

Agenda

Sacramento Suburban Water District Regular Board Meeting

3701 Marconi Avenue, Suite 100
Sacramento, California 95821

Monday, August 21, 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.

Call to Order

Pledge of Allegiance

Roll Call

Announcements

Public Comment

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

Consent Items

The Board will be asked to approve all Consent Items at one time without discussion. Consent Items are expected to be routine and non-controversial. If any Board member, 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 July 17, 2017 Regular Board Meeting
Recommendation: Approve subject minutes.

2. Budget Policy (PL – Fin 012)
Recommendation: Adopt subject policy.
3. Directors' Compensation and Expense Reimbursement Policy (PL - BOD 003)
Recommendation: Adopt subject policy.
4. Impaired Capital Asset Policy (PL - Fin 008)
Recommendation: Adopt subject policy.
5. Purchasing Card Policy (PL – Fin 006)
Recommendation: Adopt subject policy.
6. Surplus District Vehicles #27, 30, 41 and 44
Recommendation: Approve Surplussing Specific Vehicles.
7. Resolution No. 17-10 Supporting the Nomination of Brent Hasteley for President of the Association of California Water Agencies (ACWA) Board of Directors
Recommendation: Adopt subject resolution.

Items for Discussion and Action

8. A Day in the Life of GIS
Presentation by the GIS Department.
9. Fraud Prevention Presentation
Discuss and review fraud prevention policies and procedures for District operations.
10. Board Member Out of State Travel Request
Recommendation: Approve Director's Out of State Travel Request.
11. Regular Board Meeting Times
Receive written staff report and direct staff as appropriate.
12. ACWA Region 4 Election
Receive written staff report and direct staff as appropriate.
13. Resolution Number 17-11 Amend District Regulation.
Recommendation: Adopt subject resolution.

Information Items

14. Chromium 6 Court Complaint and Regulations Update

15. 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
16. Engineering Report
 - a. Major Capital Improvement Projects
 - b. County and City Projects/Coordination
 - c. Developer Projects (Including McClellan Business Park)
 - d. Planning Studies
 - e. Other
17. Financial Report
 - a. Financial Statements – July 2017
 - b. Cash Expenditures – July 2017
 - c. Credit Card Expenditures – July 2017
 - d. District Reserve Balances – July 2017
 - e. Information Required by Bond Agreement
18. McClellan Business Park Update
19. Alternative Workweek Schedule
20. Update on Water Service Line Contract for Parkland Estates Phase 2 Main Replacement Project
21. ACWA/JPIA Liability, Property, and Workers' Compensation Risk Assessment
22. ACWA Committee Appointment Considerations for the 2018-19 Term

23. Improvements from Hiring of New Positions in Meter Preventative Maintenance Program
24. Long-Term Water Conservation 2017 Legislation Update
25. Legislative and Regulatory Update
26. General Manager's Report
 - a. General Manager Recruitment Update
 - b. Aerojet Community Advisory Group Meeting
 - c. City of Sacramento Wholesale Water Rates and 9,023 af of Area D Water
 - d. Sutter Occupational Health Pricing Increase
 - e. Letter-of-Credit (LOC) Status
 - f. Bond Insurance Litigation Update
 - g. Cal WaterFix Update
 - h. Amendment to Agreement between San Juan Water District (SJWD) and Northridge Water District Concerning Diversion, Treatment and Conveyance of Water
27. Upcoming Policy Review
 - a. Water Banking and Transfer Policy (PL - BOD 006)
 - b. Ethics Policy (PL – BOD 004)
28. Upcoming Water Industry Events

Committee Reports

29. a. Facilities and Operations Committee (Director Schild)
Minutes from the July 27, 2017 Meeting.
- b. Finance and Audit Committee (Director Thomas)
No report.

- c. Water Quality Committee (Director Wichert)
Minutes from the July 17, 2017 Meeting.
- d. Government Affairs Committee (Director Locke)
No report.
- e. Ad Hoc Water Banking and Transfer Committee (Director Schild)
No report.
- f. Ad Hoc Selection Committee (Director Wichert)
No report.
- g. Ad Hoc Process Committee (Director Wichert)
No report.
- h. Ad Hoc Compensation Committee (Director Schild)
No report.

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

- 30. a. Regional Water Authority (Director Thomas)
No report.

Regional Water Authority Executive Committee (General Manager Roscoe)
Agenda from the August 16, 2017 Meeting.
- b. Sacramento Groundwater Authority (Director Schild)
Agenda from the August 10, 2017 Meeting.
- c. Water Caucus Meeting
No report.
- d. Water Forum Successor Effort (General Manager Roscoe)
No report.
- e. Other Reports

Miscellaneous Correspondence and General Information

- 31. Correspondence received by the District
- 32. 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)

- 33. Public employee appointment involving the position of General Manager; Government Code sections 54954.5(e) and 54957(b)(1).

Adjournment

Upcoming Meetings

Monday, September 18, 2017 at 6:30 p.m., Regular Board Meeting
Monday, October 2, 2017 at 3:00 p.m., Finance and Audit Committee Meeting

I certify that the foregoing agenda for the August 21, 2017 meeting of the Sacramento Suburban Water District Board of Directors was posted by August 17, 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.

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

ITEM 1

Minutes

Sacramento Suburban Water District Regular Board Meeting Monday, July 17, 2017

Call to Order

President Wichert called the meeting to order at 6:30 p.m.

Pledge of Allegiance

President Wichert led the Pledge of Allegiance.

Roll Call

Directors Present: Dave Jones, 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, Annette O’Leary, James Arenz, Dana Dean, David Espinoza, David Armand, Hannah Dunrud, John Valdes and District Legal Counsel Josh Horowitz

Public Present: Avery Wiseman, William Eubanks, Brenda Davis, Shellie Anderson, Kent Craney, Eric Wunschel, Ben Borba, Mark Rawlings, Doug Veerkamp, Glen Jorgensen, Ryan Rawles and Scott Rawles.

Announcements

General Manager Robert Roscoe (GM Roscoe) requested to add an item to the agenda regarding the letter of credit extension with Sumitomo Mitsui Bank Corporation.

President Wichert moved to include the added item immediately following the Consent Calendar; Director Jones seconded. The motion passed by unanimous vote.

The item was added as 2.5 following the Consent Calendar.

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

Public Comment

Avery Wiseman (Mr. Wiseman) provided a handout and commented about the General Manager Recruitment. He suggested that the Board consider an annual salary range between \$135,000 and \$145,000, commenting that it was an administrative position.

Consent Items

1. Minutes of the June 19, 2017 Regular Board Meeting

2. **Hastings Park Apartment Complex – Claim – 4533 Antelope Road Water Main Leak – June 21, 2016**

Director Locke moved to approve the Consent Items; Director Jones seconded. The motion passed by unanimous vote.

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

Items for Discussion and Action

2.5 **Letter of Credit Extension with Sumitomo Mitsui Banking Corporation**

Dan Bills (Mr. Bills) introduced the added agenda item. He provided the Board with a brief explanation of the staff report.

Director Schild asked clarifying questions.

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

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

3. **McClellan Business Park and Operations Agreement Update**

Assistant General Manager Dan York (AGM York) presented the staff report.

District Legal Counsel Josh Horowitz (Mr. Horowitz) provided a summary of the discussion between the District and McClellan Business Park (MBP). He noted that the intent was to deal with the unliquidated repairs that needed to take place, as well as the relationship between the two entities. He noted that both entities were working toward a new successor agreement.

GM Roscoe expressed that regarding new development and building improvements, MBP would be treated like any other customer in the District.

It was clarified that MBP was still a superfund site; therefore, the District was limited to what contractors were allowed to work at that property.

GM Roscoe explained that the staff report was clarification for the Board as to what the District’s initial statement of intent was.

Kent Craney (Mr. Craney) with the County of Sacramento (County) expressed that he was helping facilitate getting the term sheet together for both entities. He noted that the intention was to get the framework to the successor agreement so that all parties could find an agreement that worked.

Director Thomas noted that he would feel more comfortable if the agreement was completed before the County transferred the property to MBP.

William Eubanks (Mr. Eubanks) commented that he agreed with Director Thomas that the agreement should be completed before the transfer. He further urged the Board to take it all under consideration and that he was concerned that the ratepayers were being put at risk.

President Wichert recapped that some Directors were showing concerns that the District could lose some negotiating leverage with MBP and the County if the District executed the draft term sheet now, rather than wait until after it was finalized.

He further stated that there were Directors expressing concerns that with the County being a party to the 1999 agreement, and MBP not being a party to the 1999 agreement, that it was not clear who the District owed the obligations to.

President Wichert expressed that he believed that the staff report demonstrated the first step to resolving the issues and expressed his support for it.

President Wichert asked Mr. Horowitz if he felt the attorneys for the County and MBP were acting in good faith. Mr. Horowitz responded that he felt that they were acting in good faith.

President Wichert moved to direct staff to negotiate in good faith with the County and MBP in order to flush out the term sheet with mutually agreeable terms such that now the land transfer could proceed; Director Locke seconded.

Mr. Craney expressed that all three parties supported working toward the new successor agreement.

The motion passed by a 3-2 vote. Director Schild and Director Thomas opposed.

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

4. **Parkland Estates Waterline Replacement Project Phase 2 – Service Lines**

John Valdes (Mr. Valdes) presented the staff report. He pointed out the three options that staff provided.

GM Roscoe expressed that staff was asking for the Board to authorize the General Manager to pursue any of the three options for the service line portion of the Parkland Estates Waterline Replacement Project.

Director Wichert expressed that he was not comfortable with the staff recommendation. He stated that he wanted to see the negotiated price before the contract was agreed upon.

Director Locke expressed his faith that the General Manager would make a good decision.

GM Roscoe expressed that he was concerned with the time that would be lost if he was not able to get the contract completed before the next regular Board meeting.

Ryan Rawles introduced himself and provided a brief history of Rawles Engineering.

Director Locke moved to approve the staff recommendation; Director Jones seconded. The motion passed by 3-2 vote. President Wichert and Director Schild opposed.

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

5. **Extension of Master Service Agreement for Main Replacements**

Mr. Valdes presented the staff report.

Eric Wunschel, Ben Borba and Mark Rawlings with Doug Veerkemp General Engineering Inc. (Veerkamp) presented the PowerPoint presentation.

GM Roscoe expressed that the changes in the Division of Drinking Water's (DDW) separation issues created additional potholing requirements, creating an additional expense to the District. He noted that a significant benefit of having a Master Service Agreement with one company is a cost savings since that one company is permitted to pothole only once.

Director Schild moved to competitively bid for a 3 year contract with a possibility of 2 year or 1 year extension on a distribution system contract, starting in calendar year 2018; President Wichert seconded.

Director Jones stated that there was a potholing requirement from DDW that was going to cost the District an additional \$200,000.

President Wichert expressed his support in opening up a competitive bidding for the master service agreements.

Mr. Valdes expressed that if the same contractor potholed during the design phase and then performed the construction; they wouldn't have to re-pothole. However, if there were different contractor's potholing during design and performing the construction, then the construction contractor wouldn't be able to rely on the original potholes; therefore, there would need to be a second set of potholes performed.

Mr. Valdes expressed that Veerkamp has already done the potholes for the Edison Meadows project.

President Wichert restated the original motion, stating that the next master services agreement to do multiple projects goes out to bid. The motion passed by 3-2 vote. Director's Jones and Locke opposed.

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

President Wichert additionally moved to extend the contract for Veerkamp to construct the main lines for the Edison Meadows project for the purpose of using the potholing that has already been done; Director Jones seconded. The motion passed by a 4-1 vote. Director Schild opposed.

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

6. **A Day in the Life of the Environmental Compliance Department**

David Armand (Mr. Armand) presented the Power Point presentation.

Mr. Armand introduced Hannah Dunrud, who assisted with presenting the Power Point presentation.

GM Roscoe emphasized the growing importance of the District's Environmental Compliance Department, the attention to detail required and the very good work performed by staff.

7. **Water Service Charges and Rate Setting Policy (PL – Fin 009)**

Mr. Bills presented the staff report.

President Wichert suggested a change to page 3, under section 200.00 C. He requested to add a number 6 and have it state "It shall be a policy of the District to set rates at the lowest responsible rate."

Director Thomas moved the staff report including President Wichert's suggested change; Director Schild seconded. The motion passed by unanimous vote.

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

8. **Budget Policy (PL – Fin 012)**

Mr. Bills presented the staff report noting the amendment to Director Schild's suggestions of replacing the word rate with revenue.

Director Thomas moved to approve the staff recommendation.

Director Locke commented on the suggested change made by Director Schild on section 200.00 H. 4. He noted that he supported the existing language stating “A comprehensive rate study will be conducted by an outside party at least every three (3) to five (5) years in order to assess the fairness of the rates to the District’s ratepayers and to verify that necessary revenue is available for the District’s operating and capital needs.”

The Board agreed on the following language for the section:

“A comprehensive rate study will be conducted by an outside party as determined by the Board in order to assess the fairness of the rates to the District’s ratepayers and to verify that necessary revenue is available for the District’s operating and capital needs.”

President Wichert additionally requested to add a number 5. to the same section above and have it state “It shall be a policy of the District to set rates at the lowest responsible rate.”

President Wichert further commented that anywhere that discussed rates in the policy, he wanted to insert the same statement as above to remain consistent with the Mission Statement.

The Board agreed to add President Wichert’s suggestions.

Director Locke expressed that he had concerns regarding the proposed changes to section 200.00 I. numbers 1 through 5. He noted that he didn’t want to have any reduced funding for the capital expenditures and that the language suggested seemed restrictive.

GM Roscoe expressed that staff would reevaluate numbers 1 through 5 and attempt to better clarify those items.

GM Roscoe expressed that staff would make the changes listed, and bring the item back to the next regular Board meeting on the Consent Calendar.

Director Thomas’ motion died for lack of a second.

9. **2018/19 Budget Assumptions**

Mr. Bills presented the staff report.

President Wichert inquired why staff believed there needed to be a 4% rate increase for 2018.

Mr. Bills expressed staff’s position on the approved rate increase.

Director Locke moved the staff recommendation; Director Thomas seconded. The motion passed by unanimous vote.

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

10. **2017 Budget Reallocations and Marconi Project Request**

Mr. Bills presented the staff report.

Director Thomas inquired how much the alarm system at the Marconi office was monthly.

Mr. Bills expressed that he would get back to him with the answer.

President Wichert moved the staff recommendation; Director Thomas seconded. The motion passed by a 4-1 vote. Director Schild opposed.

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

11. **Resolution No. 17-08 Fixing the 2018 Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees' Medical and Hospital Care Act, and Resolution No. 17-09 Fixing the 2018 Employer Contribution Under Section 22893 of the Public Employees' Medical and Hospital Care Act**

Director Jones recused himself.

Mr. Bills presented the staff report.

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

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

Information Items

12. **District Activity Report**

A written report was provided.

Director Locke suggested a change to the Water Operations Report, Exhibit 3, the Water Operations Activity report. He requested to add a column to include the total of preventive maintenance items from the previous calendar year, or the total number that the District had of each line item. This way there was some type of comparison of how many the District had versus how many were getting done.

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.

13. **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. *Developer Projects (Including McClellan Business Park)*
A written report was provided.

d. *Planning Studies*
A written report was provided.

e. *Other*
A written report was provided.

14. **Financial Report**

A written report was provided.

a. *Financial Statements – June 2017*
A written report was provided.

b. *Investments Outstanding and Activity Quarterly Report*
A written report was provided.

c. *Cash Expenditures – June 2017*
A written report was provided.

d. *Credit Card Expenditures – June 2017*
A written report was provided.

e. *Directors Compensation and Expense Accounting Quarterly Report*
A written report was provided.

f. District Reserve Balances – June 2017

A written report was provided.

g. Information Required by Bond Agreement

A written report was provided.

15. **Financial Markets Quarterly Report**

A written report was provided.

16. **Year-to-Date Interest Expense Quarterly Report**

A written report was provided.

17. **Human Resources and Succession Plan Quarterly Report**

A written report was provided.

Director Locke commented that it seemed like the compensation study on the Distribution Operator position needed to be reevaluated noting the amount of turnover in that department.

Director Jones commented that perhaps staff could also look into better ways of retaining existing employees as well.

18. **CIP Projects Quarterly Report**

A written report was provided.

19. **Chromium 6 Court Compliant and Regulations Update**

A written report was provided.

AGM York noted that the two District spokespersons were President Wichert and GM Roscoe.

20. **Retirement Plan Enrollments, Turnover Information and Average Years of Experience**

A written report was provided.

21. **Improvements from Hiring of New Position in Customer Service**

A written report was provided.

22. **Association of California Water Agencies Call for Candidate Nominations for President and Vice President for the 2018-19 Term**

A written report was provided.

23. **Sacramento Local Agency Formation Commission (LAFCo) Open Nomination Period for Special District Commissioner Office No. 7 and Alternate Special District Commissioner for Offices No. 6 & 7**

A written report was provided.

24. **New Administrative Services Department Procedures**
A written report was provided.
25. **Update on Water/Sewer Separation Issue with Division of Drinking Water**
A written report was provided.
26. **Legislative and Regulatory Update**
A written report was provided.
27. **General Manager's Report**
A written report was provided.
 - a. *Long Term Warren Act Contract Update*
A written report was provided.
 - b. *California WaterFix Update*
A written report was provided.
 - c. *ACWA/JPIA Liability, Property, and Workers' Compensation Risk Assessment*
A written report was provided.
 - d. *Update to Closeout of District's Groundwater Monitoring Wells Project*
A written report was provided.
 - e. *McClellan Business Park – Excavation Process*
A written report was provided.
 - f. *Failed Network Switch*
A written report was provided.
28. **Upcoming Policy Review**
A written report was provided.
 - a. Directors' Compensation and Expense Reimbursement Policy (PL - BOD 003)
A written report was provided. Directors' comments are due by August 7, 2017.
 - b. Impaired Capital Asset Policy (PL - Fin 008)
A written report was provided. Directors' comments are due by August 7, 2017.
 - c. Purchasing Card Policy (PL – Fin 006)
A written report was provided. Directors' comments are due by August 7, 2017.
29. **Upcoming Water Industry Events**
A written report was provided.

Committee Reports

30. a. Facilities and Operations Committee (Director Schild)
No report.
- b. Finance and Audit Committee (Director Thomas)
The draft Minutes from the July 10, 2017 Meeting were provided.
- c. Water Quality Committee (Director Wichert)
The agenda from the July 17, 2017 Meeting was provided.
- d. Government Affairs Committee (Director Locke)
No report.
- e. Ad Hoc Water Banking and Transfer Committee (Director Schild)
No report.
- f. Ad Hoc Selection Committee (Director Wichert)
No report.
- g. Ad Hoc Process Committee (Director Wichert)
No report.
- h. Ad Hoc Compensation Committee (Director Schild)
No report.

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

31. a. Regional Water Authority (Director Thomas)
The agenda from the July 13, 2017 Meeting was provided, Director's Locke and Schild provided an oral reports.

Regional Water Authority Executive Committee (General Manager Roscoe)
No report.
- b. Sacramento Groundwater Authority (Director Schild)
No report.
- c. Water Caucus Meeting
The agenda from the July 12, 2017 Meeting was provided.
- d. Water Forum Successor Effort (General Manager Roscoe)
No report.

e. **Other Reports**

Director Locke provided oral reports regarding the Kennedy Jenks Water Transfer Seminar meeting that he attended on June 20, 2017; the San Juan Water District Board meeting that he attended on June 28, 2017; and his meeting with the Assistant General Manager on June 27, 2017.

Director Thomas provided oral reports regarding his meetings with the General Manager on June 22 and June 23, 2017.

Director Schild provided an oral report regarding the Board meeting that he attended at the San Juan Water District on June 28, 2017.

Miscellaneous Correspondence and General Information

32. **Correspondence received by the District**

A written report was provided.

33. **General Information**

A written report 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 9:19 p.m. to discuss the following:

34. Public employee appointment involving the position of General Manager; Government Code sections 54954.5(e) and 54957(b)(1).

Return to Open Session

The Board convened in open session at 9:43 p.m. There was no reportable action.

Adjournment

President Wichert adjourned the meeting at 9:44 p.m.

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



Agenda Item: 2

Date: July 26, 2017

Subject: Budget Policy (PL - Fin 012)

Staff Contact: Daniel A. Bills, Finance Director

Recommended Board Action:

Approve the updated Budget Policy (PL – Fin 012) as attached.

Discussion:

Prior Board action was to defer this agenda item to August for the inclusion of suggested changes made at the dias in July.

As Directors will recall, the Budget Policy was last reviewed in July 2015. Minor edits are recommended in Sections 200.00, 300.00 and 400.00 as follows:

Section 200.00 – Added a new statement asserting that the District will always budget to exceed the minimum debt rate covenant requirements that are in all Bond/COP indentures. Added part I. 5 on rate setting as requested by the Board. Other clarifying language added.

Section 300.00 – Based on revisions to the Employee Compensation Policy (PL – HR 002) as approved by the Board in March 2017, language has been added to state the annual labor budget, and all its components, will now be included in the Operations and Maintenance Budget.

Section 400.00 – Clarifying language added.

Fiscal Impact:

The Policy does not directly increase or decrease the District's net position.

Strategic Plan Alignment:

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

This will benefit District customers as the annual budget approved by the Board will serve as the basis for operating the District.

Sacramento Suburban Water District

Budget Policy

Adopted: September 15, 2014; July 20, 2015; August XX, 2017

100.00 Purpose of the Policy

The District's annual budget, as approved by the Board, will serve as the basis for operating the District. The budget includes a number of specifically identified projects, their attendant costs, as well as ~~anticipated~~ projected costs for operations and maintenance activities.

200.00 Policy

The District's Strategic Plan will serve as a guide in the development of the District's annual Budget. The District will establish and maintain separate operations & maintenance (O&M), operating capital, capital improvement and debt service budgets (collectively – District Budget) in order to provide for proper fund management, financial planning and long-term solvency of the District.

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

- A. Self-Supporting – The District will be self-supporting, such that current revenues fully fund current expenses and any fund balance or debt service coverage requirements.
- B. Prioritization – In concert with the adopted District's Strategic Plan, Asset Management Plans, Urban Water Management Plan and all other District planning documents and as recommended by staff, the Board will prioritize projects and expenditures within the constraint of expected revenues.
- C. Capital Accounts – Capital ~~contributions-revenues~~ from rates, grants, loans and other financing mechanisms will be accounted for separately in capital accounts, such that funds dedicated ~~for~~ capital purposes are expended only for capital purposes.
- D. Adequate Funding to Preserve System Assets – The total operating expenditures will be funded at a level that will preserve the intended life and functional requirements of the District's water system.
- E. Evaluation and Monitoring of Costs – Costs will be evaluated and monitored through monthly and annual reporting to ensure that the District is operated in a cost effective and economically prudent manner.
- F. Maintenance of Sufficient Reserves – The District will maintain sufficient reserves in accordance with the District's Reserve Policy (PL Fin 004.).
- G. Positive Annual Net Income - The District will strive to achieve positive annual net income (total revenue less O&M expenditures, debt service and capital projects funded from rates) greater than or equal to zero net income on a cash basis.

H. Bond/COP Rate Covenant Requirements – The District will budget such that it will exceed the Rate Covenant obligations of its indebtedness, which is a minimum of 115% of the District’s annual debt service costs.

H.I. Strive for Rate Stability - Rate stability reinforces that costs are being managed and controlled. Rates should be stable in their ability to generate sufficient revenues, but also in the customer’s perception of the rate changes from year to year.

1. Needed rate adjustments will attempt to minimize impacts to customers by phasing-in or transitioning large rate adjustments over time.
2. Where possible and deemed appropriate, excess fund balances will be used to offset rate increases with any remaining balances being used for approved capital purposes. The use of fund balances (reserves) will not compromise the financial policy on establishing and maintaining minimum targeted reserves levels or adequate funding on a long-term self-sustaining basis.
3. Annual rate reviews will consider a five-year projected period ~~to~~ in an attempt to stabilize and minimize rates over time.
4. A comprehensive rate study will be conducted by an outside party at least every three (3) to five (5) years in order to assess the fairness of the rates to the District’s ratepayers and to verify that necessary revenue is available for the District’s operating and capital needs.
- 4.5. It shall be the policy of the District to set rates at the lowest responsible water rate.

300.00 Budget Presentation

The budget will be comprised as follows:

1. Key Assumptions – To include expected water production and source.
2. Revenue Projections – To include projected net income.
3. Projected debt service coverage ratio.
4. Reserve Balance Projections.
5. Trend and/or Comparative Information

The four budgets will include the following:

1. Operations and Maintenance Budget (O&M):

- a. Incorporates all District O&M expenses, including:
- b. Expected Other Post Employment Benefit costs and funding to be separately identified and approved.
- a.c. Annual labor budget and its components per the Employee Compensation Policy (PL – HR 002) section 300.00
- b.d. Segregated by department and function.

2. Operating Capital Budget (OCB):

- a. Will include all Information Technology capital projects, vehicle and fleet capital costs, capitalizable office furniture, and capitalizable costs for operations. Capitalizable costs in the Operating Capital OCB Budget are distinguished from those in the Capital Improvement Program Budget based,

generally, on the shorter expected life of the asset and that the asset is not part of the general water delivery system.

3. Capital Improvement Program Budget (CIP):

- a. Will be based primarily on the District's Asset Replacement Management Plans and/or the Water System Master Plan.

4. Debt Service Budget:

- a. Will be based on contractual obligations for all principal and fixed-rate interest obligations. Adjustable-rate interest obligations will be forecast based on best available market data at budget preparation time.

District Reserves:

1. The District's Reserve Policy (PL – Fin 004) will be reviewed annually commensurate with the budget preparation and adoption process.

400.00 Authority

The General Manager will have authority to reallocate specific budgeted amounts within a particular budget (O&M, OCB or CIP) during the year with subsequent reporting to the Board. Amounts to be transferred between budgets (e.g., O&M to CIP) will be approved by the Board prior to the transfer. The General Manager and District Treasurer are responsible for adherence to this policy and regular reporting of the District's financial status. Board oversight will be accomplished through regular reporting of budget-to-actual expenditures during the year and review of this Policy.

500.00 Policy Review

This Policy will be reviewed at least biennially.



Agenda Item: 3

Date: August 1, 2017

Subject: Directors' Compensation and Expense Reimbursement Policy (PL - BOD 003)

Staff Contact: Dan York, Assistant General Manager

Recommended Board Action:

Approve the attached policy - Directors' Compensation and Expense Reimbursement Policy (PL - BOD 003).

Discussion:

At the July 17, 2017 regular Board meeting, the Directors' Compensation and Expense Reimbursement Policy (PL - BOD 003) was presented to the Board for review and comment, attached to this report as Exhibit 1.

Staff received a comment from a Director regarding the limit of annual reimbursable expenses to any one Director. As a reminder, Section 300.10 states, in part, that annual reimbursable expenses to any one Director, may not exceed \$4,000.00. As a helpful reminder, staff is annotating the quarterly Directors Expense Report to reference this section of the Policy. See sample Directors Expense Report attached as Exhibit 2.

Fiscal Impact:

None.

Strategic Plan Alignment:

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

This policy benefits the District's customers as it ensures compensation and the payment of actual and necessary expenses incurred in the performance of the District's official duties complies with the requirements of the Government Code.

Sacramento Suburban Water District

Directors' Compensation and Expense Reimbursement Policy

Adopted: July 21, 2003

Revised: May 15, 2006; May 19, 2008; May 17, 2010; June 20, 2011; July 15, 2013;
August 18, 2014; August 17, 2015, August 21, 2017

100.00 Purpose of the Policy

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

200.00 Directors' Compensation

200.10 Amount of Compensation

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

200.20 Types of Service for Which Compensation Will Be Provided

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

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

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

300.00 Reimbursement of Directors' Expenses

300.10 Policy and General Rules

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

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

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

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

300.20 Reimbursable Expenses

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

The following expenses are authorized business-related expenditures:

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

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

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

300.30 Types of Expenses for Which Reimbursement Will Not be Provided

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

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

300.40 Expense Reporting Procedures

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

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

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

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

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

300.50 Disclosure

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

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

300.60 Penalties

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

300.70 Payment of Compensation and Expenses

All reimbursable expenses as outlined in this policy will be paid within the next payroll cycle upon receipt of a completed expense reporting form approved by the General Manager or designee.

400.00 Policy Review

This Policy shall be reviewed at least biennially.

**Directors Expense Report
Calendar Year 2017
Current Quarter**

EXHIBIT 2

Event/Purpose	Jones	Locke	Schild	Thomas	Wichert	Total
Local Meeting Mileage						
Reimbursed by District	32.25		17.66			49.91
Local Meeting Expenses						
Reimbursed by District						-
Paid Directly by District						-
Conferences						
Reimbursed by District	1,774.23	1,281.73	1,553.17	247.26		4,856.39
Paid Directly by District	1,050.88	699.00		914.01		2,663.89
Total	2,857.36	1,980.73	1,570.83	1,161.27	-	7,570.19

**Directors Expense Report
2017 Year to Date**

Event/Purpose	Jones	Locke	Schild	Thomas	Wichert	Total
Local Meeting Mileage						-
Reimbursed by District	32.25	48.82	188.61			269.68
Local Meeting Expenses						-
Reimbursed by District			40.00			40.00
Paid Directly by District	50.00	50.00	50.00			150.00
Conferences						-
Reimbursed by District	1,774.23	1,281.73	1,553.17	247.26		4,856.39
Paid Directly by District	1,050.88	699.00	699.00	914.01		3,362.89
Total	2,907.36	2,079.55	2,530.78	1,161.27	-	8,678.96

This report meets the reporting requirements of Government Code sections 53065.5 and 53232.3 and is in conformance with District Policy. Per section 300.10 of the Director's Compensation and Expense Reimbursement Policy (PL - BOD 003), a Director's total annual reimbursable expenses, excluding registration fees, may not exceed \$4,000.00.



Agenda Item: 4

Date: July 26, 2017

Subject: Impaired Capital Asset Policy (PL - Fin 008)

Staff Contact: Daniel A. Bills, Finance Director

Recommended Board Action:

Approve the updated Impaired Capital Asset Policy (PL - Fin 008) as attached.

Discussion:

The Impaired Capital Asset Policy was last reviewed in September 2015. Staff and the District's independent auditors have reviewed the Policy and have no recommended changes.

Edits were received from one Director and have been incorporated herein.

Fiscal Impact:

The Policy may decrease the District's net position if an asset is determined to be permanently impaired.

Strategic Plan Alignment:

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

This will benefit District customers as the annual budget approved by the Board will serve as the basis for operating the District.

Sacramento Suburban Water District

Field Code Changed

Impaired Capital Asset Policy

Adopted: July 16, 2007

Amended: August 15, 2011, September 16, 2013, September 21, 2015; August XX, 2017

100.00 Purpose of the Policy

To implement the requirements of Governmental Accounting Standards Board (GASB) Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries" (GASB 42).

200.00 Policy

The District will implement procedures to conform to the requirements of GASB 42.

GASB 42 established accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility (design capacity or capability) has declined significantly and unexpectedly.

300.00 Capital Asset Impairment Evaluation

The requirements of GASB 42 only apply to capital assets with material carrying values. If the District has material capital assets that are impaired or potentially impaired, a determination needs to be made as to whether the impairment loss should be reported and disclosed.

400.00 Policy Review

This policy shall be reviewed at least biennially.



