income	259,051.41	300,000.00
<b>TOTAL REVENUES</b>	<b>42,164,603.91</b>	<b>39,748,000.00</b>
<b>EXPENSES</b>		
Source of supply	2,340,956.38	2,352,007.00
Pumping	3,907,621.62	3,705,676.68
Transmission and distribution	3,437,797.34	3,392,303.16
Water conservation	574,604.29	580,058.84
Customer accounts	1,125,961.36	1,197,154.56
Administrative and general	6,405,788.82	6,567,593.88
<b>TOTAL EXPENSES</b>	<b>17,792,729.81</b>	<b>17,794,794.12</b>
<b>NET REVENUE</b>	<b>24,371,874.10</b>	<b>21,953,205.88</b>

Sacramento Suburban Water District  
 6 - Months Debt Service Schedule  
 12/31/2016

Month	Total SSWD Debt Service					Debt Service
	Principal	Interest Adjustable/Fixed/Swap	Facility Fee	Remarketing		
Jan-17	\$ -	\$ 98,919.67	\$ -	\$ -	\$ 98,919.67	
Feb-17	-	98,919.67	-	-	98,919.67	
Mar-17	-	98,919.67	47,250.00	13,125.00	159,294.67	
Apr-17	-	98,919.67	-	-	98,919.67	
May-17	-	1,141,882.67	-	-	1,141,882.67	
June-17	-	98,919.67	47,250.00	13,125.00	159,294.67	

Month	Series 2012A Fixed Rate Bonds (\$23,440,000.00)					Debt Service
	Principal	Interest - Fixed 4.25%	Facility Fee	Remarketing		
Jan-17	\$ -	\$ -	\$ -	\$ -	\$ -	
Feb-17	-	-	-	-	-	
Mar-17	-	-	-	-	-	
Apr-17	-	-	-	-	-	
May-17	-	421,713.00	-	-	421,713.00	
June-17	-	-	-	-	-	

Month	Series 2009A Adjustable Rate COPs (\$42,000,000.00)					Debt Service
	Principal	Interest, Adjustable 0.70%	Facility Fee 0.450%	Remarketing 0.125%		
Jan-17	\$ -	\$ 24,500.00	-	-	\$ 24,500.00	
Feb-17	-	24,500.00	-	-	24,500.00	
Mar-17	-	24,500.00	47,250.00	13,125.00	84,875.00	
Apr-17	-	24,500.00	-	-	24,500.00	
May-17	-	24,500.00	-	-	24,500.00	
June-17	-	24,500.00	47,250.00	13,125.00	84,875.00	

Month	Series 2009B Fixed Rate COPs (\$27,915,000)					Debt Service
	Principal	Interest - Fixed 5.00%	Facility Fee	Remarketing		
Jan-17	\$ -	\$ -	\$ -	\$ -	\$ -	
Feb-17	-	-	-	-	-	
Mar-17	-	-	-	-	-	
Apr-17	-	-	-	-	-	
May-17	-	621,250.00	-	-	621,250.00	
June-17	-	-	-	-	-	

Month	2012 SWAP Interest, Net (\$33,000,000.00)					Debt Service
	Principal	Interest, Swap Net (3.283-0.42121-.18)%	Facility Fee	Remarketing		
Jan-17	\$ -	\$ 74,419.67	-	-	\$ 74,419.67	
Feb-17	\$ -	\$ 74,419.67	-	-	\$ 74,419.67	
Mar-17	\$ -	\$ 74,419.67	-	-	\$ 74,419.67	
Apr-17	\$ -	\$ 74,419.67	-	-	\$ 74,419.67	
May-17	\$ -	\$ 74,419.67	-	-	\$ 74,419.67	
June-17	\$ -	\$ 74,419.67	-	-	\$ 74,419.67	





## Agenda Item: 12

**Date:** January 17, 2017

**Subject:** 2016 Budget Reallocations

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

**Discussion:**

CIP Budget Reallocations

At budget adoption, the Board authorizes “the General Manager to adjust and/or reallocate amongst the project type cost categories as necessary within the total CIP Budget amount.” Recently, the General Manager authorized transfers between various projects as described in Exhibit 1. The total amended CIP budget of \$18,796,000 is unchanged.

OCB Budget Reallocations

Similar to the CIP budget, the Board authorizes “the General Manager to adjust and/or reallocate amounts amongst the project type cost categories as necessary during the budget year within the total OCB Budget amount.” Necessary reallocations related to various projects are described in Exhibit 2. The total amended OCB budget of \$974,000 is unchanged.

**EXHIBIT 1 - CY2016 CIP Budget Transfers**

<b>Project Number</b>	<b>Project Name</b>	<b>Amended or Reallocated Budget Estimate</b>	<b>Reallocated Amount</b>	<b>Current Budget Estimate</b>	<b>Reason for Transfer</b>
SC16-007	Groundwater Monitoring Well/Modeling	\$250,000	\$20,000	\$270,000	Funds needed to complete projects.
SC16-009	Well Rehab/Pump Station Improvements	\$1,731,560	\$79,000	\$1,810,560	Funds needed to complete projects.
SC16-011	Wellhead Treatment	\$270,000	(\$150,000)	\$120,000	Unfinished project to be completed in 2017.
SC16-012	Well Replacements	\$3,020,000	\$66,000	\$3,086,000	Funds needed to complete projects.
SC16-013	Electric Arc Flash	\$330,000	(\$147,000)	\$183,000	Unfinished projects to be completed in 2017 pending permit approval by Sacramento County.
SC16-018	Distribution Main Replacements	\$8,593,500	\$303,000	\$8,896,500	Funds needed to pay County for paving partnership costs on Drayton Heights project.
SC16-022	Lowering/Raising Valve Boxes	\$126,000	\$4,000	\$130,000	Funds needed to complete projects.
SC16-027	Distribution System Repairs	\$350,000	(\$57,000)	\$293,000	Listed projects were completed more efficiently than anticipated.
SC16-034A	Corrosion Control/Transmission Mains	\$150,000	(\$141,000)	\$9,000	Projects were re-evaluated and the approach modified.
SC16-038	Large Water Meter Replacements	\$140,000	\$23,000	\$163,000	Funds needed to complete projects.
<b>Total</b>		<b>\$14,961,060</b>	<b>\$0</b>	<b>\$14,961,060</b>	

**EXHIBIT 2 – 2016 OCB Budget Transfers**

<b>Project Number</b>	<b>Project Category</b>	<b>Amended Budget Estimate</b>	<b>Reallocated Amount</b>	<b>Amended Budget Estimate</b>	<b>Reason for Transfer</b>
SF16-344	2015 Urban Water Master Plan	\$42,000	(\$21,000)	\$21,000	Final costs came in under budget.
SF16-345	Water System Master Plan	\$134,000	\$24,000	\$158,000	At project mid-point, there was an adjustment to the consultant's scope of work that added budget monies. The end result will be an improved master plan document that will better serve the District's needs.
SF16-373	Board Room Wall Maps	\$5,000	\$500	\$5,500	Small increase needed for actual cost of new wall map.
SF16-375	Vehicle Replacement – Truck #32	\$134,000	(\$7,000)	\$127,000	Actual costs for the utility bed and modifications were less than the original budget.
SF16-381	Meter Vault Lid Retrofit	\$10,500	(\$10,500)	\$0-	No meter lids were replaced in 2016.
SF16-383	Remodel Customer Service Area	\$65,000	(\$21,600)	\$43,400	Additional budget funds were added during the year in anticipation of more work needed. The extra work was not needed after all.
SF16-388	Building and Structures Maintenance	\$100,000	(\$5,300)	\$94,700	The number of well facilities repainted in 2016 were less than planned.
SF16-389	Hardware Refresh	\$105,000	\$16,400	\$121,400	Funds were for new Truck Modems. Old modems were reaching end-of-life and needed to be replaced.
SF16-390	Software Enhancement Modules	\$115,000	(\$54,000)	\$61,000	The planned purchase of a conservation module in Truepoint did not occur as the module is not complete.
SF16-394	KP Network Upgrade	\$0-	\$38,500	\$38,500	The KP network is for the fixed network meter radio reads. The upgrade was to improve overall system communication, extend the range, and allow for two-way communication.

January 17, 2017

SF16-395	Walnut Ceiling – Clean and Repair	\$-0-	\$40,000	\$40,000	Due to rodent problems, there was an immediate need to clean and replace the ceiling tiles at Walnut.
<b>Total</b>		<b>\$710,500</b>	<b>\$0</b>	<b>\$710,500</b>	



## Agenda Item: 13

**Date:** January 12, 2017

**Subject:** Financial Markets Quarterly Report

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

### Summary of District's Debt Portfolio:

Debt	Original Par	Outstanding	Issuance	Credit Enhancement	Final Maturity
2009A	\$ 42,000,000	\$ 42,000,000	Adjustable Rate Revenue COP's	Sumitomo Bank*	11/1/2034
2009B	\$ 36,155,000	\$ 24,095,000	Fixed Rate Revenue COP's		11/1/2028
2012A	\$ 29,200,000	\$ 19,520,000	Fixed Rate Revenue Bond		11/1/2027
	<u>\$107,355,000</u>	<u>\$ 85,615,000</u>			

\* Credit enhancement expires 6/30/2018

### Current Status of District's Variable-Rate Debt Portfolio:

Debt	Outstanding	Credit Enhancement	Bank Owned	Sold in Market	Market Rate
2009A	\$42,000,000	Sumitomo Bank LOC	None	\$42,000,000	0.70%
	Notional Amount	Counterparty	FMV	Receive Rate	Fixed Rate
Swap	\$33,300,000	Wells Fargo Bank, N.A.	(\$6,927,416)	0.601%	3.283%

### Current Status of District's Investment Portfolio (December 31, 2016):

Fair Market Value	Security Type	Yield
\$ 1,154,501	LAIF	0.72%
517,653	Supra-National Agency Bond	1.10%
7,839,441	Certificates of Deposit	1.32%
8,401,104	Corporate Notes	1.84%
5,799,060	Agency Securities Bonds/Notes	1.15%
1,146,889	Municipal Bonds	1.98%
7,206,850	Treasury Bonds/Notes	1.39%
1,264,956	Agency Collateralized Mortgage Obligation	0.80%
2,443,920	Asset-Backed Securities/CMOs	<u>1.24%</u>
<u>\$35,774,374</u>		<u>1.40%</u>

**Market:**

Listed below is the most recent market summary provided by the District's Investment Portfolio Advisor (PFM Asset Management):

**Current Bond Markets**

- Global bond yields rose modestly across the curve in December as the Federal Reserve (Fed) raised rates and provided updated forecasts of future rate hikes.
- Treasury yields rose across all maturities in December. The two year Treasury yield increased 8 bps to 1.19% while the 10-year yield rose 6 bps to 2.45%. The yield on the five-year Treasury saw the largest increase during the month, rising 9 bps to 1.93%. Yields on all maturities finished the year higher.
- The modest increase in Treasury yields resulted in unchanged to slightly positive performance for most benchmark indexes in December, while longer-maturity Treasury indexes declined modestly for the month. The 1-3 year bond index gained 0.03% for the month, finishing the year up 0.88%. The 1-10 bond year index fell -0.02% to end the year ahead 1.14%.
- As interest rates rose, Federal Agency spreads widened modestly in December from near their tightest levels of the year. As a result, Agencies slightly outperformed Treasuries.
- Investment-grade corporate yield spreads ended the month somewhat narrower, and approached their lowest levels of the year. Corporate bonds strongly outperformed comparable-maturity Treasuries, with the sector finishing the year with its best relative annual return since 2012.
- Asset-backed securities (ABS) and mortgage-backed securities (MBS) slightly underperformed comparable-maturity Treasuries.
- Yields on money market securities (those with maturities of less than one year) remained elevated as the Fed raised rates.

**PFM Outlook**

- 2017 has begun with an unusually high level of uncertainty regarding President-elect Donald Trump's proposed policies. Tax cuts, regulatory reform, infrastructure spending and renegotiation of trade agreements could move interest rates in an unknown direction and at an uncertain pace. We remain cautious, and expect that portfolio durations will be maintained close to those of benchmarks for most strategies in an effort to avoid disruption by an undetermined pace of interest rate changes.
- The most recent pronouncements of U.S. central bank officials suggest that the overnight federal funds rate will approach 1.50% by the end of 2017. Market participants currently expect a more modest rise. A slow pace of rate hikes is consistent with our stance for a neutral duration for portfolios.
- Portfolios whose durations approximate those of benchmarks could benefit from added income that longer-maturity securities offer, and also benefit from a yield curve roll-down.
- As investment-grade corporate yield spreads remain narrow, incremental return potential in the corporate bond sector requires careful relative value analysis. Because liquidity is limited, new issues are usually offered at more attractive yields than secondary market securities.
- MBS that have stable cash flows may offer some benefits when compared with direct agency securities. However, holding MBS will increase the sensitivity of portfolios to interest rate swings.
- In the money market realm, short-term credit instruments such as commercial paper and certificates of deposit continue to add value as spreads to comparable-maturity government securities remain wide.

(Source: PFMAM December 2016 Monthly Market Review).

**Debt Portfolio:**

The District's debt portfolio is evenly divided between fixed-rate debt and variable-rate debt. While the District's exposure to market conditions has been reduced, the District is exposed to interest rate risk primarily on the un-hedged portion of its variable-rate COP, representing \$8.7 million. Such risk is managed by the District through adherence to the District's Reserve Policy that addresses the management of interest rate risk through prudent investing of reserves in short-term variable-rate securities in an amount at least equal to the un-hedged debt exposure.

**Investment Portfolio:**

In this market environment, the investment objective is to position portfolio durations modestly short of benchmarks while emphasizing intermediate maturities and underweighting longer maturities thus shortening the portfolio.



## Agenda Item: 14

**Date:** January 12, 2017

**Subject:** DRAFT - Year-to-Date Interest Expense Quarterly Report

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

Interest expense consists of: 1) interest paid to bondholders, 2) letter-of-credit facility fees, 3) remarketing fees, 4) arbitrage rebate liabilities, and 5) net SWAP interest.

For the year, the District has incurred interest expense of \$3,586,997 versus a forecast of \$3,660,000 or a \$73,003 positive variance. The District planned for a 25 bps rate increase in 2016 which came to fruition in December. And despite the negative effects of the SEC's Money Market Fund Reform that went into effect in October, District interest expense came in in-line with plan.



**DRAFT**

**Sacramento Suburban Water District  
Interest Expense  
2016**

	<u>A</u> 2016 Debt Interest <u>FORECAST</u>	<u>B</u> 2016 Actual Debt Service Cost	<u>A - B</u> 2016  <u>DIFFERENCE</u>	2016 CUMULATIVE YTD <u>DIFFERENCE</u>
<b>2016</b>				
January	\$ 321,666	\$ 296,274	\$ 25,392	\$ 25,392
February	321,667	264,179	57,488	82,880
March	321,667	331,256	(9,589)	73,291
April	321,666	272,503	49,163	122,454
May	321,667	269,860	51,807	174,261
June	321,667	342,934	(21,267)	152,994
July	288,333	282,210	6,123	159,117
August	288,333	338,615	(50,282)	108,835
September	288,334	300,551	(12,217)	96,618
October	288,333	278,508	9,825	106,443
November	288,333	292,557	(4,224)	102,219
December	288,334	317,551	(29,217)	73,003
<b>TOTAL 2015</b>	<u>\$ 3,660,000</u>	<u>\$ 3,586,997</u>	<u>\$ 73,003</u>	



## Agenda Item: 15

**Date:** January 5, 2017

**Subject:** San Juan Water District Wholesale Water Rates

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

In 2016, the San Juan Water District (SJWD) retained the services of The Reed Group to develop a Wholesale Financial Plan (Plan) that would enable them to update their ten-year wholesale and retail financial plans and provide recommendations for updating SJWD's water rates from 2017 through 2021. As typical with this type of study, the purpose was to ensure that SJWD's wholesale and retail water systems continue to meet financial obligations for ongoing operations and maintenance, debt service, and capital improvements. Preliminary results and recommendations of the Plan were presented to SJWD's Board of Directors in June 2016.

The Plan addressed the treat and wheel water rate (diversion, treatment, and conveyance of water) for Sacramento Suburban Water District (District) related to the October 1994 agreement between SJWD and Northridge Water District. The Plan proposed a calculation for the 2017 treat and wheel water rate for the District.

Based on the proposed wholesale water rate and the fact The Reed Group stated in the Plan that language in the 1994 agreement was vague, District staff attended the SJWD Wholesale Financial Plan Ad Hoc Committee on October 11, 2016. Following that meeting, a letter was generated on October 18, 2016 to SJWD, attached to this report as Exhibit 1, that addressed the District's disagreement with the interpretation of the agreement as it pertains to the wholesale allocation structure and provided information of how the costs should be based on certain components. In a response from SJWD, attached to this report as Exhibit 2, they are in agreement with the District that the 1994 agreement is vague and should be revised. It was suggested that the District provide language that would define a fair and equitable calculation of the cost of water for both agencies. However, it was stated in the correspondence that until the agreement is revised, SJWD's approach for the Plan is to follow their interpretation of the existing 1994 agreement.

The District retained the services of HDR Engineering, Inc. (HDR) to review the wholesale water rate study conducted by The Reed Group. A review of that study was provided to the District, attached to this report as Exhibit 3. The HDR review was not intended to "audit" SJWD's study, but to review the overall methodology in relation to generally accepted rate setting methodologies, and the development of the treat and wheel rate to be in compliance with the existing agreement. In summary, HDR is of the opinion that SJWD should reconsider their

proposed treat and wheel rate for the District, and, at the very least, revise it to \$161.44/AF. The HDR study stated that this change in the rate would have no impact to SJWD's financial plan as the current plan assumed no water deliveries to the District. The SJWD study is calculated at \$181.06/AF, which is an increase of \$42.72/AF, or an increase of 31%.

The SJWD responded to the HDR review and provided comments that may be instrumental in revising the 1994 agreement and recommending the treat and wheel water rate for calendar year 2017. The response, dated December 12, 2016, is attached to this report at Exhibit 4.

On December 20, 2016, District and SJWD staff discussed mutual benefits of working towards revising the 1994 Agreement. An email from the Interim General Manager stated he is looking forward to working with the District on updating and revising the 1994 Agreement to clarify and improve the agreement for both agencies. Staff anticipates working with the new General Manager, Paul Heliker, once he begins his employment.

