

Agenda
Sacramento Suburban Water District
Regular Board Meeting

3701 Marconi Avenue, Suite 100
Sacramento, California 95821

Monday, March 19, 2018
6:00 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 February 26, 2018 Regular Board Meeting
Recommendation: Approve subject minutes.

2. Resolution No. 18-03 Amending Regulations Nos. 1, 7 and 9 of the Regulations Governing Water Service
Recommendation: Adopt subject resolution.

Items for Discussion and/or Action

3. Resolution No. 18-04 Authorizing the Issuance of Not to Exceed \$22,000,000 Refunding Revenue Bonds and Approving the Execution and Delivery of Certain Documents in Connection Therewith and Certain Other Matters
Recommendation: Approve subject resolution.
4. Review of Debt Obligation Continuing Disclosure Policy (PL – Fin 013)
Recommendation: Approve subject policy.
5. 2018 Water Transfer Program
Recommendation: Approve 2018 Water Transfer Program
6. Status of the San Juan Water District Merger Discussion
Receive written staff report and direct staff as appropriate.
7. Directors Out of State Travel Request
Receive written staff report and direct staff as appropriate.
8. California Special Districts Association Call for Nominations for Seat A
Receive written staff report and direct staff as appropriate.
9. Resolution No. 18-05 Authorizing Application for Funding Assistance through the Bay-Delta Restoration Program: CalFed Water Use Efficiency Grant Program
Recommendation: Adopt subject resolution.

Department/Staff Reports

10. General Manager's Report
 - a. McClellan Business Park Successor Agreement Update
 - b. Assistant General Manager Recruitment
 - c. Antelope Transmission Pipeline Update
 - d. Long Term Warren Act Contract Update

11. Financial Report
 - a. DRAFT - Financial Statements – February 2018
 - b. Cash Expenditures – February 2018
 - c. Credit Card Expenditures – February 2018
 - d. DRAFT - District Reserve Balances – February 2018
 - e. DRAFT - Information Required by Bond Agreement
12. District Activity Report
 - a. Water Operations and Exceptions Report
 - b. Water Quality Report
 - c. Water Conservation and Regional Water Efficiency Program Report
 - d. Customer Service Report
 - e. Community Outreach Report
13. Engineering Report
 - a. Major Capital Improvement Projects
 - b. Other

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

14. a. Regional Water Authority (Director Wichert)
Agenda from the March 8, 2018 Meeting.

Regional Water Authority Executive Committee (General Manager York)
No report.
- b. Sacramento Groundwater Authority (Director Schild)
No report.
- c. Water Caucus Meeting (General Manager York)
No report.

- d. Water Forum Successor Effort (General Manager York)
No report.
- e. Other Reports

Committee Reports

- 15. a. Facilities and Operations Committee (Director Jones)
Draft Minutes from the March 6, 2018 Meeting.
- b. Finance and Audit Committee (Director Schild)
None.

Information Items

- 16. Legislative and Regulatory Update
- 17. Upcoming Water Industry Events
- 18. Upcoming Policy Review
 - a. Disposing of Surplus District Real Property, Vehicles and Large Equipment and Other Personal Property Policy (PL – Adm 003)

Miscellaneous Correspondence and General Information

- 19. Correspondence received by the District
None.

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)

- 20. Conference with legal counsel – potential litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(4); consideration of initiating litigation involving the State Water Resources Control Board’s proceedings related to the California Water Fix and the Bay-Delta Water Quality Control Plan Update.

Adjournment

Upcoming Meetings

Thursday, April 5, 2018 at 2:00 p.m., Finance and Audit Committee Meeting

Monday, April 23, 2018 at 6:00 p.m., Special Board Meeting

I certify that the foregoing agenda for the March 19, 2018 meeting of the Sacramento Suburban Water District Board of Directors was posted by March 15, 2018 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.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 4

Date: March 13, 2018

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

Staff Contact: Daniel A. Bills, Finance Director

Recommended Board Action:

No action necessary. Review Policy and Procedure. Ask questions of Bond Counsel related to federal securities laws and the Board's responsibility related thereto.

Discussion:

In connection with the offering of certificates of participation, revenue bonds, notes or other obligations to the public, the District must comply with the "anti-fraud rules" of federal securities laws. Those rules require that information provided to investors and potential investors do not contain any material misstatements or omissions.

The District previously adopted an amended Disclosure Policy on March 16, 2015. Pursuant to the Disclosure Policy, the District is required to receive periodic training to ensure that the District continues to comply with all applicable disclosure obligations and requirements under the federal securities laws.

On November 21, 2016, the District received disclosure training by its Bond Counsel, Doug Brown of Stradling Yocca Carlson & Rauth. In addition, the Board was provided with a presentation on its disclosure responsibilities under the federal securities laws (the "Disclosure Presentation").

In connection with the proposed issuance of Refunding Revenue Bonds, Series 2018A, Bond Counsel has prepared an updated Disclosure Presentation which is attached hereto. Doug Brown, the District's Bond Counsel, will be available at the Board meeting to answer any questions that Directors or District staff may have with respect to the new Disclosure Presentation or the District and Board's responsibilities under the federal securities laws.

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.

More robust disclosure of District's financial risks.

Sacramento Suburban Water District

Debt Obligation Continuing Disclosure Policy

Adopted: March 16, 2015

Revised: November 21, 2016

100.00 Purpose of the Policy

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

200.00 Policy

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

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

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

(including its audited financial statements) as well as notice of certain events relating to the Obligations specified in the Continuing Disclosure Certificates. The District must comply with the specific requirements of each Continuing Disclosure Certificate. The District's Continuing Disclosure Certificates generally require that the annual reports be filed within 270 days after the end of the District's fiscal year, and material event notices are generally required to be filed within 10 business days of their occurrence.

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

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

300.00 Policy Review

This Policy shall be reviewed at least biennially.

Sacramento Suburban Water District

Debt Obligation Continuing Disclosure Procedure

Effective: March 16, 2015
Revised: December 19, 2016

Purpose

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

Procedure

BACKGROUND

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

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

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

information (“District Section”), and (iii) various other appendices, including the District’s audited financial report, form of the proposed legal opinion, and form of continuing disclosure undertaking. Investors use the Official Statement as one of their primary resources for making informed investment decisions regarding the Obligations.

DISCLOSURE PROCESS

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

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

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

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

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

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

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

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

DISTRICT SECTION

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

- District staff involved in the disclosure process are responsible for being familiar with its responsibilities under federal securities laws as described above.
- District staff involved in the disclosure process should err on the side of raising issues when preparing or reviewing information for disclosure. Officials and staff are encouraged to consult General Counsel, Bond Counsel or members of the financing team if there are questions regarding whether an issue is material or not.
- Care should be taken not to shortcut or eliminate any steps outlined in the Procedures on an ad hoc basis. However, the Procedures are not necessarily intended to be a rigid list of procedural requirements, but instead to provide guidelines for disclosure review. If warranted, based on experience during financings or because of additional SEC pronouncements or other reasons, the District should consider revisions to the Procedures.
- The process of updating the District Section from transaction to transaction should not be viewed as being limited to updating tables and numerical information. While it is not

anticipated that there will be major changes in the form and content of the District Section at the time of each update, everyone involved in the process should consider the need for revisions in the form, content and tone of the sections for which they are responsible at the time of each update.

- The District must make sure that the staff involved in the disclosure process is of sufficient seniority such that it is reasonable to believe that, collectively, they are in possession of material information relating to the District, its operations and its finances.

TRAINING

Periodic training for the staff involved in the preparation of the Official Statement (including the District Section) is coordinated by the finance team and the Finance Director. These training sessions are provided to assist staff members involved in identifying relevant disclosure information to be included in the District Section. The training sessions also provide an overview of federal laws relating to disclosure, situations in which disclosure rules apply, the purpose of the Official Statement and the District Section, a description of previous SEC enforcement actions and a discussion of recent developments in the area of municipal disclosure. Attendees at the training sessions are provided the opportunity to ask questions of finance team members, including Bond Counsel concerning disclosure obligations and are encouraged to contact members of the finance team at any time if they have questions.


ANNUAL CONTINUING DISCLOSURE REQUIREMENTS

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

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

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

Approved by:



General Manager Signature

Sacramento Suburban Water District

Disclosure Responsibilities Under the Federal Securities Laws

District staff and the Board received federal securities law disclosure training in November 2016. Attached is an update of the training, including recent enforcement actions.

Why Is Disclosure Necessary?

- **The District issues securities in the public capital markets**
- **Investors in municipal securities have rights under federal securities laws**
- **All “material” information must be disclosed**

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The Securities Act Of 1933

- **1933 Act has two substantive rules:**
 - Registration requirement
 - Antifraud rule
- **Antifraud Rule applies to municipal securities**
 - Prohibits any person from, directly or indirectly, obtaining money or property by means of any untrue statement of a material fact or by a misleading omission.
 - Negligence standard (should have known)

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Securities Exchange Act Of 1934 Rule 10b-5

- 1934 Act creates ongoing disclosure requirements for public companies
- Also contains antifraud provisions (Rule 10b-5)
- Antifraud provisions apply to government issuers

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Rule 10b5

“It shall be unlawful for any person . . .

- a) To employ any device, scheme or artifice to defraud,
- b) To make any untrue statement of a material fact or to omit to state a *material* fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading”

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The “Materiality” Standard

- “[w]hether or not there is a substantial likelihood that a reasonable investor or prospective investor would consider the information important in deciding whether or not to invest.”
- Materiality is determined in context of all the facts and circumstances, but in hindsight
- Guidance comes primarily from court decisions and SEC enforcement cases. In the recent MCDC “self-reporting” program, SEC staff consistently refused to provide advance guidance on what constitutes a “material” misstatement of facts

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What Should Be Disclosed?

- Unlike corporate securities, there is no “line item” set of rules for what goes into an Official Statement (“OS”)
- Various groups have suggested disclosure for particular market segments and general guidelines for OS content
- Look at practices in the industry; recent developments (e.g. Pension, Continuing Disclosure Compliance)
- In the end, the District must use its own good judgment

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When Do Disclosure Rules Apply?

- New offerings
- Annual Report under Rule 15c2-12
- Any other circumstance where an Issuer is “speaking to the market”

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Content of Annual Reports

- Audited Financial Reports
- Information (i.e. tables) identified in Continuing Disclosure Undertaking
- Additional voluntary information
- Consider Rule 10b5 implications – is there more you should be saying?
- Has anything happened since the date of the audited financial reports that has materially impacted your financial condition?

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Investor Communications

- No obligation to do it
- Tension between market (and SEC) desire for transparency and potential issuer liability
- No corollary to Regulation FD (requiring public companies to disseminate specified information which it provides to any investor) – can provide information to specific investors
- Establish a single point of contact
- Speeches and presentations may be “speaking to the market”

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District Disclosure

- Official Statement is offering document to investors
- Must contain all material information for the particular bond sale
- Official Statement is the District's document
- Underwriters, financial advisers and lawyers can help develop the Official Statement but the District is ultimately responsible for content

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Disclosure Principles

- **Historical and projected revenues, expenses and debt service coverage**
- **Additional bonds test**
- **Information on debt – types and amounts**
- **Litigation**

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Disclosure Principles – (cont.)

- **Provide main points but do not overwhelm readers with detail**
- **Highlight important developments “up front”**
- **Determine appropriate level of importance for any particular event or budgetary item**
- **Bringing all these factors together into final product is ongoing process of give and take**
- **Consider maintaining Attorney-Client privilege for sensitive issues**

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Timing Considerations For Bond Sale

- **Progression of an offering**
 - POS ⇒ sale ⇒ final OS ⇒ closing
- **Supplements are possible**
 - Not preferred, can be disruptive after sale
- **Be mindful of public actions or releases likely to occur**
 - State budget, District budget, mid-year reports
 - Status of ongoing litigation

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Process

- **Input from involved departments**
- **Empower staff at all levels**
- **District coordinates; Disclosure Counsel helps pull information together and maintains document**
- **Drafts reviewed by working group**
- **“Due diligence” meeting before distribution of Preliminary Official Statement**

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Current Hot Topics

- Status of fund balance and reserves
- Expected increases in retirement related payments; unfunded liabilities (pension and OPEB)
- Accounting practices
- Continuing Disclosure Compliance

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Disclosure Considerations

- Tomorrow's "hot topic" may be different than today's
- Disclosure must evolve to reflect changing circumstances
- Read the disclosure with "fresh eyes"
- If you think something may be a concern, raise the issue with District staff and legal counsel, consider discussing with the working group
- There are no "stupid questions"
- Political sensitivity and confidentiality considerations are not exceptions to disclosure

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Topics of Recent SEC Enforcement Actions

- **Inadequate Pension Disclosures**
- **Misleading or Incomplete Financial Disclosures**
- **Failed Economic Development Projects**
- **Failure to disclose missed Continuing Disclosure Filings**

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Increasingly Aggressive Actions by SEC in Recent Years

- **Filings against States:** N.J., Illinois, Kansas
- **Levying fines against issuers:** Wenatchee, Westlands
- **Increasingly charging issuer officials along with the issuer:** Miami, Allen Park, Harvey, Wenatchee, Victorville, Westlands, RIEDC, Ramapo
- **Levying fines against individual defendants:** San Diego, Allen Park, Harvey, Westlands, RIEDC
- **Officials barred from future involvement in municipal finance:** Allen Park, Harvey; sought in Ramapo

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Increasingly Aggressive Actions by SEC in Recent Years (cont.)