Agenda Item: 5

Date: July 26, 2017

Subject: Purchasing Card Policy (PL - Fin 006)

Staff Contact: Daniel A. Bills, Finance Director

Recommended Board Action:

Approve the updated Purchasing Card Policy (PL – Fin 006) as attached.

Discussion:

The Purchasing Card Policy was last reviewed in May 2016. The purpose of the Policy is to set forth the requirements for staff use of purchasing cards in order to procure needed materials and services.

Staff is proposing changes in two areas:

1. Section 100.10 – Title and responsibility changes are proposed to coincide with latest direction from US Bank and the State’s Department of General Services.
2. Section 200.10 – Authorized Cardholders and individual transaction limits have been relocated from the Policy to the Procedure.

While the responsibility of the General Manager, the Purchasing Card Procedure (PR – Fin 003) has also been updated and is being provided for Board information.

Edits to the Policy were received from one Director and have been incorporated herein.

Fiscal Impact:

The Policy has no effect on the District’s net position.

Strategic Plan Alignment:

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

This will benefit District customers as the annual budget approved by the Board will serve as the basis for operating the District.

Sacramento Suburban Water District

Purchasing Card Policy

Adopted: November 17, 2003

Revised: August 15, 2005; May 21, 2007; June 15, 2009; June 18, 2012; May 19, 2014,
May 16, 2016; August XX, 2017**100.00 Purpose of the Policy**

The purpose of this policy is to establish the Sacramento Suburban Water District's (District) requirements for procuring materials and trade services on credit through the use of purchasing cards.

100.10 Definitions

Purchasing Card (or CAL-Card) – merchant purchase authorization card issued by U.S. Bank National Association and administered by the State Department of General Services under the CAL-Card program.

Agency Program Coordinator Administrator – The District Finance Director, is responsible for and has oversight of the entire CalCAL-Card program for the District.

Approving Official – A Cardholder's supervisor, manager or designee, having purchase approval authority.

Designated Billing Officiale – The District's Finance Director or designee is responsible for managing the billing, payment and approval process of the CAL-Card program for the District. Finance Department.

Dispute Office – District Finance Department.

Cardholder – Selected District employees as determined by the General Manager. Cardholders are responsible for using issued purchasing cards in accordance with District policies and procedures. Facilities & Fleet Specialist, Purchasing Specialist, Human Resources Coordinator, Information Technology Manager, Executive Assistant and Electrical and Instrumentation Technician.

200.00 Authorized Purposes

District purchasing cards are provided solely for the purpose of obtaining authorized District goods and services. No other uses of District purchasing cards are permitted.

Purchasing cards are never to be used for personal transactions. Any employee who mistakenly or otherwise uses or authorizes the use of District purchasing cards for unauthorized purposes will be required to immediately reimburse the District for the purchase and may be subject to disciplinary action at the discretion of the General Manager as provided in Water Code Section 30580(b). If the employee cannot repay the unauthorized amount immediately and the District is required to use the “VISA Waiver of Liability,” the employee will still be required to pay the District in full for the purchase and become subject to disciplinary action as described above.

200.10 Authorized Users and Purchasing Limits

Authorized Cardholders are certain District employees designated by the General Manager. Purchasing limits for Cardholders shall be established at no greater than \$5,000 per single transaction and \$15,000 per 30-day limit. The following employees are authorized cardholders within the dollar limits indicated: which are set to coincide with fraudulent insurance coverage amounts as provided under the Cal-Card program.

<u>Authorized User</u>	<u>Purchasing Limits</u>
Facilities & Fleet Specialist	\$5,000/transaction; \$15,000/month
Purchasing Specialist	\$5,000/transaction; \$15,000/month
Human Resources Coordinator	\$2,000/transaction; \$6,000/month
Information Technology Manager	\$5,000/transaction; \$15,000/month
Executive Assistant	\$5,000/transaction; \$15,000/month
Electrical and Instrumentation Technician	\$5,000/transaction; \$15,000/month

Cardholders are to: 1) follow the processes and policies established by “Purchasing Card Procedures (PR – FIN 003)” and the District’s “Procurement Policy (PL – FIN 005)”, 2) document the receipt of goods or services, 3) receive monthly statements from U.S. Bank, review invoices on the statement, attach receipts, shipping orders, and other District required documentation, and 4) sign the Statement of Account before forwarding to the Approving Official each month.

If a purchasing card is lost or stolen, the cardholder must report the lost or stolen card to the Finance Department and U.S. Bank immediately.

200.20 Areas of Responsibilities

The District’s ~~Agency-Program Coordinator~~ Administrator shall have overall responsibility for the purchasing card program within the District. The ~~Administrator~~ Coordinator shall see that this policy is followed at all times and shall provide training to all Approving Officials and Cardholders as necessary.

Approving Officials shall be responsible for receiving statements from each Cardholder over whom they have authority each time a statement is received ~~month~~.

Approving Officials are responsible for reviewing the statements, assuring all purchases are authorized and comply with District Purchasing Card Procedures and the Procurement Policy, and sign and forward the statements to the Finance Department in a timely manner.

The ~~Designated~~ Billing Official is responsible for receiving the Monthly Summary Invoice from U.S. Bank, reconciling the Invoice to the cardholder statements and remitting payment to U.S. Bank in a timely manner.

300.00 Reporting

A detailed listing of all transactions made using District purchasing cards shall be provided to the Board as part of the monthly Finance Report.

400.00 Policy Review

This policy shall be reviewed at least biennially.

**SACRAMENTO SUBURBAN WATER DISTRICT
PROCEDURES**

U. S. Bank I.M.P.A.C. Government Services National Association Purchasing Cal-Card

GENERAL INFORMATION

The District uses various methods to procure goods and services. ~~These methods, such as Checks, Contracts and Purchase Orders, meet most of the District's needs.~~ To further improve purchasing ~~options~~ methods, the District desires to utilize purchasing cards with U. S. Bank I.M.P.A.C. ~~Government Services National Association and the State's Department of General Services~~ through a contract with the State of California.

A number of unique controls have been developed for this program that do not exist in a traditional credit card environment. These controls ensure that the card can be used only for specific purchases, number of transactions and within specific dollar limits. In addition, certification of all purchases is required by each cardholder, with verification performed by the "Approving Official" before payment is made to the bank.

AREAS OF RESPONSIBILITY

1. US Bank is the bank card contractor who will issue the purchasing cards. All cardholders will receive their card from the District's Finance Department. ~~The card will be attached to the IMPAC transmittal form along with the District's Cardholder Use Agreement form.~~ The Cardholder Use Agreement is also the Acknowledgement of Receipt of Card. Upon receipt of the card, the cardholder MUST sign the Cardholder Agreement and return the signed Agreement and the IMPAC transmittal form to the Finance Department.
2. Finance Department. Finance staff will administer the program and be responsible for accumulating, reporting, and coordinating all reports for the program. They will also review all charges and remit payments to U.S. Bank.
3. Cardholder. There will be six cardholders in the District ~~as determined by the General Manager:~~ Purchasing Specialist, Human Resource Specialist; Assistant to the General Manager, Manager of Information Technology, ~~Electrical and Instrumentation Technician~~ Administrative Assistant - Walnut, and the Maintenance Technician. The Cardholder is responsible for ensuring that the purchasing card is used appropriately and all purchases are in compliance with the District's purchasing policies and procedures.
4. Approving Official. The Approving Official (Department Supervisor) is responsible for reviewing the charges and ensuring that the purchases are appropriate and within budget constraints and proper documentation is included.
5. CAL-CardProgram Administrator. The ~~CAL-CardProgram~~ Administrator (District Treasurer Finance Director) has overall responsibility for the purchasing card program.

AUTHORIZED CARDHOLDERS

1. Authorized Cardholders are certain employees designated by the General Manager. Designated employees and their purchasing limits are:
2. Authorized User Purchasing Limits
3. Facilities & Fleet Specialist \$5,000/transaction; \$15,000/month
4. Purchasing Specialist \$5,000/transaction; \$15,000/month

5. Human Resources Coordinator	\$2,000/transaction; \$6,000/month
6. Information Technology Manager	\$5,000/transaction; \$15,000/month
7. Executive Assistant	\$5,000/transaction; \$15,000/month
8. Administrative Assistant - Walnut	\$5,000/transaction; \$15,000/month

PROCEDURES – CARDHOLDERS

1. Bank Card Activation. The Cardholder is responsible for signing and returning the Cardholder Agreement to **Finance** and for calling the bank (1-800-344-5696) to activate the card as soon as it is received. Note: To activate the card you will need to call this number and talk to customer service directly. Using the automated activation procedure will not work as the Card is a company card.
2. Obtaining Goods and Services. Cardholder uses the purchasing card to make authorized purchases in person or by telephone. Cardholder is responsible for follow-up of all items on the card. Cardholder must require vendors to itemize the receipt/invoice. An itemized receipt/invoice consists of the following information:
 - Description of goods or services purchased.
 - Price per item.
 - Amount of sales tax and total amount.
 - Shipping charges, if any.
3. Prohibited Uses. Cardholder is prohibited from using the purchasing card for any reason other than approved District business. Non-approved District business includes, but is not limited to:
 - Personal transactions.
 - Cash advances.
 - Alcoholic beverages.
 - Tobacco products.
 - Illegal goods or services.
 - Pornographic materials.
4. Security of Purchasing Card. Cardholder is responsible for the security of the purchasing card.
5. Purchasing Card Limits. Cardholder's purchasing limit is determined according to specific needs and will be set by the Board of directors and given to the Cardholder along with the card.
6. Monthly Purchasing Card Transaction Log. Upon completing the purchasing card transaction, whether by telephone or in person, the cardholder shall immediately record the following information on the Monthly Purchasing Card Transaction Log and put the receipt in the Monthly Purchasing Card Transaction Log Envelope:
 - Date of purchase.
 - Vendor's name.
 - Description of purchased items.
 - Project/job description (if applicable).
 - Receipt number.
 - Dollar amount.
 - Phone order (if applicable and attach Phone Order Receipt).
7. Monthly Purchasing Card Statement of Account.

- a. At the close of each billing cycle (monthly), each Cardholder will receive an individual Monthly Card Statement of Account.
- b. Cardholder reviews the Monthly Card Statement for accuracy and reconciles it with the Monthly Purchasing Card Transaction Log.
- c. If an item is billed incorrectly, the Cardholder must provide a complete the "Cardholder Statement of Questioned Item" form and fax it to US Bank at 1-866-229-9625 ~~explanation on the Monthly Purchasing Card Statement and cross the item off the Statement, then complete a "Cardholder Statement of Questioned Item" and send it to the Finance Department. The Finance Department will call the bank to discuss the error in billing.~~
- d. If the items purchased with the purchasing card are found to be defective, the Cardholder has the responsibility to return the item(s) to the merchant for replacement or purchasing card credit. **(There are to be no cash refunds.)** If the merchant refuses to replace the faulty item, then the purchase of this item is considered to be in DISPUTE. Any disputed item must be noted on the Monthly Purchasing Card Transaction Log when sent to the Finance Department.
- e. Credit receipts for returned items shall be kept until the credit transaction shows up on the Monthly Purchasing Card Statement. Credit receipt will then be attached to the statement.

Cardholder will approve, sign and date the Monthly Bank Card Statement of Account and the Monthly Purchasing Card Transaction Log. Cardholder is responsible for attaching the monthly log envelope with receipts to the monthly statement **and forwarding them to the Department head** within three (3) business days of receipt of statement.

PROCEDURES – APPROVING OFFICIALS

US Bank will provide the following monthly reports to the District Treasurer:

- ~~Business Account Summary (R090). This is a composite statement of all the individual cardholders the Approving Official is responsible for who have used their credit cards in the last billing period. This is for information only.~~
- ~~I.M.P.A.C. Financial Summary (R060). This document recaps all of the cardholders' charges and will be used as the "invoice" for billing purposes. This document will be sent to each Department head who has a cardholder as a subordinate.~~

Each Cardholder within a Department will forward his/her signed Monthly Bank Card Statement of Account with receipts and the Monthly Purchasing Card Transaction Log to the Department head for reconciliation with the ~~Financial Summary (R060)~~ review and approval. The Department head will:

1. Reconcile Review of Bank Card Statements of Account.
 - a. Compare each employee's signed Purchasing Card Transaction Log with the, signed Monthly Purchasing Card Statement, ~~and documentation with Approving Official's Financial Summary (R060).~~
 - b. Note any discrepancies and resolve with employee.
 - c. Review charges to ensure that they are appropriate and within the District's purchasing policies.
 - d. Sign and date the Bank Card Statement of Account ~~Financial Summary (R060)~~ and Monthly Purchasing Card Transaction Log to indicate approval.

2. Forward Documentation to Finance. Via OnBase Workflow, fForward employee's Monthly Bank Card Statement of Account and Purchasing Card Transaction Log with receipts, employee's Monthly Bank Card Statement, and the Financial Summary (R060) to Finance within five (5) working days of receipt of Cardholder's monthly statement.

PROCEDURES – Finance

1. Collect documentation.
2. Consolidate statements.
3. Issue wire transfer payment.

REPLACING PURCHASING CARDS

There will be instances where replacement of purchasing cards will be needed or a new card will need to be issued. Please contact the Finance Director directly in such instances. It will be the Department Head's responsibility to initiate this process. Follow the instructions below that apply:

Replacing a Cardholder. When a Cardholder leaves the program, a memorandum from the Department Head will be submitted **along with the Cardholder's bank card** to Finance. ***DO NOT FOLD, SPINDLE OR MUTILATE PURCHASING CARDS.***

Replacement of a Worn Out or Defective Card. If a purchasing card needs to be replaced because it is worn out or defective, a memorandum from the Department Head requesting a purchasing card replacement must be submitted to Finance **along with the card to be replaced.**

3. Reporting a Lost Purchasing Card.

- a. Cardholder will immediately contact the Finance Department or U.S. Bank. Cardholder will be required to provide the complete Cardholder name (as shown on the bank card), card number, and date reported to the police (if applicable). US Bank number is 1-800-344-5696/227-6736.
- b. A memorandum from the employee documenting the lost card will be submitted to Finance.
- c. Finance will contact the bank to order a replacement card within two (2) working days of receipt of the memorandum reporting the lost card.

DISPUTING AN INVOICEE REASONS

Cardholders must follow the instructions provided by the Department of General Services on the Dispute Form. The Form and instructions to follow are located at <http://www.dgs.ca.gov/pd/Programs/CALCard.aspx>, under Forms and Resources. The various charge back reasons that will be used most often are described below. These reasons correlate with those found on the Cardholder's Statement of Questioned Items form. If you have any questions regarding the appropriate charge back reason to use, please contact US Bank at 1-800-227-6736.

1. Unauthorized Mail/Phone Order. This reason should be used for telephone or mail order transactions. If a sales slip is signed or imprinted with the Cardholder's card, this reason does not apply.

~~2. Duplicate Processing.~~ This reason is used when a transaction has been billed multiple times to an account. The amounts must be the same. The Cardholder should provide the transaction details of the original billing, such as dollar amounts, transaction date, etc. A copy of the Monthly Bank Card Statement on which the billings occur and a copy of the original sales slip should be forwarded with the Cardholder's Statement of Questioned Item form to Finance.

~~3. Merchandise Not Received Due to Cancellation.~~ In the event merchandise was cancelled, full details should be provided, such as why the transaction was cancelled and the date of cancellation.

~~4. Merchandise Returned.~~ In the event merchandise was returned and a credit has not yet posted, the Cardholder should describe the reason for returning the merchandise and the date the item was returned. A copy of the reference number shown on the Cardholder's Monthly Bank Card Statement, postal or UPS or other official receipt proving the merchandise was returned should be forwarded with the Cardholder's Statement of Questioned Item form.

~~5. Credit Not Received.~~ This reason may be used when the Cardholder has received a credit voucher or written refund acknowledgment from the vendor but the credit has not been posted to the Cardholder's account within thirty (30) days from the date on the voucher or acknowledgment. The Cardholder acknowledges participation in the transaction but the goods were returned or the services cancelled.

The Cardholder should state the amount of credit they are expecting and provide a copy of the credit voucher or acknowledgment letter and the Monthly Bank Card Statement and forward them with the Cardholder's Statement of Questioned Item form.

~~6. Alteration of Amount.~~ This reason is used when the Cardholder participated in the transaction and indicates that the amount was altered without permission. The Cardholder must acknowledge the amount before alteration and a copy of the Cardholder's copy of the draft must be provided to support this reason. The amount of the credit would be the difference between the amount before alteration and after alteration. The sales draft copy should be forwarded with the Cardholder's Monthly Bank Card Statement and the Cardholder's Statement of Questioned Item form.

~~7. Inadequate Description or Unrecognized Charge.~~ In the event the Cardholder does not recognize the transaction description, he/she should request that US Bank supply a copy of the sales draft due to inadequate description or unrecognized charge. This should only be requested after reviewing supporting documentation and ensuring a merchant (vendor) description or location error has not occurred. Upon receipt of the request for a copy, US Bank will order a copy of the sales slip, which is generally received within thirty (30) days.

In the event the vendor's processing bank cannot provide the copy within Visa allotted time frames, the Cardholder's account will be credited until such time as a valid draft is received. If US Bank provides a copy and the Cardholder determines that a valid dispute exists, a new Cardholder's Statement of Questioned Item form should be sent to US Bank immediately. In either instance, the applicable Monthly Bank Card Statement should be forwarded with the Cardholder's Statement of Questioned Item Form.

~~8. Not as Described.~~ This reason is used when the Cardholder claims goods or services were not received as described. The written document of what was to be delivered must be different than what was actually delivered. It is important that the sales draft be specific as to what was purchased. For example, this reason could not be used when the Cardholder was expecting a Sony tape recorder, Model LXX210 and when he/she got back to the office and determined that a Sony Model B640 was in the box and the sales draft simply said "tape recorder".

In a telephone order situation, the verbal description is considered the "document characterization". The Cardholder must explain in his/her letter how the verbal description was different from what was actually received.

An attempt must be made to return the goods and must be stated in the Cardholder complaint. If merchandise was returned, proof of such return should be forwarded with a copy of the Monthly Bank Card Statement and the Cardholder's Statement of Questioned Item form to US Bank.

9. Cardholder Dispute: This reason should be considered only after reviewing other specific charge back reasons. This reason requires that the Cardholder attempt a resolution with the merchant. A complete description of the problem and the attempted resolution should be provided on the Cardholder's Statement of Questioned Item form. Additionally, a copy of the sales slip and a copy of the Cardholder's Monthly Statement of Account on which the transaction appears should be forwarded with the Cardholder's Statement of Questioned Item form.

10. Other Dispute Reasons: In the event the reasons discussed here and identified on the Cardholder's Statement of Questioned Item form do not fit the Cardholder's dispute circumstances, the Cardholder should submit a Cardholder's Statement of Questioned Item form with the transaction detail, a copy of the Cardholder's Monthly Statement of Account, and a detailed letter of the circumstances of the dispute. Reference should be made to any contact with the vendor, names, telephone numbers, etc. that would be helpful in the bank's research.

FOR ALL DISPUTES SUBMITTED FOR CONSIDERATION, A CARDHOLDER SIGNATURE IS REQUIRED.

**SACRAMENTO SUBURBAN WATER DISTRICT
PURCHASING CARDHOLDER USE AGREEMENT**

Employee: _____ Department: _____

The above named employee (Cardholder) of the Sacramento Suburban Water District has been issued a District purchasing card. The Cardholder has been provided with a copy of the District's purchasing card policy, and hereby agrees to comply with all terms and conditions set forth therein, including but not limited to:

1. **Official Use Only. Purchasing cards are never to be used for personal transactions, cash advances, alcoholic beverages, tobacco products, illegal goods or services, or pornographic materials. Any employee who uses or authorizes the use of District purchasing cards for unauthorized purposes will be required to immediately reimburse the District for the purchase and will be subject to disciplinary action up to and including termination. If the employee cannot repay the unauthorized amount immediately and the District is required to use the "VISA Waiver of Liability," the employee will still be required to pay the District in full for the purchase and will be terminated from District employment.**
1. **Timely, Accurate and Supported Payments.** Purchasing card payments will be processed in a timely manner, and adequate supporting documentation (such as vendor order forms, receipts, invoices and credit card receipts) will be retained for all charges and attached to payment vouchers.
2. **Disputed Charges. The vendor and issuing bank will be notified immediately of any disputed charges.**
3. **Lost or Stolen Cards. The issuing bank and the District Treasurer will be notified immediately if a card is lost or stolen. Failure to do so could make the Cardholder responsible for any fraudulent use of the card.**
4. **Surrender Upon Request or Separation.** The purchasing card will be immediately surrendered upon retirement, termination or upon request. Use of the credit card for any purpose after its surrender is prohibited.
5. **Credit Card Limit.** The credit limit of this card is \$_____.
6. **Other Restrictions.** _____

Cardholder Signature

Date

DISTRIBUTION: Original—Cardholder Personnel File Copies—Finance, Department Head and Cardholder

RETURN OF DISTRICT CREDIT CARD UPON SEPARATION FROM EMPLOYMENT

I HEREBY SURRENDER the credit card issued to me by the District to the Human Resource Department. I declare that all outstanding charges on the credit card are for official District business and will be paid through established procedures.

Cardholder Signature

Date

Human Resources

See P:\000-Office Forms\Calcard Transaction Log.xls for latest version of this form

SSWD PURCHASING CARD TRANSACTION LOG

PAGE _____ OF _____

MONTH/YEAR: _____

CARDHOLDER NAME: _____ DEPARTMENT/DIVISION: _____ APPROVING OFFICIAL: _____

Trans	Date	Vendor Name	Description of Purchased Item	Project/Job Description	Receipt #	Purchase Amount	Phone Order
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							

TOTAL: \$ _____

CARDHOLDER SIGNATURE: _____

SUPERVISOR/MANAGER SIGNATURE: _____

For telephone orders, check "Phone Order" column and attach phone order slip as receipt.

PHONE ORDER RECEIPT	
To be used as receipt for telephone orders placed with Purchasing Card	
DATE:	_____
VENDOR:	_____
SALES REPRESENTATIVE:	_____
DESCRIPTION OF ITEM(S):	_____

AMOUNT:	_____
COMMENT:	_____

PHONE ORDER RECEIPT	
To be used as receipt for telephone orders placed with Purchasing Card	
DATE:	_____
VENDOR:	_____
SALES REPRESENTATIVE:	_____
DESCRIPTION OF ITEM(S):	_____

AMOUNT:	_____
COMMENT:	_____

PHONE ORDER RECEIPT	
To be used as receipt for telephone orders placed with Purchasing Card	
DATE:	_____
VENDOR:	_____
SALES REPRESENTATIVE:	_____
DESCRIPTION OF ITEM(S):	_____

AMOUNT:	_____
COMMENT:	_____

PHONE ORDER RECEIPT	
To be used as receipt for telephone orders placed with Purchasing Card	
DATE:	_____
VENDOR:	_____
SALES REPRESENTATIVE:	_____
DESCRIPTION OF ITEM(S):	_____

AMOUNT:	_____
COMMENT:	_____

I.M.P.A.C. PROGRAM
CARDHOLDER STATEMENT OF QUESTIONED ITEM
 (Please print or type in black ink.)

Formatted: Heading 3, Left

 CARDHOLDER NAME (please print or type) ACCOUNT NUMBER

 CARDHOLDER SIGNATURE DATE (AREA CODE) TELEPHONE NUMBER

The transaction in question as shown on Statement of Account:
 Transaction Date Reference Number Merchant Amount
 Statement Date

Please read carefully each of the following situations and check the one most appropriate to your particular dispute. If you have any questions, please contact us at 800-227-6736. We will be more than happy to advise you in this matter.

1.	<p align="center">UNAUTHORIZED MAIL OR PHONE ORDER</p> <input type="checkbox"/> I have not authorized this charge to my account. I have not ordered merchandise by phone or mail, or received any goods or services.
2.	<p align="center">DUPLICATE PROCESSING – THE DATE OF THE FIRST TRANSACTION WAS _____</p> <input type="checkbox"/> The transaction listed above represents a multiple billing to my account. I only authorized one charge from this merchant for this amount. My card was in my possession at all times.
3.	<p align="center">MERCHANDISE OR SERVICE NOT RECEIVED IN THE AMOUNT OF \$ _____</p> <input type="checkbox"/> My account has been charged for the above transaction, but I have not received the merchandise or service. I have contacted the merchant, but the matter was not resolved. (Please provide a separate statement detailing the merchant contact, and the expected date to receive merchandise.) <input type="checkbox"/> My account has been charged for the above listed transaction. I have contacted this merchant on _____ (date) and canceled the order. I will refuse delivery should the merchandise still be received.
4.	<p align="center">MERCHANDISE RETURNED IN THE AMOUNT OF \$ _____</p> <input type="checkbox"/> My account has been charged for the above listed transaction, but the merchandise has since been returned. Enclosed is a copy of my postal or UPS receipt.
5.	<p align="center">CREDIT NOT RECEIVED</p> <input type="checkbox"/> I have received a credit voucher for the above listed charge, but it has not yet appeared on my account. A copy of the credit voucher is enclosed. (Please provide a copy of this voucher with this correspondence.)
6.	<p align="center">ALTERATION OF AMOUNT</p> <input type="checkbox"/> The amount of this charge has been altered since the time of purchase. Enclosed is a copy of my sales draft showing the amount for which I signed. The difference of amount is \$ _____.
7.	<p align="center">INADEQUATE DESCRIPTION/UNRECOGNIZED CHARGE</p> <input type="checkbox"/> I do not recognize this charge. Please supply a copy of the sales draft for my review. I understand that when a valid copy is sent to me, a Statement of Questioned Item form must be provided and will include the copy of the sales draft if a further dispute exists. If a copy of the sales draft cannot be obtained, a credit will appear in my account.
8.	<p align="center">COPY REQUEST</p> <input type="checkbox"/> I recognize this charge, but need a copy of the sales draft for my records.
9.	<p align="center">SERVICES NOT RECEIVED</p> <input type="checkbox"/> I have been billed for this transaction; however, the merchant was unable to provide the services. <input type="checkbox"/> Paid for by another means. My card number was used to secure this purchase; however, final payment was made by check, cash, or another credit card. (Enclosed is my receipt, canceled check (front & back), copy of credit card statement, or applicable documentation demonstrating that payment was made by other means.)
10.	<p align="center">NOT AS DESCRIBED</p> <input type="checkbox"/> (Cardholder must specify what goods, services, or other things of value were received.) The item(s) specified to not conform to what was agreed upon with the merchant. (The cardholder must have attempted to return the merchandise and state so in their complaint.)
11.	<p align="center">If none of the above reasons apply – please describe the situation:</p> <p>(Note: Provide a complete description of the problem, attempted resolution and outstanding issues. Use a separate sheet of paper, if necessary, and sign your description statement.)</p>

Formatted: Heading 3

Formatted: Heading 3, Left

Formatted: Heading 3, Left

Formatted: Heading 3, Left

Formatted: Heading 3, Left

Formatted: Heading 3, Left

Formatted: Heading 3

Formatted: Heading 3, Left

Formatted: Heading 3, Left

Formatted: Heading 3

Formatted: Heading 3, Left

Formatted: Heading 3, Left

Formatted: Heading 3

Formatted: Heading 3, Left

Formatted: Heading 3, Left

Formatted: Heading 3

Formatted: Heading 3, Left

Formatted: Heading 3, Left

Formatted: Heading 3

Formatted: Heading 3, Left

Formatted: Heading 3, Left

Formatted: Heading 3

Formatted: Heading 3, Left, Border: Bottom: (No border)

Formatted: Heading 3, Left

Formatted: Heading 3, Left

Formatted: Heading 3, Left, Border: Bottom: (No border)

Formatted: Heading 3, Left

Formatted: Heading 3, Left

MAIL TO: I.M.P.A.C. CARD SERVICES, P.O. BOX 6346, FARGO, ND 58125-6346
FAX TO: (701) 461-3466

Formatted: Heading 3

Formatted: Heading 3, Left



Agenda Item: 6

Date: August 7, 2017

Subject: Surplus District Vehicles #27, 30, 41 and 44

Staff Contact: Jim Arenz, Operations Manager

Recommended Action:

Approve staff recommendation to declare the following vehicles as surplus:

- Truck #27 (2004 Ford F-550)
- Truck #30 (1997 International 4700)
- Truck #41 (2002 Toyota Tacoma)
- Truck #44 (2006 Ford F-250)

Discussion:

The District has adopted a Disposing of Surplus District Real Property, Vehicles and Large Equipment and Other Personal Property Policy, PL Adm 003, last revised on April 18, 2016. In this policy it defines the guidelines for disposing of District real property, vehicles and large equipment and other personal property. Timely replacement of vehicles is important because it may affect emergency response, customer service, safety, reliability, and operating costs.

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

The following vehicles were approved for replacement in the years noted:

Truck Number	Description	Budget Year	Current Mileage
27	2004 Ford F-550	CY2017	74,873
30	1997 International 4700	NA	38,058
41	2002 Toyota Tacoma	CY2017	122,811
44	2006 Ford F-250	CY2016	97,880

Truck #27

A 2004 Ford F-550 Diesel, with approximately 74,000 miles on the odometer. Based on the District's Vehicle Point System, this vehicle rated Condition 3, at 34.04 points. Condition 3 qualified this vehicle for replacement. This truck is equipped with a custom service body, towed a 16' trailer on a daily basis and was utilized by the Distribution Department as a leak repair vehicle. Truck #27 will be replaced with the same size vehicle. The replacement has been ordered and is awaiting delivery.

Truck #30

A 1997 International 4700, with approximately 38,000 miles on the odometer. Based on the District's Vehicle Point System, this vehicle rated Condition 3, at 34.25 points. The vehicle was utilized by the Distribution Department as a tow vehicle to transport either the backhoe or vacuum trailer to the job site. However, in most cases either Truck #43 or #55, the District's large dump trucks, are more frequently used for this purpose. Minimal use of this vehicle on an annual basis, along with the escalating cost of repairs and maintenance, makes this vehicle a candidate to be removed from the fleet and not replaced.

Truck #41

A 2002 Toyota Tacoma, with approximately 122,000 miles on the odometer. In respect to the District's Vehicle Point System, Condition 4, with a maximum of 35 points for a vehicle means it needs to be scheduled for replacement. This vehicle rated Condition 4, at 37.48 points. The vehicle was utilized by the Water Conservation Department on a daily basis and was therefore replaced with a Ford Transit Connect.

Truck #44

A 2006 Ford F-250, with approximately 97,000 miles on the odometer. Based on the District's Vehicle Point System, this vehicle rated Condition 3, at 31.79 points. The vehicle was utilized by the Production Department on a daily basis and was therefore replaced with the same size vehicle.

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

Truck #27 - \$14,000

Truck #30 - \$12,000

Truck #41 - \$ 6,000

Truck #44 - \$12,000

If Board approval to surplus these vehicles is received, Trucks #30, #41 and #44 will be sold by public auction. Truck #27 will continue to be utilized by staff until its replacement has been received, at which time it will also be sold by public auction.

Trucks #27 and #30 have after-market Best Available Control Technology (BACT) diesel exhaust retrofit equipment installed to meet the California Air Resources Board Fleet Rule to reduce diesel particulate matter emissions. Title 13, California Code of Regulation, Section 2022.1 requires the District and the auction company to follow specific guidelines when these vehicles are retired and sold to maintain compliance with the BACT program. The after-market retrofit equipment makes these trucks less valuable when sold out-of-state as they require annual service and the installation of a regeneration station. Furthermore, since BACT is not required in other states, this additional expense makes these vehicles unattractive to out-of-state buyers. The trucks will also be worth less in California as the BACT requirements apply only to fleet vehicles, not to individually owned diesel vehicles.