## Exhibit 1

October 18, 2016

Pamela Tobin, President Board of Directors  
San Juan Water District  
9935 Auburn Folsom Road  
Granite Bay, CA 95746

Dear Ms. Tobin:

It was a pleasure meeting with the Wholesale Financial Plan Ad Hoc Committee on Tuesday, October 11, 2016. We were impressed with the breadth and depth of discussion concerning the proposed Wholesale Financial Plan that took place at that meeting. As a result of the meeting and based on our review of the Rate Consultant's Final Wholesale Financial Plan Report, dated August 31, 2016, we are desirous to provide the following comments.

Sacramento Suburban Water District (District) appreciates its long and staid relationship with San Juan Water District (SJWD) beginning in earnest with the joint exercise of building a Cooperative Transmission Pipeline (CTP) that serves the needs of both district's customers that began in the early 1990's. Since these beginnings, the districts have worked together on various projects, which have proven advantageous in their outcomes.

The District respects the operational and financial issues that face SJWD and is willing to do its part in helping resolve those issues. First and foremost the District recognizes that the language in the "Agreement Between SJWD and Northridge Water District (Northridge) Concerning Diversion, Treatment and Conveyance of Water" (Agreement) dated November 23, 1993, regarding the charge by SJWD to treat water for Northridge is vague and needs to be readdressed. Nevertheless, for the present discussion, the contract language states "San Juan's charge to Northridge for use of Surplus Capacity in San Juan's Facilities to deliver Surplus Water or Northridge Water shall be at the same average wholesale rate it charges to San Juan's Member Districts, plus a charge to cover the pro rata cost of treating water to be delivered to Northridge to the extent treatment costs are not included in the wholesale rate. The charge for using Surplus Capacity to divert, treat and deliver Northridge Water shall not include the cost-of-water component of San Juan's wholesale rate, but may include the cost to San Juan to obtain Surplus Water specifically for the purpose of making it available for delivery to Northridge." (Agreement, part 4.)

This paragraph has been interpreted by SJWD to mean that all SJWD costs of service, exclusive of source of supply costs, are to be charged to the District. (See page 26 and 33 of the Rate Consultant's report.) The District disagrees with this wholesale allocation structure and believes the proper structure to allocate costs should be as follows:

1. Raw Water Supply Costs
2. Raw Water Transmission Costs
3. Treatment Costs
4. Treated Water Transmission and Storage Costs
5. Distribution Costs
6. Metering and Customer Service Costs

Because the District owns or owns capacity in the CTP, if SJWD categorized their costs according to this structure, the District would be paying only the cost of Treatment and Treated Water Transmission and Storage. As it stands, with the current cost structure, the District is being asked to pay for costs that have nothing to do with the services it receives from SJWD.

Additional concerns of the District are twofold. First, we recognize and understand the operational issues facing SJWD and are of the opinion that SJWD needs to more quickly resolve the risks involved with Hinkle Reservoir and its attendant issues and with SJWD's financial position. While the proposed Wholesale Financial Plan levies the District with the greatest increase by far of all SJWDs customers, 34% compared to 16% for member districts, the District is concerned this may only be sufficient to address the immediate issues SJWD is facing. The District would prefer to address a proposed Wholesale Financial Plan that addresses all of SJWD's problems over the next 5 to 10 years, as opposed to facing a series of uneven price increases due to a potentially tepid response in adequately addressing SJWD's operational risks. It is much easier for the District to manage itself when costs are known and addressed than when they are known but remain unaddressed.

Second, the District is pleased that the proposed Wholesale Financial Plan better aligns fixed revenues with fixed expenses and variable revenues with variable expenses. But, because of the recent experiences we have all faced due to the drought and related conservation efforts, the District recommends SJWD also consider a wholesale drought pricing structure similar to what it is in place for SWJD's retail customers. The District would prefer a wholesale pricing structure that could be added upon by the District or member districts as they formulate their own retail drought pricing structure.

Thank you again for the opportunity to comment. If I can provide any further insight or clarification, please contact me at (916) 679-3994.

Sincerely,

Robert S. Roscoe  
General Manager

cc: Dan York  
Dan Bills

EXHIBIT 2

**COPY**



P.O. Box 2157 9935 Auburn Folsom Road Granite Bay, CA 95746 916-791-0115 sjwd.org

Received

**NOV 3 2016**

SSWD

November 11, 2016

Robert S. Roscoe, General Manager  
Sacramento Suburban Water District  
3701 Marconi Avenue, Suite 100  
Sacramento, CA 95821-5346

Dear Mr. Roscoe,

Thank you for providing comments on the Wholesale Financial Plan and proposed rate structure in your letter dated October 18, 2016.

As you know, our rate consultant, The Reed Group, included a calculation of the cost to treat SSWD's raw water in our Financial Plan. The calculation of the rate is governed by the "Agreement Between SJWD and Northridge Water District (Northridge) Concerning Diversion, Treatment and Conveyance for Water" (Agreement) dated November 23, 1993. We provided the agreement to our consultant for use in preparing the water treatment rate.

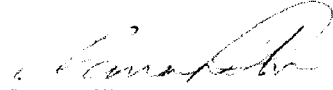
In your letter you acknowledged that the language in the Agreement is vague and needs to be readdressed. You also expressed disagreement with the interpretation of the agreement as it pertains to the calculation of the water treatment rate and you suggested a different interpretation.

We are in complete agreement that the agreement is vague and should be revised. As a starting point for our discussions, would you be willing to provide suggested language that would better define a fair and equitable calculation of the cost of water treatment for both agencies?

Until our agreement is revised, our approach in for the financial plan is to follow our interpretation of the existing agreement. It does not include any raw water supply costs or CTP costs, but does include all other wholesale costs. The current agreement says the cost for SSWD should be the same as those charged other wholesale customer agencies. We agree there are likely costs that are paid by other wholesale customer agencies that might not be as applicable to you and should be reconsidered.

If you have any questions or concerns, please contact me at your convenience. I look forward to working with you on revisions to this agreement.

Respectfully,



Donna Silva, CPA  
Director of Finance

cc: Shauna Lorange, General Manager, San Juan Water District  
Keith Durkin, Assistant General Manager, San Juan Water District  
Pamela Tobin, President of the Board of Directors, San Juan Water District  
Dan Rich, Board Member, San Juan Water District  
Ken Miller, Board Member, San Juan Water District  
Robert Wallace, Board Member, San Juan Water District  
Ted Costa, Board Member, San Juan Water District



November 18, 2016

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

**Subject:** Review of the San Juan Water District Wholesale Treat and Wheel Water Rate Study

Dear Mr. Bills:

HDR Engineering, Inc. (HDR) was retained by the Sacramento Suburban Water District (District) to review the wholesale water rate study recently conducted for the San Juan Water District (San Juan). San Juan serves a number of member agencies on a wholesale basis and has an agreement in place with the District to provide treat and wheel water services on a surplus capacity or surplus water basis. San Juan completed their study on August 31, 2016 and issued a report of the findings conclusions and recommendations from the study. The report, developed by The Reed Group Inc. was titled: San Juan Water District, Wholesale Financial Plan and Water Rate Update Study. As a part of this study, the “treat and wheel” water rate for the District was analyzed and proposed treat and wheel rates developed for 2017 through 2021. The rates as proposed for 2017 are approximately 34% more than the current rate charged to the District. In light of this level of proposed adjustment, the District asked HDR to provide a technical review of the study. This report is intended to summarize our review of the San Juan Water District’s wholesale water rate study and, more specifically, the development of the proposed treat and wheel rate for the District.

HDR has reviewed the San Juan report along with other relevant documents. The HDR review was not intended to “audit” the San Juan study’s data inputs, but rather, review the overall methodology in relation to generally accepted rate setting methodologies, and the development of the treat and wheel rate to be in compliance with the existing agreement for those services. It is important to note that there is an agreement between the San Juan Water District and the District (formerly the Northridge Water District) for the provision of the services. The agreement contains a specific section discussing the payment (i.e., basis for the rate) for use of surplus capacity or surplus water by the District.

Please find attached a letter report summarizing our review of the San Juan wholesale water rate study. We have attempted to provide a comprehensive review of this issue, along with the



relevant background information, to help provide the District and San Juan with an independent and unbiased review of this issue.

We appreciate the assistance provided by the District in the development of this review. More importantly, HDR appreciates the opportunity to provide these technical and professional services to the District.

Sincerely yours,  
HDR

A handwritten signature in black ink, appearing to read "Tom Gould". The signature is written in a cursive style with a large initial "T" and "G".

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



# Review of the San Juan Water District Wholesale Financial Plan and Water Rate Study

## Introduction

HDR Engineering, Inc. (HDR) was retained by the Sacramento Suburban Water District (District) to provide a review of the San Juan Water District (San Juan) wholesale financial plan and water rate study update. San Juan provides wholesale and retail water services to an area near the District. San Juan's wholesale services include supply, treatment and transmission of the water. The wholesale rates include both operating and capital costs. The District is not a San Juan wholesale customer. Instead, the District has an agreement to purchase surplus capacity or surplus water on a treat and wheel basis. The volumes of water delivered to the District can vary from year-to-year, and may include no deliveries during any particular year. This is a beneficial relationship for both parties.

In early 2016, San Juan retained The Reed Group, Inc. (Reed) to update the District's ten-year wholesale and retail financial plans and develop recommendations for updating water rates for the five-year period of 2017 through 2021. Included within the wholesale rate study was an analysis of the treat and wheel rate, specific to the District. The development of this rate is predicated upon the existing agreement between the parties as it relates to these services. There is a specific section within the 1994 agreement related to the pricing of these services. Reed, in the development of the wholesale rate study used their interpretation of the specific language from the 1994 agreement to develop the proposed treat and wheel rates. The result was an increase in the treat and wheel rate of approximately 34%. Given the magnitude of this level of adjustment, the District requested that HDR review the Reed study to confirm its use of generally accepted rate setting methodologies and conformance with the existing agreement between the parties.

## Review of Documents

As a part of this review, HDR reviewed a number of different documents. The primary document reviewed was The Reed Group, Inc. final report dated August 31, 2016 and titled: San Juan Water District, Wholesale Financial Plan and Water Rate Update Study. This report provided the background discussion and exhibits summarizing San Juan's proposed wholesale rates, along with the District's proposed treat and wheel rate. In addition to our review of this report, HDR also reviewed the following documents:

- Agreement Between San Juan Water District and Northridge Water District Concerning Diversion, Treatment and Conveyance of Water (As Amended), dated October 10, 1994.
- Letter dated August 16, 2010 from Shauna Lorance, General Manager of the San Juan Water District to Mr. Rob Roscoe, related to the proposed changes in water rates and charges.
- Letter dated October 18, 2016 from Rob Roscoe, District General Manager to Pamela Tobin President of the San Juan Board of Directors, regarding the 1994 contract language related to the pricing of treat and wheel rates.



- Response letter dated November 11, 2016 from Donna Silva, San Juan’s Director of Finance to Mr. Rob Roscoe, District General Manager related to the District’s letter dated October 18, 2016.
- San Juan Water District, 2015 Urban Water Management Plan.

The review of these documents was intended to provide background information on the issue, along with the context of the issue and current discussions.

## Overview of the Issue

The San Juan Water District maintains contracts with four wholesale customer agencies. These agencies are as follows:

- ✓ Citrus Heights Water District
- ✓ Fair Oaks Water District
- ✓ Orange Vale Water Company, and
- ✓ City of Folsom

San Juan also contracts with the City of Roseville and the District to provide water on an as-available basis. For purposes of establishing wholesale rates, Roseville and the District are not considered to be wholesale customer agencies by San Juan. The wholesale water rate study conducted by Reed is primarily focused on properly and adequately funding the wholesale water system of San Juan and equitably allocating the costs between the San Juan retail system and the four wholesale customers noted above. The development of the treat and wheel rate for the District is a very minor portion of the wholesale rate study conducted by Reed, but it is based upon, and directly related to, the prior technical analyses conducted for the other wholesale customers.

In 1994 San Juan entered into an agreement with the Northridge Water District (now Sacramento Suburban Water District or the District) to work cooperatively with Northridge to use Northridge’s capacity, along with any surplus capacity in San Juan’s facilities to divert, treat and convey for Northridge’s use within its service area, San Juan’s surplus water from the Folsom Reservoir and any surface water from the Folsom Reservoir that Northridge may become entitled to divert from time to time in the future. While there are more details to this arrangement, it was essentially an agreement to sell surplus water to Northridge, or to treat and deliver water that Northridge may have or become entitled to.

The pricing for these services for the use of surplus capacity in San Juan’s facilities was specified within the 1994 agreement. The agreement is written in a relatively simple and easy to understand approach. However, it is written in such a manner that it may be open to different interpretations. More problematic is that the agreement may be overly simplistic and fails to fully recognize the complexities of the relationship.

As noted above, HDR stated that this was an agreement for a complex arrangement. In many ways, this is a combination of a surplus water arrangement, an interruptible water arrangement, and a wheeling arrangement. At the same time, Northridge provided a payment to San Juan of \$4.7 million to expand the capacity of San Juan’s pipeline by 59 million gallons



per day for Northridge's exclusive use for conveying water for Northridge. In essence, Northridge provided a major capital contribution to San Juan to provide the available capacity to allow for the conveyance of water to Northridge. From a very basic perspective, the section on pricing within the 1994 agreement provides a rate for the delivery of surplus water at the same average wholesale rate that it charges San Juan's wholesale member agencies. In comparison, the charge for using surplus capacity to divert, treat, and deliver District water (from Folsom Reservoir) is the average wholesale rate less the cost-of-water component of San Juan's wholesale water rate. Essentially, a non-interruptible (firm delivery) member agency rate is being used as the "yardstick" or basis to price a surplus capacity (non-firm delivery) or interruptible rate.

The District's letter to San Juan, dated October 18, 2016, highlights the complexity of the relationship between the parties and the potential areas of disagreement concerning the existing pricing arrangement. San Juan and Reed, in developing wholesale rate study, appeared to use a literal and narrow reading of the pricing arrangement within agreement. As the District points out in their letter to San Juan, the District believes the wholesale allocation structure should be based upon the following components:

1. Raw Water Supply Costs
2. Raw Water Transmission Costs
3. Treatment Costs Including Hinkle Reservoir
4. Treated Water Transmission
5. Distribution Costs Including Local Storage
6. Metering And Customer Service Costs

The District maintains that items five and six are local distribution costs and should not be included within the wholesale water costs. There is also a question about the inclusion of item 1 since the District does not use San Juan raw water, nor USBR Warren Act costs, as the District provides their own water supply. In the District's letter it notes, "we should be assessed for raw water transmission from the face of Folsom dam through the "Hinkle Wye" to the Peterson water treatment plant, together with treatment costs at Peterson, including cost for clear well storage at Hinkle reservoir. SSWD (i.e., the District) should not be charged for finished water transmission in the Cooperative Transmission pipeline as we own our own capacity in the facility."<sup>1</sup>

The above encapsulates the key issues. HDR believes these key issues are as follows:

- A single rate structure cannot fairly or fully capture the difference between the use of San Juan raw water rights or District-owned water rights.
- The existing agreement is in place and has a specific methodology for establishment of the rate. The language within that portion of the agreement is vague and open to different interpretations.

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<sup>1</sup> Letter dated October 18, 2016 to Pamela Tobin, President Board of Directors, San Juan Water District, from Rob Roscoe, General Manager for Sacramento Suburban Water District, page 2.



- The existing agreement, and language related to pricing, does not seem to take into consideration the \$4.7 million capital contribution provided to San Juan for the Cooperative Transmission pipeline.
- The District's approach contained within their October 18, 2016 letter is a more technically sound and potentially a more equitable methodology. However, the language of the existing agreement likely does not support its use at this time.

The analytical level of detail contained within the Reed report likely does not fully support the District's suggested approach. Greater cost detail may be available from San Juan, but the Reed report does not have the required level of detail to fully analyze or utilize the District's suggested approach.

To their credit, San Juan responded to the District's October 18, 2016 letter and acknowledged that the language in the agreement is vague and needs to be re-addressed. However, San Juan noted that it intends to follow their interpretation of the existing agreement until such time as a new agreement can be agreed upon. Given that, the objective of this review is to analyze the approach used by Reed to develop the proposed rate for 2017 through 2021. HDR agrees that the parties should continue discussions of an updated agreement.

## Overview of the 1994 Agreement

In 1993, the San Juan Water District and Northridge Water District (current Sacramento Suburban Water District) entered into an agreement concerning the diversion, treatment and conveyance of water. In 1994, the parties amended the agreement for these services. Provided below is a discussion and overview of the agreement and the key elements of the contained within it which are related to this issue.

Northridge desired to have supplemental surface water supplies diverted, treated and conveyed through San Juan's facilities. In the past, San Juan had diverted treated and conveyed surface water from the Folsom Reservoir to Northridge using San Juan's facilities. The Agreement anticipated that Northridge may obtain water rights and entitlements in the future to divert water from the Folsom Reservoir. At the same time, San Juan was undertaking a project to enhance reliability and increase the capacity of its water conveyance facilities from its treatment plant to Filbert Avenue to meet future demands. As a part of that capacity expansion, Northridge agreed to pay San Juan \$4.7 million to expand the capacity of San Juan's pipeline by 59 million gallons per day for Northridge's exclusive use in the conveyance of water from San Juan to Northridge. At the same time, Northridge was undertaking a project to construct with Citrus Heights Irrigation District a pipeline for their joint use connecting with San Juan's pipeline at Filbert Avenue and terminating at C Bar C Park, and also constructing new water conveyance facilities to be connected to the Northridge Citrus Heights pipeline at C Bar C Park to deliver water to Northridge's service area.

With these facilities in place, San Juan was willing to work cooperatively with Northridge to use Northridge's capacity and surplus capacity in San Juan's facilities to divert, treat and convey for Northridge's use within its service area, surplus water from Folsom Reservoir under San Juan's water rights and/or surface water from Folsom Reservoir that Northridge may become entitled

to divert from time to time (i.e., Northridge’s water rights). In essence, the agreement provided treatment and conveyance of water from either San Juan’s surplus water rights or Northridge’s water rights.

The agreement makes a clear distinction between the right to surplus facilities and surplus water. The agreement clearly noted that San Juan’s first priority for use of their facilities was to San Juan’s Member Districts, with the exception of Northridge’s exclusive right to use Northridge’s pipeline capacity (i.e., 59 MGD)<sup>2</sup>. The agreement clearly noted that Northridge would be using surplus capacity in San Juan’s facilities which were not required to serve the needs of San Juan’s Member Districts. The General Manager of San Juan, with concurrence from San Juan’s Board of Directors, has the sole authority to determine the availability of surplus capacity from time to time.