- **Official who did not participate in bond deal charged as “controlling person” because he directed actions of others:** Allen Park; Ramapo
- **Individuals charged with “aiding and abetting” securities law violations:** RIEDC, Ramapo
- **Criminal charges against issuer officials:** Ramapo
- **Charging securities law violations in a situation which did not involve a bond offering:** Harrisburg

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Increasingly Aggressive Actions by SEC in Recent Years (cont.)

- **Most settlements require implementation of remedial actions and training; in some cases issuer required to hire outside disclosure counsel for a period of years:** Harvey, sought in Ramapo
- **SEC brings actions even when there was no default, no rating downgrade, or any evident market impact on the bonds. (Port Authority; MCDC cases) Unlike in a private action, the SEC does not need to prove damages or reliance.**

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Consequences of Bad Disclosure

- SEC Investigation – fees for lawyers and consultants
- Adverse publicity
- Personal Fines
- Reduced market access
- May have to impose new procedures and oversight to settle SEC actions
- Rating Downgrades (triggers increased credit/liquidity provider fees)

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Summary

- Investors must be provided all material information—When in doubt, disclose
- Officials participating in the disclosure process must be in a position to know material information (i.e., “the right people must be in the room”)
- Top management must support and encourage vigorous disclosure program
- Empower everyone in the organization
- Involved officials must receive training; District must maintain rigorous disclosure practices
- Protect Attorney-Client Privilege
- Adopt formal disclosure policy, including policies and procedures to ensure to ensure continuing disclosure compliance

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Agenda Item: 5

Date: March 12, 2018

Subject: 2018 Water Transfer Program

Staff Contact: Dan York, General Manager

Recommended Board Action:

Authorize the General Manager to execute and sign all agreements necessary to implement the District's 2018 Water Transfer Program, at a minimum of \$300 per Acre-Feet, subject to approval by District legal counsel of any non-substantive changes to such agreements.

Direct the General Manager to conduct an analysis of per Acre-Feet costs associated with retail water rates, water transfers, wheeling rates and banked groundwater.

Background:

The District's 2018 Water Transfer Program was presented at the February 12, 2018 Facilities and Operations Committee (F&O Committee). The F&O Committee recommended this item be presented at the February 26, 2018 regular Board meeting with a recommendation of approval.

Staff was directed to defer this item to the March 2018 regular Board meeting for further discussion due to Director comments made regarding the unknown costs associated with the cost of water delivered to District customers.

Discussion:

Due to administrative tasks and short timeframes for submittals to participate in water transfers, staff is recommending the General Manager be given authority to take all actions necessary to execute these agreements for water transfer opportunities in 2018, and regularly report to the Board on the status of any transfer agreements.

At the December 21, 2017 State Water Contractor (SWC) Board meeting, the SWC Directors approved an action to establish a SWC Dry Year Transfer Program (DYTP) to potentially obtain supplemental water supplies in 2018. The SWC began soliciting interest from potential sellers. District staff contacted SWC and requested to be placed on the SWC sellers list in their 2018 DYTP. The SWC has provided the 2018 DYTP water purchase price. Current water purchase price for each Acre-Feet (AF) of transfer supplies is \$250 per AF. On February 27, 2018 the Sacramento Valley Agricultural sellers countered the SWC with \$600 per AF for 2018 transfer water. They also are proposing more favorable terms on the administrative reimbursement and

any costs of California Environmental Quality Act review/litigation. The SWC has yet to respond to the Sacramento Valley Agricultural sellers.

District staff has also been contacted by the following agencies to partner in potential water transfers:

- Placer County Water Agency (PCWA)
- San Juan Water District (SJWD)
- Carmichael Water District (CWD)
- City of Sacramento (City)

In addition, District staff met with SJWD, Fair Oaks Water District (FOWD), Citrus Heights Water District (CHWD) and CWD to determine interest in a regional water transfer. There is an overall consensus to continue discussions in order to determine if a successful regional water transfer could be accomplished.

On March 9, 2018, staff was informed of potential regional groundwater substitution transfer proposal. The Central Coast Water Authority (CCWA) has indicated a strong interest in moving a groundwater substitution transfer forward as soon as possible at a rate of \$500 per AF. Listed below are the fundamental transfer terms and the participation status of the regional entities:

General Terms (to be embodied in a Term Sheet)

- American River Region to provide “up to” 15,000 AF of surface water in a short-term (1 year or less) regional groundwater substitution transfer. Sources of transferred surface water are the City, CWD, and SJWD.
- CCWA will cover reasonable transaction costs to develop and execute the transaction (this will likely be capped at some amount).
- End users of transferred surface water will include City of Santa Barbara, Montecito Water District, Carpinteria Valley Water District, Santa Ynez River Water Conservation District, and City of Solvang
- American River region will agree to forego marketing transferable water that is part of this transaction to other users in the State until this transaction either succeeds or fails.
- The transaction is subject to formal approvals by the state regulatory agencies and all local agencies that will participate in the transaction.

Status of American River Region Participants

- City, SJWD, CWD, FOWD, CHWD and SSWD are a tentative “yes” (meaning they have given authorization to discuss transaction with CCWA, knowing that all actions are subject to Council's and Boards' approvals).
- Regional Water Authority is interested in assisting in the transaction.
- Sacramento County Water Agency, PCWA and City of Lincoln are potential additional participants, but are not incorporated into the 15,000 AF proposal that has been discussed to date.

The following is a brief overview of potential transfers:

- PCWA to conduct releases from their reservoirs in 2018. They have identified at least one buyer.
- City to conduct a groundwater substitution transfer of Area D Surface Water.
- City to exchange surface water diversions for District groundwater.
- SJWD in a regional collaborate water transfer which includes participation with CHWD and FOWD.

As of the date of this report, there were two water transfers under discussion, as listed below:

- Metropolitan Water District authorized transfers of 50 Total Acre Feet at a rate of \$300 per AF.
- River Garden Farms, in Sutter County, was in discussions for 5,000 AF at \$300 per AF.

The water transfer with CCWA is \$500 per AF compared to the \$300 per AF than the two transfers above.

District staff has placed on the April 6, 2018, Finance & Audit Committee (F&A Committee) a recommendation to conduct a rate analysis that would cover per AF costs associated with retail water rates, water transfers, wheeling rates and banked groundwater. If approved by the F&A Committee, the plan is to bring the recommendation to the full Board at the April 23, 2018 Special Board meeting for approval. It is anticipated the completed rate analysis would be completed provided to the F&A Committee in July 2018.

Fiscal Impact:

The gross revenue potentially received from water transfers is unknown at this time. However, if the CCWA water transfer occurs, the purchase price for the water identified in that purchase agreement is \$500 per AF. The amount of water forecast to be transferred is approximately 5,000 AF, depending on the duration of the transfer. This would mean that the share of revenue received would be approximately \$2.4 million, including administrative and legal costs.

Strategic Plan Alignment:

Finance (C) – Combine sound and efficient business procedures with regular and simple reporting, ensuring proper handling and reporting of all District financial processes.

Leadership – 5.C. Participate in regional water management partnerships.

The District’s ratepayers will benefit from a water transfer as it will generate additional revenues that can be used by the District for water system maintenance, replacements and upgrades or other purposes without any impacts on service.



Agenda Item: 6

Date: March 10, 2018

Subject: Status of the San Juan Water District Merger Discussion

Staff Contact: Dan York, General Manager

Recommended Board Action:
Provide staff direction.

Background:

At the June 25, 2015 Joint Board Meeting between Sacramento Suburban Water District (SSWD) and San Juan Water District (SJWD), two motions by SSWD Directors passed. Paraphrasing, the first was to pay the Phase 2A Consultant, but not accept the Phase 2A report. The second motion was to suspend all work on consolidation with SJWD until SSWD coordinates with SJWD Wholesale Agencies and SSWD can evaluate the independent legal research SSWD commissioned.

On March 8, 2018, the District received correspondence from SJWD General Manager Paul Helliker, on behalf of the Board of Directors of SJWD, inquiring about the status of the merger discussions previously conducted by SSWD and SJWD. The correspondence from Mr. Helliker is attached as Exhibit 1.

At the June 25, 2015 joint Board meeting between SSWD and SJWD, the District's Board stated they had questions and concerns about the information in the report and the participation of SJWD's wholesale customer agencies in its development.

The District's General Manager was directed by the Board to meet with management personnel of Citrus Heights Water District (CHWD), Fair Oaks Water District (FOWD) and the City of Folsom (Folsom). All confirmed that the questions and concerns they had was represented in the written comments they provided prior to the June 25, 2015 Joint Board Meeting. Orangevale Water Company represented that they had no issues. The comment letters received from CHWD, FOWD and Folsom are attached as Exhibit 2.

In addition, the Board requested that SJWD's water rights be reviewed by outside legal counsel. At the January 25, 2016 Board meeting, the independent legal review of SJWD's water rights and contracts were summarized for the Board by the Brenda Davis Law Group. The conditions placed to suspend work on merger discussion were met.

Staff is now seeking direction from the Board. Options include at least the following:

1. Direct staff to report to SJWD that SSWD is not interested in pursuing additional merger discussions at this time.
2. Appoint Directors to a 2x2 Committee and reinitiate merger discussions with SJWD.
3. Direct staff to reinitiate merger discussions with SJWD and develop a scope and budget for Phase 2B.

Staff has consistently maintained that a decision to consolidate public agencies is a policy decision to be made by the officials elected to represent District customers. As the conditions placed on suspending consolidation discussion with SJWD have been met, staff is now seeking guidance from the Board.

Fiscal Impact:

Unknown at this time.

Strategic Plan Alignment:

Consolidation with a neighboring water utility would touch all aspects of the goals and principals in SSWD's Strategic Plan; Water Supply, Facilities and Operations, Customer Service, Finance and Leadership.

The benefit to District customers is not reported, as there is no staff recommendation.

EXHIBIT 1

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



Directors

Edward J. "Ted" Costa
Marty Hanneman
Kenneth H. Miller
Dan Rich
Pamela Tobin

General Manager
Paul Helliker

March 8, 2018

Mr. Dan York
General Manager
Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821

Re: Status of Merger Discussions

Dear Dan:

On behalf of the Board of Directors of San Juan Water District, I am writing to inquire about the merger discussions that occurred between San Juan and Sacramento Suburban Water District in the years prior to and including 2015. I understand that there were two reports prepared on the subject, the most recent of which was reviewed by both Boards at a joint meeting on June 25, 2015. At that meeting, your Board had some questions and concerns about the information in the report and the participation of San Juan's wholesale customer agencies in its development.

The San Juan Board is interested in the current status of your agency's consideration of the potential of a merger with our agency, and what activity may have occurred on this topic since the June, 2015 meeting. We would appreciate any information you could provide on this topic.

Thank you very much!

Sincerely,

Paul Helliker
General Manager

cc: SJWD Board of Directors



6230 Sylvan Road
P.O. Box 286
Citrus Heights
California
95611-0286

phone
916/ 725-6873
fax
916/ 725-0345
website
www.chwd.org

Board of Directors
Allen B. Dains
Caryl F. Sheehan
Raymond A. Riehle

*General Manager/
Secretary*
Robert A. Churchill

*Assistant General
Manager/Treasurer*
Hilary M. Straus

*Accounting Supervisor
Assessor/Collector*
Susan K. Sohal

June 2, 2015

Mr. Edward J. Costa, President
Board of Directors
San Juan Water District
9935 Auburn-Folsom Road
Granite Bay, CA 95746

Mr. Neil W. Schild, President
Board of Directors
Sacramento Suburban Water District
3701 Marconi Avenue #100
Sacramento, 95821

Re: Public Review Draft Report – Phase 2A Study: Analysis of
Reorganizing San Juan Water District and Sacramento Suburban
Water District, March 26, 2015

Dear President Costa and President Schild:

Thank you for the opportunity for Citrus Heights Water District (“CHWD”) to provide comments to San Juan Water District’s (“SJWD”) and Sacramento Suburban Water District’s (“SSWD”) Boards of Directors regarding the “Public Review Draft Report – Phase 2A Study: Analysis of Reorganizing San Juan Water District and Sacramento Suburban Water District, March 26, 2015”, (Draft Phase 2A Study). In addition to the comments in this letter, nine bound copies of the Draft Phase 2A Study of with additional CHWD comments and edits are included for your Board Members, staff and consultants. For purposes of clarification in this letter, “SJWD” means both SJWD-Wholesale (“SJWD-W”) and SJWD-Retail (“SJWD-R”).