Fiscal Impact:

If approved, the estimated revenue from the sale of these vehicles at auction is unknown at this time. All proceeds from the sale of these vehicles will be placed in the general ledger.

Strategic Plan Alignment:

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

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

Vehicle Point System - Through 06/30/2017

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

Under 23 points	Condition 1	Excellent
23 to 29 points	Condition 2	Good
30 to 34 points	Condition 3	Qualifies for replacement
Over 35 points	Condition 4	Needs to be scheduled for replacement

Used a three year average (CY2014 -2016) for the average miles per year.

Exhibit 1

Vehicle # 27	2004 Ford F-550 Super Duty - Diesel	
Cost New	\$46,624	
Age	13	13
Miles/Hours	74,873	3.74
Type of Service	Distribution (pulls trailer)- Average miles per year 4,736	5
Reliability	4	4
Maintenance Costs	\$21,646	2.3
Repair Costs	\$32,527	3.5
Condition	2.5	2.5
TOTAL	Transmission replaced 8/16/11 & 9/14/11 (Warranty)	34.04

Vehicle # 30	1997 International 4700 - Diesel	
Cost New	\$70,000	
Age	20	20
Miles/Hours	38,058	1.90
Type of Service	Distribution (pulls trailer)- Average miles per year 672	5
Reliability	3	3
Maintenance Costs	\$15,825	1.15
Repair Costs	\$17,048	1.2
Condition	2	2
TOTAL		34.25

Vehicle # 41	2002 Toyota Tacoma - Gas	
Cost New	\$19,535	
Age	15	15
Miles/Hours	122,811	12.28
Type of Service	Water Conservation- Average miles per year 6,693	3
Reliability	1	1
Maintenance Costs	\$8,379	2.4
Repair Costs	\$6,515	1.8
Condition	2	2
TOTAL		37.48

Vehicle # 44	2006 Ford F-250 - Gas	
Cost New	\$32,368	
Age	11	11
Miles/Hours	97,880	9.79
Type of Service	Production Dept.- Average miles per year 7,405	4
Reliability	2	2
Maintenance Costs	\$9,496	1.5
Repair Costs	\$10,031	1.5
Condition	2	2
TOTAL	Transmission Replaced 2/6/13	31.79



Agenda Item: 7

Date: August 14, 2017

Subject: Resolution No. 17-10 Supporting the Nomination of Brent Hastey for President of the Association of California Water Agencies (ACWA) Board of Directors

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

Recommended Board Action:

Adopt Resolution No. 17-10 supporting the nomination of Brent Hastey (Mr. Hastey) for Association of California Water Agencies (ACWA) Board President and authorize the General Manager to submit the resolution to Yuba County Water Agency's (YCWA) office and ACWA offices.

Discussion:

Staff received a letter from YCWA dated August 4, 2017 requesting the Board support the nomination of YCWA's Board President and, if the Board chooses to support the nomination, staff would submit a resolution to YCWA by August 30, 2017. Please see attached letter from YCWA (Exhibit 1).

ACWA is seeking candidates for the President and Vice President positions for the 2018-2019 term. Eligible candidates must be an elected or appointed member of the governing body or commission of a member agency of the Association.

The historic practice at ACWA is for the existing Vice President to receive the nominating committee's recommendation for president. Staff believes that YCWA's Director Brent Hastey is both a very well qualified and a likely nominee for the position of President. Mr. Hastey is the current Vice President of ACWA.

Candidates will be reviewed by ACWA's Nominating Committee. Typically, a slate for President and Vice President is submitted at the general membership meeting during the ACWA fall conference, November 28 through December 1 in Anaheim, CA.

Fiscal Impact:

No fiscal impact.

Strategic Plan Alignment:

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

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

RESOLUTION NO. 17-10

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SACRAMENTO SUBURBAN WATER DISTRICT PLACING IN SUPPORT OF THE NOMINATION OF BRENT HASTEY FOR PRESIDENT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) BOARD OF DIRECTORS

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

A. Recital

1. WHEREAS, ACWA has announced that a Nominating Committee has been formed to develop a slate for the Association's statewide positions of President and Vice President; and
2. WHEREAS, the individual who fills an officer position will need to have a working knowledge of water industry issues and concerns, possess strength of character and leadership capabilities, and be experienced in matters related to the performance of the duties of the office; and
3. WHEREAS, this person must be able to provide the dedication of time and energy to effectively serve in this capacity; and
4. WHEREAS, Brent Hastey has expressed interest in being a candidate for President of the ACWA Board of Directors for the 2018-2019 term; and
5. WHEREAS, Brent Hastey has served in a variety of leadership positions in ACWA, including Vice President of the Board, the Disadvantaged Communities Safe Drinking Task Force, the Executive Committee, the Office Building Advisory Group, the Next Generation Advisory Committee and ACWA's Ag Initiative Advisory Group; and
6. WHEREAS, Brent Hastey is committed to advancing ACWA's Policy Principles and finding common ties between members to develop a long-term strategy that provides a sustainable water future for all members and their constituents;

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF SACRAMENTO SUBURBAN WATER DISTRICT does hereby place its full and unreserved support of the nomination of Brent Hastey as President of the Association of California Water Agencies for the 2018-2019 term.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on this 21st day of August 2017 by the following vote:

AYES:
NOES:
ABSENT:

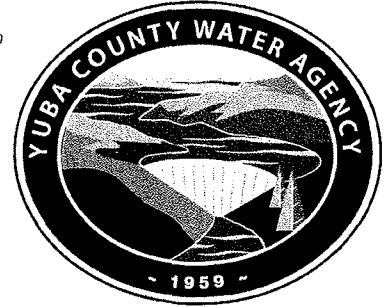
By: _____
Robert P. Wichert
President, Board of Directors
Sacramento Suburban Water District

I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the Board of Directors of Sacramento Suburban Water District at a regular meeting hereof held on the 21st day of August 2017.

(SEAL)

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

August 4, 2017

RECEIVED
AUG 7 2017

Sacramento Suburban Water District

Dear ACWA member,

I respectfully ask you for your support of my nomination to succeed Kathy Tiegs as the President of ACWA. I am honored to have had your past support, and to be elected ACWA Vice-President by ACWA members in December 2015. My tenure serving with President Tiegs has been invaluable and with your support I look forward to continuing to serve ACWA.

I have used this opportunity to listen, learn more about issues that are important to each ACWA region and talk with as many ACWA members as possible.

I chair ACWA's Disadvantaged Communities Safe Drinking Water Task Force. I serve on ACWA's Executive Committee, ACWA's Office Building Advisory Group, the Next Generation Advisory Committee and ACWA's Ag Initiative Advisory Group.

Since being elected ACWA Vice-President, I have attended seven ACWA region events, the ACWA Regulatory Summit, the ACWA Legislative Symposium, numerous ACWA State Legislative Committee and other committee meetings, three ACWA Conferences and two ACWA DC briefings. And, I continue to be Chair of the Board of Directors of Yuba County Water Agency.

We live in interesting times! The challenges to water rights and water supplies may never have been greater, but I believe that there are also opportunities for creative, durable solutions that will benefit all of California's water suppliers. I believe that ACWA and our membership will continue to lead us to these solutions.

Please communicate your support for my nomination by emailing ACWA's Nominating Committee **no later than August 30, 2017**. A Board resolution of support is not required. Your email should be sent to:

John Coleman, Nominating Committee Chair
c/o Donna Pangborn (donnap@acwa.com)

Please do not hesitate to contact me (530) 400-1992 or bhastey@gmail.com if you would like to discuss my nomination or any issues that are important to you.

Best Regards,

Brent Hastey

Brent Hastey



Brent Hastey was born and raised in the Plumas Lake area, representing the fifth generation of his family to live in Yuba County, California. He grew up irrigating pasture and swimming in the ditches on the ranch. Becoming active in politics in college, he was first elected to public office in 1987, when he won an election for a seat on the Board of Reclamation District 784. He served in this position for six years, during three of which he chaired. In 1992, he was elected to the Board of Supervisors of Yuba County, on which he served until 2000. As a County Supervisor, he also served on the Boards of the Yuba County Water Agency (YCWA), Yuba County Local Agency Formation Commission, Regional Council of Rural Counties, and the Sacramento Area Council of Governments. In 1994, he became the founding Chairperson of the Yuba-Sutter Economic Development Corporation, which he chaired until 1996.

Brent Chaired the YCWA Board in 1996 and 1997, which was during the devastating flooding of 1997. He led the Board through this trying time, and testified before the United States Congress on the causes and emergency management of the flood. In response to this disaster and state water needs, the voters of California passed Proposition 13, which authorized the sale of \$1.97 billion in bonds to support safe drinking, water quality, flood protection, and water reliability projects. Brent strongly supported the approval. In 2014, Brent was reelected to the YCWA Board of Directors, and he currently serves as Chair.

In addition to his service in areas of water management in California, Brent has worked in the service of higher education both locally and on a statewide level. In 2010, He was elected to the Yuba Community College District, a district which serves eight counties and spans nearly 4,200 square miles of rural northern California. Recently, Brent was elected to the California Community College Trustee Board (CCCT). CCCT represents and acts in the best interest of California's 72 Community College Districts

Brent is also the founding Director of the Bank of Feather River, which started in 2007. He served as Chairman of the board from 2010-2016. Bank of Feather River is a community bank specializing in agriculture lending.

In addition to his political service, he has long-valued the opportunity for community and global service through Rotary International. A member of South Yuba County Sunrise Rotary Club since 1986, Brent works to live out the organization's motto in everyday life: "Service above Self".



Agenda Item: 8

Date: August 7, 2017

Subject: A Day in the Life of GIS

Staff Contact: John E. Valdes, Engineering Manager
Wayne Scherffius, GIS Coordinator

The District's Geographic Information System (GIS) Department, a division of the Engineering Department, is primarily responsible for the District's water facility maps, data coordination and synthesis, computer aided drafting (CAD), and other support functions. Other support functions are provided to all District departments and staff and include mapping, graphic art, website design, and printing.

In 2006, the District migrated all of its water system CAD maps into a GIS environment to capture, store, check and display data based on a relative position on the earth. The GIS maps can show many different types of data on one map and make it easier for District staff to see, analyze and understand patterns and to update information more quickly.

There are many advantages to using GIS in the water utility business. Eighty to 90 percent of a utility's data is somehow tied to a geographic location. Utilities must know where their pipes, valves, pumps, meters and other facilities are located. They also need to know the location and water usage patterns of their customers. And they need to know where their crews are working and what facilities need maintenance. GIS allows users to query and analyze information based on its location and its spatial relationship to other features, often where no other relationship is available. As an example, GIS applications can help identify trends in water main breaks to prioritize pipe replacement and rehabilitation projects.


The District also uses GIS to analyze growth patterns and water usage to better plan for the future. It is one of many ways that the District is using information technology to deliver a high quality, reliable supply of water and superior customer service at a great rate.

To provide a small insight into the day-to-day functions of the GIS Department, a PowerPoint presentation will be presented at the August 2017 Board Meeting. A copy of the PowerPoint is attached.

SSWD
GIS Department
“What We Do”
Board Meeting
August 21, 2017

GIS Staff

SSWD GIS Staff:




GIS / IT Technician

Ken Gebert
10 years of service


- * Input CIP preliminary data into GIS and update with red-line drawings from contractors
- * Water Modeling Network Update
- * Process Field staff red line updates
- * Additional IT duties will be addressed in the IT “What We Do”

GIS Staff

SSWD GIS Staff:



GIS / IT Technician




Engineering Drafter


- * Process Meter Retrofit Install work orders
- * Produce Meter Retrofit Contractor Maps
- * Publish emergency field map thumb drives
- * Support staff with CAD services
- * Produce in-house CIP map sets
- * Produce final as built CAD drawings for CIP and scan into document management

GIS Staff


SSWD GIS Staff:



GIS / IT Technician



Engineering Drafter



GIS Coordinator

- * Input New Development preliminary assets into GIS
- * Review CIP and New Development work orders
- * Draw Easements in GIS then scan and upload easement documents into Document Management
- * Manage schedule for install of meters in Meter Retrofit and Main Replacement programs
- * Review integrity of data in GIS and correct as needed
- * Support Community Outreach Committee Chair with website issues

What is GIS?

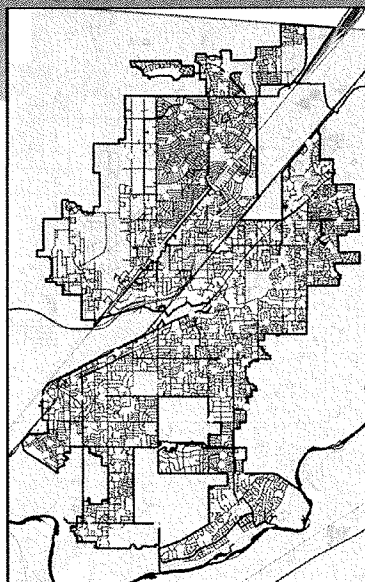
A Simple Definition

“A geographic information system (GIS) lets us visualize, question, analyze and interpret data to understand relationships, patterns and trends.”

- www.esri.com

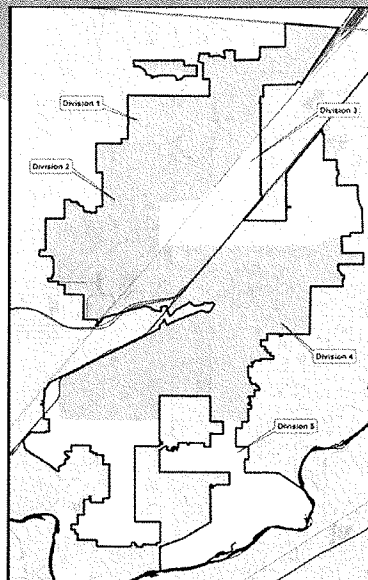
SSWD GIS Components

- * County Base Map with Streets
- * Additional County GIS Data
- * SSWD Water Facilities GIS Data
 - Mains
 - Laterals
 - Fittings
 - Valves
 - Services
 - Hydrants
 - Wells
 - Water Storage Facilities
 - Sampling Stations
 - Booster Stations
 - Pressure Reduction Stations



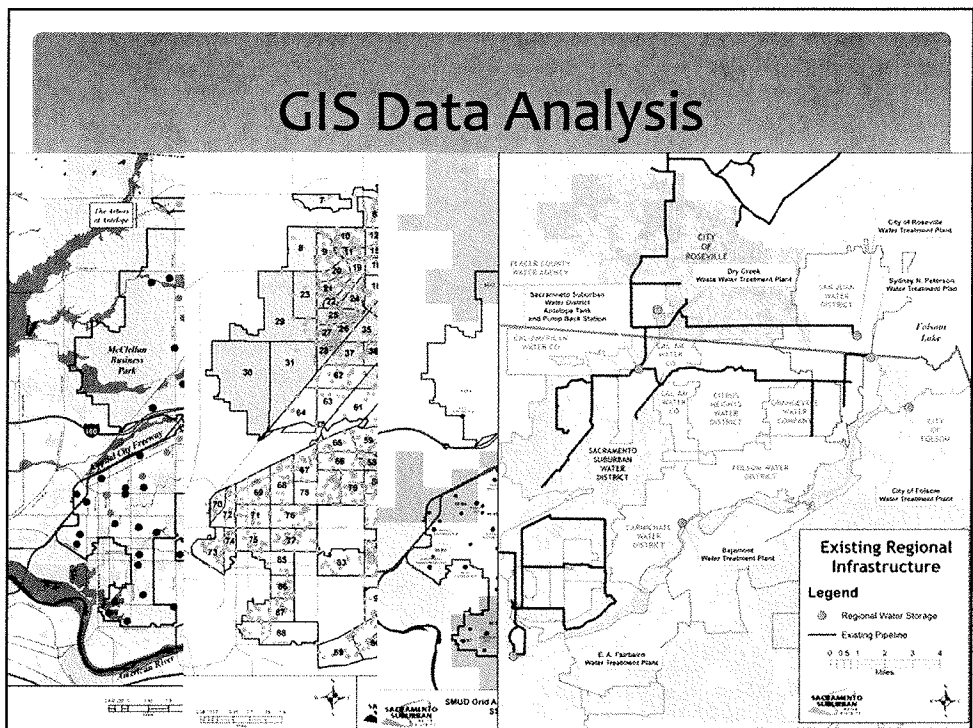
Additional SSWD GIS Data

- * Board Division Polygons
- * Meter Route Areas
- * Well Run Regions
- * Preventive Maintenance Regions
- * SSWD Permit Service Areas
- * Main Replacement Areas
- * Meter Retrofit Areas



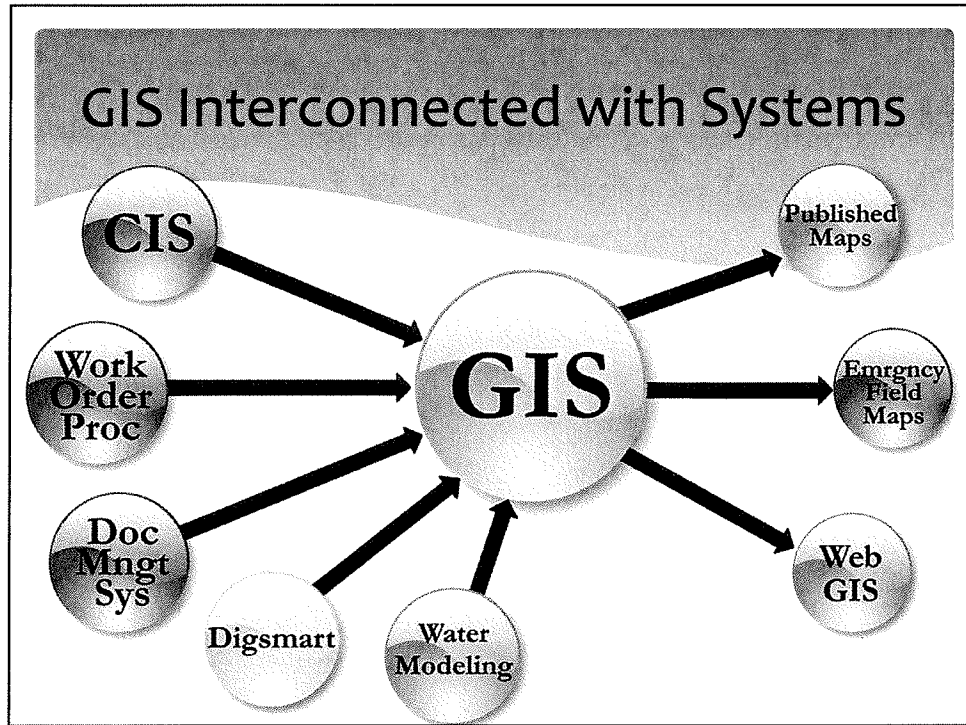
Additional Political Data

- * Sac County Creeks / Streams
 - * Park Districts
 - * CA Assembly Districts
 - * CA Senatorial Districts
 - * US Congressional Districts
 - * Schools Districts
 - * Sac County Supervisor Districts
 - * Sac Metro Fire Districts
 - * Sac County Water Purveyors
 - * Contamination Plumes
 - * FEMA Flood Planes
 - * SMUD Electrical Grids/Substations
- * GIS Data from other Counties
 - Yolo County
 - Sutter County
 - Placer County
 - El Dorado County



Updating the GIS

- * **Capital Improvement Projects**
 - Water facilities abandoned
 - New water facilities added
- * **New Development Projects**
 - New water facilities added
- * **Meter Retrofit Project**
 - Existing services retrofitted with meters
- * **Field staff discovers water facilities not in the GIS or incorrectly shown**
 - Red line maps sent to GIS to correct the water facilities



QUERIES?



Agenda Item: 9

Date: July 26, 2017

Subject: Fraud Prevention Presentation

Staff Contact: Daniel A. Bills, Finance Director

Recommended Board Action:

Discuss and review fraud prevention policies and procedures for District operations. Direct staff in any areas of concern.

Discussion:

In 2007, the District adopted the Workplace Dishonesty Policy (PL-Adm 006) and a related Procedure (PR-Adm 004) that identify various types of fraudulent activities that may occur in the normal course of District operations with accompanying mitigation practices (see Exhibits 1 and 2 attached). The purpose of this agenda item is for Directors to publicly review District established policies and procedures related to fraud prevention and detection and to discuss risks to the District resulting from potential fraudulent activities. An annual review was suggested by the District's independent auditor as a best practice.

Please note that the Workplace Dishonesty Policy and Procedure and risks resulting from potential fraudulent activities were discussed and reviewed with all District staff on Thursday, July 20, 2017.

Background:

Fraud is a broad legal concept and is subject to legal determination. For the District, fraud is primarily defined as prohibited conduct or activities of its directors, officers, employees and those doing business with the District that would be considered dishonest, corrupt or deceitful (see Exhibit 1, section 200.10). For financial reporting purposes, fraud is further defined as intentional act(s) that result in a material misstatement of the financial statements.

The District has implemented various tools to prevent and/or detect fraudulent activities. These tools primarily consist of the internal control procedures that have been adopted, implemented and regularly updated. District internal control procedures have been established by way of the District's Ordinances, Policies, Procedures and Practices.

In order to prevent or detect fraudulent activities from occurring or perpetuating, it is necessary to understand the conditions under which fraud may occur. Typically, in order for fraud to exist three conditions must be present:

1. Incentive/pressure to perpetrate fraud.
2. An opportunity to carry out the fraud.
3. An attitude/rationalization to justify the fraudulent action.

Established District internal control procedures address risks in each of these three areas and provide specific procedures to be followed to mitigate such risks.

Annually, as part of the financial statement audit, the General Manager and Finance Director are required to make various assertions regarding District internal controls and their awareness of any fraudulent activities (see Exhibit 3, parts 3, 4, 11, 13, 14, 15, 16, 22, 23 and 24). As an update to these assertions made to the Auditors on March 29, 2017, District officers are currently unaware of any fraudulent activities that are occurring in District operations and activities.

Fiscal Impact:

None.

Strategic Plan Alignment:

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

District customers benefit by ensuring all District employees and Directors are aware of the circumstances under which fraudulent actions may occur so the chances and opportunities for fraud to occur are minimized.

Sacramento Suburban Water District

Workplace Dishonesty Policy

Adopted: December 17, 2007

Revised: December 21, 2009; November 21, 2011; December 16, 2013; December 21, 2015

100.00 Purpose of the Policy

The purpose of this policy is to inform directors, officers, employees and those doing business with the District of the types of workplace conduct that are considered dishonest, to direct the General Manager to establish and maintain a system of internal controls to prevent and detect dishonest conduct, to authorize the General Manager to establish appropriate procedures for reporting and investigating alleged dishonesty in the workplace or connected to the District, to provide for appropriate sanctions in cases where dishonest conduct or activities are established, and to protect from retaliation directors, officers, employees and other persons who report such conduct or activities.

200.00 Policy

The District expects that all directors, officers, employees, agents, vendors, volunteers or other persons connected to the District will adhere to the strictest standards of honest conduct and will treat District property with the same respect required for all public property. It is the District's express policy that all allegations of workplace or other District-related dishonesty will be promptly and fully investigated and if dishonest conduct is established, to take action as appropriate to discipline the dishonest person or persons and to pursue appropriate civil and criminal legal remedies. To ensure that the District's property is safeguarded against dishonest conduct, the District will establish and maintain appropriate procedures and internal controls to promptly detect workplace or other District-related dishonesty and take appropriate disciplinary action against any individuals so involved. It also is the District's policy to protect from retaliation persons who report possible dishonest conduct to activities to any level of the organization in order to promote full and prompt disclosure of such activities ("Whistleblower Protection").

200.10 Prohibited Conduct and Activities

Dishonesty, fraud, corruption, and other deceitful acts prohibited under this Policy include:

1. Claiming reimbursement of expenses that are not job-related or authorized by the District's Employee Policies and Procedures Manual and other employment policies.
2. Committing forgery or unauthorized alteration of any District document (for example: invoices, receipts, checks, wire and Automated Clearing House (ACH) transfers, time sheets, independent contractor agreements, purchase orders, invoices, receipts, petty cash documents or budgets).
3. Misappropriating District assets (for example, money, District-issued credit cards, securities, supplies, furniture, equipment or labor).
4. Committing improprieties in the handling or reporting of money, material, labor or accounting transactions.
5. Authorizing or receiving payment for goods not received by or services not performed for the District.
6. Using a computer for unauthorized alteration, destruction, forgery, or manipulation of District data or misappropriation of District-owned software.
7. Misrepresenting information on District-related documents.
8. Falsifying time records or expense reports or conducting substantial personal business on District time.
9. Violating federal, state, or local laws related to any form or type of dishonest conduct or activities.
10. Seeking or accepting bribes, gratuities, or other consideration of material value from those doing business with the District including customers, vendors, consultants, contractors, lessees, applicants, and grantees. Materiality is determined by the Political Reform Act of 1974 (Gov't Code sections 87000 et seq.), regulations of the Fair Political Practices Commission (2 Cal. Admin. Code Sections 18100 et seq.), and any amendments to the Act or regulations.
11. Any other type of dishonest, fraudulent, corrupt, or deceitful conduct in violation of any District policy or of any federal, state or local law or regulation.

200.20 Investigation of Fraud

The District will fully investigate all allegations of dishonest conduct. A thorough and objective investigation will be conducted regardless of the position, title, tenure, or relationship with the District of any director, officer, employee, agent, vendor, volunteer or other person who might be involved in or becomes the subject of such investigation.

The General Manager, with appropriate assistance from management staff and District legal counsel, will apply appropriate procedures for investigating all allegations of dishonest conduct by any director, officer, employee, agent, vendor, volunteer or other party connected to the District. Typically, the Assistant General Manager, Finance Director or a department head will be assigned to conduct an investigation once the subject matter of the investigation and the nature of the alleged dishonest conduct have been determined. At the General Manager's discretion, investigations of criminal conduct may be referred to the appropriate prosecutorial or law enforcement officials for investigation.

Directors of the District shall have full authority to investigate allegations of dishonest conduct against the General Manager.

The District will pursue every reasonable effort, including court-ordered restitution, to obtain recovery of any losses suffered by the District that are caused by or connected to dishonest conduct prohibited by this Policy.

300.00 Establishment of Internal Controls

The General Manager or his/her designee is directed to establish and maintain a system of internal controls to prevent and detect fraud, misappropriation of District resources and other dishonest conduct affecting the District, and to institute systems that help the District to promptly identify any indications of such misconduct.

400.00 Reporting Dishonest Acts or Conduct – Whistleblower Protection

No director, officer or employee shall directly or indirectly retaliate or cause retaliation to occur against any director, officer, employee or person doing business with the District who reports alleged dishonesty, who is accused of dishonesty, or who is involved in the investigation of alleged dishonesty. Retaliation is itself is a form of dishonesty. Retaliation includes a director's, officer's, employee's, vendor's or consultant's use of his or her authority or influence for the purpose of intimidating, threatening, coercing, commanding, or influencing another such person to refrain from filing a good faith report of dishonesty or otherwise bringing to the attention of a supervisor, the General Manager or the Board any information that, if true, would constitute a dishonest act or conduct. Upon receiving a report of retaliation, the

General Manager or Board of Directors shall promptly investigate the report in accordance with Section 350.00.D. of the District's Ethics Policy (PL-BOD 004) or Workplace Dishonesty Procedure (PR - Adm 004), whichever is applicable.

500.00 Policy Review

This policy shall be reviewed at least biennially.

Sacramento Suburban Water District

Workplace Dishonesty Procedure

Effective: December 18, 2007

Purpose

The administrative procedures described in this memorandum are set forth for the purpose of implementing the District's Workplace Dishonesty Policy, PL - Adm 006. The procedures established in this memorandum will ensure that directors, officers, employees, agents, vendors, volunteers or other persons connected to the District are informed of: (1) the types of acts considered to be dishonest, fraudulent, corrupt, or deceitful; (2) the procedures for reporting alleged dishonest acts; (3) the investigative procedures that will be followed when dishonest conduct or activities are alleged; and (4) the consequences if an investigation establishes that dishonest conduct or activities have occurred. This procedure memorandum also delineates District management's responsibility for instituting and maintaining a system of internal controls to prevent and detect dishonesty, fraud, misappropriation of District resources and other corrupt or deceitful conduct.

Definitions

Dishonesty – Dishonesty, fraud, corruption and other deceitful conduct includes:

1. Claiming reimbursement of expenses that are not job-related or authorized by the District's Employee Policies and Procedures Manual and other employment policies.
2. Committing forgery or unauthorized alteration of any District document (for example, invoices, receipts, checks, promissory notes, time sheets, independent contractor agreements, purchase orders, invoices, receipts, petty cash documents or budgets).
3. Misappropriating District assets (for example, money, District-issued credit cards, securities, supplies, furniture, equipment or labor).
4. Committing other improprieties in the handling or reporting of money, material, labor or accounting transactions.
5. Authorizing or receiving payment for goods not received by or services not performed for the District.
6. Using a computer for unauthorized alteration, destruction, forgery, or manipulation of District data or misappropriation of District-owned software.

7. Misrepresenting information on District-related documents.
8. Falsifying time records or expense reports or conducting substantial personal business on District time.
9. Violating federal, state, or local laws related to any form or type of dishonest conduct or activities.
10. Seeking or accepting bribes, gratuities, or other consideration of material value from those doing business with the District including customers, vendors, consultants, contractors, lessees, applicants, and grantees. Materiality is determined by the Political Reform Act of 1974 (Gov't Code sections 87000 et seq.), regulations of the Fair Political Practices Commission (2 Cal. Admin. Code Sections 18100 et seq.), and any amendments to the Act or regulations.
11. Any other type of dishonest, fraudulent, corrupt, or deceitful conduct in violation of any District procedures or of any federal, state or local law or regulation.

Employee – In this context, employee refers to any individual or group of individuals who receive compensation, either working full or part-time, for the District. The term also includes: (1) any volunteer who provides services to the District through an official arrangement with the District or a District organization; (2) any vendor or consultant who provides any good or service to the District; and (3) any other person who does business with or receives compensation from the District.

External Auditor – Refers to audit professionals and firm who perform annual independent audits of the District's financial activities.

Investigator – In this context, refers to any person or persons designated by the General Manager to investigate dishonest conduct.

Manager or Management – In this context, manager or management refers to any administrator, director, manager, supervisor, or other individual who manages or supervises funds or other resources, including human resources.

Retaliate or Retaliation – unlawful discrimination that occurs when an Employee is harassed or suffers an adverse employment action for reporting or assisting in an investigation of alleged or actual Dishonesty. Also referred to as unlawful retaliation or retaliatory harassment.