With regard to surplus water, the agreement is very similar to the clause concerning surplus facilities. That is, San Juan’s first priority for use of San Juan’s water rights is to provide water service to San Juan’s Member Districts. Northridge does have the right to first priority in the use of surplus water for use within Northridge’s service area. Again, the General Manager of San Juan, with concurrence from the San Juan’s Board of Directors, has sole authority to determine the availability of surplus water from time to time. It is important to note that any water purchased by Northridge is “surplus” water.

Section 4 the agreement provides the terms for payment for surplus capacity (facilities) or surplus water. It reads as follows:

*“4 Payment for Use of Surplus Capacity or Surplus Water. San Juan’s charge to Northridge for use of Surplus Capacity in San Juan’s Facilities to deliver Surplus Water or Northridge Water shall be at the same average wholesale water rate it charges San Juan’s Member Districts, plus a charge to cover the pro rata cost of treating water to be delivered to Northridge to the extent treatment costs are not included in the wholesale water rate. The charge for using Surplus Capacity to divert, treat and deliver Northridge Water shall not include the cost-of-water component of San Juan’s wholesale water rate, but may include the cost to San Juan to obtain Surplus Water specifically for the purpose of making it available for delivery to Northridge.”*

In very simple terms, the payment for the access and use of San Juan’s facilities or surplus water is based upon the average wholesale water rate charged to San Juan’s Member Districts. In the case where Northridge would purchase both surplus capacity and surplus water, the agreement calls for Northridge to pay the same average wholesale water rate it charges to the Member Districts, plus a charge to cover the cost of treating water if treatment costs are not included within the wholesale water rate. In the case where Northridge purchases only surplus capacity (i.e. facilities), and uses their own water rights, the agreement calls for Northridge to pay the average wholesale water rate San Juan charges its Member Districts, less the cost-of-water (supply) contained within San Juan’s wholesale water rate. This section does provide a component for San Juan to include the cost of obtaining surplus water specifically for the

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<sup>2</sup> This line is now referred to as the Cooperative Transmission pipeline (CTP)



purpose of making it available for delivery to Northridge. This last portion of the section is somewhat confusing in that it is unclear whether Northridge is being charged for water supply or for the wheeling costs incurred by San Juan to have water to treat for Northridge.

While the above pricing section is simple and straightforward, it lacks technical elements related to the overall transaction. For example, it is unclear how or where Northridge's capital contribution of \$4.7 million for the water conveyance facilities is considered or even taken into account. At the same time, Northridge is purchasing "surplus" capacity and/or water, yet the services are being priced as if these were "firm" deliveries like any other Member District of San Juan. Finally, the use of the average rate paid by Member Districts does not exclude any specific costs other than water supply, if Northridge provides their own water from their water rights. This may be a concern in that for any particular year San Juan can include within their revenue requirements specific costs which may have no relationship or direct bearing on the services being provided to Northridge. Most agreements of this nature would itemize the costs which can be included in the calculation of the rate and avoid the "catch all" approach used within this agreement.

One important element of this section is that there is no minimum purchase or minimum bill associated with the agreement. In any year that Northridge (Sacramento Suburban) does not use the services, there is no obligation for payment or minimum bill.

As noted earlier in this letter report, the parties have agreed that the language of this particular section of the agreement is vague and should be clarified. However, San Juan has stated that until such time as the agreement is updated the existing pricing approach will be utilized. Therefore as part of this review, HDR has reviewed the pricing approach developed within the Reed study to determine whether it appears to comply with the Agreement and language above.

## **Review of San Juan's Wholesale Financial Plan and Water Rate Study Update**

In 2016, the San Juan Water District retained The Reed Group, Inc. to conduct a comprehensive rate study for San Juan's retail and wholesale water systems. The objective of this review was not to review the wholesale rate study, per se, but to review the wholesale rate study in the context of the development of the "treat and wheel" water rates for Sacramento Suburban Water District.

The San Juan wholesale water rate study is summarized in Reed's report titled San Juan Water District, Wholesale Financial Plan and Water Rate Study Update, Final Report, August 31, 2016. This report provides a financial plan (revenue requirement analysis), a cost allocation study (cost of service analysis) and the proposed wholesale rate designs (rate design analysis). At the end of the report, a brief discussion of the development of the treat and wheel water rate is provided. The report contains a number of exhibits summarizing the analysis. It is from this report and the exhibits contained within the report that HDR has relied upon to reach its observations and conclusions. At no time did HDR attempt to "audit" or verify the data contained in the Reed report. The data and information as presented and used within the



report is presumed to be reasonable and correct. Finally, HDR did not review the San Juan retail rate study and no analysis or review has been undertaken of the reasonableness of the assignment of costs between wholesale and retail.

Reed's wholesale rate study report is divided into two main sections; the financial plan and the development of the proposed rates. HDR reviewed both sections of the report and will summarize each section, along with our observations. The discussion of the treat and wheel rates are contained in the final section of the report.

The overall objective of San Juan's study, like any rate study, is to provide adequate funding for San Juan's O&M and capital expenditures. To accomplish this objective, a revenue requirement analysis was developed. Provided below is a more detailed discussion of this portion of the analysis.

### **Financial Plan/Revenue Requirement Analysis**

Section II of the report provides the summary of San Juan's Financial Plan. The treat and wheel rates are linked to this section of the report in that any inclusion or exclusion of costs within this portion of the analysis impacts the average cost of the wholesale customers, which then directly impacts the treat and wheel rate. The 1994 agreement, as currently written, does not specifically include or exclude any particular costs from the treat and wheel rate (with the exception of the "cost of water" component). Given that, HDR has not focused on any particular costs contained within the revenue requirement analysis under the presumption that the San Juan's Member Districts would have more than a passing interest in avoiding unneeded or unnecessary costs inclusions within the revenue requirements. However, if the language of the treat and wheel agreement were modified to be more specific the District may have a greater interest in the costs included, or eligible to be excluded, from the treat and wheel rate. Among the areas of interest may be the following:

- **Reserves** – Accumulation of excess reserves would not benefit the District. This could be items such as the Delta/Water Rights Reserve, particularly if the District uses its own water rights for water supply. The other type of reserve would be for a specific capital project which may not directly benefit the District. An example of this type of specific facility reserve is the current Hinkle Reservoir Reserve. San Juan could establish a special reserve for a facility that does not directly benefit the District, yet in the end, still contribute to the reserve fund via a methodology that uses a simple average cost approach. Interestingly, within the current study, the Hinkle Reservoir Reserve is proposed to be utilized to pay for the PERS UAL, a totally different use of funds than originally designated.
- **Cost of Water Supplies** – San Juan currently owes Citrus Heights Water District and Fair Oaks Water District a combined \$1.98 million for treated water purchase costs related to groundwater used during the recent drought. The study has spread these costs (i.e., amortized) these costs over a four-year period. In that sense, it has taken prior cost obligations for water supply and brought them forward into the current period, thus artificially raising the cost of water in the current period. The 1994 agreement discusses the "cost of water" but does not provide a clear definition as to whether that is the



current time period costs, plus any other water cost obligations. The impact of the inclusion of these prior period purchased water supply costs in the current period revenue requirements (2017) are approximately \$866,900 or about \$20/acre foot.

- **Unfunded Accrued Liabilities** – San Juan currently has an unfunded accrued liability (UAL) of about \$5.5 million. Of this amount, the wholesale system is responsible for approximately \$2.3 million. This is a good example of a prior cost incurrence (obligation) being placed in the current time period. Under the current agreement these costs are likely included in the treat and wheel rate. Whether that is equitable and appropriate is one question, but the other is whether any portion of the \$2.3 million obligation is related to the “cost of water”.
- **Loans and Loan Repayment** – The wholesale system is loaning approximately \$790,000 to the retail system, to be repaid by the retail system over the next four years. If the District does not access and utilize the treat and wheel agreement during that time period (which is projected in the wholesale rate study), then any funds originally accumulated from the District and used for the loan will technically not be recouped via a lower rate for the District. This is a very minor item, but highlights some of the complexities of this type of agreement, particularly when one attempts to clearly define specific costs or components to be included within the treat and wheel rate.
- **Demand Projections** – With the drought, San Juan needed to be very conservative on its projections of water sales. Given that, the average cost per unit increases as one becomes more conservative with the estimated annual water deliveries. Much like the projection of operating and capital costs, the wholesale customers have a far greater interest in this issue than the District, but it does have a short-term impact upon the rate calculated for the treat and wheel rates.

In summary, the development of the revenue requirements appeared reasonable for purposes of establishing the wholesale revenue requirements. The wholesale revenue requirement analysis indicated the need for significant rate adjustments over the near-term future and long term. The level of these adjustments directly impacts the treat and wheel rate in future years.

### **Cost Allocation / Rate Design**

Section III of San Juan’s wholesale rate report reviews the allocation of the wholesale water revenue requirements and then takes that analysis and converts it to wholesale water rates for each of San Juan’s member agencies. For purposes of the “treat and wheel” rate, the cost allocation study is important in that it appears to define the “cost of water” within the analysis.

**Cost Allocation** - The cost of service analysis utilizes the 2017 revenue requirement and segregates the cost between the cost components of:

- Supply (variable)
- Treatment (variable)
- Treatment (fixed)
- Customer (fixed) and,
- Debt Service (fixed)

The basis for the segregation of the costs, as shown on Exhibit III-2 of the San Juan report, are not clearly documented (e.g., basis for the cost split of treatment [75% fixed and 25% variable]). However, in the case of the treat and wheel rate, the allocation of costs between the member agencies has no impact upon the District's treat and wheel rate since the rate is developed based upon the total average cost of all wholesale customers. In other words, the total revenue requirement of \$9.233 million for calendar year (CY) 2017 is the primary starting point for the determination of the treat and wheel rate. However, for purposes of the treat and wheel rate, an important assignment within the cost of service analysis is the source of supply costs and the "cost of water".

On Table III-2, the wholesale cost allocation worksheet, the source of supply cost is shown as \$1.516 million. As is noted within the report, the revenue requirement (financial plan) is developed on a fiscal year basis and the cost allocation and rates are for a calendar year time period. In reviewing Table II-4 (summary of the wholesale financial plan), the source of supply costs are segregated between source of supply and treated water purchased cost. In reviewing those costs for FY 16/17 and FY 17/18, it is unclear how the costs were analyzed to produce the CY 2017 source of supply cost of \$1.516 million. That is not implying that there is an error or issue with this particular figure, simply that the document provides insufficient documentation to completely follow the conversion from the fiscal year cost to the calendar year costs. Overall, the use of the \$1.516 million appears reasonable, but it is not the simple sum of 50% of FY 16/17 and 50% of FY 17/18. It is suspected that the high treated water purchase costs shown in FY 16/17 are related more to the first part of the year and less to last half.

Focusing back on Exhibit III-2, there remains the question of the "cost of water" and what the definition of that item is for purposes of calculating the treat and wheel rate. Interestingly, the line item (row) labeled source of supply is assigned 100% to the "Supply (Variable)" cost category. As other CY 2017 revenue requirements are assigned to the cost categories, certain overhead costs are also assigned to the category of "Supply (Variable)" costs. These other overhead costs include Executive & Board of Directors, Administration & Info. Tech., Finance and Purchasing, and Human Resources. Once the source of supply costs are fully burdened, the total costs categorized as "Supply (Variable)" is equal to \$2.351 million.

Exhibit III-2 extends the analysis to produce an average unit cost at the bottom of the table. The \$2.351 million is divided by the total annual wholesale consumption for CY 2017 (42,622 AF) to produce an average cost for supply of \$55.18/AF.

The average unit costs calculated in Exhibit III-2 are carried forward to Exhibit III-3 and each wholesale customer's units of consumption are charged these average unit costs. For example, Citrus Heights has annual consumptive use of 13,015 AF and for supply costs they are charged \$718,148 (13,015 AF x \$55.18/AF). This approach is used for each cost component and for each wholesale customer. The result is the rates produce a total of \$9.233 million which ties back to the CY 2017 revenue requirement allocated in Exhibit III-2.

**Treat and Wheel Rate Design** – The agreement between San Juan and the District specifies the method for determining the treat and wheel water rate. The report also notes that the District



is currently charged \$135.34/AF for SSWD water treated and wheeled through San Juan Facilities and delivered to the District.<sup>3</sup>

As noted previously, Section 4 the 1994 agreement provides the terms for payment for surplus capacity (facilities) or surplus water. It reads as follows:

*“4. Payment for Use of Surplus Capacity or Surplus Water. San Juan’s charge to Northridge for use of Surplus Capacity in San Juan’s Facilities to deliver Surplus Water or Northridge Water shall be at the same average wholesale water rate it charges San Juan’s Member Districts, plus a charge to cover the pro rata cost of treating water to be delivered to Northridge to the extent treatment costs are not included in the wholesale water rate. The charge for using Surplus Capacity to divert, treat and deliver Northridge Water shall not include the cost-of-water component of San Juan’s wholesale water rate, but may include the cost to San Juan to obtain Surplus Water specifically for the purpose of making it available for delivery to Northridge.”*

As HDR reads this clause for purposes of the District using surplus capacity to have San Juan treat the District’s water is that the District will be charged the same average wholesale rate charged to San Juan’s Member Districts, excluding the cost of water component of San Juan’s wholesale water rate.

As shown in the San Juan report, the treat and wheel rate for the District is calculated as follows:

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District Rate =	$\frac{[\text{SJWD Wholesale Rev. Requir.} - \text{Source of Supply Costs}]}{\text{Estimated Annual SJWD Water Deliveries}}$
District Rate =	$\frac{[\$9,233,000 - \$1,516,000]}{42,622 \text{ AF}}$
District Rate =	$\$181.06/\text{AF}$

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The calculated rate of \$181.06/AF is an increase of \$42.72/AF over the existing treat and wheel rate, or an increase of 31.6%. As a point of reference, the recommended overall adjustment of wholesale rates for Member Districts in 2017 was 16%.<sup>4</sup> That means that the proposed treat and wheel rate for the District is roughly double the proposed wholesale rate adjustment for the Member District’s. Given that the treat and wheel rate has a direct linkage to the average cost charged to the Member District’s, at least on the surface and intuitively, there appears to be a disconnect at some level

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<sup>3</sup> Paraphrased from p. 32 of San Juan Wholesale Rate Study

<sup>4</sup> San Juan Wholesale Rate Study, p. 3



The calculation of the treat and wheel rate shown above is very easy to follow. The \$9.233 million reflects the average cost (rate) charged to all of San Juan’s Member Districts. The \$1.516 million reflects the “source of supply” row item from Exhibit III-2. As the parties have already agreed, the language of the agreement is “vague” and this is a prime example. As HDR has reviewed the analysis, the “cost of water” could also be interpreted as the total costs assigned to the “Supply (Variable)” cost component on Exhibit III-2 and III-3. This is \$2.351 million. If this interpretation of the “cost of water” is used, the District’s treat and wheel rate is revised as follows:

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District Rate =	<u>[SJWD Wholesale Rev. Requir. – Source of Supply Costs]</u> Estimated Annual SJWD Water Deliveries
District Rate =	<u>[\$9,233,000 - \$2,351,900]</u> 42,622 AF
District Rate =	\$161.44/AF

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As can be seen in the above table, using the total supply costs from Table III-2, the calculated treat and wheel rate is \$161.44/AF or an increase of \$26.10/AF or a 19.3% increase. This level of adjustment is much more in line with the overall 16% adjustment applied to San Juan’s member agencies.

Even with the above proof of the reasonableness of the end result, the other way in which this can be viewed is based upon a cost per acre foot approach. As will be recalled, in Exhibit III-2, the supply costs for rate design purposes were \$55.18/AF. The total average cost of the wholesale customers is \$216.63/AF [ $\$9.233 \text{ M} \div 42,622 \text{ AF}$ ]. Taking the \$216.63/AF and subtracting out the \$55.18 of supply costs, the result is \$161.45/AF or essentially the same result as shown above.

It can also be argued that San Juan’s repayment for the previously purchased groundwater from Citrus Heights Water District and Fair Oaks Water District is a supply cost which is not a current period cost and as an amortized supply cost should also be deducted from the treat and wheel rate. While not specifically classified as a supply cost in Exhibit III-2, it is a deferred/amortized payment for water supply which is the responsibility of the Member Districts. The inclusion of this cost in the calculation has artificially raised the revenue requirements for the current period, or stated alternatively, was improperly classified and should have been identified as a water supply cost. As noted previously, for CY 2017 this amount appears to be roughly \$20/acre foot, which would further reduce the treat and wheel rate to \$141.44/AF or an increase of \$6.10/AF or 4.5% above the existing treat and wheel rate.

## Summary Conclusions

Ultimately, this issue is centered on the definition of “cost of water” and whether the definition of these costs should follow and be consistent with cost of service study, or be more narrowly

defined and limited to the “unburdened” costs. HDR did not have any prior studies or analyses of this rate to base its opinion. Given that, HDR concluded that the use of the “burdened” supply costs seemed to be most consistent with the Agreement. HDR did not focus on the phrase “cost of water” but rather on the more holistic perspective of:

*“shall not include the cost of water component of San Juan’s wholesale water rate, but may include the cost to San Juan to obtain surplus water specifically for the purpose of making it available for delivery to Northridge.”*

From HDR’s perspective, the cost of water component in San Juan’s wholesale water rate is the “Supply” cost of \$55.18/AF shown in Exhibit III-3 and used by San Juan to develop the proposed wholesale rates for the Member Districts. Added to that, the end result of using this definition is much more in line with the overall percentage adjustments to the other Member Districts (which one should expect). Finally, the cost of obtaining water is not simply the cost of the water, but there is an overhead (burdened) cost to obtain those supplies. It would seem logical and appropriate to have the same definition of the “cost of water” whether the District provides their own supply or purchases water from San Juan.<sup>5</sup>

HDR would make one additional observation and that is the San Juan study should have calculated or provided rates under the condition of the District using their water, or the alternative provided by the Agreement, of San Juan providing the water. These are two separate and distinct rates and should be clearly spelled out with the wholesale rate study.

In summary, HDR is of the opinion that San Juan Water District should reconsider their proposed treat and wheel rate for the District and, at the very least, revise it to \$161.44/AF. Financially, this change in the rate has no impact to San Juan’s financial plan. Their current plan assumed no water deliveries to the District over the planning horizon.