As you are aware, the history of CHWD and that of SJWD are very much interrelated. Orange Vale Water Company (“OVWC”), Fair Oaks Water District (“FOWD”) and our agency served as keystones leading to the formation of SJWD in 1954. Indeed, the Citrus Heights community’s use of water from the American River predates the 1920 formation of CHWD.

We look forward to working closely with the entire SJWD and SSWD Boards of Directors and assigned staff to answer any questions regarding our comments and edits and to address our comments and concerns and to implement our suggested resolutions.

Key to CHWD’s support of the proposed reorganization center around the District’s agreement for surface water supplies, a governance or representation plan of proposed successor agency’s Board of Directors and recognition of the prior investments in SJWD-W’s water treatment, water storage and water delivery infrastructure.

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It is CHWD's request that the Districts' detailed comments, questions and concerns provided below be responded to in writing and/or included/addressed in the Final Phase 2A Study (with written intention to include in the Final Phase 2B Study). Our comments are organized into the following subject areas:

Phase 2A Study Content – General
SJWD Wholesale Service Area Boundary
Water Supplies
Water Supply Agreements
Other Agreements
Operations
Facilities
Finances
Water Rates
Board of Directors / Governance
Organizational Structures
JPA Option
Closing

DRAFT PHASE 2A STUDY CONTENT - GENERAL

In reviewing this document, CHWD notes many areas to improve the Draft Phase 2A Study for readability and understanding by the general public. Many of these areas are contained in the comments and edits provided as noted above. CHWD recommends that an independent editorial and technical review be performed prior the issuance of the Final Phase 2A Study due to its potential for impact to such a large population.

Not on the table during these discussions has been the concept of SJWD-W as an independent "wholesale only" organization with its own Board of Directors, relinquishing its retail water service responsibilities to other providers of retail water service, forming an independent retail service area or a combination of both. Such a concept would provide assured demarcation between the finances, assets and operations between the current wholesale and retail businesses of SJWD. As this and other studies take place to determine if reorganization of SJWD and SSWD should occur, it is of utmost importance to CHWD that SJWD-W's business plan, including but not limited to, finances, assets, and operations, be clearly stated and differentiated from that of SJWD-R.

Areas throughout the Draft Phase 2A Study contain many subjective statements rather than definitive statements regarding potential outcomes or advantages of the reorganization. Statement containing the words "may", "might", "could", "potential" or "we believe that" do

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not lend them to providing a high level of confidence to CHWD that the projected outcomes are expected, realistic or attainable.

The Draft Phase 2A Study, Chapter 2, Page 19, Items 5 through 9, at the top of the page referencing water service delivery, customer service, human resources policies, salaries and benefits, meshing of finance, accounting, information technology, combined district budget/total cost of operation and short/long term debt in the "paper" new merged district, are not addressed. These are important items worthy of detailed analysis and discussion.

The Draft Phase 2A Study, Chapter 1, Page 19, Items 1 through 5, in the upper middle of the page referencing impacts to wholesale and retail water rates, water supply availability, water quality, impact on existing capital improvement plans, existing water rights for existing customers, and drought operations have not been addressed. These are important issues raised by different stakeholders through the outreach process and require analysis.

The Draft Phase 2A Study, Chapter 9, "Lessons Learned from Arcade/Northridge Consolidation" consistently refers to a lack of detail. How will these lessons learned be incorporated into the reorganization process going forward? This Chapter concludes with the identification of a need for an evaluation process whereby operational parameters are prioritized and thoroughly analyzed in a timely manner. Will the Phase 2B Study provide a guide and suggested timeline for such an evaluation? What are the areas, unlike the AWD/NWD effort, that should be fully assessed and analyzed prior to reorganization?

Consider incorporating the mission statements of San Juan Water District and Sacramento Suburban Water District immediately prior to the Table of Contents.

References to SJCSD are confusing, especially inasmuch as SSWD is not referred to as SSCWD. What is the purpose or intent of said reference?

For consistency throughout the report please standardize terms or language such as: Folsom Reservoir or Folsom Lake; groundwater or ground water; State or state; merger or reorganization.

For the lay reader, some of the quantity or rate-of-flow based terms or acronyms used in the Draft Phase 2A Study are not easy to comprehend. Please consider the inclusion of additional references that would be more relevant to a typical customer.

SJWD WHOLESALE SERVICE AREA BOUNDARY

Reference is made in the Draft Phase 2A Study that the service area/boundary of San Juan Water District is coincidental with that of the Wholesale Customer Agencies. CHWD is of the opinion that a westerly portion of the CHWD service area, approximately 950 connections in Sections 22 and 27 of Township 10 North, Range 6 East, MDB & M, is outside of SJWD, both physically and electorally. Inasmuch as a legal description of the service boundaries of both SJWD and SSWD are likely to be required when applying to LAFCo, now would be an opportune time to research the boundary lines of SJWD at formation and other annexations or detachments to date thereto.

This comment may also apply to the Place of Use ("POU") of SJWD's Central Valley Project ("CVP") water supply contract with the United States Bureau of Reclamation ("USBR"). CHWD understands that SJWD's CVP POU is not predicated on legal description but rather by a map that accompanies the contract. Said map needs to be attached as an Appendix to the Final Phase 2A Study to provide a definitive boundary of SJWD's CVP POU. The original CVP contract, along with its revisions and amendments, should also be attached as an Appendix.

The aforementioned SJWD boundary research should also evaluate the status of the North Ridge Country Club property located in the southeast quadrant of Madison and San Juan Avenues. While said property is not annexed to CHWD or FOWD, it may be within the SJWD boundary.

WATER SUPPLIES

In commenting on State and federal oversight and interest in local water management, the Study asserts on page 7, Item 4, that "The greatest risks to local water supply reliability are external to local purveyors. Actions by State and federal agencies, beyond the control of local agencies, create challenges best met with increased flexibility in water supply options."

CHWD disagrees with this statement, especially in light of the current mandates handed down by the State Water Resources Control Board ("SWRCB"). The greatest risk is prolonged drought which has and may warrant in the future additional State and federal restrictions in spite of flexible water supply options being already in place. The second greatest risk is potential contamination of the groundwater basin, which significantly impacts the flexibility in water supply options.

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San Juan Water District - Wholesale:

See comment above regarding inclusion of a map more detailed than the one provided on page 66 as an Appendix to the Final Phase 2A Study delineating SJWD-W's POU of CVP water.

More discussion and analysis is needed in the Final Draft 2A Report regarding how recent drought-related actions by the SWRCB impact, negatively or positively, SJWD's ability to fully utilize the surface water supplies for which it has rights or contracts. If the long-term ramifications of the SWRCB's requirements are to manage customer water use to a Gallons Per Capita per Day ("GPCD") number, how might that impact the ability to fully utilize the diverse surface water and groundwater supply investments of SJWD, the Wholesale Customer Agencies and SSWD.

Sacramento Suburban Water District:

Attach maps more detailed than the one provided on page 66 as Appendices to the Final Phase 2A Study delineating SSWD's POU of its Area D and Placer County Water Agency ("PCWA") water supplies.

SSWD's 2010 LAFCo Municipal Services Review states that it "has existing capacity to implement conjunctive use water supply solutions for neighboring water purveyors" but "does not have excess water to provide for other agencies on a continuous basis." Are these statements still valid and if so, they are in conflict with statements in the Study (page 5)?

SSWD has groundwater supply wells that are either offline due to contamination or could be threatened by contamination. This affects the supply, reliability and ultimately the price of water from these sources. Will remediation and return to service be made a higher priority for the reorganized agency since more customers will be relying on that water, or a lower priority since each reorganized District service area could use water from another area to circumvent the problem? In either case, groundwater contamination or the threat thereof or associated treatment technology costs have to be identified as liabilities, not just for SSWD but throughout the region. More discussion than what is currently provided on page 84 in the Draft Phase 2A Study is needed in the Final Phase 2A Report.

WATER SUPPLY AGREEMENTS

CHWD requires the means to ensure, the guarantee of, the quantity and quality of surface water from SJWD-W and that it will be available for use by the District.

CHWD greatly appreciates the inclusion of the "Wholesale Customer Agencies Principles" in the Draft Phase 2A Study (see pp. 38 and 39) as these principles reflect the heart of CHWD's concerns. These principles must be embodied with appropriate and valid assurance

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mechanisms in a modified Water Supply Agreement (“WSA”) between CHWD and SJWD prior to finalization of the Phase 2A Study. We recommend that a process to address this item be made a priority.

The modified WSA must include:

- Confirmation of the SJWD-W’s pre-1914 water rights priority to CHWD’s customers over any new customers in an expanded service area.
- Acknowledgement and confirmation of CHWD’s reliance on existing reliability of SJWD-W surface deliveries as has been articulated in various SJWD planning documents and as has resulted in CHWD’s past and planned investments in managing, with groundwater, SJWD-W surface delivery shortfalls.
- The basis for determining CHWD’s current and future charges for the purchase of surface water from SJWD-W.
- Mechanisms for decision-making and dispute resolution between and among SJWD-W and the Wholesale Customer Agencies.

Securing a modified WSA incorporating these assurances will be paramount to CHWD’s ability to support SJWD’s and SSWD’s continued reorganization investigation process and path to combine the two agencies.

OTHER AGREEMENTS

Identification is needed of any and all agreements, including but not limited to those pertaining to the Cooperative Transmission Pipeline and the PCWA Water Treatment Agreement by and between SJWD and SSWD. These public documents need to be included as Appendices to the Final Phase 2A Study, which needs to include discussion and analysis of how these Agreements come into play with the annexation of SSWD into SJWD.

Identification needed of any and all SSWD agreements to which SJWD, by virtue of becoming successor to SSWD, would become a party. These public documents need to be included as Appendices to the Final Phase 2A Study, which needs to include discussion and analysis of how these agreements would specifically pertain to a reorganized SJWD wholesale business and/or expanded SJWD retail business.

OPERATIONS

The Draft Phase 2A Study fails to provide any representation of existing and projected reliability for SJWD-W and its Wholesale Customer Agencies under a “no-reorganization”

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condition, such that a key claimed benefit of the reorganization, providing improved reliability, can be demonstrated. The Final Phase 2A Study needs to detail and describe: 1) plausible water delivery operations, 2) plausible scenarios to depict the sharing of water supplies between SJWD and SSWD, 3) the anticipated frequency and magnitude of surface water deliveries to SSWD using pre-1914 water rights proposed, 4) the anticipated frequency of SSWD's reverting to their groundwater supplies, and 5) the frequency and magnitude of returned groundwater pumping to SJWD.

FACILITIES

San Juan Water District – Wholesale:

SJWD has assets, including but not limited to, water treatment, water storage, pump station, power generation, water transmission and distribution, fleet and real property assets, that can be categorized as pertinent to its business of providing wholesale water service, to its business of providing retail water service, and in some instances both. CHWD requests documentation showing: 1) the separate detailed asset accounting for SJWD-W and SJWD-R showing how each functional division of SJWD currently values these assets, and 2) the identification of which of these assets would become part of a reorganized SJWD-W assets to serve a larger retail service area upon annexation of SSWD to SJWD.

CHWD requests documentation regarding the financing of the Peterson Water Treatment Plant and related storage and transmission infrastructure, including cost, financing method(s) and sources of funds.

The final sentence on page 33 of the Draft Phase 2A Study needs to identify how many miles of transmission pipelines are parts of the SJWD-W system and how many miles of pipelines are parts of the SJWD-R system.

Sacramento Suburban Water District:

SSWD has assets, including but not limited to, water production, water storage, pump station, water transmission and distribution, fleet and real property assets, which heretofore have been categorized as pertinent to its business of providing retail water service. Similar to the information provided in SSWD's Municipal Services Review prepared for Sacramento LAFCo, a detailed accounting must be provided, showing the current value of these assets. Under a reorganized agency, what assets of SSWD are proposed to become part of reorganized SJWD wholesale assets?

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The last paragraph on page 50 refers both to SSWD's acquisition of "ownership rights" and "capacity interest" in a portion of the City of Sacramento's 54-inch transmission main. Are these terms meant to be used interchangeably?