Procedures for Reporting Workplace Wrongdoing

Employees are entitled to report alleged Dishonesty in a safe and confidential manner without fear of Retaliation. The following reporting procedures should be employed by any person witnessing or suspecting Dishonesty by an Employee:

1. If an Employee is aware of or suspects Dishonesty, the Employee is encouraged to discuss his or her allegations with his or her immediate supervisor.
2. If an Employee is unable to discuss the complaint with his or her immediate supervisor or if the allegation of Dishonesty involves his or her immediate supervisor, then the Employee should report the alleged Dishonesty to his or her Department Head.
3. If the Employee is unable to contact his or her Department Head or if the Department Head is alleged to be involved in the Dishonesty, then the Employee should report the alleged Dishonesty to the Assistant General Manager or the General Manager.
4. The District understands that there may be situations in which an Employee does not feel comfortable reporting alleged Dishonesty directly to other staff members or Managers. As an alternative means of reporting Dishonesty, an Employee may contact a District Director or report to the External Auditor.

No Employee shall retaliate or cause Retaliation to occur against another Employee who reports alleged Dishonesty, who is accused of Dishonesty or is involved in the investigation of alleged Dishonesty. Employees found to have violated this section may be subject to disciplinary action, up to and including termination.

Employee Responsibilities

An Employee who witnesses or knows of actual Dishonesty or who reasonably suspects an occurrence of Dishonesty is required to report his or her knowledge or suspicion to the District in the manner provided in Part III of these Procedures.

A reporting Employee shall refrain from further investigation of any alleged Dishonesty, confrontation with the alleged dishonest Employee(s), or further discussion of the incident with any person, unless requested by the General Manager, Assistant General Manager, District legal counsel, or law enforcement officials.

Any Employee who makes a report under these procedures that the Employee knows or should know is false shall be subject to disciplinary action, up to and including termination.

Management Responsibilities

The District will fully investigate any alleged Dishonesty. The District will conduct a thorough and objective investigation regardless of the position, title, tenure, or relationship with the District of any party who might be involved in or becomes the subject of such an investigation.

Managers are responsible for being alert to and reporting alleged Dishonesty within their areas of responsibility immediately upon observing, learning of or suspecting such misconduct.

1. Each Manager should be familiar with the types of Dishonesty that are most likely to occur in his or her area of responsibility and to take appropriate action to put in place systems to detect and prevent Dishonesty.
2. When Dishonesty is alleged, or when a Manager receives a report of alleged Dishonesty from an Employee, the Manager shall inform his or her Department Head or superior Manager.
3. All Managers are required to know and uphold the District's Workplace Dishonesty Procedures and to cooperate fully with other involved District departments and law enforcement agencies in the detection, reporting, and investigation of criminal acts, including the prosecution of offenders where appropriate. It may not be appropriate in every case where Dishonesty also constitutes a criminal act for the District to report the act to law enforcement officials and seek its prosecution. The General Manager, in consultation with the Board as appropriate, will determine if it is in the District's best interests to report and seek prosecution of criminal Dishonesty or whether the District's best interests are served by handling the Dishonesty as a purely personnel matter.
4. When requested by senior Management or law enforcement with appropriate authority, Managers must give full and unrestricted access to all necessary District records and personnel. As provided by the District's Employee Procedures and Procedures Manual, all District workspaces, including furniture and contents of desks and computers, are not private and are open to District inspection at any time.
5. During an investigation of alleged Dishonesty, great care must be taken to ensure the integrity of the investigation and protection of the involved parties' rights. Therefore, Management must:
 - a. Avoid making incorrect or false accusations concerning any involved party or making statements that could lead to claims of false accusations or other offenses;
 - b. Act in an objective and impartial manner at all times;
 - c. Make no contact with the suspected Employee(s) to determine facts or demand restitution unless specifically directed to do so by the Board of Directors, General Manager or law enforcement officials. Under no circumstances should a Manager use such language as: "what you did", "the crime", "the fraud", "the misappropriation", etc., unless the facts of the Dishonesty have been conclusively established.
 - d. Avoid discussing the facts or allegations of the alleged Dishonesty with anyone outside the District unless specifically directed to do so by the Board, General Manager, District legal counsel or law enforcement officials investigating the matter. A Manager may discuss the case with other Employees who have a need

to know such as the General Manager, Assistant General Manager, District legal counsel, or law enforcement personnel.

- e. Direct all inquiries from the suspected Employee, or his or her representative, to the General Manager unless otherwise directed. All inquiries by an attorney for the suspected Employee should be directed to District legal counsel. All inquiries from the media should be directed to the General Manager.

Investigation and Action

A Department Head who receives a report of alleged Dishonesty (or as appropriate, the reporting Employee) shall immediately report the allegation to the General Manager.

The General Manager, in consultation with other District officials that he or she deems necessary, will determine how best to investigate the alleged Dishonesty and appoint an Investigator to conduct the investigation. In cases where the General Manager is the subject of the allegation, the Board, in consultation with such Managers and legal counsel as it deems appropriate, will direct the investigation in accordance with these Procedures.¹ If warranted by the facts and circumstances, the District may refer an allegation of Dishonesty to law enforcement officials for investigation as a criminal matter. The following procedures will be used by the District in an administrative investigation of alleged Dishonesty:

1. Upon assignment by the General Manager, the Investigator will promptly, objectively and thoroughly investigate the alleged Dishonesty. If a preliminary investigation reasonably establishes that there is no support for the allegation of Dishonesty, the General Manager may close the investigation.
2. In all circumstances where there appears to be a reasonable factual basis for suspecting that the alleged Dishonesty has occurred, the Investigator, in consultation with the General Manager or Board and District legal counsel, will determine if the investigation should be conducted as administrative investigation, criminal investigation, or both. Should both administrative and criminal investigations be deemed necessary, the Investigator and law enforcement officials, in consultation with District legal counsel, will make a determination as to the conduct of the investigations (i.e., whether the investigations will be conducted concurrently, the scope of the investigation, the procedures for identifying potential witnesses and evidence, the procedures for sharing information, and etc.).
3. The Investigator shall accept and review all relevant information concerning the alleged Dishonesty to the extent allowed by law.

¹ In all following references to the General Manager's conduct of the investigation of alleged Dishonesty, it is assumed that the Board would exercise the General Manager's responsibilities in cases where the General Manager is the subject of an allegation of Dishonesty.

4. In consultation with District legal counsel and any law enforcement officials involved in the matter, the Investigator may disclose relevant facts obtained in the investigation to potential witnesses if such disclosure would further the investigation.
5. At the conclusion of an investigation, the Investigator will document the results in a confidential report to the General Manager, if the investigation establishes that the alleged Dishonesty occurred. The report will document the allegations of Dishonesty, the witnesses interviewed and documents obtained and reviewed, a discussion of any other relevant facts or evidence adduced, the Investigator's findings and conclusions, and any recommendations concerning Employee discipline, modifications of internal procedures and controls and any further investigation or action concerning the matter.
6. If the Investigator determines that the allegation of Dishonesty is untrue or cannot be reasonably supported, the Investigator will advise the General Manager before preparing a written report of the investigation. The General Manager, in consultation with legal counsel, shall determine whether a report will be prepared and its disposition if prepared. In cases where an allegation of Dishonesty is unproven, the General Manager may close the investigation without further action or production of a written report.
7. If the report confirms the allegation of Dishonesty, the Investigator will proceed as follows:
 - a. Discuss the evidence, findings and conclusions in the report with the General Manager and other District officials designated by the General Manager.
 - b. Consult with the General Manager and other designated officials to determine if disciplinary action should be taken against the accused Employee and if discipline is warranted, the nature and severity of the discipline.
 - c. Advise the General Manager and District Treasurer if such activities involve theft of District equipment, supplies or cash, in order to assess the effect of the illegal activity on the District's financial statements.
 - d. Advise the District as appropriate to notify the District's insurer of any potential claims or to tender any claims to the District's insurer resulting from the Dishonesty.
 - e. Take immediate action, in consultation with District legal counsel, to prevent the theft, alteration, or destruction of District records and property. Such action shall include, but is not limited to:
 - i. Removing records and property from District facilities to a secure location, or limiting access to the location where the records and property are regularly stored.

- ii. Preventing the accused Employee from having access to such records and property.
8. Unless exceptional circumstances exist, an Employee determined to have committed Dishonesty will be given notice in writing of the results of the investigation after its conclusion. When such notice is given, the accused employee may submit a written response to the General Manager no later than seven calendar days after the notice is given.
9. If the allegation of Dishonesty is confirmed, the General Manager will consult with the Assistant General Manager, affected Department Head, and other officials designated by the General Manager to determine the nature and severity of any disciplinary action to be imposed on the accused Employee. If the accused Employee will be subject to discipline, the General Manager will provide written notice of the discipline to the Employee. Upon receipt of such notice, the accused Employee may exercise any such appeal rights that he or she has under applicable laws and District personnel policies.
10. If warranted by the facts obtained in the investigation, the General Manager may forward the Investigator's report to the appropriate state or federal prosecutorial and law enforcement officials for review and action. Before referring such a report to law enforcement and prosecutorial authorities, the General Manager may consult with the Board.
11. The District will pursue every reasonable effort, including court-ordered restitution, to obtain recovery of any District losses sustained as a result of the Dishonesty from the accused Employee or other appropriate sources.
12. If warranted after the conclusion of an investigation in which Dishonesty is proven, the General Manager shall convene a working group, including the Department Head of the department where the Dishonesty occurred and the District Treasurer, to review relevant District administrative procedures, systems and controls and determine how such procedures, systems and controls may be modified or new procedures, systems and controls established to prevent a reoccurrence of the Dishonesty. Upon determination of that existing procedure, systems and controls should be modified or new procedures, systems and controls established, the General Manager shall direct the District Treasurer and appropriate Managers to modify or establish such procedures, systems and controls and to prepare any amended or new policies for Board review and approval.

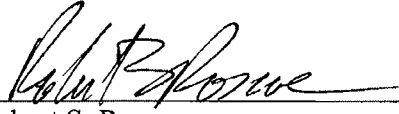
Exceptions

There will be no exceptions to this Procedure unless provided and approved in writing by the General Manager.

Posting

A copy of this Procedure shall be delivered to all Employees and new hires.

Approved by:



Robert S. Roscoe
General Manager



March 29, 2017

Richardson & Company, LLP
550 Howe Avenue, Suite 210
Sacramento, CA 95825

This representation letter is provided in connection with your audit of the financial statements of Sacramento Suburban Water District (the District), which comprise the respective financial position as of December 31, 2016 and 2015, and the respective changes in financial position and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of March 29, 2017, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 6, 2016, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, recognizing that the District's internal controls have been implemented to provide reasonable but not absolute assurance.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements [or in the schedule of findings and questioned costs].
- 8) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments that have not been disclosed to you.
- 9) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

10) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
- b) Additional information that you have requested from us for the purpose of the audit.
- c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
- d) Minutes of the meetings of District or summaries of actions of recent meetings for which minutes have not yet been prepared.

11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

13) We have no knowledge of any fraud or suspected fraud that affects the District and involves:

- Management,
- Employees who have significant roles in internal control, or
- Others where the fraud could have a material effect on the financial statements.

14) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.

15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

17) We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

18) There have been no communications for regulatory agencies concerning non-compliance with or deficiencies in, financial reporting practices.

19) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

20) The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

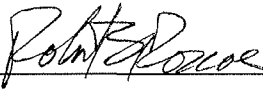

21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.

22) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

23) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

- 25) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance that have not been disclosed to you.
- 26) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral of which we are aware.
- 27) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 28) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 29) Components of net position (net investment in capital assets; restricted; and unrestricted), are properly classified and, if applicable, approved.
- 30) Provisions for uncollectible receivables have been properly identified and recorded.
- 31) Investments and derivative instruments are properly valued.
- 32) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 33) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and depreciated.
- 34) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation for the RSI.

Signature:  Signature: 
Title: General Manager Title: Finance Director

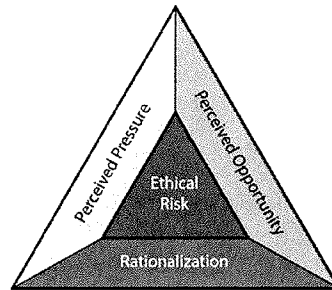
FRAUD PREVENTION

BOARD MEEETING
AUGUST 21, 2017

FRAUD

- Deterrence involves eliminating factors that may cause fraud, whereas prevention involves identifying and stopping existing fraud
- Detection involves a review of historical transactions to identify indicators of a non-conforming transaction.

FRAUD TRIANGLE



Breaking the Fraud Triangle is the key to fraud deterrence. Breaking the Fraud Triangle implies that the District must remove one of the elements in the fraud triangle in order to reduce the likelihood of fraudulent activities

INTERNAL CONTROLS

- CONTROL ENVIRONMENT
- RISK ASSESSMENT
- CONTROL ACTIVITIES
- INFORMATION & COMMUNICATION
- MONITORING

DISTRICT CONTROLS

- WORKPLACE DISHONESTY POLICY (PL-ADM 006)
- WORKPLACE DISHONESTY PROCEDURE (PR-ADM 004)
- DISTRICT ACCOUNTING, INVENTORY AND OTHER PROCESSES
- SECURITY

DISTRICT CONTROLS continued

- ANNUAL AUDIT
 - ADDITIONAL PROCEDURES
- ANNUAL COMPLIANCE AUDIT
- BUDGET-TO-ACTUAL
- CONTRACT REVIEW



Agenda Item: 10

Date: August 10, 2017

Subject: Board Member Out of State Travel Request

Staff Contact: Robert Roscoe, General Manager

Recommended Board Action:

Consider approving a request for a Director’s out of state travel to attend out-of-state industry events including the California-Nevada American Water Works Association (AWWA) Fall Conference (AWWA Fall Conference) in Reno, Nevada, October 23-26, 2017.

Discussion:

The AWWA Fall Conference is October 23-26, 2017, in Reno, Nevada. Director Locke indicated he was interested in attending the AWWA Fall Conference. Information on this event is included in case other Directors are interested in attending.

Out of state travel for Directors is approved by the Board on a case-by-case basis. Attached as Exhibit A is an announcement of the AWWA Fall Conference including a quick view of the schedule. Agenda item 28 lists other upcoming water industry events.

The deadline to register is August 25, 2017.

Fiscal Impact:

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

Strategic Plan Alignment:

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

Educating Directors on current or upcoming water industry issues allows them to make sound decisions during Board meetings, which benefit District Customers.

EXHIBIT A



Annual Fall Conference 2017
October 23 - 26 · Reno, NV

Attendee Registration Form

ATLANTIS RESORT & RENO CONVENTION CENTER

I am a speaker at this conference. Date _____ Time _____

Attendee Name _____

Title _____ Company _____

Address _____ City _____ State _____ Zip _____

Phone _____ Cell _____ Fax _____

Attendee Email _____ AWWA Member # _____

Type of Membership (check one) Individual Organization Operator/Admin. Utility

Complimentary Spouse/Guest (If attending) *Household members only. Does not include Water Industry Personnel _____

Member Registration	Early On or Before 8/25/17	PRE On or Before 10/13/17	Onsite After 10/13/17	Subtotals
<input type="checkbox"/> FULL REGISTRATION: Includes All Technical sessions, Keynote Lunch & Exhibitor Hosted Lunch & Exhibit Hall Entrance	\$445	\$495	\$545	
<input type="checkbox"/> Tuesday One-Day: Includes Keynote Lunch & Exhibit Hall Entrance	\$225	\$275	\$315	\$ _____
<input type="checkbox"/> Wednesday One-Day: Includes Exhibitor Hosted Lunch & Exhibit Hall Entrance	\$225	\$275	\$315	\$ _____
<input type="checkbox"/> EDUCATION PACKAGE Wednesday/Thursday Includes Technical Sessions & Exhibit Hall Entrance	\$225 NO MEALS	\$275 NO MEALS	\$315 NO MEALS	\$ _____
<input type="checkbox"/> Thursday One-Day Includes Technical Sessions	\$149	\$149	\$149	\$ _____
<input type="checkbox"/> STUDENT - Must be full time Student/AWWA Student Member	FREE	FREE	FREE	\$ _____
<input type="checkbox"/> RETIREE REGISTRATION - Must be: 1) Retired from all gainful employment. 2) A member of AWWA for at least 15 years. 3) At least 60 years of age.	FREE NO MEALS	FREE NO MEALS	FREE NO MEALS	\$ _____ FREE

Lunches	
If not included with registration fee	
<input type="checkbox"/> Keynote Lunch	\$50
<input type="checkbox"/> Exhibitor Hosted Lunch	\$50
Subtotal \$ _____	

SPECIAL EVENTS	
<input type="checkbox"/> Tues. Technical Tour	\$55.00
<input type="checkbox"/> Wed. Technical Tour	\$55.00
<input type="checkbox"/> WaterforPeople Event	\$50.00
Subtotal \$ _____	

Non Member Registration	Early On or Before 8/25/17	PRE On or Before 10/13/17	Onsite After 10/13/17	Subtotals
<input type="checkbox"/> FULL REGISTRATION: Includes all technical sessions, Keynote Lunch & Exhibitor Hosted Lunch & Exhibit Hall Entrance	\$495	\$545	\$595	\$ _____
<input type="checkbox"/> Tuesday One-Day: Includes Keynote Lunch & Exhibit Hall Entrance	\$275	\$325	\$375	\$ _____
<input type="checkbox"/> Wednesday One-Day: Includes Exhibitor Hosted Lunch & Exhibit Hall Entrance	\$275	\$325	\$375	\$ _____
<input type="checkbox"/> EDUCATION PACKAGE Wednesday/Thursday Includes Technical Sessions & Exhibit Hall Entrance	\$275 NO MEALS	\$325 NO MEALS	\$375 NO MEALS	\$ _____
<input type="checkbox"/> Thursday One-Day Includes Technical Sessions	\$149	\$149	\$149	\$ _____

CONTACT HOURS	
<input type="checkbox"/> FREE	(I am an individual, operator or administrative AWWA member)
<input type="checkbox"/> \$20.00	(My utility/organization is an AWWA member or I am not an AWWA member)

PAYMENT METHOD
Check # _____ Payable to CA-NV AWWA (U.S. Funds)
PO# _____ Must be accompanied by a physical copy of the PO
Credit Card: <input type="checkbox"/> Visa <input type="checkbox"/> MC <input type="checkbox"/> AMEX
Card No.: _____
Exp. Date: _____
Name on Card: _____
Authorized Signature: _____
City Zip Code: _____ Must be Zip Code in which your credit card statement is mailed For copy of receipt, please write email address: _____

PAYMENT INFORMATION	
Registration Total: _____	Special Events Total: _____
Meal Total: _____	Contact Hours: _____
Total Amount Due: _____	

Refund requests must be submitted in writing to the Section office by September 1, 2017. A \$50 administrative fee will be deducted from all refunds. **No Refunds Granted after October 2, 2017.** By submitting this form, you are consenting to having your photo taken at the event which may be used for future Section promotions. To opt-out email info@ca-nv-awwa.org.

CA-NV AWWA: 10435 Ashford Street, 2nd Floor
 Rancho Cucamonga, CA 91730
 Phone: (909) 481-7200
 Fax: (909) 291-2107
 www.ca-nv-awwa.org

Return this completed form with your payment or purchase order to CA-NV AWWA • 10435 Ashford Street • Rancho Cucamonga, CA 91730
 or submit by fax to (909) 291-2107 or by email to schickarmane@ca-nv-awwa.org



ABOUT THE SECTION EVENTS & CLASSES MEMBERSHIP CERTIFICATION ADVOCACY COMMUNICATIONS MY ACCOUNT WATER LOSS

Monday, October 23



- 7:00 am - 4:30 pm Registration
- 8:00 am - 9:45 am Section Leaders Meeting
- 10:00 am - 5:00 pm Committee Meetings
- 5:30 pm - 7:00 pm Membership Welcome Reception

Tuesday, October 24

- 7:30 am - 4:30 pm Registration
- 7:30 am - 8:30 am 1st Time Attendee Orientation
- 8:00 am Technical Tour
- 8:30 am - 10:00 am Opening Session
- 10:00 am - 10:15 am Break
- 10:15 am - 11:15 am Awards Ceremony
- 11:15 am - 11:30 am Break
- 11:30 pm - 1:30 pm Keynote Luncheon
- 1:30 pm - 3:00 pm Technical Sessions**
- 3:00 pm - 4:00 pm Break
- 3:00 pm - 4:00 pm Exhibit Hall Grand Opening
- 3:00 pm - 7:00 pm Exhibit Hall Hours
- 3:30 pm Prize Drawings in Exhibit Hall
- 4:00 pm - 5:30 pm Technical Sessions**
- 4:00 pm - 5:00 pm Women's Networking Event
- 5:30 pm - 7:00 pm Exhibit Hall Meet & Greet (Prize Drawing TBD)
- 7:00 pm Chairs Reception by Invitation

Wednesday, October 25

- 7:30 am - 4:30 pm Registration
- 7:30 am - 8:30 am Technical Sessions**
- 8:00 am Technical Tour
- 8:30 am - 10:00 am Break
- 8:30 am - 10:00 am Exhibit Hall Breakfast
- 8:30 am - 4:00 pm Exhibit Hall Hours
- 9:15 am Prize Drawing in Exhibit Hall

10:00 am - 12:00 pm

10:00 am - 12:00 pm

12:00 pm - 1:00 pm

12:30 pm

1:30 pm - 3:00 pm

3:00 pm - 4:00 pm

4:00 pm

4:00 pm - 5:00 pm

Technical Sessions

Tech Talks in Exhibit Hall

Exhibitor Hosted Lunch in Exhibit Hall

Price Drawing in Exhibit Hall

Technical Sessions

Break & Prize Drawing in Exhibit Hall

Exhibit Hall Concludes

Technical Sessions

Thursday, October 26

7:30 am - 12:00 pm

Registration

8:30 am - 9:30 am

Technical Sessions

9:30 am- 10:00 am

Break

10:00 am - 12:00 pm

Technical Sessions

12:00 pm

Technical Sessions conclude

[Home](#)

AMERICAN WATER WORKS ASSOCIATION
(909) 481-7200
10435 Ashford St, 2nd Floor
Rancho Cucamonga, CA 91730
info@ca-nv-awwa.org

Copyright © 2016 American Water Works Association California-Nevada Section



Agenda Item: 11

Date: August 10, 2017

Subject: Regular Board Meeting Times

Staff Contact: Robert Roscoe, General Manager

Recommended Board Action:

Either:

1. Direct staff to bring back a Resolution to amend Policy PL-BOD 002, Rules for Proceedings of the Board of Directors with specific desired changes or;
2. Take no action.

Discussion:

A Director has suggested moving the start time of the District's regular Board meetings from 6:30 p.m. to earlier in the evening to help alleviate late adjournments. An additional option for Board consideration is to change the day of the regular Board meetings, currently the third Monday of each month.

The location, times and dates of the regular Board meetings are embedded in Rule 3 of the Policy PL-BOD 002, Rules for Proceedings of the Board of Directors. In order to make changes to that section of the policy, an adopted Resolution by the Board of Directors is required.

Staff has no recommendations.

Strategic Plan Alignment:

Customer Service - 3.A. Operate in an open manner including public information to the Board of Directors.

Changing the District Board meeting time and/or day could benefit District customers by reducing the number of late hours for District customers to attend regular monthly meetings of the Board of Directors.

Sacramento Suburban Water District

**Rules for Proceedings of the
Board of Directors**

Adopted: February 20, 2002

Revised: November 12, 2007; September 15, 2008; September 20, 2010; December 19, 2011;
December 16, 2013; January 25, 2016

Introduction

These are the rules for proceedings of the Board of Directors of Sacramento Suburban Water District. (See Water Code section 30530.) The purposes of these rules are to facilitate public participation during meetings of the Board, protect the rights of all Directors and to provide a process for conducting Board meetings in an orderly and efficient manner. The provisions of the County Water District Law (see Water Code sections 30000, *et seq.*), Brown Act (Government Code section 54950, *et seq.*) and any other applicable law will control over any inconsistent provision contained in these rules.

Rule 1 – Selection of Officers

The President and Vice-President of the Board will be elected by the members of the Board for a one year term. The election will be held at the first regular meeting in December of each year or at any earlier special meeting called for the purpose of swearing in new members and organizing the Board. (See Water Code section 30520 and Elections Code section 10554.) The remaining provisions of this paragraph will be considered discretionary guidelines for the Board to follow in selecting its President and Vice-President, and will not be binding on the Board. The Board will normally follow a rotation for the election of President and Vice-President under which the Vice President will normally be elected President at the conclusion of the President's one year term. If the membership on the Board of the President is terminated before the expiration of his or her one year term of office, the Vice-President will automatically become the President for the balance of that term.

In the event of a contested election, the following is the recommended procedure for nominating and selecting the Board President or Vice President: (1) the then-presiding President should open nominations and ask if there are there any nominations for the contested office; (2) any Director then may make a nomination -- e.g., "I nominate Director X" -- no second is required for a nomination, although sometimes one or more Directors will second a nomination to indicate endorsement (a Director may nominate himself or herself, but nominations cannot be accepted from members of the public); (3) a Director may decline a nomination; (4) when it appears that no one else wishes to make a nomination, the President should ask if there are additional nominations -- if there is no response, the President then should declare that the nominations for the office are closed and state the names of the nominees (it is unnecessary to have a motion to close the nominations); (5) after nominations have been closed, nominations

may be reopened only by a motion, second and majority vote to reopen them; (6) after nominations have been closed and before the vote, the public should be provided an opportunity to comment on the agenda item; (7) the President then should call for votes on the nominees by a roll call vote on each nominee, and each Director should cast his or her ye or nay vote on each nominee, e.g., “For the first nominee for President, Director X, please state your vote by ye or nay;” (8) nominees should be voted on in the order in which they are nominated and the process should continue until there is a majority approval of one of the nominees; and (9) as soon as one of the nominees receives a majority vote, the President should declare that person elected to the office and no vote is taken on any remaining nominees.

The Board will by majority vote appoint a Secretary and Treasurer, who will serve at the pleasure of the Board. (See Water Code sections 30540-30543.)

Rule 2 – Duties of President of Board

The President of the Board of Directors will be its presiding officer. (See Water Code section 30520.) The President's duties will include, but not be limited to, the following: acting as the liaison between the General Manager and the Board, calling special meetings of the Board, presiding over meetings of the Board, establishing and appointing committees of the Board, and appointing representatives of the District to associations of which the District is a member or in which it has a significant interest. The Board will appoint representatives of the District to joint powers authorities of which the District is a member. In the President's absence, the Vice-President of the Board will perform such duties. If both the President and Vice-President are absent from a noticed public meeting, the remaining three Board members will choose one of their number to preside.

Rule 3 – Time and Place for Regular Meetings

The regular monthly meeting of the Board of Directors will be held in the Boardroom at the District's administrative office (3701 Marconi Avenue, Suite 100, Sacramento, California) on the third Monday of each month, commencing at 6:30 p.m., except that the January regular Board meeting will be held on the fourth Monday of that month due to the Martin Luther King, Jr. Holiday and the February meeting will be held on the Monday following President's Day Holiday. The location, day and time for holding regular meetings may be changed by the Board of Directors from time to time by resolution. If a regular meeting falls on a different holiday (as listed in Government Code section 6700), the meeting will be held on the day designated by the Board by minute order. (See Government Code section 54954(a).)

Rule 4 – Quorum Requirements

The Board of Directors consists of five members. Three members of the Board will constitute a quorum for the transaction of business. (See Water Code section 30524 and Resolution 04-09, adopted April 19, 2004).

Rule 5 – Majority Vote

Three members of the Board will be required to approve any ordinance, resolution or motion, unless a different voting requirement to approve a particular action is specified under State law. (See Water Code section 30525.)

Rule 6 – What Constitutes an Affirmative Vote

Unless a Director is not voting because of a conflict of interest, a Director who is present for a vote on a matter before the Board will be deemed to have voted in the affirmative on a matter unless the Director votes against the measure by casting a "no" vote. An "abstain" vote will constitute an "aye" vote. (See *Dry Creek Valley Association, Inc. v. Board of Supervisors* (1977) 67 Cal.App.3d 839.) When calling for the vote on a motion, the President of the Board may (a) call for "aye" and "no" votes, or (b) ask if there are any "no" votes, since the remaining Directors present will be deemed to have voted in the affirmative unless they are not voting due to a conflict of interest.

Rule 7 – Conflicts of Interest

A member of the Board may not make, participate in making or in anyway attempt to use his or her official position to influence a decision of the Board of Directors in which he or she knows or has reason to know that he or she has a financial interest. (Government Code section 87100.) Generally, a Director has a financial interest in a matter if it is reasonably foreseeable that the Board decision would have a material financial effect (as defined by the Fair Political Practices Commission's ["FPPC"] regulations) that is distinguishable from the effect on the public generally, involving dollar amount set by FPPC regulations from time to time, on (a) a business entity in which the Director has a direct or indirect investment in the amount specified in FPPC regulations, (b) real property in which the Director has a direct or indirect investment interest, with a worth in the amount specified in FPPC regulations, (c) a source of income of the Director, in the amount specified in FPPC regulations, within twelve months before the Board decision, (d) a source of gifts to the Director, in the amount specified in FPPC regulations, within twelve months before the Board decision, or (e) a business entity in which the Director holds a position as a director, trustee, officer, partner, manager or employee. An "indirect interest" means any investment or interest owned by the spouse or dependent child of the Director, by an agent on behalf of the Director, or by a business entity or trust in which the Director, or the Director's spouse, dependent child or agent owns directly, indirectly or beneficially a ten percent interest or greater. (Government Code section 87103.)

If a member of the Board believes he or she may be disqualified from participation in the discussion, deliberations or vote on a particular matter due to a conflict of interest, the following procedure will be used: (a) if the Director becomes aware of the potential conflict of interest before the Board meeting at which the matter will be discussed or acted on, the Director will notify the General Manager of the potential conflict of interest, so that a determination can be made whether it is a disqualifying conflict of interest; (b) if it is not possible for the Director to discuss the potential conflict with the General Manager before the meeting, or if the Director does not become aware of the potential conflict until during the meeting, the Director will immediately disclose the potential conflict during the Board meeting, so that there can be a determination whether it is a disqualifying conflict of interest; and (c) upon a determination that

there is a disqualifying conflict of interest, the Director (1) will not participate in the discussion, deliberation or vote on the matter for which a conflict of interest exists, and (2) leave the Board room until after the discussion, vote and any other disposition of the matter has been concluded, unless the matter has been placed on the consent agenda, except that the Director may speak on the matter during the time that the general public speaks on the matter. In such a case, the Board minutes will state: “Due to a potential conflict of interest, Director _____ did not participate in the discussion, deliberation or vote on this matter.”

A Board member also is prohibited from having a financial interest in a contract with the District, or be purchaser at a sale by the District or a vendor at a purchase made by the District, unless the Board member’s participation is authorized under Government Code section 1090, 1091 or 1091.5, or other provisions of law. Any Director who has a prohibited interest in a contract proposed to be made by the District should declare the conflict as soon as it becomes known and the Board will not consider or take any further action in regard to such contract.

Rule 8 – Motions

The three steps for bringing a motion before the Board are: (a) a Director makes a motion, (b) another Director seconds the motion, and (c) the President states the motion. Once the motion has been stated by the President, it is open to formal discussion. While only one motion can be considered at a time, and a motion must be disposed of before any other question is considered, (a) a motion may be amended before it is voted on, either by the consent of the Directors who moved and seconded, or by a new motion and second, which is then approved by the Board, or (b) a motion may be tabled before it is voted on by motion made to table, which is then seconded and approved by the Board, or (c) a motion may be rejected without further discussion of or action on the motion by a motion of “objection to consideration,” which is then seconded and approved by the Board, or (d) further discussion of a motion can be terminated by a motion “to call the question,” which is then seconded and approved by the Board. Any Director, including the President, may make or second a motion.