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<sup>5</sup> This statement implies that if San Juan were charging the District for water supply, they would likely be inclined to use the fully burdened cost and value of \$55.18/AF, as opposed to \$35.57/AF ( $\$1.516 \text{ M} \div 42,622/\text{AF}$ ).



**Technical Appendix**  
**Exhibits From the San Juan Wholesale Water Rate Study**

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**Exhibit II-4  
San Juan Water District  
Wholesale Financial Plan -- Operating Fund**

	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
<b>Calendar Year Overall Rate Increases --&gt;</b>		<b>16%</b>	<b>9%</b>	<b>9%</b>	<b>9%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>
<b>WHOLESALE OPERATIONS</b>											
<i>Beginning Balance</i>	3,271,500	3,232,500	1,681,600	1,827,580	2,447,560	2,435,440	2,754,840	2,885,140	2,920,740	3,229,740	3,401,240
<i>Sources of Funds</i>											
OM&R Fixed Charges	1,568,000	2,793,000	4,328,000	5,211,000	5,366,000	5,371,000	6,023,000	6,710,000	7,506,000	8,422,000	8,894,000
OM&R Usage Charges	2,723,000	3,426,000	3,557,000	3,742,000	3,923,000	4,043,000	4,071,000	4,099,000	4,127,000	4,155,000	4,172,000
Debt Service Charges	1,979,000	1,978,400	1,978,400	1,978,300	2,808,200	3,638,100	3,636,600	3,636,600	3,637,300	3,638,200	3,914,600
Wholesale Rate Revenue	6,270,000	8,197,400	9,863,400	10,931,300	12,097,200	13,052,100	13,730,600	14,445,600	15,270,300	16,215,200	16,980,600
Sacramento Suburban WD	400,600	900,000	-	-	-	-	-	-	-	-	-
Granite Bay Golf Course	23,600	31,300	23,500	23,500	23,500	23,500	23,500	24,700	26,200	27,800	29,500
Misc. Operating Revenue	110,900	112,500	116,000	119,000	123,000	127,000	131,000	135,000	139,000	143,000	147,000
Interest Earnings	14,700	9,900	18,000	27,000	30,000	45,000	47,000	48,000	64,000	68,000	69,000
<b>Total Sources of Funds</b>	<b>6,819,800</b>	<b>9,251,100</b>	<b>10,020,900</b>	<b>11,100,800</b>	<b>12,273,700</b>	<b>13,247,600</b>	<b>13,932,100</b>	<b>14,653,300</b>	<b>15,499,500</b>	<b>16,454,000</b>	<b>17,226,100</b>
<i>Uses of Funds</i>											
Source of Supply	574,500	1,078,900	1,210,300	1,350,700	1,496,400	1,613,000	1,678,800	1,746,900	1,817,800	1,891,400	1,959,700
Treated Water Purchase Costs	-	866,900	371,520	371,520	371,520	-	-	-	-	-	-
Water Treatment & Operations	1,620,300	1,827,600	1,947,000	2,005,000	2,065,000	2,127,000	2,191,000	2,257,000	2,325,000	2,395,000	2,467,000
Energy, Chemicals, Maint.	514,500	575,900	702,000	775,000	853,000	923,000	976,000	1,032,000	1,091,000	1,153,000	1,216,000
Executive & Board of Directors	783,700	875,200	901,000	928,000	956,000	985,000	1,015,000	1,045,000	1,076,000	1,108,000	1,141,000
Administration & Info. Tech.	581,500	789,000	903,000	905,000	932,000	960,000	962,000	991,000	1,021,000	1,052,000	1,084,000
Finance	487,800	389,800	401,000	413,000	425,000	438,000	451,000	465,000	479,000	493,000	508,000
Human Resources	105,400	99,800	224,000	231,000	238,000	245,000	252,000	260,000	268,000	276,000	284,000
Retiree Medical and OPEB	325,000	206,600	219,000	232,100	246,000	260,700	276,400	293,000	310,600	329,200	348,900
PERS UAL Req'd Payment	132,300	148,300	-	-	-	-	-	-	-	-	-
PERS UAL Reduction	-	2,300,000	-	-	-	-	-	-	-	-	-
Engineering	317,000	368,900	380,000	391,000	403,000	415,000	427,000	440,000	453,000	467,000	481,000
Wholesale Master Plan	-	-	-	-	-	299,000	-	-	-	-	-
Conservation & Outreach	368,900	376,500	388,000	400,000	412,000	424,000	437,000	450,000	464,000	478,000	492,000
Transfers to Debt Service	-	-	-	-	-	-	-	-	-	-	-
2009 COPS	1,345,400	1,346,000	1,347,600	1,348,400	1,347,600	1,345,100	1,345,000	1,346,000	1,345,700	1,347,300	1,346,600
2012 Refunding Rev. Bonds	634,500	632,600	630,500	630,100	630,300	633,400	632,600	630,800	631,400	632,600	633,200
2019 New Debt Issue	-	-	-	-	1,660,000	1,660,000	1,658,000	1,661,000	1,658,000	1,660,000	1,660,000
Transfer to Capital Fund	(932,000)	(1,080,000)	250,000	500,000	250,000	600,000	1,500,000	2,000,000	2,250,000	3,000,000	3,000,000
<b>Total Uses of Funds</b>	<b>6,858,800</b>	<b>10,802,000</b>	<b>9,874,920</b>	<b>10,480,820</b>	<b>12,285,820</b>	<b>12,928,200</b>	<b>13,801,800</b>	<b>14,617,700</b>	<b>15,190,500</b>	<b>16,282,500</b>	<b>16,621,400</b>
<i>Ending Balance</i>	<b>3,232,500</b>	<b>1,681,600</b>	<b>1,827,580</b>	<b>2,447,560</b>	<b>2,435,440</b>	<b>2,754,840</b>	<b>2,885,140</b>	<b>2,920,740</b>	<b>3,229,740</b>	<b>3,401,240</b>	<b>4,005,940</b>
Operating Reserve (20%)	1,520,000	1,529,000	1,600,000	1,680,000	1,738,000	1,733,000	1,796,000	1,861,000	1,929,000	1,996,000	2,066,000
Rate Stabilization Reserve	1,000,000	-	-	250,000	250,000	500,000	500,000	500,000	750,000	750,000	1,000,000
Comp. Absence Reserve	193,555	-	-	-	-	-	-	-	-	-	-
PERS Stabilization Reserve	415,833	-	-	-	-	-	-	-	-	-	-
Delta/Wtr. Rights Reserve	102,666	153,000	203,000	253,000	303,000	353,000	403,000	453,000	503,000	553,000	603,000
Uncommitted Fund Balance	446	(400)	24,580	264,560	144,440	168,840	186,140	106,740	47,740	102,240	336,940

Exhibit III-2  
San Juan Water District  
Wholesale Water Rate Cost Allocation Steps

Wholesale Cost Allocation -- Units of Service

Wholesale Customer	Annual Water Use		No. of Customers (Accts.)
	Estimated for 2017 (AF)	Avg. for 2012-2015 (AF)	
San Juan WD - RSA	13,680	12,658	10,582
Citrus Heights WD	13,015	11,785	19,785
Fair Oaks WD	9,978	8,861	13,894
Orangevale WC	4,615	4,246	5,577
City of Folsom	1,334	1,296	1,025
<b>Totals</b>	<b>42,622</b>	<b>38,847</b>	<b>50,863</b>

Wholesale Cost Allocation -- Unit Costs of Service (2017)

	Total Cost	Supply (Variable)	Water Treatment		Customer (Fixed)	Debt Serv. (Fixed)
			(Variable)	(Fixed)		
Units of Service		42,622 AF	42,622 AF	38,847 AF	50,863 Accts.	
Source of Supply						
Total	\$ 1,516,000	\$ 1,516,000				
Unit Cost						
Water Treatment & Operations						
Total	\$ 2,526,250		\$ 638,950	\$ 1,887,300		
Unit Cost						
Executive & Board of Directors						
Total	\$ 888,100	\$ 287,900	\$ 121,300	\$ 406,200	\$ 72,600	
Unit Cost						
Administration & Info. Tech.						
Total	\$ 846,000	\$ 274,300	\$ 115,600	\$ 387,000	\$ 69,200	
Unit Cost						
Finance & Purchasing						
Total	\$ 395,400	\$ 128,200	\$ 54,000	\$ 180,900	\$ 32,300	
Unit Cost						
Human Resources						
Total	\$ 448,850	\$ 145,500	\$ 61,300	\$ 205,300	\$ 36,700	
Unit Cost						
Engineering						
Total	\$ 374,450			\$ 374,450		
Unit Cost						
Conservation & Outreach						
Total	\$ 382,250				\$ 382,250	
Unit Cost						
Transfers for Debt Service						
Total	\$ 1,978,350					\$ 1,978,350
Unit Cost						
Transfer To/(From) Cap. Fund						
Total	\$ (415,000)			\$ (415,000)		
Unit Cost						
Offsetting Misc. Revenues						
Total	\$ (656,750)			\$ (656,750)		
Unit Cost						
To/(From) Reserves						
Total	\$ 949,100			\$ 949,100		
Unit Cost						
Total Revenue Reqmt.	<b>\$9,233,000</b>	\$ 2,351,900	\$ 991,150	\$ 3,318,500	\$ 593,050	\$ 1,978,350
<b>Unit Costs of Service</b>		<b>\$ 55.18</b>	<b>\$ 23.25</b>	<b>\$ 85.43</b>	<b>\$ 11.66</b>	
		<b>Per AF</b>	<b>Per AF</b>	<b>Per AF</b>	<b>Per Acct.</b>	



**Exhibit III-3**  
**San Juan Water District**  
**Wholesale Water Rate Cost Allocation Steps -- Continued**

**Wholesale Cost Allocation -- Allocation to Wholesale Customers**

Wholesale Customers	Supply (Variable)	Water Treatment		Customer (Fixed)	Debt Serv. (Fixed)	O,M&R and DS Costs	
		(Variable)	(Fixed)			(\$)	(%)
<b>Unit Costs of Service --&gt;</b>	<b>\$ 55.18</b> Per AF	<b>\$ 23.25</b> Per AF	\$ 85.43 Per AF	\$ 11.66 Per Acct.			
<b>San Juan WD -RSA</b>							
Units of Service	13,680	13,680	12,658	10,582			
Allocation of Costs	\$ 754,882	\$ 318,126	\$ 1,081,336	\$ 123,384	\$ 613,750	<b>\$ 2,891,479</b>	31%
<b>Citrus Heights WD</b>							
Units of Service	13,015	13,015	11,785	19,785			
Allocation of Costs	\$ 718,148	\$ 302,646	\$ 1,006,739	\$ 230,688	\$ 672,800	<b>\$ 2,931,020</b>	32%
<b>Fair Oaks WD</b>							
Units of Service	9,978	9,978	8,861	13,894			
Allocation of Costs	\$ 550,603	\$ 232,038	\$ 756,976	\$ 162,001	\$ 443,450	<b>\$ 2,145,068</b>	23%
<b>Orangevale WC</b>							
Units of Service	4,615	4,615	4,246	5,577			
Allocation of Costs	\$ 254,660	\$ 107,320	\$ 362,738	\$ 65,026	\$ 191,950	<b>\$ 981,694</b>	11%
<b>City of Folsom</b>							
Units of Service	1,334	1,334	1,296	1,025			
Allocation of Costs	\$ 73,607	\$ 31,020	\$ 110,711	\$ 11,951	\$ 56,400	<b>\$ 283,689</b>	3%
<b>Totals</b>	<b>\$ 2,351,900</b>	<b>\$ 991,150</b>	<b>\$ 3,318,500</b>	<b>\$ 593,050</b>	<b>\$ 1,978,350</b>	<b>\$ 9,232,950</b>	100%



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December 12, 2016

Mr. Daniel A. Bills  
Finance Director  
Sacramento Suburban Water District  
3701 Marconi Avenue, Suite 100  
Sacramento, CA 95821-5346

Directors  
Edward J. "Ted" Costa  
Kenneth H. Miller  
Dan Rich  
Pamela Tobin  
Bob Walters  
General Manager  
Shauna Lorange

Subject: HDR Review of the San Juan Water District Wholesale Treat and Wheel Water Rate Study

Dear Mr. Bills,

The San Juan Water District (SJWD) is in receipt of the above mentioned report. We are pleased that SSWD had an independent analysis performed on the rate calculation and look forward to working together to craft an amendment to the agreement that provides both clarity and equity for both Districts moving forward. We feel that the HDR report will be very useful in the process.

We have reviewed the report and are pleased to provide comments that will be instrumental both in revising the underlying contract and in recommending the Treat and Wheel Water Rate for calendar year 2017.

Our comments are as follows:

- On page 3 of the agreement, HDR included an excerpt from the Sacramento Suburban Water Districts (SSWD) October 18, 2016 letter which identified components that should be included the wholesale allocation structure as follows:
  1. Raw Water Supply Costs
  2. Raw Water Treatment Costs
  3. Treatment Costs Including Hinkle Reservoir
  4. Treated Water Transmission
  5. Distribution Costs Including Local Storage
  6. Metering and Customer Service Costs

*SSWD maintains that items #1, 5 and 6 should not be included within the wholesale water costs. SJWD agrees with this assertion and confirms that they are currently not included in the existing or proposed treat and wheel rate calculation.*

- On page 3 of the report HDR raises the issue that a non-interruptible (firm delivery) member agency rate is being used as the “yardstick” or basis to price a surplus capacity (non-firm delivery) or interruptible rate.

*SJWD agrees with this observation. While that is the way the existing contract was written, and SJWD remains committed to applying the existing agreement as currently worded, the District is amendable to discussing ways in which this could be addressed in a renegotiation of the agreement.*

- The HDR report also says “SSWD should not be charged for finished water transmission in the Cooperative Transmission pipeline as we own our own capacity in the facility.”

*The SJWD agrees with this position and confirms that all costs for the Cooperative Transmission pipeline are maintained and accounted for in a separate fund and were not included in the existing or proposed treat and wheel rate calculation.*

- HDR noted, at the top of page 4, that the existing agreement, and language related to pricing, does not seem to take into consideration the \$4.7 million capital contribution provided to San Juan for the Cooperative Transmission pipeline.

*SJWD agrees with this observation. We are amendable to adding language to a revised agreement that would specifically exclude maintenance of the Cooperative Transmission pipeline from the treat and wheel rate. However, since the previous \$4.7 million dollar capital contribution towards the Cooperative Transmission pipeline was not included in the existing or proposed treat and wheel rate, a deduction in costs for purposes of rate calculation would not be justified.*

- As identified by HDR on page 7 of the report, “The 1994 agreement, as currently written, does not specifically include or exclude any particular costs from the treat and wheel rate (with the exception of the “cost of water” component). HDR then identifies potential areas of interest to be contemplated in a future revision to the 1994 agreement as follows:

- Reserves – HDR points out that the accumulation of certain reserves within the Wholesale operations may not benefit the SSWD and may not be for items that pertain to the cost to treat water. HDR specifically mentions SJWD’s Delta/Water Rights Reserve as one that would not pertain to the cost of treating water for SSWD.

*SJWD agrees with this point and confirms that while the reserve exists, there are no material contributions to the reserve included in the underlying expenses used to calculate both the existing and the proposed rate. SJWD would be agreeable to adding language to the agreement to clarify how contributions to reserves should be handled in the calculation of the rate.*

- Cost of Water Supplies – SJWD currently owes Citrus Heights Water District and Fair Oaks Water District a combined \$1.98 million for treated water purchase costs related

to groundwater used during the recent drought. The study spread these costs over a four year period. HDR correctly points out that SJWD took prior cost obligations for water supply and brought them forward into the current period and included them in the rate calculation.

***SJWD agrees that this cost is a “cost of water” that should be excluded from the treat and wheel rate and will make the appropriate adjustment.***

- Unfunded Accrued Liabilities – San Juan currently has an unfunded accrued liability (UAL) of about \$5.5 million. Of this amount, the wholesale system is responsible for approximately \$2.3 million. HDR identified this as an example of a prior cost incurrence being placed in the current time period.

*SJWD maintains that this is a regular operating cost that is correctly included in the calculation of the rate. The study contemplates paying off the unfunded liability in its entirety, saving the SJWD considerable interest costs over time, thereby reducing future treat and wheel rates that would be paid by SSWD. Additionally, had the pension contribution rates set by CalPERS in prior years been such that unfunded liabilities did not occur, SSWD would have paid higher rates in the past. Therefore, SJWD finds it reasonable to include these costs in the current rate. HDR further questions whether any portion of the \$2.3 million obligation is related to the cost of water and SJWD advises that it would not. Our cost of water does not include labor or labor related expenses.*

- Loans and Loan Repayment – The wholesale system is loaning approximately \$790,000 to the retail system, to be repaid by the retail system over the next four years. HDR maintains that if SSWD does not access and utilize the treat and wheel agreement during that time period, then any funds originally accumulated from the District and used for the loan will technically not be recouped via a lower rate for the District.

*SJWD advises that the loan to retail is not included as a “cost” and therefore in no way affects the treat and wheel rate for SSWD.*

- Demand Projections – HDR identified that with the drought, San Juan needed to be very conservative on its projections of water sales. Given that, the average cost per unit increases as one becomes more conservative with the estimated annual water deliveries.

*The Wholesale Rate Study initially included demand projections from each District’s Urban Water Management Plan. In response to a comment received from Citrus Heights, the latest version of the Wholesale Rate Study included revised demand projections from the Citrus Heights Water District, reflecting lower demand levels. After consideration of the effect on the Plan and in order to retain consistency in plan assumptions, SJWD will be changing the demand assumptions for Citrus Heights back to what was reported in their Urban Water Management Plan.*

- On page 9 of the HDR report a question arises about the inclusion of overhead in the calculation of the cost of water. HDR correctly observes that in Exhibit III-2 of the Wholesale Rate Study costs from "Executive & Board of Directors", "Administration & Info Tech", "Finance & Purchasing" and "Human Resources" are added to the "Supply (Variable)" column. HDR then goes on to state that the calculation of the rate should include these overhead costs, which would produce a lower rate.