FINANCES

CHWD recommends that the Phase 2B Study be structured and financed to include an independent financial consultant to evaluate the proposed reorganization's impact on operating and capital budgets and rates for both wholesale and retail customers with or without reorganization. The Draft Phase 2A Study presents inadequate financial information to substantiate a claim for reduced costs through economies and efficiencies (page 92, paragraph 3).

The Final Phase 2A Study must include an analysis of "buy-in" to existing water supply infrastructure to address historic financial commitments and expenditures by customers within both SSWD and the SJWD wholesale customer agencies.

San Juan Water District Wholesale Connection Fees:

SJWD-W collects wholesale connection fees from "all agencies that purchase water from San Juan Water District on behalf of the San Juan wholesale agency". These fees apply to all new connections within SJWD-W service area in CHWD, FOWD, OVWC, SJWD-R and Folsom except for new connections for non-enterprise public entities.

"The wholesale connection fee ensures that new customers pay their proportionate share to "buy in" to water system facilities. Wholesale capital facilities fees were previously financed through General Obligation bonds and reimbursements were formerly collected with taxes, however those bonds are now paid in full and this new funding mechanism has been established" (see Exhibit B for SJWD's Wholesale Connection Fee Transmittal Form).

The reorganization of SJWD to include SSWD means that there are 46,112 new connections to the San Juan wholesale agency that need to "buy in" to SJWD's water system facilities if these new connections are to have the same rights and access to said wholesale facilities as the existing Wholesale Customer Agencies. SSWD is similar in nature to CHWD as an essentially built-out residential community. The percentage mix of water service sizes across each agency's customer base is likely to be similar. Using this assumption, CHWD estimates that the wholesale connection fees due SJWD-W by SSWD to be between \$26.5 and \$32.6 million dollars (see Exhibit A for the calculation methodology). An exact calculation will need to be performed based upon SSWD's actual quantities of various water service sizes.

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If the aforementioned new SSWD connections to the San Juan wholesale agency are to have different rights and access to said wholesale facilities as the existing Wholesale Customer Agencies, the Phase 2A Study needs articulate same and further financial consideration given to the value of the wholesale facilities benefitting the new SSWD connections.

SJWD Property Tax Revenues:

As noted on pages 59 and 60 of the Draft Phase 2A Study, SJWD as a Community Services District ("CSD") receives a share of property tax in both Sacramento and Placer Counties from properties in its wholesale service area. By policy attributable to the sources of the property tax revenues, CHWD understands that SJWD currently allocates approximately 50% of these funds for SJWD-R projects and approximately 50% of these funds for SJWD-W projects. Discussion in the Final Phase 2A Study needs to address whether or not any property tax revenues from customers in SSWD would be forthcoming to the reorganized District. Assuming not, a clear statement must be made that the property tax revenues received by SJWD will be used only for the direct benefit of customers in SJWD's current wholesale service area.

WATER RATES

Wholesale Water Rates:

With its wholesale customer base increasing by 48% from 50,202 connections to 96,314 connections for a reorganized SJWD-W business, the Final Phase 2A Study must address the cost impacts (reduce, status quo, increase) to administration and operation of the SJWD water treatment, storage and transmission system that treats and delivers to CHWD.

The Final Phase 2A Study needs to restate that cost of service principles for determining wholesale water rates will continue to be applied separately to all of the agencies receiving water from SJWD-W.

Retail Water Rates: As a wholesale customer agency of SJWD-W, water rates for a reorganized SJWD-R service area are not germane to CHWD's comments.

BOARD OF DIRECTORS / GOVERNANCE

Should reorganization occur, CHWD fully and strongly supports the concept of a nine (9) member Board of Directors, qualifying and elected by divisions from communities of interest in a reorganized SJWD. This will provide a balanced representation on the reorganized SJWD Board of Directors from wholesale and retail constituents on SJWD. CHWD commits to support a legislative resolution in this regard.

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The nine (9)-member proposed successor agency's Board of Directors is one of the key components of the process for CHWD's receptivity to the proposed reorganization. Provide details and documentation of the efforts undertaken thus far to lay the groundwork for legislative action in this regard, as well as the plan and schedule for going forward. Are there recent legislative actions of a similar nature that have met with success or failure? Lacking any clear direction and likelihood for success in such an endeavor, CHWD would be hard-pressed to support the election of a smaller "at large" Board of Directors for the reorganized agency.

The population information provided at the top of page 68 of the Draft Phase 2A Study needs refinement as it does not include portions of the Carmichael community served by CHWD and SSWD. Furthermore, the population value stated for Citrus Heights is the population for portions of the five communities served by CHWD and not inclusive of the portion of Citrus Heights served by SSWD. CHWD's estimated populations for communities that it serves are as follows:

Citrus Heights	52,768
Orangevale	7,100
Fair Oaks	5,075
Carmichael	1,140
Placer County (unincorporated)	850
Roseville	<u>400</u>
Total	67,333

ORGANIZATIONAL STRUCTURES

The current organizational chart for SJWD provided on pages 41 and 70 of the Draft Phase 2A Study depicts the organization as a whole; combining wholesale and retail functions. The Final Phase 2A Study should include an additional version of this organizational chart or denoting assignment of full time equivalent ("FTE") personnel to SJWD-W in all of the functional areas.

Similarly, both the transitional organizational chart provided on page 72 and the reorganized district organizational chart provided on page 73 of the Draft Phase 2A Study depict the transitional and reorganized organization as a whole; combining wholesale and retail functions. Again, the Final Phase 2A Study should include additional versions of these organizational charts to denote assignment of FTE personnel to a new SJWD-W in all of the functional areas. The Final Phase 2A Study should address how the number of positions for the new SJWD-W business differs, if at all, from the present.

IPA OPTION

Another mechanism for achieving the benefits of consolidation, the creation of a joint powers agency or authority ("JPA"), needs to be examined. A joint powers agreement is a contract between two or more public agencies to exercise, jointly, all power(s) common to each of them, for the purpose of accomplishing specific goals they may have in common. The California Government Code sections 6500-6537 provide the authority for public agencies to enter into JPAs. They may be formed between local entities for reasons such as, but not limited to, acquisition of land, construction, maintenance, and operation of facilities by e.g., regional water districts, energy agencies, cities, counties or any other entity described in Government Code section 6500. JPAs can also be used by agencies for the purposes of determining fiscal agents and sharing regional responsibilities.

A JPA would provide the framework for all the board members of the SJWD member agencies to be represented. An eleven or possibly fourteen member JPA board is not an unreasonable size to address pressing issues under consideration for over 330, 000 people and the economy of the region.

A JPA would enable sharing of resources and combining services so that the member agencies--and their customers--save time and money. The JPA would conduct the thorough vetting of the benefits and pitfalls of consolidation of any of the member agencies, while developing the vision and preliminary components of the strategic plan and form the body for the successor agency. Once these elements are achieved, the fulfillment of the LAFCo elements of consideration would be addressed as a nominal course of effort.

CLOSING

In conclusion, the Phase 2A Study cannot be finalized until, SJWD-W and CHWD (or all its wholesale customers) enter into a modified WSA, addressing water rights priority, water supply, water rates, decision-making, and dispute resolution.

In addition, the Final Phase 2A Study must include the following: (presented in the order addressed in this letter):

1. Map of SJWD's CVP POU.
2. Analysis of impact on SJWD-W of recent drought-related actions by the SWRCB.
3. Analysis regarding groundwater contamination and associated treatment technology costs.
4. Agreements: Cooperative Transmission Pipeline, the PCWA Water Treatment Agreement between SJWD and SSWD, and all SSWD agreements to which SJWD, by virtue of becoming successor to SSWD, would become a party.

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5. All agreements entered into by SJWD-W with its wholesale customers.
6. All other agreements entered into by SSWD that may have an effect on SJWD-R, as well as SJWD-W and its wholesale customers.
7. Analysis of the cost impacts to administration and operation of the SJWD Water Treatment Plant and transmission system.
8. Analysis of how the cost of service principles for determining wholesale water rates will continue to be applied separately to all of the agencies receiving water from SJWD-W.
9. Separate detailed accounting for SJWD-W and SJWD-R showing how each functional division of SJWD currently values these assets, and the identification of which of these assets would become part of reorganized SJWD-W assets to serve a larger retail service area.
10. Documentation regarding the financing of the Peterson Water Treatment Plant and related storage and transmission infrastructure, including cost, financing method(s) and sources of funds.
11. Identification of the number of miles of transmission pipelines that are part of the SJWD-W system and the number of miles of pipelines that are part of the SJWD-R system.
12. A detailed accounting of the current value of SSWD's assets and identification of assets proposed to become part of SJWD's wholesale assets?
13. Analysis of "buy-in" to existing water supply infrastructure to address historic financial commitments and expenditures by customers within both SSWD and the SJWD wholesale customer agencies.
14. Regarding property tax revenues from customers in SSWD: a clear statement is needed that the property tax revenues received by SJWD will be used only for the direct benefit of customers in SJWD's current wholesale service area.
15. Population information: needs refinement.
16. The 9-member reorganized SJWD Board of Directors: need details and documentation of the legislative efforts and schedule for going forward.

We appreciate the opportunity to comment on the Draft 2A Study and look forward to addressing our concerns so we can cooperatively achieve our desired assurances and outcomes.

Securing these assurances in a modified water supply agreement, balanced representation on a new Board of Directors and infrastructure equity will be paramount to CHWD's ability to support SJWD's and SSWD's continued reorganization investigation process and intended path to combine the two agencies.

Please feel free to contact General Manager Robert A. Churchill at (916) 725-6873 or rchurch@chwd.org with any questions that you might have.

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Sincerely,



Allen B. Dains
President



Caryl F. Sheehan
Vice President



Raymond A. Riehle
Director

Cc: Shauna Lorance, General Manager: San Juan Water District
Rob Roscoe, General Manager: Sacramento Suburban Water District
Board of Directors, Fair Oaks Water District
Tom Gray, General Manager: Fair Oaks Water District
Board of Directors, Orange Vale Water Company
Sharon Wilcox, General Manager: Orange Vale Water Company
City of Folsom City Council
Evert Palmer, City Manager: City of Folsom
Marcus Yasutake, Environmental and Water Resources Director:
City of Folsom
City of Citrus Heights City Council
Henry Tingle, City Manager: City of Citrus Heights
Roberta MacGlashan, Supervisor District 4: Sacramento County Board
of Supervisors
Susan Peters, Supervisor District 3: Sacramento County Board
of Supervisors
Steve Nugent, General Manager: Carmichael Water District
Richard D. Plecker, Director of Environmental Utilities: City of Roseville

EXHIBIT A
ESTIMATED WHOLESALE CONNECTION FEES DUE SJWD WITH ANNEXATION OF SSWD

RAC: 25-May-2015

	CHWD			SSWD					SJWD 2015 WCF	SSWD WC Fees w/o Adjust	SSWD WC Fees w/Adjust
	Meter Size	Qty	%	Meter Size	Qty	%	Qty Adjust	%			
0.75	1,873	9.56%	0.75	4,409	9.56%	28,744	62.33%	\$ 381	\$ 1,679,655	\$ 10,951,387	
1	16,445	83.94%	1	38,707	83.94%	14,372	31.17%	\$ 633	\$ 24,501,628	\$ 9,097,412	
1.5	565	2.88%	1.5	1,330	2.88%	1,330	2.88%	\$ 1,269	\$ 1,687,592	\$ 1,687,592	
2	615	3.14%	2	1,448	3.14%	1,448	3.14%	\$ 2,029	\$ 2,937,071	\$ 2,937,071	
3	52	0.27%	3	122	0.27%	122	0.27%	\$ 4,055	\$ 496,308	\$ 496,308	
4	19	0.10%	4	45	0.10%	45	0.10%	\$ 6,339	\$ 283,486	\$ 283,486	
6	11	0.06%	6	26	0.06%	26	0.06%	\$ 15,845	\$ 410,244	\$ 410,244	
8	10	0.05%	8	24	0.05%	24	0.05%	\$ 22,818	\$ 537,075	\$ 537,075	
10	1	0.01%	10	2	0.01%	2	0.01%	\$ 36,763	\$ 86,530	\$ 86,530	
12	0	0.00%	12	0	0.00%	0	0.00%	\$ 54,511	\$ -	\$ -	
TOTAL	19,591	100.00%		46,112	100.00%	46,112	100.00%		\$ 32,619,590	\$ 26,487,106	

EXHIBIT B



San Juan Water District

P.O. Box 2157 - Granite Bay, California 95746
 9935 Auburn Folsom Road - Granite Bay, California 95746
 Phone 916.791.0115 - Fax: 916.791.7361 - www.sjwd.org

**SAN JUAN WATER DISTRICT
 WHOLESALE CONNECTION FEE TRANSMITTAL FORM**

A wholesale connection fee shall be collected by all agencies that purchase water from San Juan Water District on behalf of the San Juan wholesale agency. Collected fees will be forwarded to SJWD by the agency no less frequently than monthly.