Rule 9 – Protection of Rights of Directors

One of the primary purposes for these rules of procedure is to protect the rights of all Directors. The President will allow each Director a reasonable opportunity to discuss a motion, after it has been made and seconded, and before it has been voted on. The President can set reasonable time limits for discussion of a motion. A Director can object to a procedural ruling by the President by stating: “Mister/Madam President, I rise to a point of order.” The President must then ask the Director to state the point of order. The President will then rule on the point of order. The President’s ruling on a point of order may be appealed by a motion made and seconded to appeal the decision, which is then voted on by the Board.

Rule 10 – Record of Vote

Except where action is taken by the unanimous vote of all Board members present and voting, the ayes and noes taken upon the passage of all ordinances, resolutions or motions will be entered upon the minutes. (See Water Code section 30526.)

Rule 11 – Ordinances

The enacting clause of all ordinances passed by the Board will be: "Be it ordained by the Board of Directors of Sacramento Suburban Water District as follows:" (See Water Code section 30527.) All ordinances will be signed by the President and attested by the Secretary. (See Water Code section 30528.)

Rule 12 – Agenda and Agenda Materials

In consultation with the Board President, the General Manager will be responsible for preparing the agenda for regular Board meetings and meetings of standing and *ad hoc* committees (see Government Code section 54952 and Rule 22), and having the agenda for regular Board meetings and standing committee meetings posted at the District office in a location freely accessible to the public no later than seventy-two hours before a regular meeting and on the District's website. The agenda will specify the time and location of the meeting and contain a brief, general description of each item of business to be transacted or discussed at the meeting, including closed session items. (See Government Code section 54954.2.) Any member of the Board may request the General Manager to place an item for discussion or action on the agenda. In order to allow sufficient time to prepare the agenda and back-up materials, the deadline for adding items to the agenda for a regular meeting will be at 4 p.m., seven working days before the meeting. Any member of the public may make a request to the Board at any regular meeting to place an item for discussion on a future agenda, but such a request will be honored only if a majority of the Board approves by motion or consensus.

An agenda for a regular or special Board meeting will contain the following statements: (a) "The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item." (See Government Code section 54954.3(a).); (b) "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." (See Government Code section 54957.5(b)(2).); and (c) "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 [insert the name and telephone number of the person designated by the General Manager]. Requests must be made as early as possible, and at least one-full business day before the start of the meeting." (See Government Code section 54954.2(a).).

Rule 13 – Requests for Copies of Agendas and Agenda Materials

Any person may request the District to mail or electronically mail him or her a copy of the agenda or agenda packet for any meeting of the Board. When the District receives such a request, the General Manager or his/her designee will distribute copies of the requested materials (except for documents that are exempt from disclosure under the Public Records Act) to the requesting party at the time that the agenda is posted or when the agenda packets are distributed to a majority of the Board members, whichever occurs first. Any request for copies of agendas or agenda packets for all Board meetings in a given year will be valid for the calendar year in

which the request is submitted, and the request must be renewed after January 1 of each year in which it is to remain in effect. (Government Code section 54954.1.)

Documents that are distributed to all or a majority of the members of the Board by any person in connection with a matter subject to discussion or consideration at a regular or special meeting of the Board will be disclosable public records under the California Public Records Act (commencing with Government Code section 6250), and will be made available upon request by a member of public without delay, except as to documents that are exempt from disclosure under the Public Records Act. Any public documents related to an open session agenda item that are distributed to all or a majority of Board members by staff or any third party less than 72 hours before a regular Board meeting will be made available for public inspection at the same time. Such documents will be available for public inspection in the customer service area of the District's Administrative Office. Documents that are distributed during a regular or special Board meeting that are subject to disclosure under the Public Records Act will be made available for public inspection at the meeting, if prepared by the District or a member of the Board, or after the meeting, if prepared by some other person. The District may charge a fee for responding to requests for copies of agendas, agenda packets or other documents, which fee will be limited to the District's copying and postage costs as provided in the District's Records Inspection, Retention, Disposal, and Storage Policy (PL - Adm 002). (See Government Code section 54957.5(a) and (b).)

Upon request, the agenda and other documents referred to in this rule will be made available in an appropriate alternative format to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. section 12132) and the federal rules and regulations adopted in implementation thereof. (See Government Code sections 54954.1, 54954.2(a) and 54957.5(b).) The District will not charge a special surcharge to provide documents requested in an alternative format by a person with a disability in accordance with the Americans with Disabilities Act and its implementing regulations. (See Government Code section 54957.5(c).)

If the District records the meeting, it will retain the recording for at least thirty days following the meeting, after which it may be erased or destroyed. The public may inspect the recording on a computer made available by the District, without charge. (See Government Code section 54953.5(b).)

Rule 14 – Authority to Act on Matters Not on the Agenda

The Board will not take action on or discuss any item not appearing on the posted agenda, except under the following conditions, in which cases the item will be publicly identified before discussion begins: (a) upon a determination by a majority of the Board that an emergency situation exists, as further described in Rule 25 hereof; (b) upon a determination by a two-thirds vote of the Board members present at the meeting, or, if less than two-thirds of the members of the Board are present, a unanimous vote of those members present, that the need to take immediate action became apparent after the agenda was posted; or (c) the item was posted for a prior meeting of the Board occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action

is being taken. (See Government Code sections 54954.2 and 54956.5.)

Rule 15 – Consent Agenda

The General Manager may list on the agenda a “consent agenda,” which will consist of routine matters on which there is generally no opposition or need for discussion. Examples of consent agenda items might include approval of minutes, financial reports and routine resolutions. Any matter may be removed from the consent agenda and placed on the regular agenda at the request of any member of the Board. The entire consent agenda may be approved by a single motion made, seconded and approved by the Board.

Rule 16 – Oral Informational Reports

Any member of the Board may make an oral report at a regular meeting for the purpose of informing the Board of any matter of interest to the District. Regular meeting agendas will include specific items for Directors’ reports and comments. The Board also may call on the General Manager, District staff or District legal counsel for oral informational reports on matters not on the agenda. Unless the Board makes the determinations required under Rule 14, there will be no more than limited discussion, and no action, on matters covered in such oral reports. (See Government Code section 54954.2(a).)

Rule 17 – Public Forum and Comment

Every agenda for a regular meeting will provide an opportunity for members of the public to directly address the Board on items of interest that are within the subject matter jurisdiction of the Board and that do not appear on the agenda. This agenda item will be described substantially as follows: “Opportunity for public comment on non-agenda items within the Board’s jurisdiction.” During the Public Forum, the Board may, at its discretion, not respond, briefly respond to statements made or questions posed by the public, or ask District staff for clarification, refer the matter to District staff or ask District staff to report back at a future meeting. (See Government Code sections 54954.2 and 54954.3.) The Board will not take action on any matter raised during the Public Forum, unless the Board first makes the determinations set forth in Rule 14. In order to facilitate public participation during the Public Forum session of the meeting, the Board may limit the total amount of time allocated for public comment on a particular issue (ten minutes or less normally will be standard), and may limit the time allocated for public comment by an individual speaker (three minutes or less normally will be standard). The President may declare any comment as out of order, irrelevant, repetitious or disruptive. (See Government Code section 54954.3.)

It is the general policy of the Board to refer to the General Manager for resolution complaints received from members of the public. If the complaint cannot be resolved, the General Manager will place it on a future meeting agenda for consideration by the Board.

The public may address the Board concerning an agenda item during a regular or special Board meeting, including commenting on the closed session agenda prior to the Board adjourning into closed session, either before or during the Board's consideration of that agenda

item. (See Government Code section 54954.3(a).)

These rules are not intended to prohibit public criticism of policies, procedures, programs or services of the District, or of the acts or omissions of the Board. (See Government Code section 54954.3(c).)

In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting infeasible, and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the Board may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, will be allowed to attend any session held pursuant to this section. Nothing in this section will prohibit the Board from readmitting an individual or individuals not responsible for disturbing the orderly conduct of the meeting. (See Government Code section 54957.9.)

Rule 18 – Public Hearings

The procedure for conducting public hearings during a meeting of the Board will be as follows: (a) no earlier than the time set for the public hearing, the President of the Board will declare the public hearing open; (b) the President will ask the General Manager whether notice of the public hearing has been given in the manner required by law; (c) the President will ask the General Manager whether written comments on the subject matter of the public hearing have been received; (d) the President will ask whether any member of the public wishes to present written or oral comments on the subject of the public hearing; (e) in its discretion, the Board may set time limits on the amount of time an individual speaker is allowed to comment orally during the public hearing; and (f) following the close of presentation of comments and before any Board discussion and action on the subject matter, the President will declare the public hearing closed. The Board may continue a public hearing from time to time. A public hearing may be continued in accordance with the procedures described in Rule 19. (See Government Code section 54955.1.)

Rule 19 – Adjournment

A meeting of the Board will be adjourned by (a) loss of a quorum, (b) by declaration of the President that the meeting is adjourned when the agenda has been completed and there is no further business to come before the Board, or (c) by motion made, seconded and approved to adjourn the meeting. A regular or special meeting of the Board may also be adjourned for the purpose of continuing it to a specific day and time (a) by motion made, seconded and approved by a majority of the Board, (b) by approval of less than a quorum if a quorum is not present, or (c) by the Secretary of the Board if all members are absent from any regular or adjourned regular meeting. A copy of the order or notice of adjournment to continue a meeting to another date will be conspicuously posted on or near the door of the District office where the meeting was held within twenty-four hours after the time of adjournment. (See Government Code section 54955.)

Rule 20 – Special Meetings

A special meeting may be called at any time by the President or by a majority of the members of the Board, by delivering personally or by any other means, including mail, facsimile and electronic mail, written notice to each member and to each newspaper, radio or television station requesting notice in writing. Such notice must be received at least twenty-four hours before the time of such meeting as specified in the notice to constitute notice of the special meeting (except as to emergency meetings, in which case, the notice requirements specified in Rule 25 will be followed). Electronic mail will constitute notice of a special meeting only if the recipient confirms receipt, and it will be deemed to be received at the time of such confirmation. The call and notice for a special meeting must specify the time and place of the special meeting and the business to be transacted, and must include the statements specified in Rule 12. No other business will be considered at such meeting. The written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the District Secretary a written waiver of notice. Waiver may be given in person or by mail, facsimile, electronic mail or telegram. Such written notice may also be dispensed with as to any member who was actually present at the meeting at the time it convenes. Notice of a special meeting must also be posted at least twenty-four hours before the meeting in a location freely accessible to the public and on the District's website. (See Government Code sections 54954.3(a) and 54956.)

Rule 21 – Board Workshop Meetings

From time to time, the Board may set a regular or special meeting to be conducted as a “workshop meeting,” during which the Board would have the opportunity to receive presentations on and discuss matters identified on the agenda, but the Board would not normally take action on those items. Nothing in this rule is intended to prevent the Board from taking action on a matter during a workshop session if it is identified as an item for possible action on the agenda for that meeting.

Rule 22 – Board Committees

Board committees will be composed of less than three Directors, and may be either standing committees or *ad hoc* advisory committees. A Board standing committee has continuing subject matter jurisdiction. (See Government Code section 54952.) In accordance with Rule 12, standing committee meetings will be open to the public (except for authorized closed sessions), and the agenda for those meetings will be posted in the same manner as the agenda for regular Board meetings. In addition, the President may from time to time establish, and appoint the members of, *ad hoc* advisory committees to serve a limited or single purpose, which committees are to be dissolved once their specific task is completed. The meetings of an *ad hoc* advisory committee are not required to be open to the public, and notice of such meetings is not required to be posted. (See Government Code sections 54951 and 54952.)

Directors who are not members of a standing committee may attend a standing committee meeting only as observers, and they may not participate in the committee meeting, ask questions or sit with the committee members at the Board table. (See subsection (c)(6) of Government Code section 54952.2.) Directors who are not members of an *ad hoc* committee may not attend

an *ad hoc* committee meeting.

Rule 23 – Closed Sessions

A closed session may be held on any subject authorized under the Brown Act. The agenda for a regular or special meeting will contain a brief, general description of the purpose of a closed session, in substantially the following form:

a. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); _____ v. _____ [insert name of case, e.g., *Jones v. District*].

b. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); case name unspecified because _____ [insert either "disclosure would jeopardize service of process" or "disclosure would jeopardize existing settlement negotiations"].

c. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(2) and (3); significant exposure to litigation involving _____ [describe].

d. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(4); consideration of initiation of litigation involving _____ [describe or specify only number of cases if confidentiality is required or deemed necessary].

e. Public employee appointment involving _____ [insert position(s) to be filled]; Government Code sections 54954.5(e) and 54957(b)(1).

f. Public employee performance evaluation involving _____ [insert position(s) being reviewed]; Government Code sections 54954.5(e) and 54957(b)(1).

g. Public employee discipline/dismissal/release; Government Code sections 54954.5(e) and 54957(b). [No additional information required.]

h. Conference with labor negotiator involving _____ [insert name of District negotiator] and _____ [insert name of employee organization involved in negotiation]; Government Code sections 54954.5(f) and 54957.6.

i. Conference with labor negotiator involving _____ [insert name of District negotiator] and unrepresented employee(s) in position(s) of _____ [insert position(s) of unrepresented employee(s) involved in negotiation]; Government Code sections 54954.5(f) and 54957.6.

j. Conference with real property negotiator involving the purchase, sale, lease or exchange of _____ [insert street address or other description of property], _____ and _____ [insert name of District negotiator(s)], District negotiator(s), will negotiate with _____ [insert name of other party(ies)]. Instructions to the negotiator(s)

may include price, terms of payment, or both. (See Government Code sections 54954.5(b) and 54956.8.)

k. Closed session consultation [insert the name, if applicable, of a law enforcement agency, and the title of the officer, or the name of an applicable agency representative (legal counsel or security officer) and title] concerning a threat to public services or facilities, or for the assessment of the security vulnerability of public facilities. (See Government Code sections 54954.5(e) and 54957(a).)

The Board will not keep minutes of its closed sessions. (See Government Code section 54957.2.) In the closed session, the Board will consider only those matters covered in its statement of reasons for holding the closed session. (See Government Code section 54957.7.)

Before holding a closed session to consider complaints or charges against a particular employee (as distinguished from evaluation of performance unrelated to any specific complaint or charge), the District will provide twenty-four hours' advance written notice to the employee of his or her right to have the matter heard in open session. If the employee requests, the complaint or charges must be heard in open session. (See Government Code section 54957(b)(2).)

A closed session may be held to meet with the District's negotiator regarding the salary and benefits of District officers and employees, but not including elected officials, but the District's available funds, funding priorities or budget will not be discussed during the closed session except to the extent necessary to permit the Board to provide instructions to its designated labor negotiator(s). (See Government Code section 54957.6.)

Following every closed session, the Board will reconvene to open session and publicly report any action and vote during the closed session in accordance with the following guidelines:

a. For action concerning final approval of a real property purchase, sale or exchange agreement or lease, report in open session at the same meeting the action taken (including the substance of the agreement) and vote, except that, if final approval rests with another party, the report may be deferred until the other party's approval. (See Government Code section 54957.1(a)(1).)

b. Approval given to legal counsel to defend or initiate a lawsuit, or seek appellate review will be reported in open session at the public meeting during which the closed session was held. (See Government Code section 54957.1(a)(2).)

c. Approval given to legal counsel to settle pending litigation or action taken to dispose of a claim will be reported in open session as soon as the settlement or claim disposition becomes final. (See Government Code section 54957.1(a)(3) and (4).)

d. For action to appoint, employ or dismiss, accept the resignation of, or otherwise affect the employment status of an employee, the Board will report in open session at the same meeting the action taken (including identity of employee or position and any change in compensation) and vote, except that, for any dismissal or non-renewal of a contract, the report

back may be deferred until the first meeting after the exhaustion of administrative remedies. (See Government Code section 54957.1(a)(5).)

e. For action concerning a labor MOU, after the MOU has been approved by both parties, the Board will report in open session the action taken and vote. (See Government Code section 54957.1(a)(6).)

The District will make available after a closed session to anyone who has requested them in advance, agreements or other documents approved in closed session, unless the document needs to be revised, in which case it will be provided as soon as possible. After the closed session, changes to the agreement will be orally summarized if anyone present so requests. (See Government Code section 54957.1(b).)

A Director is not authorized, without prior approval of the Board of Directors, to disclose information that qualifies as confidential information under applicable provisions of law to a person not authorized to receive it, that (1) has been received for, or during, a closed session meeting of the Board, (2) is protected from disclosure under the attorney/client or other evidentiary privilege, or (3) is not required or authorized to be disclosed under the California Public Records Act.

A Director is not prohibited from taking the following actions in regard to a closed session of the Board: (1) making a confidential inquiry or complaint to a district attorney or grand jury concerning a perceived violation of law, including disclosing facts to a district attorney or grand jury that are necessary to establish the alleged illegality of an action taken by the Board, (2) expressing an opinion concerning the propriety or legality of actions taken by the Board in closed session, including disclosure of the nature and extent of the allegedly illegal action, or (3) disclosing information acquired by being present in a closed session that is not confidential information. Prior to disclosing confidential information pursuant to (1) or (2), above, however, a Board member will first bring the matter to the attention of either the President of the Board or the full Board, to provide the Board an opportunity to cure an alleged violation.

A Director's violation of the duty to protect closed session confidences may be remedied as provided in Government Code section 54963(c). A Director who willfully and knowingly discloses for pecuniary gain confidential information received by him or her in the course of his or her official duties may be guilty of a misdemeanor under Government Code section 1098.

(See Government Code section 54963, and 76 Ops.Cal.Atty.Gen. 289, 290 (1993) and 80 Ops.Cal.Atty.Gen. 231 (1997).)

Rule 24 – Meetings by Teleconference

The Board may hold meetings by teleconference. (See Government Code section 54953(b).) For purposes of this rule, "meetings by teleconference" include meetings at which one or more Board member attends and participates in the meeting by telephone, video conferencing or any other electronic means using live audio or video, or both. For any meeting by teleconference conducted by the Board, the following requirements will apply:

a. At least a quorum of the Board must participate in the teleconference meeting from locations within the District's boundaries and each teleconference location (i.e., the location from which one or more Board members attends and participates in a meeting by teleconference) will be accessible to the public.

b. When meetings by teleconference are held by telephone, speaker phones that allow all persons attending the meeting to hear and be heard will be used at the main meeting location and at any teleconference location where there are members of the public in attendance.

c. All votes taken at a meeting by teleconference will be by roll call.

d. The Board will conduct the meeting by teleconference in a manner that protects the statutory and constitutional rights of parties and the public to attend and participate in the meeting.

e. Each teleconference location will be identified in the regular meeting agenda or special meeting notice, and the agenda or notice will state that members of the public will have the opportunity to address the Board from any teleconference location.

f. Notice of any meeting by teleconference will be included in the meeting agenda or special meeting notice in substantially the following form:

“All or portions of this meeting will be conducted by teleconference in accordance with Government Code section 54953(b). The teleconference location(s) for the meeting are as follows: _____.
Each teleconference location is accessible to the public, and members of the public may address the Board of Directors from any teleconference location.”

g. In addition to the usual notice and agenda requirements, the regular meeting agenda or special meeting notice will be posted at all teleconference locations at least seventy-two hours before regular meetings or twenty-four hours before special meetings.

Rule 25 – Emergency Meetings

Under Government Code section 54956.5, a meeting to address an emergency may be held if a majority of the Board determines that a situation exists which involves matters upon which prompt action is necessary. An emergency situation is defined as: (1) a work stoppage, crippling activity, or other activity that severely impairs public health, safety, or both; or (2) a dire emergency, which shall be defined as a crippling disaster, mass destruction, terrorist act, or threatened terrorist activity that poses peril so immediate and significant that requiring the Board to provide one-hour notice before holding an emergency meeting may endanger the public health, safety, or both.

As a condition of holding an emergency meeting, the Board President or his/her designee shall provide notice of the meeting by telephone to each local newspaper of general circulation, radio station and television station that has requested notice of special meetings. For

a meeting for a “non-dire emergency” (Definition 1, above), the telephone notice must be provided at least one hour prior to the emergency meeting. In the case of a meeting for a “dire emergency” (Definition 2, above), the telephone notice must be provided to the media at or near the same time as notice is given to the members of the Board. In the event that telephone services are not functioning, the notice requirements of this section shall be deemed waived, and the legislative body, or designee of the legislative body, shall notify those newspapers, radio stations, or television stations of the fact of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

The Board may meet in closed session upon approval by a two-thirds vote of the Board (or the unanimous vote of the Board if less than two-thirds are present) to discuss security or employment matters related to the emergency situation. (See Government Code sections 54956.5(c) and 54957.)

With the exception of the 24-hour notice and posting requirements and any other exceptions provided in herein, all special meeting requirements described in Rule 20 shall be applicable to an emergency meeting called pursuant to this Rule.

The draft minutes of an emergency meeting called under this Rule must be posted in a public place for a minimum of 10 days as soon after the meeting as possible, and include a list of persons who the Board President or his/her designee notified or attempted to notify of the meeting, if applicable, any actions taken at the meeting, and a recording of any votes taken by roll call. (See Government Code section 54956.5(e).)

Rule 26 – Amendment of Rules

By motion made, seconded and approved, the Board in its discretion may at any meeting (a) temporarily suspend these rules in whole or in part, (b) amend these rules in whole or in part, or (c) both, as long as any amendment or suspension is otherwise consistent with the Brown Act and other applicable laws. Unless amended earlier, District staff will review these Rules for Proceedings biennially and recommend changes for Board consideration and action.



Agenda Item: 12

Date: August 14, 2017

Subject: ACWA Region 4 Election

Staff Contact: Robert Roscoe, General Manager

Recommended Board Action:

Direct staff to complete the ACWA Region 4 ballot by checking the box that says “I concur with Region 4 Nominating Committee’s recommended slate below.” Direct staff to submit the official ballot to the Association of California Water Agencies (ACWA) by September 29, 2017.

Discussion:

At the June 19, 2017 regular Board meeting, the Board adopted Resolution 17-07 nominating Dan York (AGM York) for Association of California Water Agencies (ACWA) Region 4 Board Member for the 2018-19 term. The District received the Region 4 notice and ballot (Exhibit 1), which includes AGM York as Board Member on the Nominating Committee’s slate for recommendations.

The recommended Region 4 Board Members, including the Chair and Vice Chair positions which will serve on the ACWA statewide Board of Directors, are selected by a nominating committee from the pool of candidates recommended by the ACWA member agencies. The Region 4 nominating committee consisted of: Mike Hardesty from Reclamation District 2068, Ron Greenwood from Carmichael Water District and Richard Atkins from Stockton East Water District.

As an alternative to voting for the slate of candidates recommended by the nominating committee, the Board may elect to ‘customize’ the District’s ballot by voting for individual candidates, or electing to not cast a vote at all.

If the Board elects to cast a ballot, the ballot must be completed, signed and submitted to ACWA by September 29, 2017. The elected candidates will serve a two year term which begins January 1, 2018.

Fiscal Impact:

Minimal.

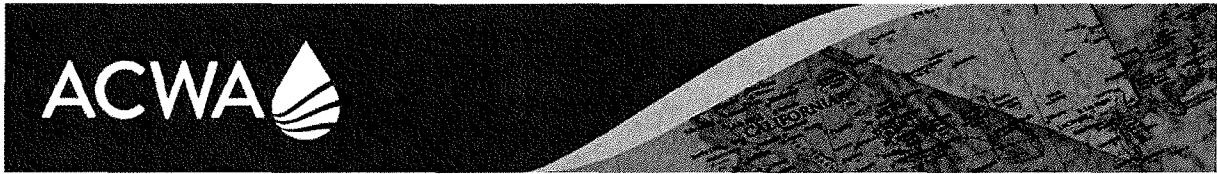
Strategic Plan Alignment:

Leadership – 5.B. Engage in a role with professional water industry groups to provide proficiency in technical and policy matters.

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

Representation is warranted in the interest of District customers.

EXHIBIT 1



TO: ACWA REGION 4 MEMBER AGENCY BOARD PRESIDENT
AND GENERAL MANAGER

Ballot for Region 4 Board Election for the 2018-2019 Term

It is time to elect the 2018-2019 ACWA Region 4 Chair, Vice Chair, and board members who will represent and serve the members of Region 4. Attached, you will find the official ballot which includes the Region 4 Nominating Committee's recommended slate as well as individual candidates running for the Region 4 Board.

Your agency is entitled to cast only one vote. Please review the attached ballot and have your agency's authorized representative cast its vote for the slate as recommended by the Region 4 Nominating Committee or cast its vote for an individual Region 4 chair, vice chair and three to five board members.

2018-2019 ACWA Region 4 Ballot is located HERE.
Region 4 Rules and Regulations are located HERE.

Submit the electronic ballot to ACWA by September 29, 2017.
(Ballots received after September 29 will not be accepted.)

REMEMBER, YOUR VOTE IS IMPORTANT. Region 4 Board members are elected to represent the issues, concerns and needs of your region. The Region 4 chair and vice chair will serve on ACWA's board of directors for the next two-year term beginning January 1, 2018. Additionally, the newly elected chair and vice chair will make the Region 4 committee appointment recommendations to the ACWA president for the 2018-2019 term. Also, either the chair or vice chair will hold a seat on the ACWA Finance Committee.

If you have questions, please contact your Regional Affairs Representative, Ana Javid, at anaj@acwa.com or call 916-441-4545.

Thank you for your careful consideration and participation in the Region 4 election process.

OFFICIAL

REGION 4 Board Ballot

2018-2019
TERM

CLEAR FORM



**Please return completed ballot
by September 29, 2017**

E-mail: anaj@acwa.com
Mail: ACWA
910 K Street, Suite 100
Sacramento, CA 95814

General Voting Instructions:

- 1 You may either vote for the slate recommended by the Region 4 Nominating Committee or vote for individual region board members. Please mark the appropriate box to indicate your decision.
- 2 Complete your agency information. The authorized representative is determined by your agency in accordance with your agency's policies and procedures.

Nominating Committee's Recommended Slate

I concur with the Region 4 Nominating Committee's recommended slate below.

CHAIR:

- **Pamela E. Tobin**, Director, San Juan Water District

VICE CHAIR:

- **Mark Emmerson**, Director, Carmichael Water District

BOARD MEMBERS:

- **Bryan Busch**, General Manager, Reclamation District No. 2068
- **Thomas McGurk**, Director, Stockton East Water District
- **John Mensinger**, Director, Modesto Irrigation District
- **Kristin Sicke**, Assistant General Manager, Yolo County Flood Control & Water Conservation District
- **Dan York**, Assistant General Manager, Sacramento Suburban Water District

Individual Board Candidate Nominations

I do not concur with the Region 4 Nominating Committee's recommended slate. I will vote for individual candidates below as indicated.

CANDIDATES FOR CHAIR: (CHOOSE ONE)

- Mark Emmerson**, Director, Carmichael Water District
- John Mensinger**, Director, Modesto Irrigation District
- Pamela E. Tobin**, Director, San Juan Water District

CANDIDATES FOR VICE CHAIR: (CHOOSE ONE)

- Mark Emmerson**, Director, Carmichael Water District
- John Mensinger**, Director, Modesto Irrigation District
- Pamela E. Tobin**, Director, San Juan Water District

CANDIDATES FOR BOARD MEMBERS: (MAX OF 5 CHOICES)

- Bryan Busch**, General Manager, Reclamation District No. 2068
- Mark Emmerson**, Director, Carmichael Water District
- Thomas McGurk**, Director, Stockton East Water District
- John Mensinger**, Director, Modesto Irrigation District
- Kristin Sicke**, Assistant General Manager, Yolo County Flood Control & Water Conservation District
- Pamela E. Tobin**, Director, San Juan Water District
- Dan York**, Assistant General Manager, Sacramento Suburban Water District

AGENCY NAME

AUTHORIZED REPRESENTATIVE

DATE



Agenda Item: 13

Date: August 10, 2017

Subject: Resolution No. 17-11 Amending Regulations Nos. 1, 7 and 9 of the Regulations Governing Water Service

Staff Contact: Dan York, Assistant General Manager
John Valdes, Engineering Manager
David Espinoza, Associate Engineer

Recommended Board Action:

Adopt Resolution No. 17-11 Amending Regulations Nos. 1, 7 and 9 of the Regulations Governing Water Service.

Discussion:

The Regulations Governing Water Service is a District Ordinance that provides the direction for governance of the business related functions necessary to operate the various processes performed to serve water to our customers. Each year, staff reviews the ordinance and recommends changes for Board review and approval. The annual changes typically reflect updated information, clarity edits, updates to fees and rates, and incorporation of policy changes enacted by the Board.

The changes being proposed are to provide clarity and avoid conflict by removing design standards identified in the Regulations which are already described in the District's Improvement Standards and Technical Specifications. As stipulated in the District's Policy PL – Eng 001, the Improvement Standards and Technical Specifications ("Standards") is the appropriate document to set minimum acceptable quality of design and construction of water infrastructure improvements. The California Water Code under Section 30580(a) also authorizes the General Manager to have "full charge and control of the maintenance, operation, and construction of the water works or water-works system of the District." In an effort to eliminate any conflict or discrepancy between the District Regulations and the Standards, the amendment of Regulations 1, 7, and 9 is being proposed. The proposed changes to the regulations have been reviewed by Legal Counsel.

Staff is presenting amendments to Regulations 1, 7, and 9 for public comment and Board approval. The Ordinance was adopted on April 18, 2004. A redline/strikeout version of the proposed amendments are included with this report as Exhibit 1. To save paper, a clean version is available upon request.

The following provides a summary of the edits to these regulations:

Regulation 1 is amended to delete language referencing Regulation 9, Section N and O and instead reference District Standards Section D as follows:

- 1. Adequate and Reserve Capacity – Reference to the proposed deleted section of the Regulations was removed and replaced with reference to the District Standards.
- 28. Final Approval – Substituted the definition of District Standards.
- 52. District Standards – Replaced title with “District Standards” for consistency within the document and alleviate any ambiguity and confusion. As a result of renaming this definition, District Standards is now Article 22.

Regulation 7 is amended as follows:

- Article B – Section 2(d) – Plans and Specifications was replaced with District Standards.
- Article C – Section 2(b) – An update to the fire code reference.
- Article E – Section 1 was modified to omit Regulation 9 Sections N & O for the updated District Standards and Section D, Design Standards. Similar changes were made to Sections 2(a – 1) and 2(b – 1).
- Article E – Various sections were amended to include District Standards and Section D, Design Standards in place of Regulation 9 Sections N & O.
- Article G – Revised to include District Standards for resubmitted plan reviews.
- Article H – Section 5(a – 5) was revised to include Standards.
- Article H – Section 11 has been brought up-to-date by removing inaccurate verbiage.
- Article M – Updates were made to reflect changes made in Regulation 1.

Regulation 9 is amended as follows:

- Article A – Includes changes made to replace Sections N & O with District Standards D, this change was also made on Article A – Section 1.
- Article N – Deleted as content is included in the District’s Improvement Standards and Technical Specifications.
- Article O – Deleted as content is included in the District’s Improvement Standards and Technical Specifications.

Fiscal Impact:

Negligible or no fiscal impact is expected as a result of these Regulation changes.

Strategic Plan Alignment:

Water Supply – 1.B. Provide for the long-term water supply needs of the customers through prudent planning that will ensure capacity to serve system demands.