*Those overhead costs were included in exhibit III-2 for the sole purpose of calculating fixed vs. variable costs. The purpose of the exhibit is NOT to calculate water supply costs. The existing agreement is very clear that the cost of water is to be excluded from the calculation of the treat and wheel rate. There is no mention of excluding overhead or administrative costs and no mention of burdening the cost of water with such costs. The intent of the agreement, as understood by SJWD, is to exclude the purchase price of water, since the underlying action is for SJWD to "treat" SSWD's water. The exclusion of the Districts \$1,516,000 cost of water accomplishes that goal. SJWD does not find it appropriate to burden the cost of water with overhead or labor.*

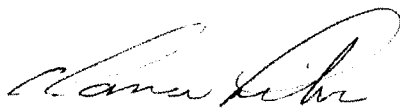
- On page 10 HDR points out that the calculated rate of \$181.06/AF is an increase of \$42.72/AF over the existing treat and wheel rate, or an increase of 31.6%. They further states that "as a point of reference, the recommended overall adjustment of wholesale rates for Member Districts in 2017 was 16%."

*Given the dramatic difference in percentage increases between the rate for SSWD and the rate for Member Districts, HDR suggests a disconnect exists at some level. The reason for the large percentage increase for the SSWD rate is that the SSWD rate has not been properly calculated in accordance with the agreement for many years. Additionally, the rate has been considerably lower than that charged to Member Districts, so it is reasonable that a larger percentage increase is necessary to bring the rate into conformance with the existing agreement.*

I hope that these comments are useful in addressing the issues raised by HDR in their report. We are directing our rate consultant to remove the cost of the groundwater reimbursement from the rate calculation and we are requesting that the demand projections for the Citrus Heights Water District be restored to their original value, in line with their Urban Water Management Report.

If you have any additional comments or concerns, please do not hesitate to contact me at your earliest convenience.

Kindly and Respectfully,



Donna Silva, CPA  
Director of Finance



## Agenda Item: 16

**Date:** January 18, 2017

**Subject:** California Water Fix Update

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

Development of the "Delta tunnels" project was initiated in 2006, when it was formally called the Bay-Delta Conservation Plan (BDCP). BDCP's key purpose was to increase the reliability of Central Valley Project (CVP) and State Water Project (SWP) diversions to their service areas in the southern Bay Area, the San Joaquin Valley, the Central Coast and Southern California. CVP/SWP supplies from the Delta had been reduced due to constraints imposed under the Endangered Species Act to protect fish in the Delta. BDCP included tens of thousands of acres of Delta ecosystem restoration as well as the proposed new Sacramento River diversion and water tunnels. The diversion and tunnels would enable the diversion of up to 9,000 cubic feet per second (cfs) of Sacramento River water from just south of the existing Freeport diversion along Interstate 5 and conveyance of the water to the existing CVP/SWP pumps near Tracy. Due to complications in project development, in 2014, BDCP's ecosystem restoration proposals were separated into a separate project from the proposed new diversion and tunnels. The diversion and tunnels are now called the California WaterFix. The California WaterFix's key purpose of enhancing CVP/SWP exports remains the same. The CVP and the SWP have not proposed a detailed operations plan that incorporates the proposed tunnels, so the volume, as well as the reliability, of their exports from the Sacramento River could increase with the tunnels in place.

The state and federal agencies have been pursuing a "Delta tunnels" project in which the CVP and the SWP would add a new diversion from the Sacramento River, below the City of Sacramento and above the Delta, that would enable the CVP and the SWP to divert river water more reliably and possibly in more volume. The District has participated with many other American River and Sacramento Valley water suppliers in monitoring the project, reviewing and commenting on its environmental review documents and participating in the State Water Resources Control Board's (SWRCB) related hearing. Along with other American River agencies, the District's primary concern has been that the project could result in the CVP operating Folsom Reservoir more aggressively to export water out of this region. More aggressive exports from Folsom could increase risks to the District's surface-water supplies and to the local groundwater, which might be pumped more aggressively if the surface-water supplies of nearby agencies from Folsom were to become less reliable.

An update on the status of the environmental review, water right hearing and permitting is attached as Exhibit 1.



**Bartkiewicz, Kronick & Shanahan**  
A Professional Corporation

**MEMORANDUM**

**TO: SACRAMENTO SUBURBAN WATER DISTRICT BOARD OF DIRECTORS**

**FROM: RYAN BEZERRA**

**DATE: JANUARY 17, 2017**

**RE: CALIFORNIA WATER FIX – STATUS OF ENVIRONMENTAL REVIEW, WATER-RIGHT HEARING AND PERMITTING**

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For over ten years, state and federal agencies have been pursuing a "Delta tunnels" project in which the Central Valley Project (CVP) and the State Water Project (SWP) would add a new diversion from the Sacramento River, below the City of Sacramento and above the Delta, that would enable the CVP and the SWP to divert river water more reliably and possibly in more volume. The District has participated with many other American River and Sacramento Valley water suppliers in monitoring the project, reviewing and commenting on its environmental-review documents and participating in the State Water Resources Control Board's (SWRCB) related hearing. Along with other American River agencies, the District's primary concern has been that the project could result in the CVP operating Folsom Reservoir more aggressively to export water out of this region. More aggressive exports from Folsom could increase risks to the District's surface-water supplies and to the local groundwater, which might be pumped more aggressively if the surface-water supplies of nearby agencies from Folsom were to become less reliable. The state and federal agencies are nearing the completion of their environmental-review process and the District, along with many others, may need to consider initiating litigation under the California Environmental Quality Act (CEQA) in the next few months. The SWRCB will start the next part of its water-right hearing in the next few weeks. Along with other American River agencies, the District is considering the presentation of an American River streamflow standard for the SWRCB's consideration in the hearing.

*1. Background*

Development of the "Delta tunnels" project was initiated in 2006, when it was formally called the Bay-Delta Conservation Plan (BDCP). BDCP's key purpose was to increase the reliability of CVP/SWP diversions to their service areas in the southern Bay Area, the San Joaquin Valley, the Central Coast and Southern California. CVP/SWP supplies from the Delta had been reduced due to constraints imposed under the Endangered Species Act to protect fish in the Delta. BDCP included tens of thousands of acres of Delta ecosystem restoration as well as the proposed new Sacramento River diversion and water tunnels. The diversion and tunnels would enable the diversion of up to 9,000 cubic feet per second (cfs) of Sacramento River water

from just south of the existing Freeport diversion along Interstate 5 and conveyance of the water about 35 miles to the existing CVP/SWP pumps near Tracy. Due to complications in project development, in 2014, BDCP's ecosystem restoration proposals were separated into a separate project from the proposed new diversion and tunnels. The diversion and tunnels are now called the California WaterFix. The California WaterFix's key purpose of enhancing CVP/SWP exports remains the same. The CVP and the SWP have not proposed a detailed operations plan that incorporates the proposed tunnels, so the volume, as well as the reliability, of their exports from the Sacramento River could increase with the tunnels in place.

## 2. *American River Concerns with California WaterFix*

The American River agencies' primary concerns about California WaterFix center on the operations of Folsom Reservoir.<sup>1</sup> As Folsom operations during 2014 and 2015 showed, the CVP's operations of the reservoir already create risks to American River agencies' water supplies in dry years. Many of those risks exist because the Bureau of Reclamation (Reclamation), as the CVP's operator, currently uses water in the reservoir to respond to requirements and demands that exist outside of the American River region. The concern with California WaterFix is that it could increase those demands and requirements and put more pressure on water supplies from the reservoir. Those demands and requirements could include increased releases from reservoir storage either for export to the CVP/SWP service areas south of the Delta or from increased Delta streamflow requirements imposed as conditions of California WaterFix's permits. To date, the CVP and the SWP have not proposed an operations plan that accounts for the increased diversion capacity associated with California WaterFix, so it is not possible to know the precise risk it involves for Folsom Reservoir.

## 3. *Environmental Review and Possible CEQA Litigation*

Environmental review began in 2013, with the release of the initial draft BDCP environmental impact report/statement (EIR/EIS). As part of the Sacramento Valley Water Users group of about 35 water suppliers, and a subset of that group involving just the American River agencies, the District submitted extensive comments on that draft EIR/EIS. Those comments addressed the uncertainty associated with how BDCP would impact Folsom Reservoir and the lack of analysis of possible indirect effects on groundwater near the District. The groundwater impacts could involve both reduced supplies and possible water quality problems, which could result from the migration of the Aerojet and McClellan contamination plumes. The groundwater impacts could occur if local agencies that rely on Folsom Reservoir supplies were forced to pump more groundwater if those supplies were to become less reliable. The District, along with its allied agencies, made similar comments on a revised draft EIR/EIS that was circulated when BDCP was converted to California WaterFix.

The environmental-review process is nearing completion. Reclamation and the state Department of Water Resources (DWR), as the operators of the CVP and the SWP, released a final EIR/EIS on December 22, 2016. That document is about 97,000 pages long. Reclamation and DWR set a final comment period that ends on January 30, 2017. The District and its allied

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<sup>1</sup>The other American River agencies with whom the District is working are the Cities of Folsom, Roseville and Sacramento, Placer County Water Agency, Sacramento County Water Agency and San Juan Water District.



agencies are reviewing key components of the final EIR/EIS and plan to submit comments by January 30. After that comment period ends, DWR and Reclamation may certify the final EIR/EIS and, for their purposes, approve the California WaterFix. They still would need multiple approvals from other agencies before beginning construction, but DWR's certification would trigger a 30-day statute of limitations to challenge the final EIR/EIS as inadequate under CEQA. There probably will be at least dozens of lawsuits filed to challenge the final EIR/EIS under CEQA, including by environmental groups, land use agencies and water suppliers. During the 30-day limitations period, the District will need to decide whether to file its own CEQA lawsuit. If it were to do so, it probably could coordinate with at least some of the other Sacramento Valley and American River water suppliers.

#### 4. *Water-Right Hearing*

In order to implement California WaterFix, Reclamation and DWR must obtain the SWRCB's approval to add the location of the Delta tunnels' proposed Sacramento River diversion as an authorized point of diversion on the CVP's and the SWP's water-right permits. The SWRCB started a hearing on this issue in October 2015. The SWRCB divided the hearing into a Part 1, which concerns water supplies, and a Part 2, which will concern environmental issues. Along with the other Sacramento Valley and American River agencies, the District presented evidence concerning possible impacts to its water supplies in Part 1 of the SWRCB's hearing in October 2016. On December 19, 2016, the SWRCB issued a notice that it would be scheduling a rebuttal phase of Part 1 in the near future so that parties to the hearing can seek to rebut other parties' water-supply evidence. Part 2 of the hearing probably will occur in the second half of 2017, after Reclamation and DWR have received any approvals for California WaterFix under the federal and state Endangered Species Acts (ESA). Those ESA approvals could affect how the CVP and the SWP would operate with the Delta tunnels in place, which would present additional issues for the SWRCB to consider.

The District has been coordinating with other agencies, particularly the other American River agencies, to prepare for Part 1 rebuttal in and Part 2 of the SWRCB's hearing. In particular, that group may present an American River streamflow management standard as proposed permit terms and conditions in the hearing. The advancement of such a standard has been a key element of the Water Forum Agreement for many years.

#### 5. *Additional Regulatory Processes*

As noted above, to be implemented, the California WaterFix requires approvals under the federal and state ESAs. The state and federal "fish agencies" – namely, the state Department of Fish and Wildlife, the National Marine Fisheries Service and the United States Fish & Wildlife Service – currently are concerning those approvals. They are expected this spring. Based on the public meetings concerning those approvals, we understand that those agencies' requirements may require Reclamation and DWR to reconsider how they might operate the CVP and the SWP with California WaterFix in place. That could affect Reclamation's and DWR's certification of their final EIR/EIS. They have indicated that they do not plan to certify the final EIR/EIS until receiving the ESA approvals, but they could certify the EIR/EIS at any time after the final comment period ends on January 30.



## Agenda Item: 17

**Date:** January 9, 2017

**Subject:** Human Resources Quarterly Report

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

### 1. Current Statistics

Full Time Employees:	63
Temporary Employees:	4
Full Time Vacancies:	4

Current temporary employees include two engineering interns, one GIS intern, and one Customer Service Representative (filling in for employee currently on bereavement leave).

Current full-time vacancies include new Administrative Assistant and Cross Connection Control Specialist positions approved for 2017, Senior Engineer position and Production Operator I/II position. Two other new positions approved for 2017, Distribution Operator I/II and Customer Service Representative I/II, have been filled.

### 2. Completed/Ongoing Work of Note

- a) Completed discharge paperwork for three temporary staff, including water conservation representative, meter PM program and engineering intern.
- b) Completed hiring process and orientations for six new full-time staff, including four Distribution Operators, one Assistant Engineer and one Customer Service Representative.
- c) Completed hiring process and orientations for two new temporary engineering interns and two temporary agency hires.
- d) Completed retirement paperwork for departing Associate Engineer.
- e) Updated all benefit plans for 2017 in ADP human resources program, including updated premiums for medical and life/disability plans.
- f) Completed 2017 benefit costs and deductions finance/payroll report.
- g) Completed 2017 Benefits Compensation Statements for all staff to show current gross wages and benefit costs paid by the District and the employee.
- h) Completed review of medical examination components for three new positions since all now have over one year of work performed by current incumbents.
- i) Retained third-party vendor for billing and premium collection services for post-merger employees who qualify for retiree dental and vision benefits.

**3. Annual OSHA/Workers' Compensation Report**

The District had no recordable cases in 2016. This follows having just 1 recordable case in 2015 (lumbar strain requiring 4 days away from work and 9 days with job restrictions) and 2 recordable cases in 2014. These statistics indicate staff is consistently and effectively engaging in safe and healthy work practices throughout the year.



## Agenda Item: 18

**Date:** January 10, 2017

**Subject:** CIP Projects Quarterly Report

**Staff Contact:** Mitchell S. Dion, Technical Services Director  
John E. Valdes, Engineering Manager

The following report provides updates on the projects identified in the approved Capital Improvement Program (CIP). This report shows those projects included in the approved Calendar Year (CY) 2016 and 2017 CIP budget and the current status of those projects. The total approved CIP budget for CY 2017 is \$18.4 million. To the extent that billings and invoices have been received and processed, cost expenditures through to December, 2016, are included in the report.

A similar report will be used throughout CY 2017 as a tool for staff to track projects internally and as a report to the Board to show the progress of individual projects and the program in total. Projects completed in prior years will no longer be shown beyond this first quarter report. It is anticipated that the report will continue to be provided to the Board on a quarterly basis.

Sacramento Suburban Water District  
 Calendar Year (CY) 2016  
 Capital Improvement Program Budget

Project Number	Work Order #	Project Name	Approved and/or Amended 2016 Budget	CY16 Spent To Date (\$) (Thru 12/31/16)	Remaining Encumbered Funds (\$)	Status: P=Planning D=Design C=Construction	% Complete	Status Comments	Project Description
<b>PRODUCTION (SOURCE OF SUPPLY)</b>									
SC16-007	121259	SSWD Groundwater Monitoring and Modeling Project	\$250,000	\$250,998	\$2,489	C	100%	The construction of the groundwater monitoring wells is completed. Staff and the District's consultant, Brown and Caldwell (B&C), have also completed and submitted all of the required deliverables for this project per the Grant Funding Agreement with the Department of Water Resources (DWR). On December 27, 2016, the final Monitoring Results Technical Memorandum was received from B&C and uploaded to DWR's GRANTS Website. Subsequently, on December 31, 2016, the final Project Completion Report was received from B&C and it was also uploaded to the Grants website. Through these actions, the agreed upon deliverables were submitted to DWR or before the grant termination date of December 31, 2016. The only remaining item to be submitted to DWR is an invoice package for grant reimbursement. This invoice package is currently being prepared by District staff.	This is a continuation of a project originally initiated in CY2014. The District has received a partial Prop. 84 Local Groundwater Assistance (LGA) grant from the Department of Water Resources (DWR) in the amount of \$157,135. The funded project consists of two groundwater monitoring wells and related tasks, including water quality sampling and testing. The two proposed monitoring well locations were both changed in 2015 resulting in some delays. The two monitoring wells will be constructed in late-2015. Remaining work will include quarterly water quality sampling/testing and grant reporting.
SC16-009	N/A	Well Rehabilitation / Pump Station Improvements	\$1,731,560	\$0	\$0	See Below	See Below	<b>Budget increased from \$890,000 to \$1,070,000 via budget transfer.</b> See Below.	Projects planned for CY 2016 may include, but not be limited to: well investigations/evaluations and/or rehabilitation projects for Wells #23 (Marconi North/Fulton), #74 (River Walk/NETP South) and #N6 (Palm); replacement or removal of hydropneumatic tanks (replace with new tanks or install flush-to-waste assemblies) at Wells #N3 (Engle), #N15 (Cabana), #N17 (Oakdale) and #N22 (River College); rebuild two pressure vessels and replace underdrain system at Well #32A (Eden/Root); investigation and possible installation of a VFD at Well #68R (Northrop/Dornajo); and destruction of Wells #N11 (Diablo), #N18 (McCloud), #N19 (Larchmont), #67 (El Camino/Eastern) and #63 A-F (AWD infiltration gallery). Specific projects for CY 2017 have not yet been identified.
SC16-009A	151359	Well #N8 Investigation/Rehab & Site Improvements	Incl. Above	\$5,600	\$9,760	P	40%	Completing the hydrogeological assessment. Kirby has picked up column pipe & is cutting & threading into 10' lengths.	Well #N8 developed bacteriological contamination due to lubricating oil (food grade). The well needs to be renovated including a water lubricated bearing to avoid oil seepage.
SC16-009B	151360	Well #46 Automation Project	Incl. Above	\$0	\$0	P	0%	This project has not been started. Due to the expected budget over draft we are recommending that this project be cancelled and budgeted for CY2017	This project is to install a centrifugal clutch in the dual drive pump so that the natural gas engine can engage automatically
SC16-009B1	118954	Well #N3 Discharge Piping Upgrades	Incl. Above	\$0	\$0	D	5%	A decision has been made to replace the existing hydropneumatic tank with a new tank. Auburn Constructors is constructing and placing tank well N 17 and will commence with N3 upon completion of that work. Discharge piping will be modified to adjust to new tank. Tank for Well N 17 was placed.	Several hydropneumatic tanks operated by the District were recently inspected and the pressure ratings for six tanks were found to be near or below the normal system pressure at the tank location. The District would like to replace the six tanks with either new tanks or with piping and surge anticipation valves to allow the wells to pump-to-waste when the well starts. This is one of the six wells being looked at. At this site, the cost to add storm drain out to the street needs to be evaluated to see if it can be done, otherwise, a new tank will be installed at this site to replace the existing one.
SC16-009C	137921	Well #N25 Site Updates--- w/o 137921--SC16-010E2	Incl. Above	\$25,270	\$980	C	100%	Contractor completed the sound enclosure coating and will add the interior insulating foam this week. Affinity will be meeting the District's paving contractor this week to get a price for repairing the paving removed during the recently completed VFD replacement project. The contractor plans to re-arrange the discharge piping and install the sound enclosure the week of September 12, 2016. Completed.	Miscellaneous improvements to site to accompany a new endurance drive MCC.
SC16-009C1		Well #N15 Discharge Piping Upgrades	Incl. Above	\$0	\$0	P	-	Preliminary design for the pump-to-waste project has been started but is currently on hold. Wood Rodgers investigated a water quality (TCE) problem at the well and made a recommendation on how to resolve the issue for long-term operation. Other approaches are under consideration, but the site constraints of the site render the most effective solutions as infeasible.	Several hydropneumatic tanks operated by the District were recently inspected and the pressure ratings for six tanks were found to be near or below the normal system pressure at the tank location. The District would like to replace the six tanks with either new tanks or with piping and surge anticipation valves to allow the wells to pump-to-waste when the well starts. This is one of the six wells. This site will be getting a surge anticipation valve and discharge piping to replace the existing tank.