The wholesale connection fee ensures that new customers pay their proportionate share to "buy in" to water system facilities. Wholesale capital facility fees were previously financed through General Obligation bonds, and reimbursements were formerly collected with taxes however those bonds are now paid in full and this new funding mechanism has been established. Wholesale connection fees are evaluated and established by the San Juan Water District Board of Directors. Wholesale connection fees for non-enterprise public entities are to be waived.

Current wholesale connection fees are outlined in the following table.

**WHOLESALE CONNECTION FEE SCHEDULE
 Calendar Year 2015**

Meter Size	Capacity Factor	Fee
¾" Meter	0.60	\$ 381
1" Meter	1.00	\$ 633
1½" Meter	2.00	\$ 1,269
2" Meter	3.20	\$ 2,029
3" Meter	6.40	\$ 4,055
4" Meter	10.00	\$ 6,339
6" Meter	25.00	\$ 15,845
8" Meter	36.00	\$ 22,818
10" Meter	58.00	\$ 36,763
12" Meter	86.00	\$ 54,511

Date of Application: _____		Transmitted to SJWD by: _____	
Service Location/Description: _____ (Address, Lot, Block, Tract #, APN, etc.)			
Project Description: _____			
Applicant: _____		Phone #: _____	
Applicant's Address: _____			
	(No. & Street)	(City)	(Zip Code)
Number of Connections:	_____ @ \$ _____	each =	\$ _____
	_____ @ \$ _____	each =	\$ _____
	_____ @ \$ _____	each =	\$ _____
		Total =	\$ _____
Make checks payable to San Juan Water District			

CITRUS HEIGHTS WATER DISTRICT

JUNE 2, 2015

COMMENTS ON PUBLIC REVIEW DRAFT REPORT

Phase 2A Study
Analysis of Reorganizing
San Juan Water District and
Sacramento Suburban Water District
March 26, 2015



CITRUS
HEIGHTS
WATER
DISTRICT

6230 SYLVAN ROAD • PO BOX 286
CITRUS HEIGHTS • CALIFORNIA • 95611-0286

916/725-6873 • 916/725-0345 FAX



Received

JUN 05 2015

SSWD

June 5, 2015

Mr. Edward J. Costa, President
Board of Directors
San Juan Water District
9935 Auburn-Folsom Road
Granite Bay, CA 95746

Mr. Neil W. Schild, President
Board of Directors
Sacramento Suburban Water District
3701 Marconi Avenue #100
Sacramento, 95821

Dear President Costa and President Schild:

Thank you for the opportunity for Fair Oaks Water District (FOWD) to provide comments to San Juan Water District's (SJWD) and Sacramento Suburban Water District's (SSWD) Boards of Directors regarding the Phase 2A Report (Report). We look forward to working closely with the SSWD and SJWD boards and assigned staff to address our concerns and implement resolutions to those concerns.

Providing Assurances

First, we greatly appreciate the inclusion of the "Wholesale Customer Agencies Principles" (Report Principles) in the Report (see Report pp. 38 and 39) as these principles reflect the heart of our concerns. As discussed in this letter, however, we want to embody these principles into reasonable and valid assurance mechanisms – such as modified water supply agreements – prior to you proceeding into Phase 2B of the proposed merger analysis.

Securing these assurances will be paramount to FOWD's supportive engagement in SJWD's and SSWD's investigation process into the impacts of possible reorganizing the two Districts into one. Assurances must address the following:

1. Continued priority to existing pre-1914 water rights for existing SJWD customers over any new customers in an expanded service area;
2. Defined and predictable surface water reliability for existing SJWD customers; thereby allowing for proper planning and investments in supplemental water assets by the existing Wholesale Customer Agencies (WCA's);

10326 Fair Oaks Boulevard
P.O. Box 640
Fair Oaks, CA 95628-0640
Tel: (916) 967-5723
Fax: (916) 967-0153
www.fowd.com

3. Protection from rate increases for SJWD surface water supplies attributable to SSWD debt or other cost-of-service increases resulting from the merger;
4. Defined “buy-in” for SSWD customers to obtain access to treated surface water supplies through rights, contracts, facilities and infrastructure that have been invested in over decades by the existing SJWD wholesale customers;
5. Expanded autonomy between all SJWD served Retail Water Agencies and SJWD wholesale; including a separate board for the new expanded SJWD retail area that would include SSWD’s existing service area; and
6. Balanced representation on the expanded SJWD Wholesale Board.

FOWD would like to immediately identify a date for a managers’ workshop to begin developing these assurances. Our manager, Mr. Tom Gray, will contact Ms. Shauna Lorange to identify a mutually agreeable date. We hope you prioritize this effort and direct your staff accordingly so this workshop occurs before the end of June. We have specific requests prepared on each of the assurance topics ready for discussion at that workshop. On behalf of the existing customers that you serve, it is reasonable to request that these assurances be developed prior to moving forward with Phase 2B of your proposed merger analysis.

Specific Report Comments

We have reviewed the Report in its entirety, but are not providing specific page-by-page comments. It is more productive to articulate our concerns by commenting on concepts and representations of the Report. As such, comments are organized into the following primary themes:

1. **Concern that the Report Principles cannot be assured:** Inconsistencies within the Report and among the Report and other SJWD and/or SSWD materials do not provide confidence that the Report Principles will be satisfied. There is no mechanism guaranteeing that principles documented in the Report will be upheld under a newly proposed Board.
2. **Water supply reliability issue not demonstrated:** The Report does not discuss existing and projected reliability for SJWD and its wholesale customer agencies under a “no-merger” condition. Absent this information, the Report’s premise that the merger will improve water supply reliability has no basis from which to compare.
3. **No analysis depicting plausible water management operations:** The expansion of SJWD-W and associated Retail Agencies conjunctive use program to include SSWD would seem beneficial to the region in concept. However, the Report does not provide detail or describe any plausible scenarios to depict the sharing of water supplies between SJWD and SSWD. This leaves readers guessing about the frequency of surface water deliveries

to SSWD using SJWD pre-1914 water rights, or the frequency and magnitude of returned groundwater pumping. Absent this information, FOWD is unable to assess the potential benefits or impacts that could occur under the proposed merger.

4. **No discussion of asset ownership:** The Report provides inadequate information regarding the assigned ownership of SJWD's and SSWD's existing facilities and assets. Absent this information, the WCA's are not given any information relative to this fundamental business concept.
5. **Proposed governance structure is biased to a single "retail" provider:** The Report does not clearly indicate whether the "annexation" of SSWD into SJWD would have SJWD-retail customer base expanded to include SSWD, or if the SSWD service area is formed into another retail entity that will contract with SJWD-wholesale. Without some balanced representation of all retail service areas, the proposed 9-member governing board could be biased towards the larger entity. Assuming that the SJWD-retail service area and SSWD service area were to combine into one larger retail service entity, the report indicates that new retail entity would have a five member majority on the proposed 9-member governing board.

Concern that the Report Principles will be assured

As described in the opening comments, we are pleased that the Report includes specific Report Principles. However, the confidence that the Report Principles will be adequately incorporated into various approving processes is concerning (e.g. LAFCo initiating documents, legislation to create a new board, etc.). The following examples and citations below are a sampling of these concerns:

1. The Report states "*the cost and reliability benefits of the pre-1914 water rights would remain with the existing WCAs*" (Report, p. 9), yet the same list then states "*[i]t is expected that a merging...will allow a future Board additional flexibility in water supply options which may result in additional reliability for both districts.*"
2. The Report states: "*...the merger...be cautioned to not handcuff the new board and General Manager by imposing conditions or adopting principles that inhibit effective and efficient operations.*" (Report, p. 26).
3. The Report states: "*[t]he future Board must retain the right to establish rates that are necessary for the fiscal stability of the District.*" (Report, p. 78) This statement is preceded by "*...when the amount of debt service becomes similar for all customers, the rate structure will likely be consolidated.*" (Report, p. 77).
4. The SSWD Municipal Service Review and Sphere of Influence Update (submitted to Sacramento LAFCo, May 4, 2011) describes significant deferred maintenance for groundwater wells and infrastructure, with a pay-

as-you go financing program utilizing customer rates as the primary source of revenue.

5. In a February 5, 2015 staff report from Ms. Lorance and Mr. Roscoe (Agenda Item 2), the bulleted item under the heading "3. Financial" states: "*Both districts current bond covenants require maintaining separate books of each predecessor district until such time as the bonds can be refinanced or retired. At this point the earliest feasible refinancing period is 2019-2022.*"

While the Report Principles seems to encourage carrying forward assurances, and these quoted excerpts could be interpreted in the positive, the statements regarding the new Board's needed flexibility and that it "not be handcuffed" concern FOWD. Absent the discussed assurances, these statements suggest that the continued benefits of the pre-1914 water right for existing SJWD customers could be at risk under management of a future Board.

Water supply reliability issue not demonstrated

The Report's premise is that a merger will improve water supply reliability for all. As detailed throughout the Report, and as a key theme of the "statistically valid phone survey," it is a primary concern that water supply reliability absent the merger is at risk; whereas the merger provides "*more water supply flexibility for better water management.*" (Report, p. 5).

A list of principles to address stakeholder concerns was included in the Report's initial findings – Chapter 10. In particular, one principle states: "*For all customers, retail and wholesale, there will be improved water management, dependability, and reliability.*" (Report, p. 90, bullet #6).

Yet, the Report never demonstrates current risks due to the stated lack of water supply reliability or any reasonable analysis of how the merger will solve the stated problem.

Recently adopted and published planning and reporting documents from both SSWD and SJWD have historically indicated 100% water supply reliability – even in the dry and driest years. Therefore, the Report's premise seems counter to other published representations. For instance:

1. The 2007 SJWD Wholesale Master Plan Phase II states:

"The General Managers of the Family of Agencies established the following reliability goals:

- *Water supply equal to 100 percent of annual average demand during drier and driest years. Available water supply should consider well capacity de-rated to 80 percent of actual to account for mechanical outages, declining production, etc. This*

capacity should be de-rated further to 75 percent to account for only part of the year being available for pumping during Drier and Driest Years scenarios.” (Master Plan, TM4-11)

and: *“This District is currently in compliance with the first goal...”*
(Master Plan, p. TM4-11)

2. SJWD’s 2010 UMWP, adopted in June 2011, includes representation of SJWD-retail and wholesale supply and demand conditions, indicating zero shortfall under normal, single-dry and multiple dry year conditions (2010 UWMP, Section 5.4). Interestingly, the Report states that discussions regarding the merger began between SJWD and SSWD in 2011 (Report, p. 15), which would imply that concerns over reliability likely would have been flagged within the 2010 UWMP, yet no indication of any concern was represented.

3. SSWD’s May 2011 Municipal Service Review and Sphere of Influence Update states: *“The District has the capacity to meet 100% of the demands of its customers from its groundwater well system both today and in all future water demand project scenarios to the year 2035.”* (MSR, p. 9).

As represented by these references and the lack of detail within the Report, there is no conclusive evidence to demonstrate why the merger would benefit water supply reliability – and more importantly – that a water supply reliability issue even exists for all of the WCAs and specifically FOWD customers

To understand the risk to FOWD customers, the Report needs to present a more discernable representation of the degree and frequency of the purported reliability concerns, outlining current water supply reliability issues and detailing anticipated improvements resulting from the merger. Absent this information, the FOWD Board is unable to assess whether the merger provides any additional benefit to its customers – merely stating that a problem exists and will be solved by a merger is not reasonable analysis.

Further, the Report’s emphasis on improving supply reliability creates uncertainty with regard to FOWD use of current SJWD representations for our water shortage contingency planning and investments. FOWD has prudently planned, funded and implemented sufficient groundwater infrastructure to address previously represented risks to surface supply reliability. If this condition has changed, the Report, as well as other planning documents, must provide significantly more detail to aid WCAs future planning.

We strongly suggest that a depiction of historic, present and projected water reliability forecasts be provided for each WCA so that respective Boards and customers can better understand the basis for this primary Report objective.

No analysis depicting plausible water management operations

The Phase 1 Report included one graphic describing possible water supply scenarios (Phase 1 Report, Appendix C), yet no discussion regarding triggers, quantities, banking arrangements or other water management details was included. In this graphic, three scenarios are depicted, including one that has SSWD groundwater returning the SJWD at the same time pre-1914 surface water flows to SSWD.

The latest Report, however, seems to promise some analysis: *“This Phase 2A Report identifies and addresses issues raised...How would a combined district operate in a drought and would current customers be negatively impacted?”* (Report, p. 19)

Yet, this Report also lacks any analysis of plausible water supply operations. This leaves us guessing as to the possible triggers for when pre-1914 water supplies will flow to SSWD and when SSWD groundwater will be pumped back to the WCAs and, thus, guessing at what might be the affects.