Water Supply – 1.D. Manage the District’s water supplies to ensure their quality and quantity.

Approval of the amendments to the Regulations Governing Water Service will improve staff’s ability to operate efficiently and allow District customers to better understand the regulations upon which staff bases decisions while implementing Board policy.

EXHIBIT 1

Regulation No. 1 Definitions

Adopted: July 19, 2004

Amended: November 17, 2008; December 21, 2009; June 15, 2015; August 21, 2017

1. Adequate and Reserve Capacity

The amount of capacity in District water mains sufficient to supply potable and all other types of water service to an Applicant's Parcel in accordance with the velocity and pipe size specifications set forth in ~~Regulation 9, Sections N and O~~ the District Standards, Section D.

2. Administration Cost

A charge that is assessed to accounts to pay certain costs of providing special District services, for example large landscape irrigation agreements, wholesale water contracts, and duplicate billing to tenants.

3. Agent

A person or company designated by the Landowner to manage a property or to act on behalf of a Customer.

4. Applicant

A person or entity, including a developer of a subdivision or any individual Parcel, that files an application for services with the District.

5. Application for Water Service

A formal, written application requesting water service from Sacramento Suburban Water District to a specific Premises, in a form provided by the District, together with such plans, specifications, and payment of all fees that the District's then-applicable Regulations shall require.

6. Auxiliary Water Supply

Any water supply on or available to a Premises other than water supplied by the District.

7. AWWA

American Water Works Association, a national nonprofit association that provides scientific and educational assistance to public and private water purveyors for managing and operating water resources and facilities.

8. Backflow

The reverse flow of water or any other fluid or substance or any combination or mixture thereof from a Customer's System into the District's water system caused by Cross-Connection with Auxiliary Water Supplies or with sources of possible contaminated water.

9. Backflow Prevention Assembly

Equipment used to protect the District's water system against actual or potential Backflow. All Backflow Prevention Assemblies installed within the District shall comply with state and local laws and regulations, including District regulations.

10. Certified Tester

A person who is certified as a Backflow Prevention Assembly General Tester by Sacramento County or other agency having jurisdictional authority.

11. Check Valve Assembly

A mechanical device installed on either a main line or service line to restrict the flow of water in one direction only.

12. Contract

A written agreement between the District and a second party that defines and creates one or more obligations to take or to refrain from taking a certain action or actions.

13. Control Valve

A device used to control or shut off the flow of water, including to a Service Connection.

14. Cross-Connection

Any connection or link between District's water distribution system and an Auxiliary Water Supply, piping system, plumbing fixture, appliance, container, receptacle, vessel or

other device of any nature that may permit contaminated or used water or other fluid of questionable or unsafe quality, or any other substance of any nature other than the potable water supplied by District, to enter any part of the District's water distribution system.

15. Cross-Connection Control Representative

A Certified Tester or Cross-Connection Control Specialist authorized by the District to administer the Cross-Connection Control and Backflow Program.

16. Curb Stop

A District Control Valve located in a water service pipe near the curb and between the water main and building. This valve is usually located in the main side of the service meter box and is operated with a valve key or wrench to stop and start flows in the water service line to the building. Lockable Curb stops are also used to lock out a water Service Connection at the Point of Responsibility.

17. Customer

Any Landowner, Tenant or other water user who is entitled to service from or who pays a water bill to the District.

18. Customer's System

Non-Responsible Facilities located and attached to the outlet side of the Point of Responsibility.

19. Developer

Developer and Owner shall mean one and the same.

20. District

The Sacramento Suburban Water District.

21. District Board of Directors

The governing body of the District composed of five Directors elected by divisions of voters residing within the District's boundaries.

22. District Standards

The District's specific requirements for water service plumbing, facilities, and equipment provided in the document entitled District's Improvement Standards and Technical

Specifications and all subsequent amendments or replacements to any such requirements or documents.

| 223. District Water System

The water transmission and distribution system owned and operated by the District, including all piping, fittings, valves and other equipment used to supply water to Customers up to and including the Point of Responsibility.

| 234. Existing Non-Metered Water Service

Services installed on single-family residences prior to April 2, 1991 that do not include a Meter and which are billed on a flat rate, also known as “flat rate service.”

| 245. Extension Facilities

New pipelines and related water service facilities of whatever type installed for the purpose of improving existing District water service and/or extending it to unserved or annexed areas.

| 256. Facilities Development Charge

A charge imposed by the District to cover a portion of the District’s costs incurred for installing wells, pumps, and treatment, storage and transmission facilities to serve increased demand for water service within the District.

| 267. Facilities Development Fund

Eighty percent of the fees received from Facilities Development Charges are placed in this fund to offset District costs for infrastructure necessary to meet requirements of the District Master Plan or to serve new development.

| 278. Facilities Reimbursement Fund

Twenty percent of the fees received from Facilities Development Charges are placed in the fund to reimburse Applicants that upsize Extension Facilities as required by the District to meet planning requirements for future development and redevelopment as related to Master Plan requirements.

| 289. Final Approval

The District’s written certification that installed water facilities are in compliance with all regulations, ~~plans and specifications~~District Standards, that all plans and supporting documents have been delivered to the District as its property, that all documents have been approved by the District, and that all required fees have been paid, as evidenced by

a District form dated and signed by the District General Manager or his/her designated representative.

| 3029. Furnish Only Materials

Meters and related materials supplied by the District and required to be installed by an Applicant at its cost, which are supplied to an Applicant upon payment of furnish-only fees established by the District.

| 301. Inactive Account

An account applicable to a Parcel with an existing service connection to which the District is not currently supplying water service and for which water service bill is not being rendered.

| 342. ISO (Insurance Services Office) Fire Suppression Standards

Fire demand pipe size requirements specified by the fire suppression rating schedule published by the ISO, Edition 6.80, or most current edition.

| 323. Local Agency Formation Commission (LAFCO)

A statutory, quasi-judicial, countywide commission responsible for approving boundary changes for, and the consolidation or reorganization of, local public agencies, including the District.

| 334. Landowner

A person who possesses a fee interest in a Parcel located within the District's boundaries.

| 345. Meter

A device capable of measuring the quantity of water delivered by the District to a Service Connection.

| 356. Metered Rates

Water service fees and charges that are calculated from monthly consumption measured by a Meter attached to a Service Connection serving any Water User within the District.

| 367. Meter Setters

A prefabricated copper device constructed to house a water Meter with valves on the inlet and outlet side of the device.

| 378. New Service

A Service Connection provided to a Parcel not previously served by the District or a reactivation of an inactive Service Connection.

| 389. Non-Residential Parcel

A. Any commercial, industrial, institutional and/or multi-family parcel based on the land use code obtained from Sacramento County.

B. For rate purposes Multi-family parcels are defined as:

1. An improved Parcel containing five or more residences each containing a family unit or group.

| 3940. Non-Responsible Facilities

Water service facilities that the District does not own and for which it is not responsible to install, operate, use, repair, maintain or replace. Non-Responsible Facilities include all privately owned and maintained Service Connections located on any Parcel beyond the Point of Responsibility.

| 401. Parcel

Any piece of real property within the District defined on a parcel or subdivision map or designated by any other legal means, and to which the Sacramento County Assessor has or will assign an assessor's parcel number.

| 412. Plan approval

The District's services related to approval of an Applicant's final plans for an improved Parcel, as evidenced by the date and signature of an authorized District representative on the final plans.

| 423. Point of Responsibility

- a. Metered Service: The connection point of the Customer's System at the outlet side of the Meter Setter where a Landowner's responsibility for all conditions, maintenance, repairs, use and replacement of water service facilities begins, and the District's responsibility ends.
- b. Non-Metered Service: The connection point of the Customer's System at the outlet side of either a Curb Stop or an unmetered Meter Setter where a

Landowner's responsibility for all conditions, maintenance, repairs, use and replacement of water service facilities begins, and the District's responsibility ends.

- c. Private Fire Service: The connection point at the District's main shut-off valve connecting the District's water main and the inlet side of the Private Fire Service facilities where a Landowner's responsibility for all conditions, maintenance, repairs, use and replacement of water service facilities begins, and the District's responsibility ends.

| 434. Point of Service

- a. Private Fire Hydrants: The District's Point of Service begins at the District's main shut-off valve located at the District's supply water main.
- b. Private System: The District's Point of Service begins at the District's main shut-off valve located at the District's supply water main.

| 445. Premises

A residential or non-residential Parcel together with all buildings, facilities, equipment, and other fixtures and personal property located thereon.

| 456. Principal Boundary

All boundaries of an Applicant's Parcel that abut one or more public rights-of-way.

| 467. Private System

Non-Responsible Facilities utilized by a Landowner solely for private use on a Parcel. Private use can be, but is not limited to, fire suppression in the form of fire sprinklers or fire hydrants. Private systems shall be separated from a public system by an approved backflow assembly.

| 478. Residential Flat Rate

Non-Metered water service fees and charges that are calculated according to estimated water consumption, size of service line and the size of the Parcel per the Sacramento County Tax Assessor's parcel maps.

| 489. Residential Parcel

An improved Parcel containing a single family residence, or an improved Parcel containing up to four residences each containing a family unit or group. A duplex, triplex, or fourplex shall be considered Residential Parcels.

| 4950. Service Connection

The water piping system connecting a Customer's System with a District water main beginning at the outlet side of the Point of Responsibility, including all plumbing and equipment located on a Parcel downstream of the Meter outlet, Curb Stop or Meter Setter required for the District's provision of water service to that Parcel.

| 510. Service Valve

The equipment located at the inlet side of the Point of Responsibility by which the District controls water service to a Parcel.

| 512. Single Family Parcel

An improved Parcel used as a place of residence by one family unit or group.

~~52. Standard Specifications and Plans~~

~~The District's specific requirements for water service plumbing, facilities, and equipment provided in the document entitled District's Improvement Standards and Specifications approved by the Board of Directors and all subsequent amendments or replacements to any such requirements or documents.~~

53. Surcharge

A limited-term, specific purpose charge assessed to all or to a class of Customers to repay certain costs incurred by the District, such as bond indebtedness issued to finance District capital projects.

54. Tenant

A person or entity leasing or renting a Parcel or Premises from a Landowner.

55. Up-Sized Line

Mainline facilities having capacity in excess of that necessary to supply existing water demand to a specific area or Parcel with an Adequate and Reserve Capacity of water, but

which is deemed necessary by the District to provide an adequate future water supply to the area or Parcel. The District will bear the cost of an Up-Sized Line.

Regulation No. 7 New or Additional Service Connections

Adopted: July 19, 2004

Amended: December 19, 2011; March 19, 2012; January 28, 2013;
March 18, 2013; April 21, 2014; June 15, 2015; March 21, 2016; March 27, 2017;
August 21, 2017

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

A. New or Additional Service Connections Generally

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

B. No Prior Service

1. Adequate Main Abuts Applicant's Parcel

A New Service will be connected provided the following conditions are fulfilled:

- (a) The Parcel to be served is within the District's geographical boundaries or is annexed to the District in accordance with an order of LAFCO;

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

2. No Adequate Main Abuts Applicant's Parcel

Service will be connected provided the following conditions are fulfilled:

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

- (e) An Application for Water Service has been filed with the District in compliance with Section D, hereof.

C. Prior Service

- 1. A Parcel to which service has been discontinued will be re-connected upon the filing of a new application together with the payment of all fees and the upgrade of all District facilities affected by the re-connection as required by District Regulations.
- 2. If any one of the following, but not limited to, conditions exists on an Applicant's Parcel, the District will require an upgrade of the existing service before reconnection to the District Water System will be permitted:
 - (a) An improvement on the Parcel requires an increase in water pressure or quantity. The District's increase of water pressure or quantity determination shall be based on the quantity of added water use facilities to be installed as a result of the improvement. The Applicant's engineer shall submit to the District a record of all the plumbing fixtures and flows required to serve all existing and proposed improvements on the Applicant's Parcel. Based on this information, the District shall determine if the existing service is adequate to serve the Premises. The District shall use AWWA Standards to determine the adequacy of all services and the consequent need for upgrades.
 - (b) An improvement on the Parcel requires increased water pressure or quantity ~~in order to satisfy ISO Fire Suppression Standards as more specifically described in Regulation No. 9, Section O~~ in order to meet fire demand as computed under the fire suppression rating schedule, published by the California Fire Code (Edition 2013, or latest edition).
 - (c) An improvement changes a multiple unit Premises from master-metered to individually-metered units.
- 3. In those cases when service has not been interrupted but the Parcel has been improved, the provisions and requirements of Regulations Nos. 7 and 9 hereof shall apply if any one of the conditions described above in subparagraph 2 exists.

D. Application for Service

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

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

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

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

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

E. Water Main Sizes

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

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

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

F. District Final Plan Approval

The date of the District's final Plan Approval is defined as that date when the District shall, after receipt of all applicable fees, charges, applications and grants of easements, date and sign the Applicant's plans as approved for construction, or where no Extension Facilities are required, on that date when the District shall, after receipt of all applicable fees, charges, application and grants of easements, approve and date the said application. Should Applicant not obtain District's approval of his or her plans, the Applicant shall not be allowed to connect to the District Water System until he or she has obtained final Plan Approval. The District's Final Plan Approval is subject to all time limits and other

restrictions provided in this Regulation 7 and such approval does not create any vested right in an Applicant except to the extent provided herein.

G. Expired Plans/Un-Built Projects

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

H. Charges for New or Improved Service Connections

1. Plan Check Fee

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

2. Service Line Charge

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

3. Service Line Relocation

The District charge for the relocation of a service line from the existing water main to an Applicant's Parcel (which will be relocated according to District Standard~~current specifications~~) shall equal the District's actual cost of materials, installation, labor, equipment, and normal overhead charges. The charge for relocation of a service line shall be in accordance with Regulation 3, Section V.

4. Water Meters

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

5. Facilities Development Charge

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

Meter Size	Facilities Development Charge*
5/8"	\$3,228.00
3/4"	\$4,817.00
1"	\$8,045.00
1 1/2"	\$16,041.00
2"	\$25,676.00
3"	\$48,172.00
4"	\$80,304.00
6"	\$160,559.00
8"	\$256,904.00
10"	\$369,339.00
12"	\$541,941.00

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

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

The effective date of the recalculated Facilities Development Charges will be April 1st. A comprehensive review and update of Facility Development Charge methodology shall occur at least every five years.

Private Fire Protection

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

**Each year the Private Fire Protection Connection Fee will be adjusted to reflect cost changes in materials, labor and other relevant costs. The cost adjustment shall be made by applying one or more specific cost indexes or other periodic data sources. A specific cost index or periodic data source must be:

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

The effective date of the recalculated Private Fire Protection Connection Fee will be April 1st. A comprehensive review and update of Private Fire Protection Connection Fee shall occur at least every five years.

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

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

6. Supervision and Inspection Charges

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

construction, the cost shall be billed separately to the contractor. The contractor's payment of billed damages shall be due as a condition of commencing water service and final District acceptance of the improvements. The charge for Supervision and Inspection shall be in accordance with Regulation 3, Section S.

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

7. Fire Hydrant Flow Test

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

Flow tests will be performed either in the field or using the District's updated water model. Tests will be performed by District staff as time allows but not to exceed 4 weeks after a request is made. For design purposes, fire flow tests using the water model will be run with the most conservative assumptions reasonable in order to establish the projected worst case conditions prevailing in the District's water system.

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

8. Bacteriological Testing

After installation and disinfection, the District will sample all new Extension Facilities and have the sample tested by a certified laboratory for bacteria. The Extension Facilities will be super-chlorinated and flushed using at least three times the volume of water in the facilities before bacteria testing is to begin. After flushing is complete, the first set of bacteria testing will be collected from the Extension Facilities. 24 hours after the first collection, a second set of bacteria testing will be collected. If the new Extension Facilities fail to meet applicable federal, state and local bacteriological standards, the Applicant will be responsible for re-disinfecting and re-testing those facilities until they pass. A charge for this test and any required retests will be assessed in accordance to Regulation 3, Section J.

9. Backflow Prevention Assembly Test Charge

A charge will be assessed for the District to test all Backflow Prevention Assemblies as part of a new development to verify the operating status of each such device. If a Backflow Prevention Assembly does not pass the first inspection, the Applicant will be required to repair the Backflow Prevention Assembly and re-test it at the Applicant's expense. Each backflow test charge shall be in accordance with Regulation 3, Section D.

10. Environmental Document Charge

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

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

11. Furnish-Only Fees

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

I. Water Service

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

1. No service shall be granted or continued unless an Applicant has filed an application for service on a District-furnished form.
 - (a) All new construction and improved Parcels shall have a Meter installed on the Principal Boundary no more than one foot behind a sidewalk or curb.

- (b) Monthly water billing shall be computed on actual consumption based on the Metered Rates in Regulation No. 3.
 - (c) A separate Service Connection and Meter shall be installed on each Parcel. A separate Service Connection may include multiple meters except as otherwise limited by this Regulation 7.
 - (d) If a Parcel is found to be served by more than one Service Connection, it will be at the sole discretion of the District, in consultation with the Customer, to determine how the parcel will receive water through a metered connection(s). The owner of the parcel will be responsible for the cost of any changes to the service configuration, including the abandonment of any existing unused Service Connection or the upgrade to District current standards of additional Service Connections as determined necessary by the District.
 - (e) The minimum water service size for a new residential Service Connection shall be one inch in diameter.
 - (f) No more than one Service Connection per Single Family Residential Parcel will be permitted unless otherwise determined by the District.
 - (g) Each residential unit is required to have its own District-approved Service Connection.
 - (h) A separate metered irrigation service shall be required for all non-residential units.
 - (i) No credit will be allowed for vacancies in multiple family residential units.
 - (j) All non-residential services and multi-family residential structures containing 5 or more units fed from a single connection services shall have water meters with an approved Backflow Prevention Assembly.
2. Use of a 5/8" meter shall be limited to multi-family residential units fed by a single water service such as, but not limited to, duplexes, triplexes, fourplexes, apartment buildings with five or more residential units, and condominiums.
3. Voluntary Meter Installation on an Existing Residential Service
- (a) At a Customer's request, the District will install a permanent Meter on an existing un-metered Service Connection for a residential Parcel at no direct charge. However, should the Parcel be within a current main replacement project area that is scheduled for a new water service installation a new meter will be installed only after the installation of the new water main.

- (b) Upon installation of a Meter, the District will compute and charge the Parcel's water bill based on actual consumption at the Metered Rates stated in Regulation No. 3.

J. Connection to Facilities Extended by District

1. If an Applicant for water service to a Parcel fronting Extension Facilities built with District funds desires to connect to such facilities, he or she shall deposit with the District, together with a New Service application, a portion of the total cost of designing and installing the Extension Facilities. The Applicant's cost share shall be determined by comparing the length of the Applicant's frontage along the right-of-way in which the water service facilities will or have been located to the total combined frontage along said right-of-way of all Parcels served by the Extension Facilities. The District also will calculate and charge all other applicable fees and charges established by District Regulations.
2. If an Applicant chooses, payment of the costs and charges to connect to District-constructed Extension Facilities as defined in Regulation 9, Section A may be deferred for a period not to exceed 12 months from the date on which the District approves the Application for Water Service, provided:
 - (a) The Applicant requests the District defer the charges in writing before the date the application is approved, and
 - (b) The full amount of such fees and charges together with interest thereon at the legal rate is guaranteed by a surety bond issued by a surety company acceptable to the District, and the Applicant executes an agreement to make such payment together with interest at the legal rate within the 12-month deferment period, and
 - (c) The deferment is not transferable.
3. Reimbursement for eligible costs of Extension Facilities as defined by Regulation 9, Section A will not be made until all connection charges have been paid by the Applicant.

K. Abandonment of Service Line

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

L. Existing Services

All Service Connections that are not directly affected by an improvement, but which exist on a Parcel to be improved, shall be upgraded to current District Standards if the

Landowner intends to use such service(s) in the future. If the unaffected Service Connection(s) will not be used, the Landowner shall be required to abandon such service(s) in accordance with District Standards. This requirement applies to all services that serve other buildings or appurtenances on the Parcel being improved.

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

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

M. Existing Services on Split Parcels

After a parcel split, the existing service will serve only the Parcel on which it is installed. If any unserved portion of a split Parcel will be developed, the Landowner shall be required to install a New Service on such Parcel in accordance with all applicable District ~~Standards, Ordinances, rules, and Regulations, plans and specifications.~~

Regulation No. 9
Extensions of and Additions to District Facilities

Adopted: July 19, 2004

Amended: December 21, 2009; December 20, 2010; January 28, 2013;
June 15, 2015; August 21, 2017

A. Extension Facilities

Extension Facilities are a water distribution system, including without limitation, water mains, storage tanks, pumps, wells, and appurtenances, which provide for water transportation and/or production to a Parcel or Parcels not presently served by an adequate water supply as the same is defined in ~~Sections N and O~~ of the District Standards hereof. There are two classes of such facilities, namely:

1. Applicant's Cost: In those situations where the District does not maintain a main line of Adequate and Reserve Capacity in a street or public right-of-way completely fronting the Applicant's Parcel(s), the Applicant shall install, at Applicant's sole cost, Extension Facilities of the size defined in ~~Sections N and O~~ District Standards, Section D fronting his, her or its Parcel(s) in the public right-of-way. As used in this Section, street or public right-of-way shall be plural when the Applicant's Parcel(s) fronts streets or public rights-of-way on two (2) or more sides. In this situation, the Applicant shall provide Extension Facilities on the Principal Boundary that correlates to the District Master Plan as a necessary extension to provide for future extension of the District Water System. Should the Applicant be required to service the Parcel(s) on the other right-of-way, then the Applicant shall be required to also provide a water main of Adequate and Reserve Capacity along this frontage; said mains shall be of the size defined in ~~Sections N and O~~ District Standards, Section D ~~hereof~~ from a point where a water main of Adequate and Reserve Capacity exists to the point most distant from that main on the Principal Boundaries of the Applicant's Parcel(s).
2. District's Cost: There will be situations where additional water demand will require the installation of additional Extension Facilities beyond Applicant's Principal Boundary or Up-Sized Lines, or where future development will require the installation or construction of such facilities that otherwise would be prohibited from construction for a period of time by the County of Sacramento. In such cases, the District may, at its cost, authorize the construction of such Extension Facilities or Up-Sized Lines as are deemed necessary by the Board of Directors to comply with the current District Master Plan.

B. Location, Design, and Specifications of Extension Facilities

The location, design, and specifications of all Extension Facilities shall be determined by the District's Master Plan and by the application of the provisions of this Regulation and Regulation 7, and the application of the District's ~~Standards, Specifications and Plans~~ and all revisions thereof.

C. Ownership and Operation

Extension Facilities constructed in accordance with the District's requirements shall, upon acceptance by the District, be owned, operated, and maintained by the District as part of its water storage and distribution system. As a condition of approval of Extension Facilities, the Applicant will convey the new facilities to the District if constructed at Applicant's cost. Prior to acceptance by the District in writing, ownership and responsibility of all Extension Facilities shall remain the Applicant or the Applicant's contractor, agent or other authorized representative. The Applicant shall provide and fund a one-year guarantee bond or similar security on all Extension Facilities. The guarantee period shall begin on the date of final acceptance by the District.

D. Location of Existing Facilities

All existing facilities located on an Applicant's Parcel or Parcels that are situated above ground or at ground level shall be relocated below ground as specified in the District's ~~Standards, Specifications and Plans~~. All such relocations shall be at Applicant's cost.

E. Location of Extension Facilities

Extension Facilities shall be located as determined in the District's sole discretion on land granted to or owned by the District in fee, in a public right-of-way, or in an easement granted to and accepted by the District. The Applicant will, without cost to the District, cause to be conveyed or granted such lands and/or easements as the District determines to be necessary for the Extension Facilities. The land and/or easement shall be conveyed to the District free and clear of all liens and encumbrances. An Applicant's failure to cause to be conveyed or granted the lands and/or easements required by the District as a condition of acceptance of Extension Facilities shall be grounds for the District to refuse to provide water service to the Applicant or cause discontinuance of any existing service until such facilities are furnished.

F. Payment of Cost of Extension Facilities

Except for the incremental cost of any required Up-Sized Lines or other facilities to be built at the District's cost in accordance with Section A.2, the Applicant shall pay all costs of constructing the Extension Facilities required to serve his, her or its Parcel or Parcels in accordance with the provisions of Section A.1 hereof and Regulation 7. In cases where the District constructs the Extension Facilities in accordance with Section A.2 of this Regulation 9, the District's actual costs and party responsible for construction will be determined solely by the District. The District's actual costs for any facilities

shall include labor, materials, equipment, engineering, inspection, and usual overhead expenses related to such work.

G. Deposit of Installation Costs

The Applicant shall deposit with the District, as a condition precedent to written District approval of plans for Extension Facilities, a sum equal to the estimated total cost of those facilities, including all charges defined in accordance with provisions of Regulation 7, Section F hereof. The required deposit shall be in cash or an irrevocable letter of credit in a form and issued by a bank or financial institution acceptable to the District. Upon completion of the work, and if the deposit paid to the District is less than the actual cost of the work, the difference shall be paid by the Applicant prior to the District's commencement of water service. Any amount paid, including Facilities Development Charges, Supervision and Inspection fees, overhead costs, and any other charges that may be owing, which are in excess of the actual cost of installation of the Extension Facilities, will be refunded by the District after Final Approval of the new facilities.

H. Acknowledgement of Necessity for and Reasonableness of Extension Facilities

Anyone who pays, deposits, or agrees to pay all or part of the cost of Extension Facilities thereby acknowledges that such facilities are necessary and reasonable.

I. Installation

Extension Facilities will be installed by the District or by the Applicant, unless the District elects to require the installation of Up-Sized Lines, in which case the District will install or pay the incremental cost of those facilities. The Applicant may, when permitted, hire a competent and experienced licensed contractor to install the Extension Facilities. Such contractor must have specific experience in the construction of water facilities and be approved in writing by the District. All work performed by an Applicant's contractor is subject to final inspection and approval by the District as a condition of its acceptance of the Extension Facilities and provision of water service to the Applicant. The District reserves the exclusive right to construct with its own personnel or by Contract, all Extension Facilities required, including Up-Sized Lines and complicated connections or extensions involving interference with existing District Water System facilities.

J. Reimbursable Costs

1. Whenever the Applicant is required in accordance with the provisions of this Regulation or Regulation 7 to install Extension Facilities that include the construction of an Up-Sized Line or the extension of facilities beyond the frontage of the Parcel or Parcels to be developed, the Applicant shall be entitled to a reimbursement for a portion of such installation, if the Parcel or Parcels that Extension Facilities cross is already developed with service from a backyard main or has not been developed. For Parcels that have service from an existing water

main in the front yard, reimbursements for Extension Facilities that are in addition to or replacing existing facilities as necessary per District regulations will not be eligible for reimbursement.

2. Reimbursement shall be made in accordance with the following terms and conditions:
 - a. The Applicant has furnished the District the bid or cost of the Facilities Extension.
 - b. The Applicant approves in writing of the reimbursement calculated by the District based on the supplied bidder costs.
 - c. The main extension is installed per plans and District standards with all deficiencies corrected to the satisfaction of the District.
 - d. The Extension Facilities are successfully completed, and all required tests are performed and satisfactorily passed (including a hydro-test, and sanitary test).
 - e. If applicable, performance of a certified on-site test of Backflow Prevention Assembly(s) demonstrating compliance with Sacramento County requirements.
 - f. The District has issued final written acceptance of all Extension Facilities as installed per the approved plans.
 - g. When the above items have been completed, the Applicant shall then request, in writing, the reimbursement. Reimbursements will not be provided if any of the above conditions are not satisfied.

K. Reimbursement Fund

There is established a separate Facilities Reimbursement Fund. The District will credit to said fund 20% of all Facilities Development Charges paid to the District during each fiscal year. The deposits so obtained shall be the sole source of income to said fund for that year. Any remaining balance in the said fund after payment in that fiscal year to all reimbursement entitlements shall be transferred into the District's General Fund.

L. Reimbursement Payments

On or before April 1st of each year, the District shall pay to Applicants eligible for reimbursement as provided in paragraph J above, that proportionate share of the total amount deposited into the Facilities Development Fund during the year of his/her payment for the work as his/her contribution bears to the total amount paid into the fund during the fiscal year.

On or before April 1st of the second and successive years, the District shall pay to the Applicant that proportionate share of the total amount credited to the Facilities Development Fund during the year of payment as the balance due the Applicant bears to the total amount paid into said fund during the each of the second and successive years.

An Applicant's reimbursement entitlement shall expire and terminate when the District has paid the same in full without interest, or has made payments for a ten (10) year period from the date of first payment, whichever comes first.

M. Assignment of Reimbursement Entitlement

The District will not recognize any assignment or attempted assignment of a reimbursement entitlement unless the assignment is on a form satisfactory to the District and is signed and acknowledged by the assignor. The District will furnish such forms of assignment upon request.

N. ~~Minimum Water Main Size~~

~~The minimum size for water distribution mains necessary to adequately deliver domestic water and public fire protection to all new developments and construction of whatever kind or size shall be determined with reference to real property use zones established by the County of Sacramento, including any variance granted thereto, and specifically in compliance with the following provisions:~~

Sacramento County Zoning	Minimum Water Pipeline Size
Industrial (All Types)	16-Inch
Commercial (PB, SC, LG, GC, AC, TC)	12-Inch
Mobile Home Park (RM-1)	12-Inch
High Density Residential (RD-20, RD-30, RD-40)	12-Inch
Public (Schools, Parks, etc.)	12-Inch
Quasi-Public (Hospitals, Churches, etc.)	12-Inch
All Other Zoning*	8-Inch
*Exception: Cul-de-sacs, Single Family (No Fire Hydrant Requirement)	6-Inch

~~For infill parcels, a variance for the minimum pipeline sizes in this section will be considered if the proposed new development or construction of whatever kind or size complies with Section O.~~

O. ~~Maximum Water Velocity~~

~~All new Extension Facilities are required to be designed to provide for a maximum water velocity within those facilities of five (5) feet per second under maximum day and fire demand conditions, as fire demand is computed under the fire suppression rating schedule, published by the California Fire Code (Edition 2013, or latest edition). If a conflict between Sections N and O shall exist, the provisions of this Section O shall control.~~

RESOLUTION NO. 17-11

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SACRAMENTO SUBURBAN WATER DISTRICT
AMENDING REGULATIONS NOS. 1, 7, AND 9 OF THE
REGULATIONS GOVERNING WATER SERVICE**

WHEREAS, on July 19, 2004, the Board enacted Ordinance 2004-03, entitled “An Ordinance of the Board of Directors of Sacramento Suburban Water District Adopting Regulations Governing Water Service”;

WHEREAS, the Board now desires to amend Regulations Nos. 1, 7, and 9 of the Regulations Governing Water Service as described in this Resolution; and

WHEREAS, none of the described amendments to Regulations Nos. 1, 7, and 9 are subject to Proposition 218’s notice and hearing requirements as provided in Article XIII D, section 6 of the California Constitution.

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

1. Regulations Nos. 1, 7, and 9 are hereby amended as shown in Exhibit A, which is attached to and made a part of this Resolution.
2. The Board authorizes and directs the General Manager and staff to take all actions necessary to amend Regulations Nos. 1, 7, and 9 and to enforce such amended regulations in accordance with the authority granted by this Resolution.
3. Except as modified by the terms of this Resolution, the existing District Regulations Governing Water Service shall remain in full force and effect. Any provisions in the existing regulations that conflict with the amendments set forth in this Resolution are deemed superseded and of no further effect.
4. This Resolution shall take effect immediately.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on this 21st day of August 2017.