SC16-009D	153385	Well #N15 Investigation and Rehab.	Incl. Above	\$0	\$2,325	P	100%	Concentrations of Trichloroethylene (TCE) above the maximum contaminant level (MCL) was detected in early-2016 and the well was taken off-line. The District has contracted with Sierra West Consultants (SWC) to perform an Environmental Assessment (ESA) in an attempt to determine the source of the TCE contamination. The study will also examine past land uses dating back 50 to 100 years using database searches, historical Sanborn insurance maps, and dated aerial photographs. On December 9, 2016, a project kickoff meeting was held with SWC. Following the meeting, various requested information and data was submitted to SWC to assist them in performing the ESA.	The pump was pulled at the subject well. The dripper oil was removed and a video was taken of the well. There is a permit still out, but we will need to have designer and contractor to complete project.
SC16-009D1	161293	Well #N17 Discharge Piping Upgrades	Incl. Above	\$0	\$0	C	20%	A contract has been executed with Auburn Constructors in the amount of \$49,684 to replace the existing hydropneumatic tank. On December 28, 2016, the new 5,000 gallon hydropneumatic tank was delivered and installed using a crane. Some small tank fittings remain to be installed and an electrical connection must be made to the tank's air compressor. An assessment of the site also indicates that other work should be undertaken while it is off line this winter.	Several hydropneumatic tanks operated by the District were recently inspected and the pressure ratings for six tanks were found to be near or below the normal system pressure at the tank location. The District would like to replace the six tanks with either new tanks or with piping and surge anticipation valves to allow the wells to pump-to-waste when the well starts. This is one of the six wells. At this site, the cost to add storm drain out to the street needs to be evaluated to see if it can be done, otherwise, a new tank will be installed at this site to replace the existing one.
SC16-009E	153386	Well #70 Investigation and Rehab.	Incl. Above	\$46,611	\$9,352	C	95%	Kirby's Pump and Mechanical has fabricated the sacrificial spools. Prodigy Electric has begun working on the chemical system and will complete as much as possible until the new chemical shed arrives, likely the middle of January.	It requires improvements to include Fluoride, new panel and controls. We will use a designer and several contractors with different trades and licenses to complete.
SC16-009E1		Well #N22 Discharge Piping Upgrades	Incl. Above	\$0	\$0	-	-	Preliminary design for this project has been started, the site currently has a storm drain inlet on the site so FTW can easily be added. Percent complete = 25%. Construction to take place after summer demand period.	Several hydropneumatic tanks operated by the District were recently inspected and the pressure ratings for six tanks were found to be near or below the normal system pressure at the tank location. The District would like to replace the six tanks with either new tanks or with piping and surge anticipation valves to allow the wells to pump-to-waste when the well starts. This is one of the six wells. This site will be getting a surge anticipation valve and discharge piping to replace the existing tank.
SC16-009F	157949	Well (Palm) #N6 Destruction/Demo	Incl. Above	\$48,421	\$2,579	C	100%	All well demolition for the N6 well has been completed. New well N6A under construction on the site.	Several wells have been abandoned over the years and were not properly destroyed per the State and County standards. This well is one of a handful that are slotted to be destroyed this year. Demolition of above ground facilities will also occur within the well site and waterlines will properly be abandoned.
SC16-009F1	150331	Well #16 Destruction/Demo	Incl. Above	\$23,713	\$0	C	100%	Well has been destroyed. Property will be evaluated for surplus.	Several wells have been abandoned over the years and were not properly destroyed per the State and County standards. This well is one of a handful that are slotted to be destroyed this year. Demolition of above ground facilities will also occur within the well site and waterlines will properly be abandoned.
SC16-009F2	135778	2015 Well #12 Santa Anita/Hernando Improvements - [PROJECT ON HOLD]	Incl. Above	\$2,975	\$1,026	D	50%	Staff is still negotiating with FECRPD regarding the required Santa Anita Park easements (pipeline and access).	This well falls under this year's 2015 Santa Anita Phase 2 mainline replacement, and will need to have upgraded piping up to the well site. During a review of the well site it was noted that a pump-to-waste would be ideal. The Fulton-El Camino Recreation and Park District (FECRPD) is very interested in Well #12 for their ownership and is looking at possibly giving the District a new well site at Bohemian Park in exchange for the well. The FECRPD has agreed to move forward with determining the feasibility in this transfer for next year.
SC16-009G	134951	Well #47 (Copenhagen/Arden) Storm Drain Improvements	Incl. Above	\$20,311	\$0	D	0%	Affinity will be submitting its technical memorandum this week recommending turning the well off for 12 months to see how the local distribution system and customers respond.	Based on a Temporary Discharge Permit being issued by Regional San, this well will have specific flow restrictions into the sanitary sewer system that we currently don't have the capability of meeting. Rather than spending money to improve the existing system that discharges to the sanitary sewer, efforts will be focused on constructing a new storm drain at this site.
SC16-009G1	150332	Well #N21 Destruction/ Demo	Incl. Above	\$2,500	\$0	D	90%	Destruction memo paperwork to be prepared. Quotes from DoubleBDEMolition for demo and Fox Loomis for destruction have been submitted. Fox Loomis has been issued a PO to move forward with the County permitting process.	Several wells have been abandoned over the years and were not properly destroyed per the State and County standards. This well is one of a handful that are slotted to be destroyed this year. Demolition of above ground facilities will also occur within the well site and waterlines will properly be abandoned.
SC16-009G2		Well #8 Access Improvements	Incl. Above	\$0	\$0	-	-	Engineering to issue Area West a task order to proceed with easement work at this site. Area West provided a scope of work and fee estimate.	The access easement to this well site needs to be improved and perfected.
SC16-009H	162316	Well #13 Sound Enclosure	Incl. Above	\$8,750	\$0	D	100%	Kirby installed additional roof insulation. Kirby will be providing additional insulation to double up on one side for testing. Affinity will coordinate with Production to get well turned on for additional sound level.	There have been recent noise complaints from neighbors to the District's Calderwood/Marconi Well (#13). A new sound enclosure will be installed around the pump/motor.

SC16-009H5	101766	General Well Evaluation and Rehabilitation - Engineering Services	Incl. Above	\$122,941	\$13,481	-	-	In November, the District requested Statements of Qualifications (SOQ) from nine (9) qualified consulting firms to assist District staff in evaluating groundwater well performance and making recommendations on specific well rehabilitation work and improvements. On December 13, 2016, the District received SOQ's from seven (7) of the nine firms that were invited to submit. The SOQ's have been reviewed and rated by staff and a recommendation will now be made to the General Manager on which firm(s) to contract with. This is anticipated to be a multi-year contract for up to three years.	Contract amendments in the amount of \$75,000 have been issued to Brown and Caldwell (B&C) for continued well evaluation and rehabilitation engineering and hydrogeological services. Wood Rodgers is also still under contract for similar services.
SC16-009I	161050	Well #31A - Investigation and Rehab.	Incl. Above	\$12,370	\$7,070	C	5%	The source of the new gravel was previously identified and the District's engineer, LSCE, is currently completing field testing and other analysis prior to making a recommendation regarding possible repairs.	Excessive gravel and sand being produced in the well.
SC16-009I1	151498	Well #N11 Destruction/Demo	Incl. Above	\$36,023	\$5,977	C	95%	Site restoration is complete minor asphalt work is pending.	Several wells have been abandoned over the years and were not properly destroyed per the State and County standards. This well is one of a handful that are slotted to be destroyed this year. Demolition of above ground facilities will also occur within the well site and waterlines will properly be abandoned.
SC16-009J1	151500	Well #N18 Destruction/Demo	Incl. Above	\$17,554	\$14,546	C	90%	Tank has been remove the hydropneumatic tank. Site is clear of district equipment except for tower and communications.	Several wells have been abandoned over the years and were not properly destroyed per the State and County standards. This well is one of a handful that are slotted to be destroyed this year. Demolition of above ground facilities will also occur within the well site and waterlines will properly be abandoned.
SC16-009K2	137911	Well #45 Investigation/Rehab & Site Improvements	Incl. Above	\$37,452	\$1	C	75%	Motor was set and new drive line was selected to accommodate higher pedestal. Discharge line not connected.	Due to bacteriological hits, the pump at Well 45 needs to be pulled and have the oil removed off the top of the well water, and have the well video surveyed as part of routine maintenance. The work will also include raising the pedestal to comply with the County's 18" requirement, and reconfiguring of discharge piping and installation of new flow meter. Given the tight constraints in the pump building, it was determined the best course of action was to destroy the portion of the building that enclosed the pump and the chemical room, leaving only the motor room. The building destruction has been completed and the pump investigation/rehab will occur in 2015. Loewen has pulled the pump and performed a TV video. Hedman Drilling has cleaned and bailed the well and performed a second TV video. BC reviewed the work performed and made additional recommendations.
SC16-009L1	150333	Well #50 Destruction/Demo	Incl. Above	\$20,255	\$0	C	100%	Well has been destroyed and approved for surplus.	Several wells have been abandoned over the years and were not properly destroyed per the State and County standards. This well is one of a handful that are slotted to be destroyed this year. Demolition of above ground facilities will also occur within the well site and waterlines will properly be abandoned. County Environ. Mgmt. inspected the site on June 8th and approved destruction to proceed. This well is slotted to be destroyed in 2021, however due to a mainline replacement project, this destruction has been moved up to 2015.
SC16-009M1	Various	Flowmeter Modifications & Improvements	Incl. Above	\$156,691	\$42,056	C	99%	72 well sites have been equipped with Modbus Protocol meters.	Production staff realized that our production meters were not properly communicating the total production with SCADA, creating a miscalculation in our production numbers. The top 40 producers will receive the necessary improvements to correct this matter in 2015 with the rest of the sites receiving the improvements in 2016. Site selection and order was based on highest production meters (2014 production data)
SC16-009N1	151501	Well #N19 Demolition Work	Incl. Above	\$30,759	\$24,241	C	100%	Site has been cleared and will be assessed for demo and surplus or reuse for monitoring.	Several wells have been abandoned over the years and were not properly destroyed per the State and County standards. This well is one of a handful that are still to be destroyed. In preparation for the destruction work in the following years, demolition of above ground facilities will also occur within the well site and waterlines will properly be abandoned.
SC16-009O2	137915	Well #23 Investigation/Rehab	Incl. Above	\$20,188	\$2,312	P	100%	Affinity Engineering, investigation is complete. The rehab has been cancelled.	Requests for quotes out to Kirby Pump and Loewen Pump to pull pump at Well 23, remove the oil off the top of the well water, and have the well video surveyed as part of routine maintenance. Work will also include raising pedestal to comply with 18" requirement, and reconfiguring of discharge piping and installation of new flow meter. Due to schedule constraints on the contractors and coordination with SMUD to alley arm the overhead lines, the pump investigation work will occur in 2015.
SC16-009P1	137916	Well #3A Fencing	\$0	\$7,816	\$0	C	100%	Fencing to be completed once test pumping and well is placed back into service. Testing is complete and work order for new pump and installation has been issued.	New fencing is needed at this well site.

SC16-009P2	150109	Well #3A Investigation/Rehab & Site Improvements	Incl. Above	\$69,476	\$86,446	D	75%	The new well pump and motor have been installed and the discharge piping has been rebuilt. Additional site electrical work remains to be completed before the well can be returned to operation. The new electrical panel and conduit/wire will be installed in January.	Requests for quotes out to Kirby Pump and Loewen Pump to pull pump at Well 3A, remove the oil off the top of the well water, and have the well video surveyed as part of routine maintenance. Work will also include raising pedestal to comply with 18" requirement, and reconfiguring of discharge piping and installation of new flow meter. Additionally, due to lot size constraints, it was decided to remove the hydropneumatic tank at the site. The tank was removed and the piping blind flanged at either end. Due to schedule constraints on the contractors and coordination with SMUD to alley arm the overhead lines, the pump investigation work will occur in 2015, along with the reconfiguration of the discharge piping once the pump pedestal has been raised. Loewen has pulled the pump and performed a TV video, Hedman Drilling is scheduled to clean and bail the well and performed a second TV video.	
SC16-009Q2	139383	Well #N1 Discharge Piping & Site Improvements	Incl. Above	\$67,444	\$37,488	D	95%	Flowline has completed the chlorine line extension. Quotes are also being requested for coating and paving.	Several hydropneumatic tanks operated by the District were recently inspected and the pressure ratings for six tanks were found to be near or below the normal system pressure at the tank location. The District has replaced tank with piping and surge anticipation valves to allow the wells to pump-to-waste when the well starts. The tank has been removed and a flush-to-waste system installed into the discharge piping to resolve issues. The electrical controls have been improved and other site work will be completed in the Spring once the well can be shut down again.	
SC16-009U1	153227	Bainbridge/Holmes Well (#59A) Rehab and Pump Replacement	Incl. Above	\$123,270	\$49,094	C	90%	An existing sound enclosure is being refurbished and re-installed over the vertical turbine pump to control noise. However, it was determined that the exhaust fan on the sound enclosure needs to be replaced. A replacement exhaust fan has been ordered. This well can be operated into the system during daytime only until the sound enclosure is completed, which is now anticipated for later in January.	A major pump failure has occurred at this well site. The submersible pump/motor at this site was pulled and the bearings were found to be destroyed. This type of pump uses a mercury seal near the connection point between the pump and the motor. As a result of the bearing failure, the mercury used in the seal has fallen to the bottom of the well. This is not terribly uncommon but the mercury must be collected and accounted for. A suction type bailer is recommended in order to collect the mercury. If necessary, the bottom of the well can also be filled with a cement cap to ensure that the mercury is covered over. The chances are unlikely that the mercury will contribute to any water quality problems. However, additional water quality testing may be required by the State Water Resources Control Board, Division of Drinking Water (DDW).	
SC16-009U3	130528	Well #35 Site Improvements	Incl. Above	\$0	\$0	X	100%	Per discussions with Mitch and Jim, this project is being terminated. Last payment (\$210) was processed week of 9/19/2016.	This well was rehabilitated last year, however some work still remains at the site to bring it current, including removal of the tank, installation of a storm drain system out to the street, a surge anticipation valve and reconfiguration of the discharge piping. The eyewash station will also be re-plumbed, and SCADA will be added to the site.	
SC16-009V1	134807	Well #72 Methane Investigation	Incl. Above	\$0	\$0	P	100%	Test results have been obtained and a final Tech. Memo has been received from KJC. Staff is evaluating whether to proceed with above-ground treatment for methane using air stripping. Current levels of methane with limited hours of operation are within standards. Well is used as peaking capacity, which meets demands without inducing methane issues.	The District has contracted with Kennedy/Jenks Consultants (KJC) to investigate a methane gas problem at the River Walk/NETP Well (#72). The contract amount with KJC is not to exceed \$20,000.	
SC16-009W1	149630	Well #2A El Prado Pump Station Upgrade Project	Incl. Above	\$193,957	\$237,984	C	15%	General contractor Clyde G. Steagall, Inc. is under contract for this work. Construction work at this site continued during the month of December. On December 8th, a Factory Acceptance Test (FAT) was conducted on the new motor control center (MCC) panel. As a result of the test, a few programming modifications were requested. The new MCC panel was delivered and installed during the week of December 19th. Electrical conductors were then pulled to/from the panel. Final site paving was completed during December. The new submersible pump/motor that was pre-purchased by the District was received during the week of December 12th and will be installed in January 2017. Due to some changes during the course of construction, the contracted completion date has been extended to January 27, 2017.	The project consists of a complete overhaul of Well #2A in conjunction with the 2016 Drayton Heights Phase 2 Main Replacement Project. Well #2A currently is a below grade well, which consists of an above ground pump installed in a vault. The Division of Drinking Water (DDW) has asked the District to bring the well up to current standards as soon as possible. This primarily includes extending the casing so that the pump pedestal is a minimum of 18" above finished grade, discharge piping, new submersible pump, and an electrical update.	
SC16-009W3	130530	Well #N6 Investigation/Rehab.	Incl. Above	\$0	\$0	C	100%	Old well was determined unusable and destroyed in April 2016. Luhdorff has been selected for design of new well. New test well completed. Contract for well construction has been awarded and design commenced. Project scheduled for completion June 2017. Work order is being closed. New well is on a new work order.	The entire casing from the surface to a depth of 110' is riddled with holes. Wood Rodgers is working on the design for the modifications to rehab the well. The plan is install new 8" well casing in the well with an annular seal to 175'. The 14" casing will be perforated from 80'-120'. A gravel envelope will be installed from 175'-508' and a wire wrapped screen from 370'-490'.	
				<b>\$1,731,560</b>	<b>\$1,100,346</b>					
SC16-010	N/A	SCADA Remote Terminal Units (RTU's) / Communication Improvements / MCC Panel Replacement/Upgrades		\$112,000	See Below	\$0	See Below	See Below	See Below.	This project includes improvements and modifications recommended in the <i>SCADA Master Plan</i> . The District is very close to having all active wells on SCADA. Well sites to be upgraded with new MCC panels and/or PLC's/RTU's in CY2016 are #N25 (Sutter), #N8 (Field), and #N14 (Orange Grove). Two other well sites, yet to be determined, will be upgraded with new PLC's/RTU's only. These sites were selected from staff's motor control center study and analysis.
SC16-010A	153228	Well #77 SCADA Upgrades	Incl. Above	\$7,260	\$8,500	C	100%		This well still needs to be equipped with SCADA.	