At a minimum, the Report needs to provide three or more plausible scenarios – each combining a range of hydrologic conditions – to indicate the timing and magnitude of flows. For instance, given that existing SJWD surface water would only be delivered to SSWD’s North Service Area (NSA), how much of the NSA annual demand would/could be met with the pre-1914 water? How much “credit” would be established for the new district within the Sacramento Groundwater Authorities’ water banking protocols that could be called upon to pump back? If 10,000 to 15,000 acre-feet of pre-1914 water were delivered to SSWD customers for three consecutive years, would the existing WCAs have a three-fold credit in the groundwater bank to leverage? There are several questions that may easily be addressed by illustrating several 20- or 30-year hydrologic sequences with differing timing, quantity and credit scenarios. This would significantly help FOWD staff assess the purported benefits of the merger.

No discussion of proposed ownership of assets

The report is silent on the basic business analysis of assignment of capital assets under a merger of SJWD and SSWD. Addressing this issue, at least at a conceptual and summary level, is fundamental to reasonable business analysis. Given a merger of the Districts: Who will own and operate existing SJWD wholesale and retail assets? Who will own and operate existing SSWD assets? What assets will be financially shared with the WCA’s? What assets will not be financially shared with the WCA’s? Will existing customers of SSWD “buy-in” to SJWD’s existing surface water treatment and delivery infrastructure currently paid for by existing SJWD customers?

At a minimum, the Report needs to provide a conceptual plan that summarizes the assignment of the ownership of the existing capital assets of each District under the proposed merger; along with a general summary of the proposed future financial responsibility for the capital assets and discussion of equity for existing infrastructure and assets.

Proposed governance structure is biased to a single “retail” provider

The Report states “a reorganization of the two districts by which the service area of SSWD is annexed to SJWD and at the same time, the SSWD is dissolved” is a valid conclusion. (Report, p. 59). The Report also states that the purpose of Chapter 6 is “to define the existing customer statistics...then to provide a summary of the customer statistics and demographic profile of a consolidated agency.” (Report, p. 62). However the Report’s table presenting “Combined District: Population, Connections, Users” (Report, p. 65) fails to distinguish whether all of the SSWD customers are treated as “wholesale customer agencies” or “retail.”

As a result, it is not clear how the interests of customers may align under the proposed Board governance structure. As suggested by the Report, elections would be by division, with each division representing a generally equal community population. An example of the number of directors by associated community under a 9-member Board is provided (Report, p. 68). Under a scenario where the SSWD customers are aligned with the existing SJWD-retail customers, forming one large retail agency (with a population of over 200,000 people), 5 of the 9 Board members would represent communities served as “retail.” This results in a Board with an automatic 5-member majority that would likely be biased to “retail” interests over WCA interests. This would be unreasonable and unfair to the customers of the existing WCAs. However, if the new SSWD service area were similar in form to the other WCAs – with a water supply agreement in place for surface water – biasedness would be unlikely – securing SSWD customer’s individual representation and ownership of their existing assets.

Summary and Conclusion

Details were promised at public meetings that were not included in the Report. The FOWD Board requests that you revise the Report to 1) include tangible representations of water supply reliability concerns, 2) include information on assignment of existing capital assets and the financial impact to existing customers, 3) provide a few realistic water management scenarios to understand timing and magnitude of intended sharing of surface water and groundwater assets, 4) revise the governance structure to eliminate majority representation by one retail service entity, and 5) include guarantees that existing SSWD debt will not be transferred to the existing WCA’s through future debt consolidation or board action. With these

revisions, FOWD and the other WCAs can adequately assess the potential benefits and impacts from this proposed merger.

We also request that assurances be pursued immediately, in the form of modifications to existing contracts and other appropriate formats, to ensure that a potential future Board will not renege on the Report Principles.

We will follow this comment letter with a letter specifically detailing our suggested assurance mechanisms and requesting an immediate workshop to quickly formulate contract language and other assurance measures so as to minimize any impact on your longer-term schedule to complete your merger assessment process.

On behalf of the entire Board, we appreciate the opportunity to comment on the Report and look forward to you cooperatively implementing our requests to achieve our desired assurances that the Report Principles are secured for the future.

Please feel free to contact Tom Gray, our General Manager, at any time with any questions that you might have.

Sincerely,



Michael McRae
Board President
Fair Oaks Water District

c: CHWD Board of Directors
OVWC Board of Directors
City of Folsom City Council
Rob Roscoe, General Manager SSWD
Shauna Lorance, General Manager SJWD
Bob Churchill, General Manager CHWD
Sharon Wilcox, General Manager OVWC
Marcus Yasutake, Environmental & Water Resources Director City of Folsom
Steve Nugent, General Manager CWD
John Woodling, Executive Officer Regional Water Authority
Peter Brundage, Executive Officer Sacramento LAFCo
Susan Peters, Supervisor District 3: Sacramento County Board of Supervisors



ENVIRONMENTAL & WATER
RESOURCES DEPARTMENT
50 NATOMA STREET
FOLSOM, CALIFORNIA 95630
916.355.7200 / 916.351.5603 FAX

March 10, 2015

Edward Costa
San Juan Water District Board President
9935 Auburn-Folsom Road
Granite Bay, CA 95746

Neil Schild
Sacramento Suburban Water District Board President
3701 Marconi Ave., # 100
Sacramento, CA 95821

**SUBJECT: San Juan Water District and Sacramento Suburban Water District Proposed
Re-Organization**

Dear Mr. Costa and Mr. Schild:

The City of Folsom (City) appreciates the presentation provided by Shauna Lorange to the Folsom City Council on January 27, 2015 regarding the proposed Re-Organization of San Juan Water District (SJWD) and Sacramento Suburban Water District (SSWD). The City writes to both boards to provide input and comments to the proposed Re-Organization as discussed in the Phase 2A analysis prepared by John O'Farrell & Associates.

During the Phase 2A Study, John O'Farrell & Associates was hired to review various elements of a proposed "consolidation" of the two agencies. This work included the type of "consolidation" that would occur (merger vs. re-organization. vs. consolidation), develop an outreach strategy for the two agencies, meet with key stakeholders, and provide proposed management and Board level organization charts. The City understands that the Phase 2 analysis will be completed in early 2015 and will be presented to both Boards for a recommendation of the next phase of analysis.

In reviewing the Phase 2A Study, the City requests additional studies, clarification, and/or analysis of the topics listed below. What is not clear in the Phase 2A Study are any potential affects to the City, either financially or from a water supply reliability standpoint. These are two critical components the City requests to be addressed prior to a Board recommendation of moving forward with any "Re-Organization" of the two Districts. The proposed "Re-Organization" brings into question other potential affects to current wholesale water service

customers in Ashland and retail water service customers in American River Canyon and these are described below.

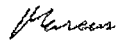
1. Water Supply Reliability
 - a. How will existing water rights water be allocated to the wholesale and retail customers?
 - b. How will existing CVP water be allocated to each of the wholesale and retail customers?
 - c. What will be the water supply shortage contingency plan be when combining the opportunity for groundwater from SSWD?
 - d. What are the potential affects to current contracts SSWD has with PCWA and the City of Sacramento for surface water diversions?
 - e. Given that existing wholesale water agencies within SJWD have access to groundwater, the new structure will need to address water shortage contingency planning.
 - f. How will SJWD address potential water quality requirements when moving treated groundwater into the existing surface water service area of SJWD?
2. Debt/Finances
 - a. How will debt be distributed amongst current and future customers in each district? Will the debt be merged? Will debt be paid by each agency until the debt can be combined?
 - b. What affect will the proposed "Re-Organization" have on current and future water rates?
3. Capital Needs
 - a. What is proposed infrastructure needs to move surface water from SJWD to SSWD?
 - b. What is the proposed infrastructure needs to move groundwater from SSWD to SJWD?
 - c. Given existing water treatment plant capacity at SJWD, what is the impact of adding SSWD to the service area? Does SSWD "buy-in" to some of the previous capital costs to treat and deliver surface water?
 - d. What is the capacity of existing groundwater production of SSWD wells? Does SJWD have to "buy-in" to some of the previous capital costs to treat and deliver groundwater?
4. Administrative
 - a. On page 77 of 103 (Preliminary Draft of the Phase 2A Study dated December 11, 2014), what does an "expansion to the existing wholesale service area" define? Does this mean a new connection or annexed properties?
 - b. Will there be any costs impacts due to the new groundwater legislation?
5. Folsom Dam
 - a. Is there capacity to the existing M&I intake at Folsom Dam? What volume and rate of flow do existing contracts allow for as SJWD portion of the M&I intake on the dam?
 - b. If SJWD anticipates diverting more surface water at Folsom Dam, will SJWD rely on use of Roseville or Folsom's allocation from the diversion facilities?

- c. If SJWD anticipates use of its CVP water supply to serve the combined districts, which does not have a notable Historic Use record, what will be the impacts to carryover storage in Folsom Reservoir?
- d. Are there risks to Folsom (south of the American River) in trying to increase surface water diversions from the same pool of water to meet the demands of SSWD?
- e. In dry-year conditions where Reclamation proposes to install a "floating barge" pump station to delivery M&I water; will SJWD propose to use capacity of the "floating barge" to serve SSWD? What are the impacts, if any, to other direct diverters?

Although there are some concerns with the proposed "Re-Organization" and the potential financial impacts to existing water customers north of the American River, it is too early in the process to identify fatal flaws that would harm the City's existing water customers in Ashland and American River Canyon. Any proposed next steps recommended by the Board of Directors of both agencies should include a detailed analysis and/or study, at a minimum, of the topics identified above. Additional concerns from other agencies within the region should also be included in the work.

The City appreciates the time your Districts have provided in explaining the proposed "Re-Organization" during the Phase 2A Study prepared by John O'Farrell & Associates and understands the reasoning for the proposed "Re-Organization". In moving forward, the City requests a more detailed analysis and/or study that clearly shows the potential impacts to existing and future water customers in Ashland and American River Canyon.

Sincerely,



Marcus Yasutake
Environmental and Water Resources Director

CC: Evert Palmer, City Manager
Shauna Lorance, San Juan Water District General Manager
Rob Roscoe, Sacramento Suburban Water District General Manager



Agenda Item: 7

Date: March 9, 2018

Subject: Directors Out of State Travel Request

Staff Contact: Dan York, General Manager

Recommended Board Action:

Approve any interested Directors out of state travel request to attend the American Water Works Association Annual Conference & Exposition in Las Vegas, Nevada.

Discussion:

A Director has requested to attend the American Water Works Association Annual Conference & Exposition, June 11-14, 2018 in Las Vegas, Nevada. The conference takes place out of state, therefore, per District Policy PL – BOD 003, Directors’ Compensation and Expense Reimbursement Policy, Board approval is required for attending the conference. Attached as Exhibit 1 is further details about the conference.

Fiscal Impact:

Within budgeted amounts for Board travel and conferences.

Strategic Plan Alignment:

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

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.

By Board members attending conferences related to the water industry, District customers will benefit as there is a potential to form new relationships, networking opportunities, discover new solutions to water industry issues, attend workshops that showcase new technologies, workflow, and processes.

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ANNUAL CONFERENCE & EXPOSITION INNOVATING THE FUTURE OF WATER

JUNE 11-14 | EXPOSITION: JUNE 12-14 | MANDALAY BAY CONVENTION CENTER | LAS VEGAS | USA

All events will be held at the Mandalay Bay Convention Center unless otherwise noted below. Information is subject to change.

ACE18 HOMEPAGE

EXPOSITION

HOTEL & TRAVEL

INTERNATIONAL

NETWORKING

PROGRAM

REGISTRATION

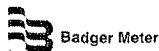
SCHEDULE

SPONSORS

COMPETITIONS

SPONSORS

Platinum



Opening Session



AMERICAN WATER WORKS ASSOCIATION
1000 N. 17th Street, Las Vegas, NV 89102

Please note: The conference dates are shifting by a day: Workshops will be on Monday, Opening General Session will be on Tuesday, Professional Sessions and the Exposition will be on Tuesday - Thursday and the Water Industry Luncheon will be Wednesday.