AYES:
NOES:
ABSENT

By: _____
Robert P. Wichert
President, Board of Directors
Sacramento Suburban Water District

I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the Board of Directors of Sacramento Suburban Water District at a regular meeting hereof held on the 21st day of August 2017.

(SEAL)

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



Agenda Item: 14

Date: August 15, 2017

Subject: Chromium 6 Court Complaint and Regulations Update

Staff Contact: Robert Roscoe, General Manager

Background:

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 the new Chromium 6 standard of 10 parts per billion (ppb). Wells with contamination over the limit were placed in out-of-service status. The Board and staff continued working diligently on this issue. Chromium 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 ensuring replacement supplies. The Board decided to not only take wells out of service and work to both remedy the contamination issue and, to the extent the District can identify those responsible for the contamination, to make them pay to clean it up so that the treatment/replacement costs are not borne by ratepayers.

The Board made a decision to hire the law firm of Sher Edling LLP to investigate and to potentially file claims against entities that are responsible for causing contamination of the District's groundwater wells with Chromium 6. The law firm of Sher Edling LLP 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 Chromium 6.

In proceeding with filing claims against entities that are responsible for causing Chromium 6 contamination in the District's groundwater wells, Sher Edling sent the following:

March 27, 2017 - The United States Air Force received a 90-Day Notice of Endangerment and Intent to Sue Pursuant to the Resource Conservation Recovery Act.

March 30, 2017 - The United States Air Force received a Claim for Damages Pursuant to Federal Tort Claims Act.

June 30, 2017 – Sher Edling LLP filed a Court Complaint naming ten defendants who provided chromate products for use at the former McClellan Air Force Base. The defendants are manufacturers, distributors and/or marketers of chromates and related products containing Chromium 6. Chromate products were used extensively at McClellan Air Force Base during its operation as a military installation.

Discussion:

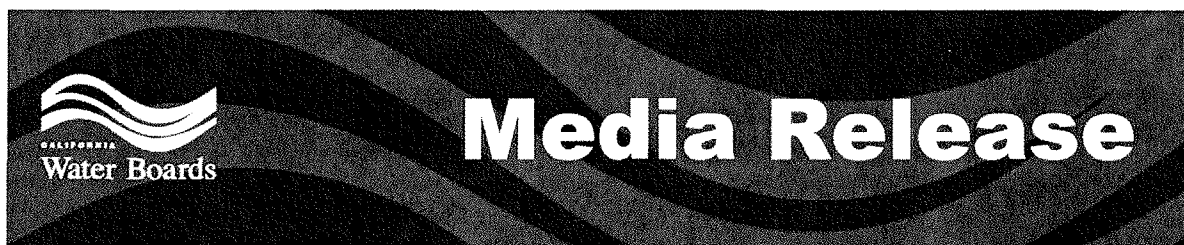
In regards to the Chromium 6 regulations, the California Manufacturers & Technology Association and Solano County Taxpayers Association (Petitioners) filed a Petition for Writ of Mandate against the State Water Resources Control Board (SWRCB) challenging promulgation of a regulation setting the maximum contaminant level (MCL) for hexavalent chromium in drinking water. The petitioners believe the MCL is too low and that compliance will be massively expensive. They claim that the SWRCB failed to comply with substantive and procedural requirements imposed by the Safe Drinking Water Act and the Administrative Procedures Act when it set the MCL. The Petitioners were seeking a mandate ordering the SWRCB to withdraw the current MCL and adopt a new MCL at a level that is economically feasible.

On May 5, 2017, Christopher E. Krueger, Judge of the Superior Court of California, County of Sacramento (Court), ruled the Petition as granted and the case was remanded to the SWRCB with orders to withdraw the current MCL and establish a new MCL for Chromium 6. On May 31, 2017, the Court invalidated the MCL for Chromium 6 due to the state failing to properly consider the economic feasibility of complying with the MCL. The Court did not decide whether the MCL is economically feasible, nor did it conclude whether the MCL was too high or too low. The court stated the regulation did not adequately document why the MCL was economically feasible. Since the current MCL will be removed, the SWRCB will no longer enforce compliance plans that public water systems entered into for Chromium 6.

In accordance with Judge Krueger's court ruling, on August 1, 2017, the SWRCB adopted a resolution to remove the current MCL for Chromium 6 found in drinking water. The state has decided not to appeal and instead will begin the process for adopting a new MCL, which is estimated to take between 18 and 24 months to complete. A SWRCB media release is attached to this report as Exhibit 1.

When establishing a new MCL, the SWRCB must comply with the Legislature's directive to consider the economic feasibility of compliance, paying particular attention to small water systems and their users, and to set the MCL as close as economically feasible to the public health goal of 0.02 ppb.

As stated above, in March 2017 Sher Edling filed the claims with essentially no media attention. The media has now become aware of the claims. The District's designated spokesperson was contacted by the Sacramento Bee and various news media stations. On August 8, 2017 the Sacramento Bee ran a front page article, attached to this report as Exhibit 2.



State Water Board Approves Removal of Drinking Water Standard for Hexavalent Chromium

Action Fulfills Court Order; Board to Create New Standard

FOR IMMEDIATE RELEASE
Aug. 1, 2017

Contact: Andrew DiLuccia
Phone: (916) 324-4775
andrew.diluccia@waterboards.ca.gov

SACRAMENTO – In accordance with a recent [court ruling](#), the State Water Resources Control Board adopted a resolution today to remove the current maximum contaminant level (MCL) for the pollutant hexavalent chromium found in drinking water. The State Water Board will now begin work on establishing a new MCL for the contaminant.

On May 31, 2017, the Superior Court of Sacramento County invalidated the MCL for hexavalent chromium, saying the state “failed to properly consider the economic feasibility of complying with the MCL.” The court did “not decide whether the MCL is economically feasible,” nor did it conclude whether the MCL was too high or too low. Rather, the court said the regulation did not adequately document why the MCL was economically feasible.

Hexavalent chromium, also known as chrome 6, is a naturally occurring heavy metal that is also used in a variety of industrial processes. Long-term exposure to the metal may cause cancer.

California became the first state in the nation to issue a drinking water standard for chrome 6 when it set the MCL at 10 parts per billion (ppb) in 2014. The regulation was crafted when the Division of Drinking Water was under the authority of the California Department of Public Health. The Division was transferred to the State Water Board in July [2014](#).

While the Board disagrees with the court's decision, it has decided not to appeal and instead will begin the process for adopting a new MCL as soon as possible. The Board will use the wealth of data collected over the last three years since the standard was adopted to help craft a new MCL. Generally, regulation development takes between 18 and 24 months to complete.

With adoption of the resolution, staff will now begin the process of having the text of the current MCL deleted from the California Code of Regulations. The State Water Board must let the court know this has been done by Aug. 15, 2017. After the [Office of Administrative Law](#) approves the proposal to remove the text, it will be effective in late September.

Since the current MCL will be removed, the State Water Board will no longer enforce compliance plans that public water systems entered into for hexavalent chromium.





However, the state MCL for total chromium of 50 ppb will remain in place. Total chromium measures both trivalent and hexavalent chromium in water together and does not indicate how much of either type exists. Trivalent chromium is not considered toxic and is an essential nutrient in trace amounts. The U.S. Environmental Protection Agency's MCL for total chromium is 100 ppb.

Chrome 6 remains a threat to public health as it is still present in the water supply of many public water systems. Because of this, the Board will establish a new MCL for Chrome 6 as close as possible to the public health goal set by the Office of Environmental Health Hazard Assessment. The new standard could be at the same level as the now invalid one.

Public water systems that planned and, in some cases, completed projects to install treatment will be able to use that information and experience in any work necessary to comply with the new MCL when it is adopted. Public water systems that have already installed and are operating treatment systems are encouraged to continue to operate these facilities.

For more information on the development of the new drinking water standard for chrome 6, see the Division of Drinking Water [webpage](#).

###



In this file photo, workers cover an acid pit at McClellan Air Force Base with tarps to try to prevent winter rains from adding to the base's pollution problems. Sacramento Bee file

McClellan base polluted drinking water supply, districts say. They want \$1.4B from feds

BY SAM STANTON
ssanton@sacbee.com

AUGUST 08, 2017 11:53 AM

In a sweeping legal fight that could affect drinking water supplies for thousands of Sacramento-area residents, two water districts near the old McClellan Air Force Base are suing the federal government for \$1.4 billion to clean up the cancer-causing chemical hexavalent chromium from the area's groundwater supplies.

The lawsuits, filed by the Sacramento Suburban Water District and the Rio Linda Elverta Community Water District, name the U.S. Air Force and 10 major firms that were involved in supplying chromium products and chemicals to the base for decades as workers there performed aircraft maintenance and other duties.

Officials with Sacramento Suburban, which serves 175,000 customers just east of the old base, and Rio Linda Elverta, which serves about 15,000 customers to the west of the base, say the water they currently are providing is safe.

But their lawsuits and claims say they will need \$1.4 billion to clean up polluted wells, install treatment equipment and replace wells that have been decommissioned because of the presence of the chemical, which is known as chromium 6 or chrome 6 and was the subject of the film “Erin Brockovich.”

“Sacramento Suburban seeks to recover the substantial costs necessary to protect the public and restore its damaged drinking water supply...,” the water district’s lawsuit, filed in federal court in Sacramento, says as part of its claim seeking more than \$1.1 billion in damages.

Rio Linda Elverta’s claim seeks more than \$289 million in damages, and both water districts are represented by San Francisco environmental attorney Victor Sher.

“Chrome 6 is a highly toxic compound and it shouldn’t be in the water,” Sher said Tuesday. “Water districts are constantly balancing risks against cost.

“They’re committed to delivering water that is as free as possible of contaminants, but doing so is expensive.”

The Air Force has consistently denied responsibility for chromium 6 being present in groundwater around the base, which operated from 1936 through 2001, when it was converted to a business park. Air Force officials denied the claim from Rio Linda Elverta in a May 9 letter, and the district sued in federal court in Sacramento on June 30.

Sacramento Suburban’s claim still is pending; the Air Force has until October to respond. But Sher already has filed suit against the government in federal court in Sacramento and has filed additional actions for the two utilities in the U.S. Court of Federal Claims, which is based in Washington, D.C., and hears claims against the government.

The Air Force had no immediate response Tuesday to the claims in the legal filings.

The two water districts also have sued 10 major firms that they say provided chemicals directly or indirectly to McClellan “when they knew or should have known that this harmful compound would reach groundwater, pollute drinking supplies, render drinking water unusable and unsafe, and threaten the public health and welfare...”

At issue is whether the chromium 6 in the groundwater came from Air Force operations at McClellan, which was designated as a federal Superfund site in 1987 after 326 contaminated sites were identified for cleanup.

The lawsuits claim activities at the base that contributed to the chromium 6 contamination go back decades and include the use of a chromium 6 storage tank in one building and an underground storage tank “that likely held” the chemical.

“Disposal sites identified at McClellan at least as far back as 1984 include burn and burial pits and trenches, landfills, and unlined ponds and ditches contaminated with plating wastes, solvents, acids, waste oils, paint thinners, strippers and sludges and other hazardous compounds,” the lawsuits state.

The water districts claim chromium 6 was released into the groundwater through a combination of leaking storage tanks and pipes, accidental spills, leaching from industrial waste and other methods, and that it spread as a plume out from the base into the two districts’ water supplies.

The suits say total chromium concentrations in the groundwater aquifer directly under the base have been measured as high as 840 parts per billion. California issued a drinking water standard for the chemical in 2014 that set a maximum concentration of 10 parts per billion, although a ruling in Sacramento Superior Court last week eliminated that limit, at least temporarily, in an unrelated case.

The claims against the Air Force also note that chromium 6 levels are highest at or near the base boundaries, and that they “decrease with distance from the base.”

Rob Roscoe, Sacramento Suburban’s general manager, and Mitch Dion, the interim general manager for Rio Linda Elverta, both emphasized that water being provided to customers is safe and being delivered from wells and surface water supplies that are not contaminated.



Agenda Item: 15

Date: August 4, 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, 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 Years 2016 and 2017. The District continues to receive surface water supplies as the primary water source for the North Service Area. As of July 10, 2017, the District has been utilizing surface water as its primary source in the South Service Area as well.

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 2017. The amount is indicated in Million Gallons (MG) and Acre Feet (AF). California 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. This exhibit has been revised to include additional information for reporting on Preventive Maintenance (PM) activities. The total number of each type of appurtenance for which PM is conducted and the percent completed during the current calendar year has been added to each PM category.

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 for each discharge type. In July 2017, the total volume of water discharged was 1.30 MG or 0.09% of the total water produced for the month, of which 9.7% or 0.126 MG was reused through land application.

vi. **Exception Report for July**

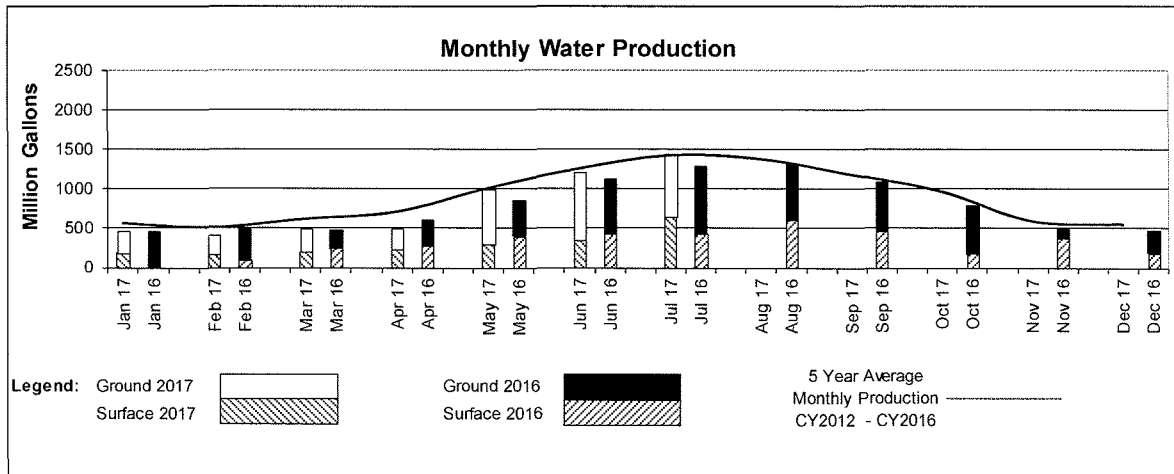
No report.

Monthly Water Production 2017

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	187.518	93.149	280.667	0.000	191.805	191.805	472.472	15.241	8.508
Feb	174.222	74.344	248.566	0.000	165.299	165.299	413.865	14.781	7.452
Mar	191.993	99.806	291.799	0.000	210.246	210.246	502.045	16.195	9.040
Apr	231.705	66.983	298.688	0.000	201.879	201.879	500.567	16.686	9.014
May	299.000	254.180	553.180	0.000	452.839	452.839	1,006.019	32.452	18.115
Jun	343.160	326.951	670.111	0.000	540.501	540.501	1,210.612	39.052	21.799
July	416.913	376.335	793.248	228.121	426.447	654.568	1,447.816	46.704	26.071
Aug									
Sep									
Oct									
Nov									
Dec									
MG	1844.511	1291.748	3,136.259	228.121	2189.016	2,417.137	5553.396	26.195	
AF	5,660.596	3,964.229	9,624.825	700.078	6,717.843	7,417.921	17,042.747		

Mo/Yr	Million Gallons (MG)			Difference
	Surface	Ground	Total	
Jan 17	187.518	284.954	472.472	6.173
Jan 16	0.000	466.299	466.299	
Feb 17	174.222	239.643	413.865	-78.704
Feb 16	97.179	395.390	492.569	
Mar 17	191.993	310.052	502.045	22.472
Mar 16	244.176	235.397	479.573	
Apr 17	231.705	268.862	500.567	-118.368
Apr 16	278.717	340.218	618.935	
May 17	299.000	707.019	1,006.019	152.464
May 16	406.766	446.789	853.555	
Jun 17	343.160	867.452	1,210.612	78.501
Jun 16	429.012	703.099	1,132.111	
Jul 17	645.034	802.782	1,447.816	153.099
Jul 16	432.815	861.902	1,294.717	
Aug 17				
Aug 16	610.979	715.213	1,326.192	
Sep 17				
Sep 16	470.076	623.344	1,093.420	
Oct 17				
Oct 16	184.916	617.280	802.196	
Nov 17				
Nov 16	385.163	129.400	514.563	
Dec 17				
Dec 16	190.646	286.450	477.096	



* North Service Area (North Highlands, Northridge, McClellan Park and The Arbors)
 ** South Service Area (Town and Country)
 ***The surface water delivery quantities are reported from SJWD's monthly records.
 Note: Reported production values do not include water wheeled/sold to other purveyors.

Exhibit WO-2

SACRAMENTO SUBURBAN WATER DISTRICT
Water Wheeled To Other Purveyors
 2017

Month	California American Water Company		Citrus Heights Water District		City of Sacramento		County of Sacramento		Rio Linda / Elverta Water District		San Juan Water District		City of Roseville	
	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)
January	106.368	34.660	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
February	87.743	28.591	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
March	97.446	31.753	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	88.583	28.865	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	112.232	36.571	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	127.592	41.576	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	304.342	99.170	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														
September														
October														
November														
December														
YTD	924.306	301.186	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Note: Water wheeled to other purveyors includes water sold.

Exhibit WO-3

Water Operations Activity

	<u>July</u>	<u>Monthly Avg</u>	<u>Total</u>	<u>Total # in</u>	<u>% Completed</u>
	<u>2017</u>	<u>CY 2017</u>	<u>CY 2017</u>	<u>System</u>	<u>CY 2017</u>
<u>Production Department</u>					
<u>Service Orders</u>					
<u>Preventive Maintenance: Work Orders Completed</u>	774	666	4659		
<u>Corrective Maintenance: Work Orders Completed</u>	11	7	48		
<u>Water Quality</u>					
<u>Complaints</u>	2	1	9		
<u>Inquiries</u>	7	8	57		
<u>Distribution Department</u>					
<u>Service Orders</u>					
<u>Main Leaks</u>	3	4	29		
<u>Service Line Leaks</u>	7	10	69		
<u>Locate & Expose (L&E)</u>	8	13	94		
<u>Determine Responsibility (DR)</u>	64	54	379		
<u>Water Main Shutdown</u>					
<u>- Emergency</u>	1	2	16		
<u>- Scheduled</u>	1	0	2		
<u>Preventive Maintenance Program</u>					
<u>Fire Hydrants Inspected</u>	1	2	13	6,486	0.2%
<u>Fire Hydrant Valves Inspected</u>	0	3	23	5,759	0.4%
<u>Fire Hydrant Valves Exercised</u>	0	3	21	5,759	0.4%
<u>Mainline Valves Inspected</u>	1	66	459	11,132	4.1%
<u>Mainline Valves Exercised</u>	1	61	426	11,132	3.8%
<u>Underground Service Alert</u>					
<u>Reviewed</u>	2011	1944	13608		
<u>Marked</u>	519	469	3285		
<u>After Hours Activity (On-Call Technician)</u>					
<u>Calls Received</u>	63	44	311		
<u>Calls Responded</u>	44	29	205		
<u>Average Call Time Hours</u>	1.64	2	2		
<u>Overtime Hours</u>	72	56	389		
<u>Field Services Department</u>					
<u>Meters</u>					
<u>PM - Meters Tested (3 - 10 inch)</u>	18	14	99	451	22.0%
<u>PM - Meters Replaced (⁵/₈ - 1 inch)</u>	0	1	7	35,728	0.0%
<u>PM - Meter Re-Builds (1¹/₂ - 2 inch)</u>	43	28	193	2,441	7.9%
<u>Customer Service</u>					
<u>Shut Off (non-payment)</u>	182	154	1079		
<u>Restore Service</u>	183	157	1100		
<u>Customer Pressure Inquiries</u>	10	8	59		
<u>Field Operations Department</u>					
<u>Service Requests Generated</u>	1498	1389	9723		
<u>Work Orders Generated</u>	1020	1079	7555		

Exhibit WO-4

Date: August 7, 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 are less than \$10,000 that have been submitted to the District:

CLAIMS APPROVED/REJECTED BY GENERAL MANAGER

4555 S. Park Drive

Claim – On June 27, 2017, staff received a District Claim Form from Ms. Keough requesting reimbursement for repairs to her in-tract (private) water line. She alleges that when the service was installed 8 years ago it was not installed properly resulting in a leak on March 24, 2017.

Upon receipt of the claim, District staff provided a report and recommendation to the General Manager that this claim be approved in the amount of \$320.00.

Claim Amount – \$320.00

Date of loss – March 24, 2017

Status - Approved

2512 Edison Avenue - Sacramento Area Sewer District

Claim - On July 10, 2017, staff received a claim from Sacramento Area Sewer District for their costs to repair a sewer main allegedly damaged during construction work on a District project. The claim alleges that a water service line was bored through a 6-inch-diameter clay sewer gravity main.

District records indicate that the service line in question was constructed by GM Construction and Developers on or about April 2, 2010, at 2512 Edison Avenue, Sacramento, as part of the Bohemian Village Main Replacement Project Phase 1.

Upon receipt of the claim, District staff provided a report and recommendation to the General Manager that this claim be approved in the amount of \$2,961.67.

Claim Amount – \$2,961.67

Date of loss – February 23, 2017

Status – Approved

4801 Myrtle Avenue

Claim - On July 7, 2017, staff received a District Claim Form from Mr. Hasegawa alleging that a District contractor had backed a trailer into a utility pole damaging his cyclone fence that is attached to the pole. Mr. Hasegawa is requesting \$2,500.00 for the cost of this repair.

On May 22, 2017, a District customer reported water surfacing along the roadway at 4817 Myrtle Avenue. Staff responded and determined that a section of 8" Mortar Lined Steel (MLS) water main was leaking. Staff was occupied with other assignments at the time, so the main repair was outsourced to a District contractor. The District contractor repaired the leak and staff had the water restored by approximately 6:30 p.m. The District contractor secured the roadway to a condition that was safe for vehicular travel and coordinated with Sacramento County Encroachment to determine the required size of pavement restoration.

On June 19, 2017, a sub-contractor working for the District contractor returned to the subject location to perform the required pavement restoration. It was at this time Mr. Hasegawa alleges the backing accident occurred. However, Mr. Hasegawa states that he didn't notice the damage to his fence until July 3, 2017.

On July 17, 2017, District staff met the sub-contractor at the subject location to discuss the claim and determine whether they were aware of the alleged accident. The sub-contractor stated that he was not aware of the incident and that his staff did not report any accident to him during the project. He went on to explain that in his opinion, due to the height of the damage on the pole, there was no possible way his equipment could have caused the damage.

On July 18, 2017, the District's Distribution Superintendent and Mr. Hasegawa exchanged phone messages resulting in several voice mails. In Mr. Hasegawa's initial voice mail he expressed his desire to expedite the claim process and gave the District a very short deadline to approve and pay his claim. The Distribution Superintendent attempted to return his call but was only able to leave a voice mail explaining the claims process and the approximate timeframe for the District to review and make a decision on a claim. Mr. Hasegawa responded with another voice mail expressing his discontentment with the claim process. In this message he provided a break down of the claim amount. He expressed that his estimate for the actual repairs to the fence was about \$200.00 and that the remainder of the claim amount, \$2,300.00, was for pain and suffering in having to file this claim. Additionally, he stated that he was firm on his claim amount and, if the District did not pay it, he would sue the District in Civil Court. Furthermore, he said if he didn't win there he would go to the media, as well as his County Representative, to apply political pressure until such time that he wins.

Upon receipt of the claim, District staff provided a report and recommendation to the General Manager that this claim be rejected based on merit in the amount of \$2,500.00.

Claim Amount – \$2,500.00
Date of loss – June 19, 2017
Status - Rejected

CLAIMS UNDER REVIEW/INVESTIGATION

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

Exhibit WO-5

General System Discharges by Category

From 7/1/2017 to 7/31/2017

Report Group

Water Used (MG)

Distribution Flushing (9 detail records)

Discharge Sub Total	0.145
Portion Reused	0.014

Meter Testing (2 detail records)

Discharge Sub Total	0.028
Portion Reused	0.009

Raw Water Pump-to-Waste (2 detail records)

Discharge Sub Total	1.126
Portion Reused	0.103

Tank Flush (1 detail record)

Discharge Sub Total	0.001
Portion Reused	0.000

Total Water Flushed for all Types of Discharges: **1.300**

Total Monthly Production for July 2017: **1,447.816**

Percent of Total Production Discharged to Waste: **0.09%**

Total Water Reused for all Types of Discharges: **0.126**

Percent of Discharged Water Reused: **9.7%**

b. Water Conservation and Regional Water Efficiency Program Report

i. Program Overview for July 2017

The District continues to message water conservation and use efficiency to its customers. The District's website reflects the current water use restrictions and the current update to Regulation No. 15. Staff will continue to engage customers in an effort ensure they are aware of the most up to date water use efficiency practices and water conservation programs being offered by the District. The following is a list of District water conservation activities for June 2017.

- a. In May 2017 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 19% reduction in July 2017 (when compared to July 2013), exceeding the District's 10% goal. Since the Emergency Drought Regulations were enacted in June 2015, the District has achieved a 26% reduction in water use when compared to 2013.
- b. The Regional Water Authority (RWA) issued the regional water conservation results for June 2017. The Sacramento Region reduced water use by 18.6% in June 2017 (compared to June 2013), 25.9% for CY2017 (compared to CY2013), and 24.0% since Emergency Drought Regulations were enacted in June 2015. Data graphics can be provided upon request.
- c. Customer Leak Notifications – Staff sent out 511 notifications of 72 hour continuous flow events in July 2017.
- d. Public Outreach – The District utilized various info graphics for public outreach in July 2017. Staff utilized local newspapers, online advertising, and the District's website to communicate the District's water use efficiency message. Exhibit 1 shows the various graphics used for public outreach. The online advertisements used for Facebook generated 351 clicks, reached 116,753 people and left 255,425 impressions. The online advertisements used for Google generated 384 clicks and left 86,180 impressions. The District's focus for July 2017 was to advertise self guided tours at Antelope Gardens, sprucing up sprinklers, the District's rebate programs, and water efficient devices offered by the District. Infographics used during the month of July can be seen in Exhibit 1. The District also participated in the 16th annual Fulton-El Camino Recreation and Parks District Sprit of Freedom 4th of July Parade. Staff decorated one of the new work vehicles and followed the parade route greeting parade goers. Fulton-El Camino Recreation and Parks District was very grateful for the District's participation and expressed hope that the District will attend the event again next year. Please see Exhibit 2 for photographs of the event.

ii. Water Conservation Program and Results

District staff continues to promote water conservation directly to the District customers. During the month of July 2017 District staff and our contract company performed 14 indoor residential Water-Wise House Calls (WWHC), 32 outdoor residential WWHC's, and 1 Commercial WWHC. Staff received 28 calls and 13 reports via the District's website regarding reports of water waste. Staff issued 35 Information Only Notices, 83 Notices of Violation, 4 Warning Notice of Violation, and 1 First Notice of Violation (see Exhibit 2).

The District issued rebates for 8 toilets, 1 Pool Cover, 8 Weather-Based Irrigation Controllers, 6 Irrigation Efficiency Upgrades, and 4 clothes washers in July 2017. Also, as part of the Water Energy Grant Program (operated by the Regional Water Authority) Southwest Environmental (SWE) has scheduled the replacement of high volume toilets in various multi-family residential disadvantaged communities throughout the District. To date, the SWE has replaced 1,593 toilets, 1,052 showerheads, 941 bathroom faucet aerators, and 125 kitchen faucet aerators saving an estimated 16.3 million gallons of water per year.

iii. Water Loss Update

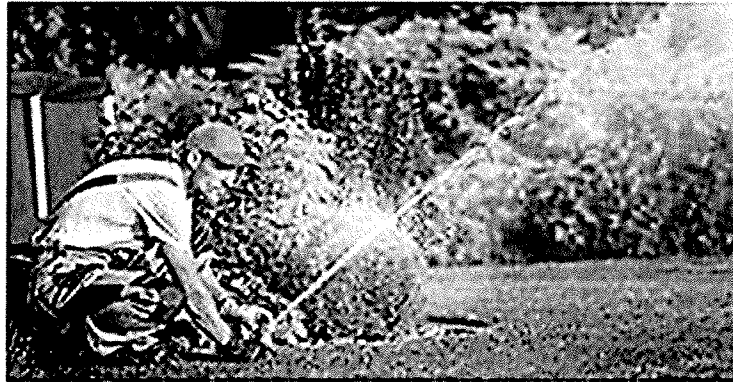
As previously reported, the District has completed its Water Loss Wave 4 validation with the Water Loss Technical Assistance Program (TAP) with Water Systems Optimization (WSO). By completing Wave 4 of the Water Loss TAP, the District will have a validated water loss audit ready to submit to Department of Water Resources (DWR) for SB 555 compliance; however, because the DWR has yet to finalize the compliance rules for SB 555, WSO has not issued the District its validation certificate. Once DWR finalizes their rules, WSO will issue the District its validation certification to be turned into DWR.

iv. Upcoming Events

- a. Carmichael Founders Day, September 23, 2017 at Carmichael Park.

Exhibit 1

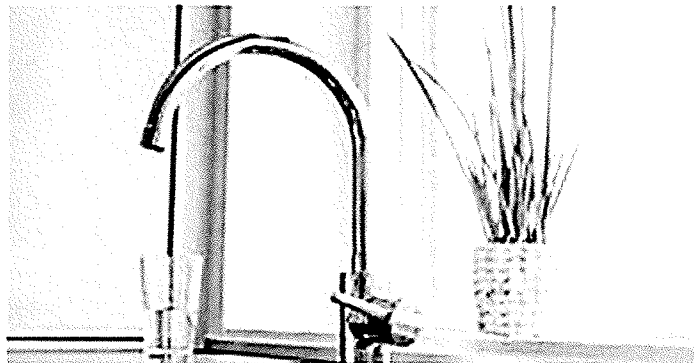
July 2017 Public Outreach Advertisements



Spruce Up Your Sprinklers

sswd.org

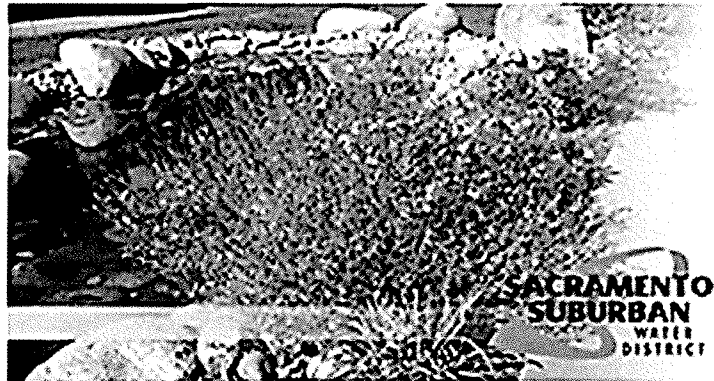
Get your sprinkler system ready for summer by replacing old heads with high-efficiency ones.



Do The Twist

sswd.org

Install a WaterSense-labeled faucet or aerator and save water every time you turn on the tap.