SC16-010C1	148474	Truax Well #43 Site Upgrades	Incl. Above	\$16,213	\$0	C	50%	Control Panel has been completed and work has been assigned to Prodigy. Work commenced and panels are being installed.	Tesco Panel need to be installed by Prodigy. Prodigy has supplied the District with a bid and EA is being processed. It does not appear that this account was rolled over with Finance although it is listed in this spreadsheet.
SC16-010E2	137921	Well #N25 SCADA Work	Incl. Above	\$29,520	\$0	\$28,900	95%	All work on this project is completed except some asphalt paving.	These well sites are not currently equipped with SCADA. SCADA RTU/PLC and MCC Installation at Wells #N8, #N14, and #N25 (Previous Project Name).
				\$112,000	\$74,748	\$12,673			
SC16-011	N/A	Wellhead Treatment / Chemical Feed System Rehab. / Improvements	\$270,000	\$0	\$0	See Below	See Below	See Below	Project to cover costs associated with needing to install new and repair/replace existing wellhead treatment or chemical feed systems on an as-needed basis. Seven District wells have Chromium VI levels above the established MCL. A Chromium VI operations plan is currently being prepared that will address the potential need for wellhead treatment as compared to other options. A carryover project from 2015 is the design and eventual construction of a manganese (Mn) treatment facility at the existing Verner Well (#N36). Luhdorff & Scalmanini has been selected for this work. The alternatives evaluation phase and pre and final design work will extend into the fall of 2016. Construction of a proposed 1,500 gpm Mn treatment facility would begin in late-2016 and extend into 2017. The estimated construction cost for this facility is \$1.5 million. The Mn treatment facility would be designed to be expandable since it may be possible to drill additional wells at this site. In addition, several well sites (gas engine sites) not currently equipped with disinfection equipment will be equipped with tablet chlorinator units purchased in 2014 including Wells #37 (Morse/Cottage Park), #40 (Auburn/Yard), #43 (Edison/Truax), #45 (Jamestown/Middleberry), #46 (Jonas/Sierra Mills), and #47 (Copenhagen/Arden).
SC16-011B1		Well #75 Iron/Manganese Treatment Plant Repairs	Incl. Above	\$0	\$0	N/A	N/A	This project is on hold due to current issues with Well #75. Engineering to coordinate with Production Dept.	During Loprest's investigation, it was found that the media bed is contaminated with something that is causing higher pressure drops. It was recommended to replace the media bed down to but not including the concrete fill. Inspect the underdrain system for leaks and breakage, and pressure wash the interior of the vessel to remove accumulated sludge, and replace all manway gaskets at the same time.
SC16-011C1	162177	Verner Well (#N36) Manganese Treatment Design- Verner Pump Rehab	Incl. Above	\$98,169	\$87,648	D	0%	District completed review of a draft Technical Memorandum as prepared by Luhdorff & Scalmanini that evaluates different manganese removal technologies. This technical memo also address alternatives for the media, filter configurations and manufacturers. The memo recommends that the District proceed with the use of "Green Sand" technology and four vertical pressure filters. A meeting/workshop was conducted to determine best approach for the first well and long term development of the site. Costs for full site development including treatment will be included in Master plan. This site is large and future plans may include up to two additional groundwater wells and a storage reservoir. Which would reflect a \$10 million dollar investment. This project is being balanced in broader balance of new supply and treatment options.	The manganese (Mn) level at this well is above the MCL and efforts to reduce the Mn concentration by modifying the well have been unsuccessful. Above ground treatment is recommended.
SC16-011C2	141567	Chlorinator Units at Gas Engine Sites	Incl. Above	\$1,335	\$0	C	40%	This project was not able to be completed in 2015 and is now being reassessed for the number of sites and the satisfactory application for this equipment.	Chlorinator units were purchased in 2014 for installation in 2015. Sites to receive chlorinator units include Wells #5, 37, 40, 41, 43, and 45.
				\$270,000	\$99,504	\$87,648			
SC16-012	N/A	Well Replacement	\$3,020,000	\$123,259	\$0	See Below	See Below	See Below.	* Priority depends on the well. Recommended in 2009 Water System Master Plan capital needs analysis. The Rutland Well pumping plant will be under construction starting in October 2015 but construction will not be completed until July 2016. Therefore, there will be construction work in progress or carryover at the end of 2015. Some of the unused budgeted 2015 funds are anticipated to be used to pre-purchase materials for the 2016 Meter Retrofit Project. For 2016, budget is also included for design and drilling of a new well either on property to be obtained within the new Barrett Ranch East Subdivision or District owned property at the Kingbird Well lot. Both of these sites are in the District's North Service Area. Also, costs are budgeted to acquire additional land for future replacement well sites within the District. For 2017, it is assumed that the pumping plant will be constructed for either the Barrett Ranch Well or the Kingbird Well.
SC16-012A	144936	Palm Well #N6A	Incl. Above	\$304,605	\$375,798	Pump Piping: D	90%	The District's consultant, Luhdorff and Scalmanini Consulting Engineers (LSCE), is providing design, bidding and construction management services for the construction of a replacement well at the District's Palm Well (#N6A) site. The District's contractor, Roadrunner Drilling & Pump Company, has completed the development of the well. The replacement well and pumping facilities are anticipated to be constructed and operational in July 2017. Design of the pump and facilities is nearing completion and is scheduled for bid in early February 2017.	This project consists of the construction of a new groundwater well and pumping plant with a capacity of 1,000 gpm in the District's North Service Area (NSA). Luhdorff & Scalmanini Consulting Engineers will design the well. This well is scheduled to be in operation by July 2017.

SC16-012A2	132002	Rutland Well #N39 (Charles Peck School)	Incl. Above	\$2,156,783	\$6,672	Pumping Plant: C	98%	The project is essentially completed and the well continues to pump water into the system. Final completion of the project was delayed somewhat due to a few punchlist items that remained to be completed by the District's contractor, Koch & Koch, and for negotiating and processing a final project change order. The final change order includes the recently completed site drainage improvements and a few other minor items. Koch & Koch has notified the District that all punch list work has been completed and a final inspection and walkthrough is scheduled for the week of January 9th. If it is confirmed that all punchlist items are satisfactorily completed, a Notice of Completion will then be filed at the County Clerk/Recorder's Office. The District's engineer, Wood Rodgers, is currently working on preparing the as-built drawings for the project.	This project consists of the construction of a new groundwater well and pumping plant with a capacity of 1,500 gpm in the District's North Service Area (NSA). Well construction is completed. A Notice of Completion was filed at the County/Clerk Recorder's Office on April 6, 2015.
				\$3,020,000	\$2,584,646	\$382,471			
SC16-013	N/A	Electrical Arc Flash Hazard Modifications at Various Well Sites	\$330,000	\$7,152	See Below	See Below	See Below	See Below.	An electrical engineering consultant was previously hired to perform a hazard assessment of all of the District's electrical panels to determine what modifications are necessary for panels rated as Category 3 or higher. Based on work already performed, required modifications are expected to cost up to \$15,000 per well site. The highest priority modifications were completed in 2011 - 2014. Some additional panels required some sort of modification and/or corrective action and these modifications were, for the most part, completed in 2015. However, two items of work remain in 2016. The arc flash labels at all of the sites need to be updated to reflect improvements and corrections made over the past few years. In addition, arc flash modifications are still required for the electrical distribution panel at the Administration Building. This panel will be replaced with a new panel in 2016. In addition, a new SMUD transformer will be installed at the Admin. Building due to access issues related to the existing transformer.
SC16-013E3	105116, 137910, 135783	ARC Flash Design Services	Incl. Above	\$7,750	\$53,250	-	-	Affinity Engineering completed design for the Marconi improvements completed. Contract has been signed and preliminary work commenced to degree possible as we are awaiting final County permit for related site improvements.	Continuation of project initiated in 2013 with Affinity Engineering. Affinity Engineering was hired to perform a hazard assessment of all of the District's electrical panels to determine what modifications are necessary for panels rated as Category 3 or higher. Approximately 17 panels remain that will require some sort of modification and/or corrective action. Based on work already performed, required modifications are expected to cost up to \$15,000 per well site. The highest priority modifications were completed in 2011 - 2013. The next set of highest priority modifications (at 14 well sites) will be performed in 2014. An amendment will be prepared for the work at the Marconi Office which will occur over 2014 and 2015.
SC16-013E3	135782	Arc Flash Labeling Updates	Incl. Above	Incl. Above	Incl. Above	-	90%	This work is part of bringing certain sites into compliance with ArcFlash requirements. Work at each site has to be verified before labels can be ordered/ installed. Affinity is working Herzig to accurately label sites. This project was not completed in 2015 and will now be completed in 2016.	The sites that have had corrective measures to date require updated arc flash hazard analysis and updated documentation and labeling. This will include 21 sites in 2015.
SC16-013K2	135780	Wells #N33, #N29, #N24, #N23A, #N9, #60, #N22, #28	Incl. Above	\$30,710	\$0	-	95%	This project is nearly completed.	ARC FLASH ~ Control Panel Modifications to mitigate arc flash hazards by adding another level of protection upstream of the motor control center. Plan is to do Well #N29 first to see how work goes, then do #N23, N24 and N33 as those are all summer runners. Wells #N22, N9, 28 and 60 will follow.
SC16-013L2	137764	Well #26, Greenwood/ Marconi	Incl. Above	\$23,335	\$0	C	95%	Quote received. Contractor will be given direction to proceed. Once paving is complete, this project will be complete.	ARC FLASH ~ New service pedestals were purchased to mitigate arc flash hazards by adding another level of protection upstream of the motor control center.
SC16-013M2	137765	Marconi Office Arc Flash Improvements	Incl. Above	\$88,110	\$10,246	C	20%	Work for electrical upgrades at Marconi all in single project with generator. Design is complete, the generator has been delivered and preliminary prep work done. The building has approved the project for a building permit and will issue it as soon as the planning department approves the special development permit.	ARC FLASH ~ Prodigy will be working with District Staff and Affinity Engineering in design and constructability coordination for arc flash work to be done at the Marconi Office. The construction phase of the work will occur in 2015. Affinity's costs are tracked under SC14-013E1.
			\$330,000	\$157,057	\$63,496				
SC16-040	150183	Engine Generator Compliance (Admin Bldg)	\$54,300	\$53,092	\$1,205	P	0%	The County permitting office has made several comments on the plans to which Affinity will be providing responses. The County planning department will be scheduling a final hearing to approve the project.	Funds are included for a major engine overhaul and/or engine generator replacement. Anticipate one new engine generator (for Administration Building) in 2016 and an engine overhaul in 2017.

DISTRIBUTION

SC16-018	N/A	Distribution Main Replacements	\$8,593,500	See Below	\$0	See Below	See Below	See Below.	This project assumes up to 8 miles of distribution mains to be replaced per year using the service contract approach combined with District purchase of materials. Some contracted design and construction work from 2015 is anticipated to carryover into CY2016. Projects planned for construction in CY 2016 include the Drayton Heights Phase 2, Edison Meadows Phase 1 and Rivera Woods (size to be determined based on remaining budget). This includes approximately 35,000 lf of new 8" and 12" mains. Work planned for 2016 also includes completion of final paving for the Santa Anita Phase 2, Fair Oaks Estates and Barcelona Main Replacement Projects. Also includes hiring consultant(s) to provide support services (surveying and mapping services, SWPPP, construction management, etc.) for in-house design of projects planned for construction in 2017/2018. In addition, funds are included to pre-purchase up to 40,000 linear feet of ductile iron pipe in the fall of 2016, for installation in 2017, before anticipated price increases take affect. Includes installation of 371 water meters in 2016 and 564 in 2017.
SC16-018A	151628	2016 Edison Meadows Main Replacement - Phase 1	Incl. Above	\$116,455	\$37,245	D	50%	Domenichelli & Associates (D&A) has been selected to complete final design for this main replacement project. The project is slated to be completed in two phases. The first phase scheduled for late summer will include the backbone system comprised of new main lines being installed on Watt Avenue, Edison Avenue and a portion of Becerra Way. The first phase will be driven by available 2016 CIP budgeted funds. The second phase will be completed in 2017 and will include all the minor streets adjoining Watt Avenue, Edison Avenue and Becerra Way. 1st phase is 65% complete with an estimated construction budget between \$2.3 and \$2.7 million	Based on the District's Distribution Main Asset Management Plan Updated in 2014 it was determined that Edison Meadows was the next major waterline replacement to follow Drayton Heights. This project consists of an area bound by Watt Avenue, Edison Avenue, Norris Avenue, and Whitney Avenue. Project consists of installing 1,000-feet of 6-inch, 12,000-feet of 8-inch, and 14,200-feet of 12-inch mainline.
SC16-018A2	128114	2015 Barcelona Waterline Replacement Project	Incl. Above	\$109,945	\$21,576	C	95%	Project is complete with the exception of final paving to be completed by the County.	This project will consist of the installation of approximately 6,500 feet of new water mains and approximately 150 new metered service connections. The project area is outlined by El Camino Avenue, Howe Avenue, Bell Street, and Cottage Way. Construction is anticipated in 2015, depending on budget availability. The design work for this project was completed in-house.
SC16-018B		Parkland Estates Area 56	Incl. Above	\$107,019	\$783,029	C	15%	This project has been divided into two phases. Phase 1 of the main line installation is nearly complete with 1,700 feet (out of 1,800 feet) of ductile iron (DI) pipe installed. GM Construction has 19 services to complete. The Phase 1 project is on schedule and under budget. Phase 2 work is expected to begin in early February and will take 8 to 10 months to complete.	
SC16-018D2	135205	2015 Fair Oaks Estate Main Replacement Project	Incl. Above	\$394	\$34,235	C	95%	Project is complete with the exception of final paving to be completed by the County.	This project will replace a high leak prone portion of ODS mainline. The project will also abandon a 6" water main where a garage was built over the water main that was not encumbered by an easement. The project area will consist of Fair Oaks Blvd., Estates Dr., Cortlandt Dr., Treehouse Ln., Columbia Dr., and Alton Ct. An aerial survey was prepared by Area West Engineers. The project was awarded to the Master Service contractors as Task No. 2. Construction began on July 13, 2015 and is expected to be substantially complete October 2, 2015.
SC16-018E1	148600	Eastern Rand Lane	Incl. Above	\$156,137	\$0	C	100%	The project is complete.	Final paving is not part of the Paving Partnership Agreement with County.
SC16-018F1	149570	2016 Drayton Heights Main Repl. Project - Phase 2	Incl. Above	\$6,094,071	\$1,235,394	C	100%	Doug Veerkamp General Engineering and GM Construction have completed the project with the exception of a few punchlist items. The Notice of Completion will be filed with the County of Sacramento Recorder's Office during the week of January 3rd.	Project will consist of the installation of 500-feet of 6-inch, 15,000-feet of 8-inch, and 11,000-feet of 12-inch mainline in the area surrounded by Elvyra Road, Fulton Avenue, Cottage Way, and Morse Avenue. This is the next mainline replacement project per the Distribution Asset Management Plan. This will be task order number 4 for Veerkamp, and task order number 5 for GM.
			\$8,593,500	\$6,964,920	\$2,111,479				<b>Total budget, spent to date and additional encumbered funds on SC16-018 projects.</b>
SC16-019	N/A	Distribution Main Improvements / Extensions / Interties and Resolving Utility Conflicts	\$801,500	\$0	\$0	See Below	See Below	See Below.	Includes various small main replacement projects to solve distribution system hydraulic issues and relocating District water mains and appurtenances due to grade conflicts with County of Sacramento improvements (storm drains, etc.). Small main replacement projects planned for construction in 2016 include the El Camino/Bell Main Extension and Keema Avenue Main Extension projects.
SC16-019A	153704 159134	2016 Miscellaneous Repair Issues	Incl. Above	\$15,875	\$5,725	D	0%	General repair issues throughout the year.	Any general repair issue that may occur. Espinoza-Abandon 4" main on Auburn/Lerwick-Complete
SC16-019B	157672	Don Julio / Keema Main Extension	Incl. Above	\$583,864	\$1,033	C	100%	Construction work by Tetra-Tech is completed. Close-out documentation is underway.	This project will eliminate a dead end distribution line in Keema Drive and provide a connection point to the Don Julio Junior High School.