Sunday, June 10

8:00 a.m. - 5:00 p.m. Registration Open

Monday, June 11

7:30 a.m. - 5:00 p.m. Registration Open
9:00 a.m. - 4:00 p.m. Workshops
1:00 - 5:00 p.m. Public Officials—CRT 1 Intro to Water & Sewer Operating Environments

Tuesday, June 12

7:00 a.m. - 5:00 p.m. Registration Open
7:30 - 8:15 a.m. First-Time Attendee Program
8:30 - 10:00 a.m. Opening General Session
10:00 a.m. - 5:00 p.m. Exposition Open
10:00 a.m. - noon Student & Young Professionals Scavenger Hunt
10:00 a.m. - 5:00 p.m. AWWA Pavilion and Publishing & Education
10:00 a.m. - 5:00 p.m. International Resource Center
10:00 a.m. - 1:00 p.m. World Water Cup
11:20 a.m. - 12:15 p.m. Association of Environmental Engineering & Science Professors Session
11:45 a.m. - 1:15 p.m. Kenneth J. Miller Founders' Award Luncheon
11:45 a.m. - 1:00 p.m. Student & Young Professionals Lunch Meetup
12:30 p.m. - 2:30 p.m. Meter Madness Competition Official Contest
1:00 - 1:45 p.m. Tuesday Keynote Address
2:00 - 5:00 p.m. Professional Sessions
1:00 - 5:00 p.m. Public Officials—CRT 2 Water & Sewer Infrastructure, Operations & Maintenance
1:00 - 5:00 p.m. Poster Sessions
2:00 - 5:00 p.m. Pipe Tapping Competition - Preliminaries
4:00 - 5:00 p.m. ABC Power Event
5:30 - 7:00 p.m. International Reception

Wednesday, June 13

7:30 a.m. - 6:00 p.m. Registration Open
7:45 a.m. - 12:30 p.m. Facility Tours
8:00 - 11:30 a.m. Public Officials Breakfast & Caucus
8:30 a.m. - 11:30 a.m. Professional Sessions
10:00 a.m. - 6:00 p.m. Exposition Open
10:00 a.m. - 6:00 p.m. AWWA Pavilion and Publishing & Education
10:00 a.m. - 6:00 p.m. International Resource Center
10:00 - 11:45 a.m. Fresh Ideas Competition and Display Poster Sessions
Pipe Tapping Competition—Preliminaries
People's Choice Water Taste Test

IMPORTANT INFO ABOUT ACE18

Register by April 25 and save big!

ACE18 online professional program is released!

Due to the conference location in Las Vegas, the pattern for 2018 will run Mon. thru Thurs. Check out the schedule.

ACE17 full-conference attendees & AWWA members can enjoy 30 hours of pre-recorded content for FREE. Learn more about ACE Online.



10:00 a.m. - 12:15 p.m.	Hydrant Hysteria Preliminaries
10:30 a.m. - 12:30 p.m.	Water Industry Luncheon
11:30 a.m. - 5:00 p.m.	Top Ops Preliminaries
noon - 1:15 p.m.	Public Officials—CRT 3 Leadership, Risk and Sustaining Your Water and Sewer Utility for the Future
noon - 4:00 p.m.	Professional Sessions & Posters
1:00 - 5:00 p.m.	Pipe Tapping Competition—Preliminaries
1:30 - 4:20 p.m.	AWWA's Career Center Job Fair
1:45 - 6:00 p.m.	"Best of the Best" Water Taste Test
2:00 - 5:20 p.m.	Networking Happy Hour Inside the Exhibit Hall
3:30 - 4:30 p.m.	Future Leaders Reception
4:30 - 6:00 p.m.	
6:00 - 7:30 p.m.	

Thursday, June 14

7:30 a.m. - 4:00 p.m.	Registration Open
7:30 - 9:00 a.m.	Fuller Award Breakfast
7:30 a.m. - 4:00 p.m.	Facility Tours
8:30 - 11:00 a.m.	Professional Sessions
10:00 - 10:30 a.m.	Hct Flare Demonstration
10:00 a.m. - 2:00 p.m.	Exposition Open
10:00 a.m. - 2:00 p.m.	AWWA Pavilion and Publishing & Education
10:00 a.m. - 2:00 p.m.	International Resource Center
10:00 a.m. - 1:00 p.m.	Poster Sessions
10:45 a.m. - 1:00 p.m.	Hydrant Hysteria Finals
10:00 a.m. - 2:00 p.m.	Top Ops—Preliminary, Semifinal, and Final Rounds
10:45 a.m. - 1:00 p.m.	Water Utilities Issues Forum
11:00 a.m. - 2:00 p.m.	Pipe Tapping Competition Finals
11:30 a.m. - 2:00 p.m.	AAEES/AIDIS/AWWA Luncheon
12:30 p.m. - 2:00 p.m.	Expo Networking Event
2:00 p.m.	Exhibit Hall closes
2:00 - 4:30 p.m.	Professional Sessions
5:00 - 6:30 p.m.	ACE Wrap Party

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ACE18

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American Water Works Association
California-Nevada Section

JUNE 11-14
LAS VEGAS, NEVADA
AWWA.ORG/ACE18



Registration Options and Fees

(SUBJECT TO CHANGE)

Super Saver Rate On or before April 25, 2018 After April 25, increased rates will apply

Registration Type	Member	Nonmember
Full-Conference	\$850	\$1,050
Field Operator Full-Conference	\$495	\$695
Small Utilities Full-Conference (under 3500 customers)	\$495	\$695
Exhibits-Only (nonexhibitors)	\$155	\$155
Water/Wastewater Utility Employee Exhibits-Only (after April 25, a registration fee will apply)	\$0	\$0
Full-Conference Student (Full-time Student)	\$35	\$35

See the ACE18 Registration web page for special group offers.

**Subject to verification

Workshops (pre-conference) and Public Officials Courses Available to Full-Conference Registrants only

	Member	Nonmember	Student
Workshop Half-Day	\$110	\$210	\$30
Workshop Full-Day (includes lunch)	\$155	\$255	\$60
Public Officials CRT Courses	\$95 per course	\$195 per course	N/A
Public Officials Certificate (Includes all three CRT courses)	\$285	\$585	N/A

Tours and Ticketed Events

	Member	Nonmember	Student
Facility Tours	\$55-\$75	\$55-\$75	\$55-\$75
Water Industry Luncheon	\$60	\$60	\$60
Fuller Award Breakfast	\$45	\$45	\$45
AAEES/AIDIS/AWWA Luncheon	\$50	\$50	\$50

ACE18 Registration Category Inclusions

(SUBJECT TO CHANGE)

Registration Type	Professional Sessions	Exposition	Lunch Tickets for Expo Café	Wednesday Networking Happy Hour: 1 Drink Ticket	ACE Wrap Party: 2 Drink Tickets	Online Proceedings	ACE Online Event
Full-Conference Registration	X	X	Two	X	X	X	X
One-Day Only (available to purchase on-site only)	X	X		Wednesday Only	Thursday Only		AWWA Member Only
Exhibits-Only (non-exhibitors)		X		X	X		AWWA Member Only
Water/Wastewater Utility Exhibits-Only		X			X		
Full-Conference Student (Full-time Student)	X	X	Two	X	X	X	X
Field Operator Full-Conference	X	X	Two	X	X	X	X
Small-Utilities Full Conference	X	X	Two	X	X	X	AWWA Member Only
Spouse/Guest (Non-Industry)		X		X	X		

NOTE: All workshops, certificate programs, ticketed events, and tours are an additional fee and are not included in the registration categories above.

***Utility Group Discount**

Utilities can receive one **FREE** full-conference registration. Submit five paid full registrations and receive the sixth full registration free!

*All registrations must be submitted at the same time. This is for advance registrations only (cannot be done on-site). Registrations regarding the special offer cannot be completed online and must be received by April 25, 2018. Visit awwa.org/ace18, download the PDF, and complete and submit with payment via fax to 303.347.0804. Please contact Customer Service at 800.926.7337 with any questions.

**All registration types are subject to verification based on qualifications.

Individual Membership # _____ or Company Membership # _____

First Name _____ MI _____ Last Name _____

Company/Organization _____ Title _____

Mailing _____ City _____

State/Province _____ Country _____ ZIP/Postal Code _____

Primary Phone _____ Home Work E-mail (required) _____

Is this a change of address for your AWWA Membership? YES NO

If you require any special ADA accommodations to fully participate, provide phone # or email address: _____

Registration Category * Eligibility will be verified		Super Saver Rate On or before April 25, 2018 After April 25, increased rates will apply	
		Member	Nonmember
Please Circle One			
A	Full-Conference	\$850	\$1,050
I	Field Operator (Full-Conference)*	\$495	\$695
U	Small Utilities Full-Conference (under 3500 customers)*	\$495	\$695
G	Exhibits-Only (nonexhibitors)	\$155	\$155
GF	Water/Wastewater Utility Employee Exhibits Only (after April 25, a registration fee will apply)*	\$0	\$0
H	Full-Conference Student (Full-time Student)*	\$35	\$35

Pre-Conference Workshops These are optional and an additional cost. You must be registered in one of the above categories to purchase workshops.

Please Circle One		Member	Nonmember	Student
MON01	Aging Infrastructure Management—Hydraulic Analysis of Criticality and Component Failures in Water Distribution Systems (9:00am–12:00pm)	\$110	\$210	\$30
MON02	Understanding and Using the ANSI/AWWA G520, Wastewater Collection System Operations and Management Standard (9:00am–12:00pm)	\$110	\$210	\$30
MON03	Condition Assessment of Water Mains (9:00am–4:00pm)	\$155	\$255	\$60
MON04	AWWA Manual M5—Water Utility Management: What You Don't Know That You Probably Should (9:00am–4:00pm)	\$155	\$255	\$60
MON05	Water Main Rehabilitation & Utility Representation Case Studies (9:00am–4:00pm)	\$155	\$255	\$60
MON06	Beyond the Spec Book: Learn What, How & When to Use Various Equipment in the Water Treatment Process (1:00–4:00pm)	\$110	\$210	\$30
MON07	Implementation of AWWA Utility Management Standards to Optimize Utility Operations: ANSI/AWWA G100, Water Treatment Plant; ANSI/AWWA G200, Distribution System; ANSI/AWWA G300, Source Water Protection (1:00–4:00pm)	\$110	\$210	\$30
MON08	Role of Groundwater Models in Sustainable Groundwater Management (1:00–4:00pm)	\$110	\$210	\$30

Public Officials Courses These are optional and an additional cost. You must be registered for the conference in one of the above categories to purchase courses.
 Public Officials Only.

		Member	Nonmember	Student
CRT1	Introduction to Water and Sewer Operating Environments	\$95	\$195	N/A
CRT2	Water and Sewer Infrastructure, Operations, and Maintenance	\$95	\$195	N/A
CRT3	Leadership, Risk, and Sustaining Your Water and Sewer Utility for the Future	\$95	\$195	N/A
CRT4	All Three Courses: Attendees earn an AWWA Public Officials Certificate	\$285	\$585	N/A

Facility Tours These are optional and an additional cost. Limited capacity. You must be registered for the conference in one of the above categories to purchase tours.

T1 (WED)	Hoover Dam—Wednesday Tour (7:45am–12:30pm)	\$70
T2 (WED)	Bellagio - Behind the Scenes of the Fountain System (8:00am–12:00pm) SOLD OUT	\$55
T3 (WED)	MGM Sustainability Program at the MGM Grand Hotel (8:30am–12:00pm)	\$55
T4 (WED)	Mirage Dolphin Habitat & Mandalay Shark Reef (8:30am–12:00pm)	\$55
T5 (THU)	River Mountains Water Treatment Facility (7:30am–12:00pm)	\$55
T6 (THU)	Hoover Dam—Thursday Tour (7:45am–12:30pm)	\$70
T7 (THU)	Las Vegas Wash Tour & Clark County Wetlands Park (8:00am–12:30pm)	\$55
T8 (THU)	Springs Preserve Behind the Scenes Tours (8:30am–12:00pm)	\$70
T9 (THU)	Desert Princess Boat Tour at Lake Mead Cruises (10:30am–4:00pm)	\$75

Ticketed Events These are optional and an additional cost (if indicated).

		Qty	Price	Total
T10 (TUE)	First-time Attendee Program (First-Time ACE attendees ONLY please)		NC	
T11 (TUE)	Student/Young Professionals Scavenger Hunt		NC	
T12 (WED)	Public Officials Breakfast and Caucus (Must be a Public Official to attend)		NC	
T13 (WED)	Water Industry Luncheon		\$60	
T14 (THU)	Fuller Breakfast		\$45	
T15 (THU)	AAEES/AIDIS/AWWA Luncheon		\$50	

Spouse/Guest Registration		Qty	Price	Total
SA	Spouse/Guest (non-industry - will be verified)		\$25	
Name: _____		Name: _____		

What one business activity best describes your company? (Please circle only one—Required.)