Take A Tour

sswd.org

Visit Antelope Gardens for ideas on creating your own beautiful low-water landscape.



Take A Tour

sswd.org

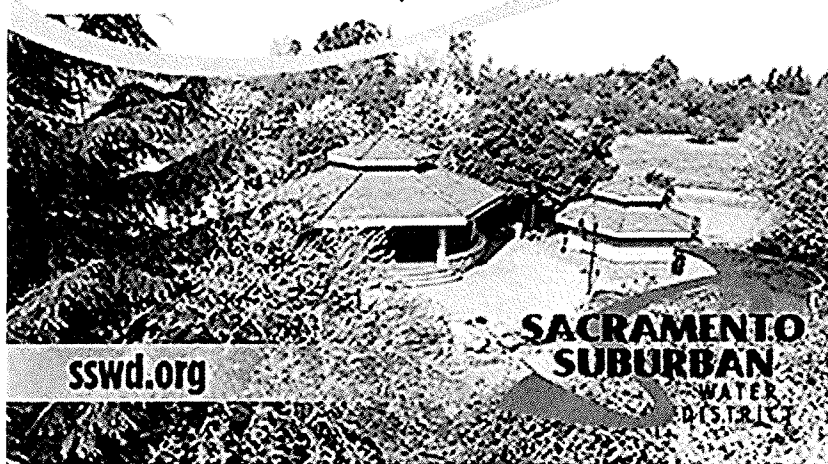
Visit Antelope Gardens for ideas on creating your own beautiful River-Friendly Landscape.

It's Tour Time at Antelope Gardens

Take a stroll and find beautiful, low-water use
River-Friendly Landscape ideas for your yard.



Take A Tour at Antelope Gardens



FREE ADMISSION!



Flush With Savings

sswd.org

Rebates are available for WaterSense-labeled
toilets. They can save thousands of gallons.

Exhibit 2

July 4th Parade

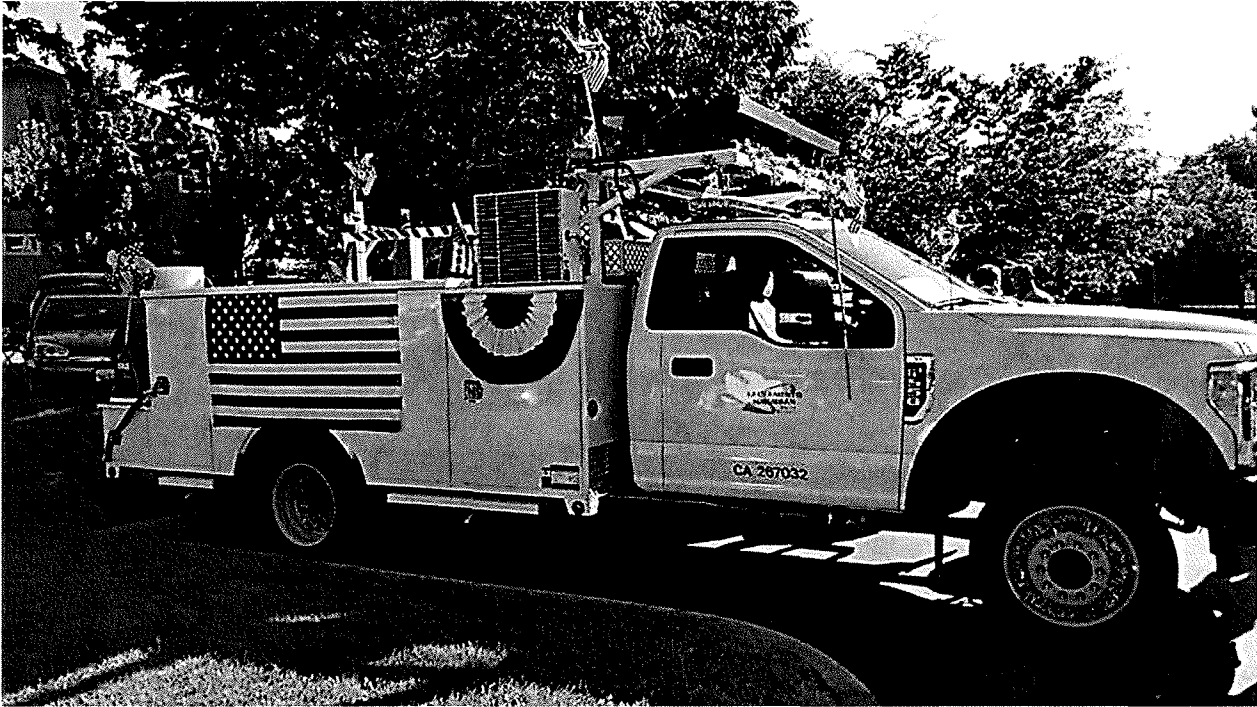




Exhibit 3

2017 Water Conservation Activity Report

Non-Measurable Water Saving Programs	Month July	Year 2017
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	136	1,280
1.4 Retail Conservation Pricing	*	N/A
2.1 Public Information	*	N/A
2.2 School Education	*	N/A

Demonstrated Water Saving Programs		
3 Residential Audits - Indoors	14	122
3 Residential Audits - Outdoors	32	194
3 Water Conservation Kits - Indoor	20	435
3 Water Conservation Kits - Outdodr	1	9
3 High Bill Investigates	17	64
3 Leak Notifications Sent - All Customers	511	2,523
4 CII Audits	1	6
5 Large Landscape Audits	0	0

Current Rebates	Monthly Spend	To Date Spent
Rebates - Cash for Grass	0	\$0
Rebates - Pool Covers	1	\$100
Rebates - Toilets (District)	8	\$1,166
Rebates - WBIC	8	\$1,200
Rebates - Rain Sensors	0	\$0
Rebates - Irrigation Upgrades	6	\$1,736
Rebates - Clothes Washers	4	\$300
Rebates - HET Toilets (DAC)	231	\$0
		1,593
		\$0

Water Waste Calls and Notifications		
Water Waste Calls	28	112
Water Waste via Website	13	65
Notice - Information Only	35	129
Notice of Violation	83	249
Warning Notice of Violation	4	11
1st Violation - Water Waste	1	3
2nd Violation - Water Waste	0	1
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."

c. Customer Service Report

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

1. Customer Service Activity Report shows Customer Service activity for the month of July 2017.
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.

iii. Website Redesign Update

The website redesign team participated in a training session with Vision Internet to discuss website accessibility (ADA). Staff is currently going through the existing website checking to ensure all pdfs are searchable, removing stale or outdated information, and reorganizing information. Staff is also working on the sitemap for the new website.

Exhibit CS-1

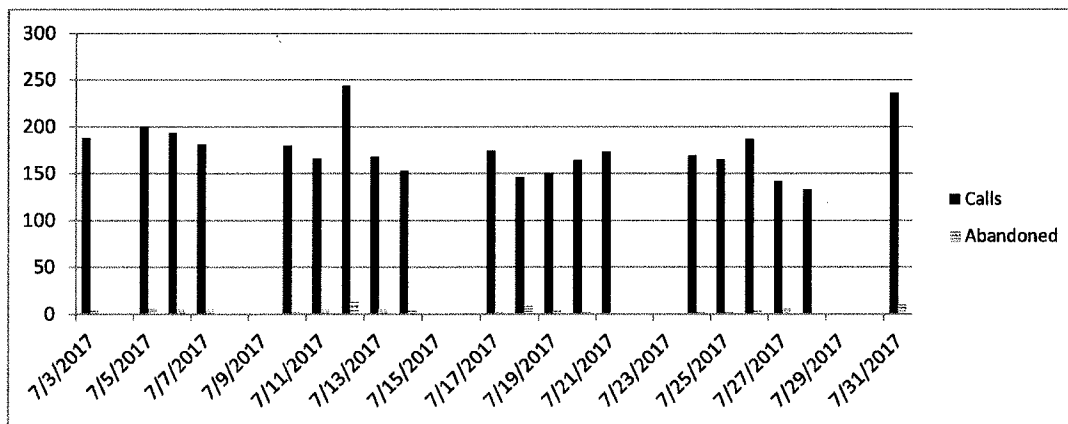
	<u>July 2017</u>		<u>Calendar Year 2017</u>	
<u>Customer Service Department</u>				
<u>Billing</u>				
Water Connections - Total Active	46,776		n/a	
Active Flat w/o Meter	6,985		n/a	
Active Flat w/Meters	3,023		n/a	
Active Meter Non-Residential	7,324		n/a	
Active Meter Residential	29,444		n/a	
Water Connections - Suspended	461		n/a	
Owner/Tenant Billing Agreement	1,290		n/a	
E-billing	3,154		n/a	
Water Statements Mailed	40,004		279,774	
Monthly Calls	3,513		22,921	
Customer Changes	286		1,678	
<u>Collections</u>				
15-Day Notices	936		9,523	
48-hour Door Tags Generated	784		5,234	
Lock-off Door Tags Generated	249		1,264	
Bankruptcy Processed	0		5	
<u>Payments</u>				
Cash/Check Payments (Front Office)	1,313	3.3%	9,187	3.4%
Credit Card Payments (Front Office)	766	1.9%	5,576	2.1%
SSWD Customer Web Payments	4,496	11.4%	27,858	10.4%
Direct Payment Service (Auto Pay-Checking)	4,092	10.4%	31,829	11.9%
Direct Payment Service (Auto Pay-Credit Card)	3,337	8.5%	22,037	8.2%
IVR (Automated Phone System)	1,508	3.8%	10,107	3.8%
Electronic Payments (Online Banking)*	11,248	28.6%	76,455	28.6%
LockBox (Checks)	12,552	31.9%	84,364	31.5%
Total Payments	39,312	100.0%	267,413	100.0%

*Electronic payments have been combined into one category

Exhibit CS-2

Date Ranges : 07/01/2017 - 07/31/2017
 Time Ranges : 08:00 a.m. - 04:30 p.m.

Date	Total Calls	Calls Abandoned	% of Calls Abandoned	Avg Wait On Queue	Max Wait on Queue	Avg Talk Time
7/3/2017	188	4	2.13%	35s	8m, 14s	2m, 30s
7/5/2017	200	6	3.00%	1m, 7s	11m, 10s	2m, 24s
7/6/2017	194	5	2.58%	53s	5m, 47s	2m, 12s
7/7/2017	181	5	2.76%	29s	4m, 38s	2m, 29s
7/10/2017	180	3	1.67%	27s	6m, 29s	2m, 21s
7/11/2017	166	5	3.01%	56s	8m, 3s	2m, 45s
7/12/2017	244	14	5.74%	1m, 17s	10m, 27s	2m, 54s
7/13/2017	168	5	2.98%	1m, 0s	8m, 9s	2m, 38s
7/14/2017	153	4	2.61%	34s	4m, 22s	2m, 49s
7/17/2017	174	3	1.72%	55s	8m, 34s	2m, 20s
7/18/2017	146	9	6.16%	1m, 4s	7m, 12s	3m, 15s
7/19/2017	150	4	2.67%	31s	5m, 58s	2m, 54s
7/20/2017	164	2	1.22%	53s	6m, 32s	2m, 16s
7/21/2017	173	1	0.58%	1m, 4s	8m, 6s	2m, 36s
7/24/2017	169	2	1.18%	34s	7m, 32s	2m, 32s
7/25/2017	165	2	1.21%	49s	5m, 36s	2m, 24s
7/26/2017	187	4	2.14%	33s	4m, 49s	2m, 24s
7/27/2017	142	6	4.23%	35s	6m, 55s	2m, 42s
7/28/2017	133	1	0.75%	35s	12m, 13s	2m, 37s
7/31/2017	236	11	4.66%	1m, 30s	7m, 29s	2m, 28s
GroupTotal	3513	96	2.73%	61s	7m, 23s	2m, 37s



d. Community Outreach Report

i. September Bill Insert

The September bill insert will begin on August 28, 2017 and continue until September 24, 2017. The bill insert includes the following articles:

- WaterSense Bathroom Makeover
- Modernizing Our Maps with GIS
- Conservation 365: Water-Wise Tips for the Office
- Protect Your Groundwater Day
- Find a Leak and Learn About Rebates: With a Water-Wise House Call
- Water Fun & Games

A sample of the bill insert has been included with this report.

ii. September Envelope Message

The September envelope highlights the benefits of mulch. The envelope will begin on August 28, 2017 and continue until September 24, 2017

iii. Community Meetings/Events

Staff, representing SSWD, attended the following agency meetings, conference calls, community meetings, and events in July 2017:

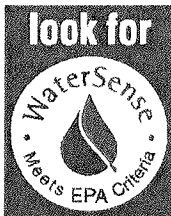
<u>Date:</u>	<u>Meeting:</u>	<u>Staff:</u>
07/07/17	McClellan Business Park Issue	Dan York
07/12/17	Water Caucus	Rob Roscoe
07/13/17	RWA Board Meeting	Rob Roscoe
07/14/17	McClellan Business Park Issue	Dan York
07/19/17	RWA Lobbyist Program	Dan York
07/19/17	Aerojet Advisory Meeting	Dan York
07/25/17	McClellan Business Park Issue	Roscoe/York
07/27/17	Yuba County Water Agency Tour – ACWA	Rob Roscoe
07/27/17	Regional Contamination Meeting	Dan York
07/28/17	ACWA Board Meeting	Rob Roscoe
07/28/17	City of Sacramento Wholesale Rates	Dan York

00184058



H₂O on the Go

September 2017



WaterSense Bathroom Makeover

Did you know that bathrooms account for most of the water used

inside a home? With toilets using the most water?

You can make a big difference by replacing your old bathroom fixtures with WaterSense-labeled ones, and SSWD can help make that happen. We have free WaterSense-labeled faucet aerators and we have rebates for high-efficiency toilets.

If you have a toilet that was manufactured prior to 1992 and has a flush volume equal or greater than 3.5 gallons per flush you may be eligible for a \$150 rebate toward its replacement. Visit sswd.org or call the office at 916.972.7171 to find out how to give your bathroom a WaterSense makeover.

And remember to go online to <https://www.epa.gov/watersense> to see the wide range of WaterSense-labeled products available.

sswd.org

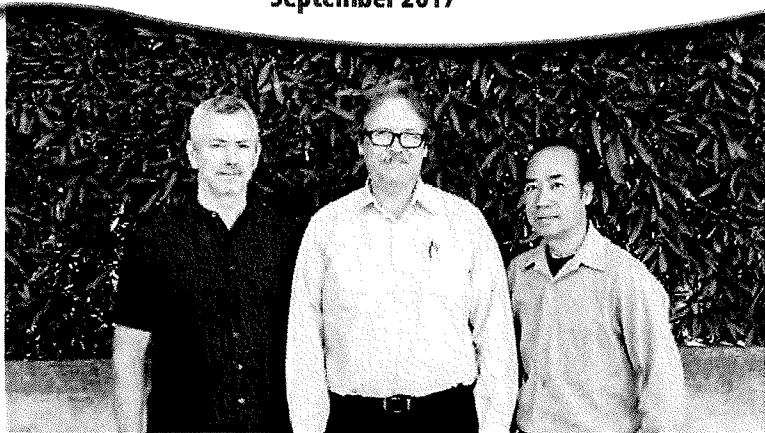
Phone: 916.972.7171

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.



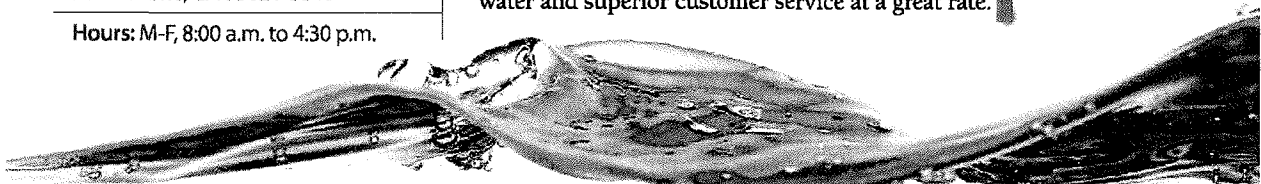
Modernizing Our Maps With GIS

In 2006, SSWD migrated our entire water facilities mapping into a Geographic Information System (GIS) computer environment designed to capture, store, check and display data based on a relative position on the earth. The GIS maps can show many different types of data on one map and make it easier for SSWD staff members to see, analyze and understand patterns and to update information much more quickly.

The GIS maps are transmitted through a secure wireless network to laptops in each of the service trucks in the field. When field staff members find assets in the water system that are not mapped correctly in the GIS they report their findings that day to the GIS Department. Changes are made before the day is done and are reflected in the system the next morning. Instead of relying on paper map books that are outdated as soon as they are printed, the field and office staff is now able to work with the latest data to maintain our valuable water system.

In case of a water emergency, field staff can also use the GIS maps in their trucks to quickly locate the valves necessary to isolate a major leak and stop the flow of water. Depending on the size of the pipe, sometimes there are only minutes before a street and yards may be flooded. A quick response to get the water turned off lessens the chance of flood damage to homes and businesses and reduces the amount of water wasted.

SSWD also uses GIS to analyze growth patterns and water usage to better plan for the future. It is one of many ways that SSWD is using information technology to deliver a high quality, reliable supply of water and superior customer service at a great rate. ■





Conservation 365

Water-Wise Tips for the Office

Home isn't the only place where you can use water wisely. Water used by the commercial and institutional sector accounts for the second largest consumption of water from public water supplies. Using water efficiently at work helps to reduce operating and energy costs and shows your company is committed to operating in a sustainable manner. Here are some tips to keep in mind for a water-wise workplace.

- ▶ If you hear a toilet running or see a leaky kitchen or bathroom faucet report it to the maintenance staff.
- ▶ Talk to the office or building manager about having Water-Sense-labeled faucets, toilets and aerators installed in the company bathrooms and kitchens.
- ▶ Ask the property or building manager to install high-efficiency sprinklers and drip irrigation to water the landscape and make sure the sprinklers are running in the early morning so less water is lost to evaporation.
- ▶ If there is water left over in glasses after a meeting, use it to water plants instead of pouring it down the drain.
- ▶ Put up helpful signs or tips reminding everyone of your company's commitments to being a good steward of this precious resource.
- ▶ Encourage your office to share their water-saving ideas.

Protect Your Groundwater Day

September 5th is Protect Your Groundwater Day, an annual event organized by the National Groundwater Association (NGWA) to recognize the vital role groundwater plays in our water supply and to encourage everyone to help protect it.

Americans use nearly 80 billion gallons of groundwater a day and close to 50 percent of us depend on groundwater for our drinking water. SSWD relies principally on groundwater sources and operates 73 active wells and seven stand-by wells.

NGWA encourages people to help protect groundwater by:

- Stopping contamination by properly storing and disposing of hazardous substances; using fertilizers, herbicides, insecticides and pesticides correctly and safely disposing of old medications.
- Using water wisely and efficiently; SSWD has invested heavily in our groundwater system to make it exceptionally reliable, but we still need to be proper stewards and not be wasteful.

Find a Leak and Learn About Rebates | With a Water-Wise House Call

Be sure to set up your complimentary Water-Wise House Call to find out if your home has any leaks, make adjustments to your sprinkler system and find out about the special rebates SSWD has available.

The one-hour Water-Wise House Call is conducted by members of our Water Conservation team and they will provide you with a complete summary of their findings and leave you with a conservation kit so you can start using water wisely right away. Contact the Customer Service Team at 916.972.7171 or go online to sswd.org to schedule yours today.

WATER FUN & GAMES

Answers to last month's Fun & Games

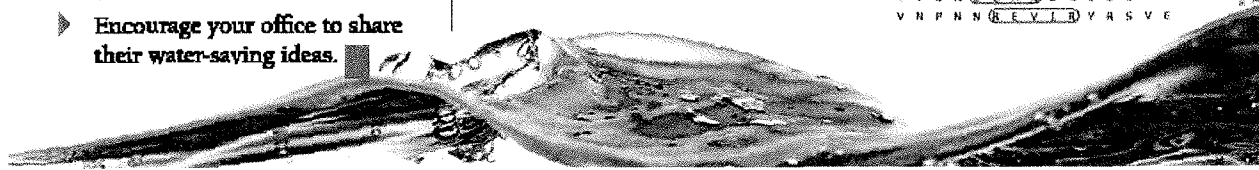
WORD SCRAMBLE

- NRAI
- PRID
- TACUEF
- TARERAO
- LERPNKSIR
- NTRIGRAIOI
- FICNEFYCEI

- RAIN
- DRIP
- FAUCET
- AERATOR
- SPRINKLER
- IRRIGATION
- EFFICIENCY

WORD SEARCH

M H P U E L U M P J B T M Q
 P H I D G S M J O A Z Z E I J
 A B P W M C X E R K K O S P E
 L M G R I T E P T T G K W Y Q
 B Q M F A J C F Y E B O E N T
 R B U D A L Z O S V X S G D
 D X W B R M W A T V I X S D
 Y O A H N R N B Y S G E E O H
 F Z G H O W S E R Q O I T U J
 B I X U Z A T I N R J I A P A
 Q U E A P H W A P R B W H B
 F P G K A A S N W T E Z O T
 K G K V O V Q H S U G H D N W
 Y I U W E A R D K L Z K H M
 V N P N N R E V L D Y R S V E



H₂O Saving Tip

**Like icing on a cake,
mulch keeps soil moist.**

Add 2 to 3 inches of organic mulch around trees and plants.

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





Agenda Item: 16

Date: August 7, 2017
Subject: Engineering Report
Staff Contact: John E. Valdes, Engineering Manager

Described below are significant Engineering Department activities and milestones over the past month. The report is separated into the following sections: Major Capital Improvement Projects, County and City Projects/Coordination, Developer Projects (including McClellan Business Park), Planning Studies and Other.

a. Major Capital Improvement Projects

The District continues to deliver CIP projects at a steady rate, supporting operations and ensuring the readiness of District supply and facilities consistent with the funding program as approved by the Board of Directors.

1) Supply

Replacement Palm Well (#N6A)

On July 17, 2017, the project was presented to the Water Quality Committee. District staff as well as the District's consultant, Luhdorff and Scalmanini Consulting Engineers (LSCE), provided an update on the project and the various manganese treatment options. The District will be moving forward with an LSCE contract amendment to include wellhead treatment design and construction support services. Once the amendment is executed, the final design will follow shortly with anticipation of going to bid sometime this fall.

New Butano/Cottage Well (#78)

Engineering is moving ahead with plans to design and construct a new production well in the South Service Area (SSA). The site is approximately ¼-acre in size and is located near an existing 24-inch transmission main in Cottage Way. The District's engineer, Wood Rodgers, has prepared a Well Design Report which is now under review. The next step is for Wood Rodgers to prepare plans and specifications for construction of the new production well. An Initial Study must also be prepared for environmental review purposes to comply with the California Environmental Quality Act (CEQA). The District has communicated with the adjacent church regarding this well project because of their close proximity to the site. Construction staging will also be needed on the parcel owned by the church.

Various Well Investigation and/or Rehabilitation Projects

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

- Well #31A, Watt/Elkhorn – Test pumping has finished and cleared large amounts of fine gravel that was still coming through the well screens. The added gravel has reduced the well's specific capacity (gallons per minute per foot of drawdown). Therefore, LSCE has recommended that the well be pumped at less than 700 gallons per minute (gpm). The District is waiting on LSCE to submit a final report on their findings and recommendations on how to operate the well going forward.
- Well #N8, Field – Kirby's Pump & Mechanical has extended the vent tube correctly and raised the pedestal to the height required by the Division of Drinking Water (DDW). Prodigy Electric will finish all wiring, water lube controls and conduit work. Staff will have the site asphalt slurry sealed once all work is completed.
- Well #N15, Cabana – Concentrations of Trichloroethylene (TCE) above the maximum contaminant level (MCL) was detected in 2016 and the well was taken off-line. Phase 1 of an environmental site assessment was completed by Sierra West Consultants (SWC) earlier this year. The District has now contracted with SWC for a second phase which will include refining and developing information for regulators to see if a responsible party can be identified. SWC's scope of work also includes evaluating the potential costs of well rehabilitation and wellhead treatment. A presentation on this project was made to the Water Quality Committee at their meeting held on July 17, 2017. Work by SWC is currently underway on the second phase of this project.
- Well #N17, Oakdale – Well rehabilitation work by Roadrunner Drilling has begun. After the first scratching, Brown & Caldwell recommended additional scratching to clean up the louvered screens. Kirby's Pump & Mechanical has installed some discharge piping and will finish once well rehabilitation is completed. The well rehabilitation work is expected to be completed by mid-August.

2) Distribution

Water Main and Non-Potable Pipeline Separation Requirements

As noted previously, Engineering staff is working with the State Water Resources Control Board, Division of Drinking Water (DDW) staff to obtain project by project separation waivers. Engineering expects to obtain the crossings waiver from DDW for Parkland Estates Phase 2 in early-August for the final five crossings. Engineering submitted an application for a parallel separation waiver in early-July and received the waiver in late-July. However, the waiver is both difficult to understand and rejected the engineering approach put forward in the application. To address both of these issues, Engineering is preparing a letter requesting clarification of the waiver.

Construction sequencing has been adjusted significantly to avoid areas where separation conditions require a waiver. The end result of DDW's revisions to the waiver process is expected to increase the overall project costs not only for this project, but for the entire ongoing Main Replacement Program.

Parkland Estates Phase 1 Main Replacement Project

The District has received Notice of Completion from Sacramento County that the project is closed. Services for Eastern Oak Park have been adjusted to accommodate their renovation project (currently in construction) and will be completed under the Parkland Estates Phase 2 project (only the park site portion remains). The County has indicated that paving on Eastern Avenue will take place in June 2018.

Parkland Estates Phase 2 Main Replacement Project

Doug Veerkamp General Engineering (Veerkamp) began construction in May. To date, approximately 9,600 feet of new 8- and 12-inch water mains have been installed. They have also installed 20 new fire hydrants, upgraded one (1) fire hydrant, and completed four (4) tie-ins.

To date, the District has been granted a separation waiver for 82 of 87 total sewer/storm drain crossings. Due to the lengthy DDW waiver process, Veerkamp began work on Marconi Avenue where there are few conflicts. While working on interior streets, Veerkamp has been very cooperative in accommodating the lack of a waiver and frequently changing work areas to avoid DDW conflict areas. Staff is currently preparing bid documents for the service line construction.

Staff was unsuccessful in negotiating a cost for service lines construction with Rawles Engineering or Veerkamp. As directed by the Board at the July Board Meeting, staff will put this part of the project out to bid. For more detailed information, see a separate staff report prepared for the August 2017 Board Meeting.

Edison Meadows Main Replacement Project

At the July 2017 Board Meeting, the Board approved extending Veerkamp's Master Service Contract to include this project. Construction work on the mainline portion of the project is anticipated to begin in late-2017 to early-2018 for completion in late-2018 to early-2019. The new DDW separation waiver requirements and impacts to project design and construction learned during mid-course implementation for the Parkland Estates Phase 2 project are being incorporated into this project (and the overall Main Replacement Program).

Edison Avenue Water Main Extension Project

This water main extension project consists of approximately 1,200 feet of pipe and meter installation. The project design is being completed by District staff. Engineering is preparing bid documents to submit to the Division of Drinking Water (DDW) to get approval of plans regarding water/sewer separation so the project can be placed out to bid later this summer.

2017 Meter Retrofit Project

Flowline Contractors, Inc. began construction of the project in January and has installed 1,027 meters (of 1,151 scheduled for 2017) through the end of July. Good, clear weather this summer has resulted in consistently high productivity and it is anticipated that the project will be successfully completed by the deadline of December 15, 2017.

b. County and City Projects/Coordination

The County has a variety of projects scheduled in the next couple of years. Including the project listed below, the County has approximately six capital projects which will need coordination with District facilities. Specific projects will be described and mitigations proposed as County projects trigger District action.

- **Fulton Avenue Overlay Project Phase 2**

The County will be paving Fulton Avenue between Arden Way and Marconi Avenue this summer. The District has 226 valve boxes within the project limits. District staff will attempt to contract with the County's contractor to lower and raise the District's valve boxes. If staff is unsuccessful at entering into contract with the District's contractor, bids will be solicited to perform the work.

- **Countywide Sidewalk Improvements**

The County will be installing sidewalks and curb ramps throughout the county this summer. The District has several valve boxes within the project limits. District staff will attempt to contract with the County's contractor to lower and raise the District's valve boxes. If staff is unsuccessful at entering into contract with the District's contractor, bids will be solicited to perform the work.

c. Developer Projects (Including McClellan Business Park)

There are approximately 40 development projects in various stages of the approval process within the District. The majority of these are commercial projects. Currently there are 28 projects approved by the District, 13 of which have started or are under construction, and 15 that are scheduled, but have not provided the required deliverables prior to start of construction.

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

- **5915 Dewey Drive – Dewey Drive Skilled Nursing**

This project is located in Division 3 of the District's NSA. The project consists of installing a 4-inch domestic service, a 1-inch irrigation service and two 8-inch fire services.

- **2805 Root Avenue – Three Duplexes**

This project is located in Division 4 of the District's SSA. The project consists of installing a six ¾-inch domestic services.

- **3127 Eastern Avenue – Eastern Oaks Park Improvements**

This project is located in Division 2 of the District's SSA. The project consists of installing a 2-inch domestic service and a 3-inch irrigation service.

Total fees collected for CY 2017 are approximately **\$286,442**, of which Facilities Development Charges accounted for approximately **\$230,973**.

d. Planning Studies

Transmission Main Modeling and Prioritization

The District's Water System Master Plan (WSMP) consultant, Brown and Caldwell (B&C) is finishing up additional hydraulic modeling related to documenting and prioritizing new transmission main installation. The updated WSMP identifies over 100,000 linear feet of new transmission main to be installed in the North Service Area (NSA) through 2031 to provide a more robust transmission main backbone system to improve system reliability, increase operations flexibility and improve conjunctive use opportunities. It is expected that the additional hydraulic modeling provide a prioritization of projects over the next 5 years. This work should be completed by the end of August. It is likely that completion of portions of the backbone transmission system will need to be coordinated with future well siting efforts.

e. Other

New Engine Generator for Administration Building

The building permit is now in hand for the construction of the new engine generator and related work at the Marconi Office. Construction work is scheduled to begin in mid-August and will be completed before Thanksgiving.

Sacramento Suburban GPS/GIS Implementation Project

Work continues on a program to acquire and use Global Positioning System (GPS) equipment for engineering and operations. Included is an update of the base maps which will facilitate the use of GPS data and improve the mapping products available from the District's Geographic Information System (GIS) team. An internal GPS Committee was previously formed to move this project forward. GPS equipment will be loaned to the District by two companies, Trimble and Leica, and their equipment will be field tested in August by engineering and operations. The GPS Committee also continues to meet on a regular basis.

Potential In-Conduit Hydro Pilot Project

As reported to the Facilities and Operations Committee at their meeting on July 27, 2017, the District and SMUD have been contacted by a firm, InPipe Energy, interested in installing a small in-conduit turbine as a pilot project. District staff has expressed an interest in participating in this project which would be constructed at no cost to the District. Two meetings have been conducted with InPipe and SMUD, but many details remain to be worked out before this could be considered to be a viable project. As an example, SMUD and InPipe have to agree on the cost of required interconnection facilities and the amount that

SMUD would pay for electricity generated by this facility. If these details can be worked out, District staff will have further discussions on the proposed pilot project. Staff will keep the Board informed on any progress going forward.