SC16-019D1		2015 DPMWD Intertie At Annette Street And Eastern Avenue	Incl. Above	\$26,873	\$0	C	100%	The project is completed. The District has reimbursed DPMWD for it's share of agreed upon project costs.	The District will be cost sharing (50%) for a new 8" intertie between DPMWD and SSWD. SSWD is pre-ordering the vault and meter for the project. The project will be completed under DPMWD's contract with GM Construction. Project is to be completed in front of the County's paving project on Eastern Avenue in June 2015.	
SC16-019J1	147247	2015 Watt Avenue/Magpie Creek	Incl. Above	\$48,334	\$0	C	95%	The project is complete except for final paving which is scheduled to be completed the week of June 20th.	In 2014 the District had yet another 12" PVC break, and with this break there are now two 12" dead ends that need to be reconnected on the south side of Magpie Creek to provide adequate circulation and fire flows for Watt Avenue.	
SC16-019K1	148784	2015 Brightwood Waterline Extension Project	Incl. Above	\$38,119	\$0	C	100%	Tetra Tech has complete final asphalt restoration. Project has found to be acceptable by the County of Sacramento.	During the 2013 Meter Retrofit project it was discovered that a 2" ABS line existing on Brightwood Court that is currently feeding 4 homes. It was determined that no meters would be installed on the ABS and that new 6" mainline would have to be installed in order to complete the meter installations.	
SC16-019L1	106658	2015 Pasadena Avenue Main Connection Project	Incl. Above	\$68,571	\$337	C	100%	Tetra Tech has completed all tasks associated with this project	During 2014 it was discovered during a shutdown to replace a service on Pasadena Avenue that it only required one valve due to a dead end pipeline approximately 214-feet away from another dead end pipeline. After reviewing the District's north and south systems it was determined that the two blow offs should be connected.	
				<b>\$801,500</b>	<b>\$781,636</b>					
SC16-020		McClellan Improvements		\$0	\$0			N/A	Improvements required per agreement with McClellan AFB. (Combined into project -019 above.)	
SC16-022	N/A	Water Related Street Improvements (Lowering/Raising Valve Boxes)		\$126,000	\$0	See Below	See Below	<b>Budget decreased from \$150,000 to \$70,000 via budget transfer. See Below.</b>	This project includes lowering and raising existing water valve boxes before and after pavement grinding and overlay by the County of Sacramento and/or the City of Citrus Heights. Typically, the County of Sacramento and City of Citrus Heights have 2 to 4 projects a year and the District's cost projection is an annual average of their project impacts. This project also includes work identified by the District's Preventative Maintenance (PM) crew including raising valve boxes, etc.	
SC16-022A	159132	City of Citrus Heights SRTS - Relocate 6" Blow Off	Incl. Above	\$8,600	\$0	C	100%	Complete	The City of Citrus Heights has a project to install sidewalk along Antelope Road.	
SC16-022A1	154113	County Contract #(4220) El Camino Lower/Raise Valves on 2015 Federal AC Overlay Project	Incl. Above	\$18,120	\$14,860	C	100%	Complete	Lower then raise approximately 67 valve boxes along El Camino Avenue, Eastern Avenue and Marconi Avenue. Tricia is procuring the new valve boxes.	
SC16-022B	159166	County FOB & Mariemont Sidewalk Project - Relocate Fire Hydrant	Incl. Above	\$47,284	\$0	C	100%	Complete	The County will be installing sidewalk along Fair Oaks Boulevard, near Mariemont Ave. District has a FH along FOB that will need to be relocated onto the Mariemont side.	
SC16-022B1	147558	County Contract #(4263) Fulton Lower/Raise Valves on 2015 AC Overlay Project	Incl. Above	\$32,663	\$0	C	100%	Complete	Lower then raise approximately 53 valve boxes along Fulton Avenue from Marconi Avenue to Auburn Blvd. Tricia is procuring the new valve boxes.	
SC16-022C1		County Contract #(4269) Garfield Lower/Raise Valves on 2015 Federal Phase 2 AC Overlay Project	Incl. Above	\$0	\$0	C	0%	County confirmed project delayed again to.....2017	Lower then raise approximately 8 valve boxes along Garfield Avenue from S/O of Verner Avenue to Greenback Lane. Tricia is procuring the new valve boxes.	
				<b>\$126,000</b>	<b>\$106,667</b>					
SC16-024	140255	Meter Retrofit Program - District Funded and 2013/14 CalFED Meter Retrofit Grant & WaterSMART Grant		\$1,836,700	\$1,800,359	\$34,961	C	N/A	See Below.	District is on schedule to comply with AB 2572 requirement to install meters in California by 2025. Specific meter retrofit schedule is in accordance with updated Water Meter Retrofit Plan originally adopted in September 2004 and last updated in 2015. In 2016, an estimated 1,510 meters will be replaced as part of the retrofit program. Note that the District committed to installing 1,476 meters to receive the grant funding; the remaining 34 meters are being installed to complete a meter retrofit area. It is currently anticipated that available 2015 CIP funds will be used to purchase materials in advance for the 2016 retrofit project. In 2017, an estimated 1,216 meters will be replaced as part of the retrofit program.
SC16-024A		Voluntary Meter Retrofit Program		\$75,000	\$37,396	\$4,185		100%	Meters installed per customer requests. Eighteen meters installed total.	Budget is provided to install new water meters as requested by customers through the District's voluntary meter program. Expenditures over the past five years have averaged approximately \$125,000/year.

SC16-024B	162771	2017 Meter Retrofit Project	Included in SC16-024	\$0	\$541,005	D	100%	Materials have been ordered through 5 different vendors.	District is on schedule to comply with AB 2572 requirement to install meters in California by 2025. It is currently anticipated that available 2016 CIP funds will be used to purchase materials in advance for the 2017 retrofit project. In 2017, an estimated 1,161 meters will be installed as part of the retrofit program.
SC16-024B1	151609	2016 Meter Retrofit WaterSMART Grant Project	Included in SC16-024	\$14,377	\$0	C	100%	All 896 services have been retrofitted with meters. Flowline's contract was for \$1,154,763. Processed final payment on 10/5/2016.	A total of 896 meters are scheduled for installation with this project. Approximately 83 meters will be replaced using the CalFed WaterSMART grant funds (\$145,000). Both of these grants were obtained to accelerate meter installation.
SC16-024C1	151629	2016 Meter Retrofit CalFED Grant Project	Included in SC16-024	\$0	\$0	C	100%	Flowline was awarded the contract in the amount of \$772,656. All 614 services have been retrofitted with meters.	A total of 614 meter are scheduled for installation with this project. Approximately 56 meters will be replaced using CalFed Water Use Efficiency grant funds (\$98,000). Both of these grants were obtained to accelerate meter installation.
			<b>\$1,911,700</b>	<b>\$1,852,132</b>	<b>\$580,151</b>				
SC16-042		Meter Replacement and Repair	\$558,000	\$391,290	\$144,255	C	100%	Tetra Tech has completed "Phase 1" of this project replacing (92) 1.5" meters and (57) 2" meters for a total of 149 meters replaced. 128 new MTUs were installed as part of "Phase 1". This replaced the remaining Sensus and Neptune meters 2" and below in the system. These meters had outlived their useful life and had 100 cubic foot registers that were not compatible with AMI technology. Two (2) 1.5" and three (3) 2" services required replacement as part of this project. Flowline has completed "Phase 2" of this project for the 1" and below meters, replacing (882) .75" meters and (126) 1" meters for a total of 1,008 meters replaced. 833 MTUs were installed as part of "Phase 2". One (1) 1" service required replacement as part of this project.	As recommended in the 2015 Water Meter Asset Management Plan (100-year replacement schedule) with some adjustments to level out the work each year. This is the initiation of a planned program to repair and/or replace water meters that have outlived their useful life (estimated at 20 years). In the Asset Management Plan, an inventory of meters installed from pre-1990 through 2014 was used to project a 100-year meter replacement schedule. In 2016, it is estimated that 1,200 existing water meters in sizes from 3/4-inch to 1-inch will be replaced. An additional 188 existing meters in the 1-1/2" and 2" sizes will also be replaced as these meters are not rebuildable and they are not compatible with AMR. The new water meters will be compatible with the fixed network meter reading system. For 2017, an additional 1,200 existing water meters in sizes from 3/4-inch to 1-inch will also be replaced.
SC16-027	See Below	Distribution System Major Repairs	\$350,000	See Below	See Below	See Below	See Below	See Below	Consists of repair of major main breaks that require replacement of infrastructure.
SC16-027A	150287	Dudley Common Area F-G	Incl. Above	\$16,500	\$3,400	C	100%	Processed Invoice.	This was an emergency water main repair.
SC16-027B	150107	4611 Creek Road	Incl. Above	\$4,475	\$0	C		Billed to 07-54507.	
SC16-027C	151441	3930 American River Dr.	Incl. Above	\$4,592	\$0	C	100%	Processed Invoice.	District contractor was called to an emergency leak on a 14" ACP water main. Leak was on a stab joint rubber. The coupling was taken off and a FCRC installed.
SC16-027D	152253	3939 Madison Avenue	Incl. Above	\$40,725	\$0	C	100%	Processed Invoice.	12" C-900 blow-out. Pavement restoration.
SC16-027E	152253	3939 Madison Avenue	Incl. Above	\$27,919	\$0	C	100	Processed Invoice.	Contractor repaired Failed water main and provided hours of clean-up associated with silt that was on three separate properties and along Madison Avenue.
SC16-027F	153710	MBP Bldg. 251A	Incl. Above	\$29,976	\$8,024	C	100	Processed Invoice.	Staff identified a leak under a covered walkway to the flight line at MBP. To mitigate staff is relocating the water main approximately 10' to the west and reconnecting to a new water main that was installed approximately 5 years ago.
SC16-027G	158362	4533 Antelope Road	Incl. Above	\$38,464	\$0	C	90		Emergency water main failure. Contracted out repairs to GM.
SC16-027H	158362	4533 Antelope Road	Incl. Above	\$70,200	\$0	C	75		Emergency water main failure. Contracted Paving restoration to CVE.
SC16-027I	159855	4641 Norris Avenue	Incl. Above	23920	0	C	90		Scheduled water main/fire hydrant repair replacement due to leak on 6" mortar lined steel water main.
			<b>\$350,000</b>	<b>\$256,772</b>	<b>\$11,424</b>				
SC16-028	See Below	Distribution System Improvements	\$375,000	See Below	See Below	See Below	See Below	See Below	Note: New account. Includes funds originally budgeted under O&M Accounts No. 07-54507, 07-54511 and 08-54507. Covers costs for miscellaneous distribution system repairs improvements including new taps/saddles, new water service lines, etc.
SC16-028A	151233 & 151235	5910 Auburn Blvd Service Replacement	Incl. Above	\$0	\$0	P	0%	Created EA. Project is on hold until further notice. Scope of work has increased and this will become a special project to resolve issues.	Replace two 1" services

SC16-028B	151242 & 151243 & 151244 & 151245	2706-28 Marconi Ave Service replacements	Incl. Above	\$0	\$0	P	0%	Complete	Replace four 1" services
SC16-028C	150450	Isolation Valve replacement	Incl. Above	\$0	\$0	C	100%	Processed invoice.	Contractor called out after hours to repair a service that had failed and no shut off identified. Contractor installed a new isolation valve and cleaned up the damaged area.
SC16-028D	149825	MLV Replacement	Incl. Above	\$0	\$0	C	0%	Processed invoice.	Contractor called to replace a broken MLV in the closed position. Work will be done at night.
				<b>\$375,000</b>	<b>\$0</b>				

SC16-038		Large Water Meter (> 3") Replacement Program	\$140,000	\$113,907	\$22,980	C	100%	Eleven service upgrades completed total.	Budget is provided for the replacement of large (> 3") water meters that have outlived their useful life. In most cases, it is unnecessary to replace the meters; instead the large meters are rebuilt. As a result, this account is generally used to upgrade the service to current District standards with a bypass to allow for future testing and maintenance without interrupting water service to the customer. This is an ongoing project and work is scheduled according to findings related to the Meter PM Program. For 2016 and 2017, an additional \$50,000 has been included in the budget for the installation of meter bypasses.
			<b>\$140,000</b>	<b>\$113,907</b>	<b>\$22,980</b>				

SC16-039	N/A	Fire Hydrant Replacement / Rehabilitation / Additions	\$200,000	See Below	See Below	See Below	See Below	See Below.	Note: Similar to 2015, the 2016 budget has been increased by \$100,000 using funds that were originally included in the O&M budget (Account #07-54507). The 2009 Water System Master Plan identifies some areas with insufficient fire flow. This project will bring these areas into compliance with minimum District and fire district standards, especially in those areas where main replacement projects are not scheduled for several years. A similar budget is proposed for 2017.
SC16-039A	151273	5584 Patrol Rd. Bldg. #1069	Incl. Above	\$0	\$0	c	100%	Waiting for billing, fire hydrant has been replaced.	Staff identified a fire hydrant that was non-operational or repairable so this hydrant is scheduled to be replaced by a District contractor.
SC16-039B	151106	Forcum and Dean	Incl. Above	\$0	\$0	C	100	Completed.	Fire hydrant replacement that was deemed non-repairable.
SC16-039C	153153	MBP Bldg #717	Incl. Above	\$0	\$0	C	0	Completed.	Staff identified a fire hydrant valve that is non-operational/repairable. The fire hydrant is so closely connected to the valve that it will be replaced and upgraded during the scope of work.
SC16-039D	150402	McKinney Road	Incl. Above	\$0	\$0	C	100	Completed.	Staff identified a fire hydrant that is non-operational or repairable.
			<b>\$200,000</b>	<b>\$0</b>	<b>\$0</b>				

**STORAGE & DISTRIBUTION**

SC16-034	N/A	Corrosion Control and Reservoir and Tank Painting/Coating, Upgrades and Improvements	\$200,000	\$0	\$0	See Below	See Below	SC16-034A budget decreased from \$450,000 to \$150,000 via budget transfer. See Below.	<b>Note: Includes funds originally budgeted under O&amp;M Account 06-54508.</b> Transmission mains, storage and hydropneumatic tanks, and corrosion control facilities are on a scheduled maintenance program for inspection, testing, and recoating as necessary. Many of the District's above ground storage reservoirs have existing cathodic protection systems in place, but they have not been serviced since installation. The District is going to complete a survey on each system verifying its proper operation. As part of this process, a corrosion consultant is assisting with coating inspections in 2015 to determine a baseline for each of the above ground storage reservoirs. These inspections are being performed by a certified Coating Inspector Level 1. This condition assessment will help provide the District with better knowledge of the existing conditions of the tanks and which tanks are in need of repair or restoration in 2016.
SC16-034A	121917	Corrosion Control - CMLC Water Mains	\$150,000	\$6,255	\$1,945	D	90%	On hold.	The District is moving forward with acquiring well drilling permits for the Conveyance Pipeline to install five new anode wells. Additionally, the District is working with SMUD to acquire power for each of the five sites. AWE is working on collecting any necessary easements for all rectifier locations. JDH Corrosion is working with SMUD to finalize drawing set. SMUD has re-designed two rectifier locations requiring additional design work.

SC16-034C2	153186	Hydraulic Improvements at Elevated Tanks #216, 769, and Capehart--Elevated Tank Corrosion Control	Incl. Above	\$25,285	\$116,370	C	95%	The results of sampling should be available this week.	Affinity Engineering has designed hydraulic improvements for the Elevated Tanks #216, 769, and Capehart to make them in compliance with DDW inspection requirements. Kirby Pumps and Prodigy Electric are performing the work. Construction work started in January 2015.
SC16-034D2	153188	Antelope Reservoir Flow Meter Replacement	Incl. Above	\$18,130	\$15,615	P	10%	Flowline has begun working on the sample line extension. Coordination efforts have been ongoing between the District, Flowline, and Sacramento County to get the vault isolated and to minimize County encroachment permit issues. The District will be isolating the connection on Dec. 27, with the new valve in the vault installed on Dec. 28. Shortly after the valve is installed the District will open the isolating valves. Production developed a plan to minimize the reduction of taking surface water during the isolation period.	The flow meter at the Antelope Reservoir is not working properly and needs to be replaced. Due to backorder constraints and lead time, the flow meter will be purchased in early 2015 and the design work and construction will occur in 2015.
			\$350,000	\$49,670	\$133,930				

**SPECIAL PROJECTS**

SC16-035	N/A	Professional/ Special Services	\$89,440	See Below	\$15,000	See Below	See Below	See Below.	Includes potential professional services for CEQA Work, Preliminary Design, Special Studies, Hydraulic Modeling, Surveying, etc.
SC16-035A		Misc. Consulting Services	Incl. Above	\$39,440	\$0	N/A	N/A	Ongoing.	A contract has been executed with Mitch Dion to provide miscellaneous consulting services to the District.
SC16-035B	N/A	Hydraulic Model Training and Meter Sizing	Incl. Above	\$8,497	\$6,848	P	100%	Training and assistance is complete.	A contract has been executed with Brown and Caldwell in the amount of \$15,345 for hydraulic model training and meter sizing. Assistance is needed for hydraulic model training and meter sizing.
SC16-035B1		2015 Conveyance Rectifier Easements	Incl. Above	\$3,575	\$0	D	75%	Patrick Project - On hold? Area West is attempting to collect signatures from Antelope Fellowship Christian at the corner of Antelope and Old Auburn. JDH is working on re-design of an existing anode well location to accommodate a property owner's requests, which will affect the timeline of acquiring an easement.	This is a task order for Area West to determine the limits for three easements to install new rectifiers on the Conveyance Pipeline at the following locations: Old Auburn Road and Antelope Road/Purslane Way/Don Julio Way and Antelope Road.
SC16-035C		Pipe Testing/Forensic Analysis	Incl. Above	\$203	\$0	N/A	100%	Forensic testing and analysis of failed pipe was performed by Anamet, Inc. Separate written reports dated October 3, 2016, were received documenting their findings.	Two major PVC pipe failures occurred in 2016.
SC16-035D1		Property Acquisition on North Antelope Road	Incl. Above	\$8,578	\$1,823	N/A	95%	All aspects of the property acquisition have been completed. The property was recently cleared and grubbed. Area West Engineers is currently preparing a Grading Plan and Frontage Improvement Plan for the property. Staff is also obtaining quotes from fence contractors to fence the site perimeter after it is graded.	The District is in the process of purchasing two separate parcels located on Antelope North Road just north of the Antelope Reservoir Facility.
SC16-035E2		Long Term Warren Act Contract Consulting Services	Incl. Above	\$0	\$0	N/A	N/A	A contract has been executed with Municipal Consulting Group (MCG). The work is underway and preparation for 2017 are in place.	Municipal Consulting Group (MCG) will assist the District in negotiations with USBR on a Long Term Warren Act Contract. MCG's fee for this work is \$17,900.
SC16-035G2	134788	Elevated Water Tank Analysis and Improvements	Incl. Above	\$0	\$0	C	95%	Affinity's design is complete. They are assisting with project management of the hydraulic improvements project. Tanks have been cleaned. Operational controls adapted for 3 of 3 sites complete.	Based on a CDPH inspection, three of the District's elevated water storage tanks have operational issues and common inlet/outlet designs that may pose water age problems. According to CDPH, "All new reservoirs must have a separate inlet and outlet. Since these are existing tanks, SSWD should submit an operational plan that shows how the water in the tanks will be routinely cycled to minimize water stagnation." New booster pumps are proposed to allow the water in the tanks to be cycled in/out on a daily basis.
			\$89,440	\$60,292	\$23,671				

**CONJUNCTIVE USE**

SC16-044		Capital Improvements to CTP (SJWD)	\$7,000	\$0	\$0	-	-	Still waiting to be invoiced by SJWD.	District's cost share (owed to San Juan Water District) for Cooperative Transmission Pipeline (CTP) Corrosion Testing for 2015.
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SC16-045	158588	Enterprise Intertie Improvements	\$101,000	\$11,560	\$43,943	D	80%	Kirby's has completed the coating of the 24" tees and 16" spool pieces. The valve supplier delivered the valve to Kirby's with a manual actuator for assembly with the tees.	SSWD has 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 for SSWD to deliver excess groundwater supplies to the City of Sacramento in dry years, thereby promoting conjunctive use. It is estimated that an instantaneous supply of as much as 20.0 mgd could be made available for delivery to the City. The estimated total project cost is \$178,700 but a Prop. 84 Drought Implementation Grant in the amount of \$118,225 has been awarded by the Dept. of Water Resources (DWR). Currently a cost-sharing agreement is being negotiated with the City of Sacramento. Once an agreement is finalized, design work can begin. It is anticipated that design and construction will both be completed in 2016.
			\$101,000	\$11,560	\$43,943				
		<b>Totals</b>	<b>\$19,371,000</b>	<b>\$14,909,235</b>	<b>\$4,190,488</b>				