- | | | |
|--|--|--|
| A. Public Water Supply Utility—Municipally Owned | F. Private Industrial System or Water Wholesaler | K. Research Lab, Libraries and other related organizations |
| B. Public Water Supply Utility—Investor Owned | G. Manufacturer of Equipment & Supplies | L. Public Official |
| C. Government—Federal, State, Local | H. Distributor of Equipment & Supplies | M. Other (please specify) _____ |
| D. Consulting Firm | I. Educational Institutions (Faculty & Students) | |
| E. Contractor | J. Fully Retired | |

What one category best describes your job function? (Please circle only one—Required.)

- | | | |
|---------------------|----------------------------|------------------------------------|
| A. Administrative | I. Information Technology | Q. Quality Assurance/inspections |
| B. Communications | J. Legal | R. Retired |
| C. Customer Service | K. Legislative/Regulatory | S. Safety |
| D. Education | L. Management | T. Sales & Marketing |
| E. Engineering | M. Operations - Operator | U. Scientific/Research |
| F. Executive | N. Operations - Other | V. Security/Emergency Preparedness |
| G. Finance | O. Public/Elected Official | W. Other (please specify) _____ |
| H. Human Resources | P. Purchasing | |

What category best describes your field served/principal activity? (Select all that apply—Required.)

- | | | |
|------------------------------|--------------------|---------------------------------|
| A. Potable Water Supply Only | C. Stormwater Only | E. Other (please specify) _____ |
| B. Wastewater Only | D. Reuse | |

Which of the following best describes your responsibility for purchasing decisions? (Please circle only one—Required.)

- | | |
|---------------------------------------|--|
| A. I have sole responsibility | D. I do not provide input or make purchasing decisions |
| B. I provide input to decision makers | E. Other (please specify) _____ |
| C. I share responsibility | |

What type of products or services are you coming to our Exhibit Hall to see? (Select all that apply—Required.)

- | | | |
|---|-----------------------------------|---|
| A. Aerators/Equipment | O. Groundwater | CC. Pumps |
| B. Aquifer/Watershed | P. Hazardous Waste | DD. Safety/Equipment |
| C. Biosolids Handling | Q. Hydrants | EE. Sewer Inspection/Equipment |
| D. Certification | R. Instrumentation | FF. Software |
| E. Chemicals/Equipment | S. Laboratory Services/Equipment | GG. Tanks/Equipment |
| F. Conservation | T. Leak/Backflow Prevention | HH. Trench Systems/Equipment |
| G. Construction/Equipment | U. Management/Consultant/Services | II. Valves/Gates |
| H. Contractors | V. Manhole | JJ. Water Supply/Wastewater/Treatment/Equipment |
| I. Corrosion | W. Membrane Systems/Equipment | KK. Well Design/Equipment |
| J. Distribution System Analysis/Equipment | X. Meters/Flowmeters | LL. All of the Above |
| K. Electrical | Y. Modeling | MM. Other (please specify) _____ |
| L. Filter Equipment/Material | Z. Monitoring/Equipment | |
| M. Gas Detection/Equipment | AA. Parts/Tools | |
| N. GIS | BB. Pipe/Equipment | |

Are you a first-time attendee? YES NO

Would you like to be involved with AWWA Committees? YES NO Already Involved

Total/Method of Payment:	AWWA Federal Tax ID# 13-5660277
Total Amount Due: \$_____	
<input type="checkbox"/> Check <input type="checkbox"/> American Express <input type="checkbox"/> Discover <input type="checkbox"/> MasterCard <input type="checkbox"/> Visa <input type="checkbox"/> Government PO	
Card #: _____	Security Code _____ Exp. Date: _____
Signature: _____	
By registering for this event, your contact information may be shared with exhibitors and/or sponsors.	

Fax this form to 303.347.0804

Cancellation Policy: AWWA must receive cancellations in writing. Phone cancellations are not accepted. All cancellations dated by 04/25/18 will receive a refund, minus a 25% administrative fee. Beginning 04/26/18, cancellations will not be refunded; however, substitute registrants are welcome. Email requests for substitutions or cancellations to service@awwa.org or fax requests to 303.347.0804.

This form is not valid for on-site registration or exhibitor registration.



Agenda Item: 8

Date: March 9, 2018

Subject: California Special Districts Association Call for Nominations for Seat A

Staff Contact: Dan York, General Manager

Recommended Board Action:

Either:

1. Nominate a Director for the CSDA Board of Directors – Seat A, or;
2. Take no action.

Discussion:

The District received a call for nominations for Seat A from the California Special Districts Association (CSDA) for the 2019-2021 term. The CSDA is looking for Special District Board Members or their General Managers to assist in guiding the operation of the Association.

The CSDA Board of Directors is responsible for all policy decisions affecting CSDA's member services, legislative advocacy, education and resources. Board members are involved in responding to pending legislation and other public policy documents that may impact the operations of special districts. CSDA has six regional divisions (SSWD is in Region 2). Each division has three seats on the Board. Seat A term expires in 2021 (a three year term).

Any interested Director would need a majority vote from the Board at the March regular Board meeting to be nominated. If a Director expresses interest, and receives a majority vote by the Board, staff will ensure that Director fills out the necessary paperwork following the March regular Board Meeting.

The deadline to receive nominations is April 18, 2018. Presently, no Directors from the District serve on the CSDA Board.

Successful candidates will be announced at CSDA's Annual Conference, in Indian Wells, CA in September 2018.

The time commitment for the CSDA Board and additional information regarding CSDA are included in the Call for Nominations memo, attached as Exhibit 1.

Fiscal Impact:

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

Strategic Plan Alignment:

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

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



**California Special
Districts Association**
Districts Stronger Together

DATE: February 16, 2018
TO: CSDA Voting Member Presidents and General Managers
FROM: CSDA Elections and Bylaws Committee
SUBJECT: **CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS
SEAT A**

The Elections and Bylaws Committee is looking for Independent Special District Board Members or their General Managers who are interested in leading the direction of the California Special Districts Association for the 2019 - 2021 term.

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

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

Commitment and Expectations:

- Attend all Board meetings, usually 4-5 meetings annually, at the CSDA office in Sacramento.
- Participate on at least one committee, meets 3-5 times a year at the CSDA office in Sacramento.
(CSDA reimburses Directors for their related expenses for Board and committee meetings as outlined in Board policy).
- Attend, at minimum, the following CSDA annual events: Special Districts Legislative Days - held in the spring, and the CSDA Annual Conference - held in the fall.
- Complete all four modules of CSDA's Special District Leadership Academy within 2 years of being elected.
(CSDA does not reimburse for expenses for the two conferences or the Academy classes even if a Board or committee meeting is held in conjunction with the events).

(over)

Nomination Procedures: Any Regular Member in good standing is eligible to nominate one person, a board member or managerial employee (as defined by that district's Board of Directors), for election to the CSDA Board of Directors.

- **A copy of the member district's resolution or minute action and Candidate Information Sheet must accompany the nomination.**
- **Deadline for receiving nominations is April 18, 2018. Nominations and supporting documentation may be mailed or emailed to Beth Hummel.**
No faxes please.

Mail: CSDA Attention: Beth Hummel
1112 I Street, Suite 200, Sacramento, CA 95814
E-mail: bethh@csda.net

Once received, nominees will receive a candidate's letter in the mail. The letter will serve as confirmation that CSDA has received the nomination and will also include campaign guidelines.

Expiring Terms

(See enclosed map for Network breakdown)

Northern Network Seat A-Ralph Emerson, GM, Garberville Sanitary District*
Sierra Network Seat A-Noelle Mattock, Director, El Dorado Hills CSD*
Bay Area Network Seat A-Robert Silano, Director, Menlo Park Fire Protection District*
Central Network Seat A-Joel Bauer, GM, West Side Cemetery District*
Coastal Network Seat A-Elaine Magner, Director, Pleasant Valley Recreation & Park District*
Southern Network Seat A-Jo MacKenzie, Director, Vista Irrigation District*
(* = Incumbent is running for re-election)

If you have any questions, please contact Beth Hummel at 877-924-CSDA or bethh@csda.net.

NEW THIS YEAR!

This year we will be using a web-based online voting system, allowing your district to cast your vote easily and securely. *Electronic Ballots will be emailed to the main contact in your district June 18, 2018. All votes must be received through the system no later than 5:00 p.m. August 10, 2018.*

Districts can opt to cast a paper ballot instead; but you must contact Beth by e-mail Bethh@csda.net, by April 18, 2018 in order to ensure that you will receive a paper ballot on time.

CSDA will mail paper ballots on June 17 per district request only. ALL ballots must be received by CSDA no later than 5:00 p.m. August 10, 2018.

The successful candidates will be notified no later than August 14, 2018. All selected Board Members will be introduced at the Annual Conference in Indian Wells, CA in September 2018.



**California Special
Districts Association**
Districts Stronger Together

2018 BOARD OF DIRECTORS NOMINATION FORM

Name of Candidate: _____

District: _____

Mailing Address: _____

Network: _____ (see map on back)

Telephone: _____

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

Fax: _____

E-mail: _____

Nominated by (optional): _____

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

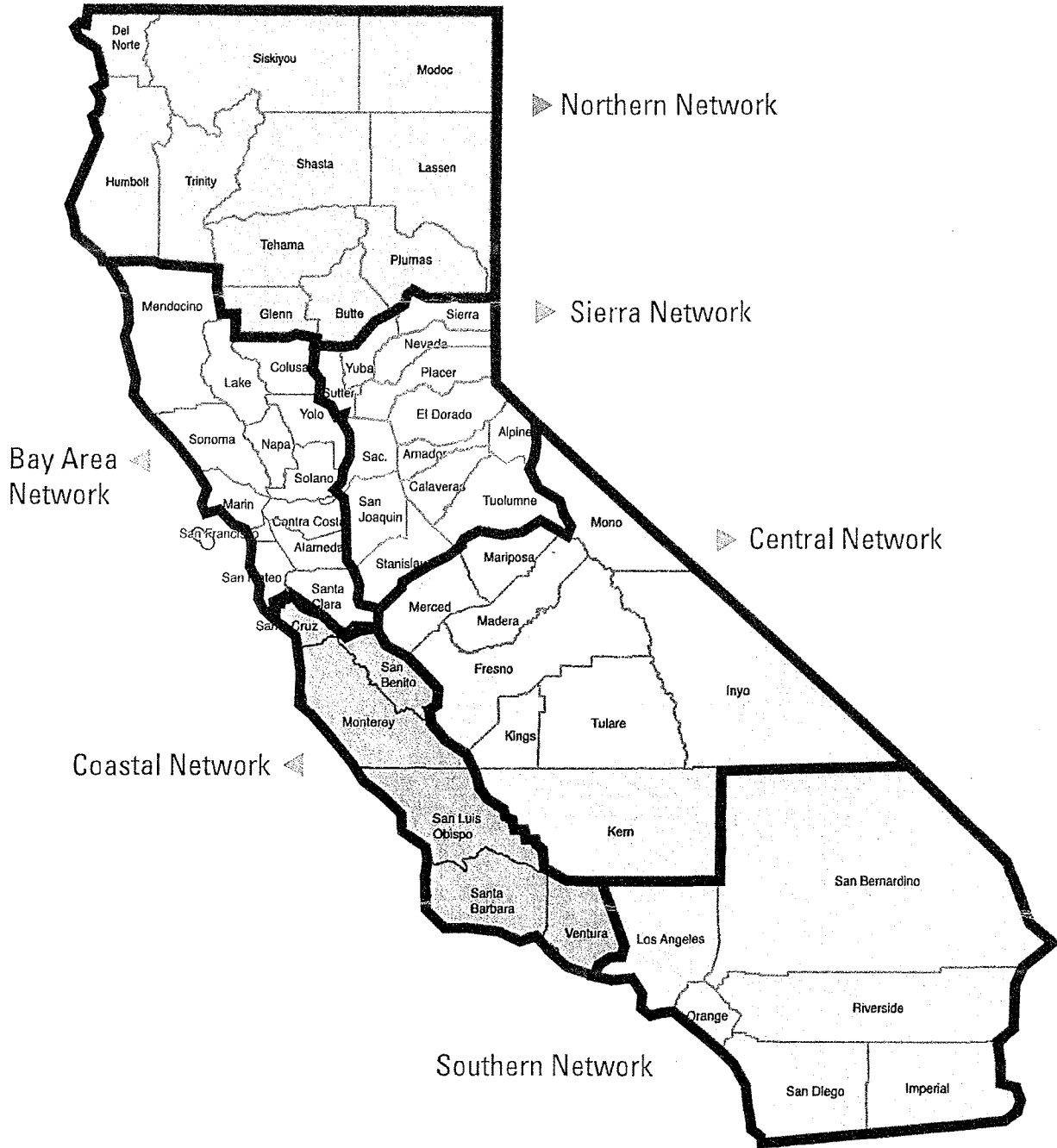
CSDA
Attn: Beth Hummel
1112 I Street, Suite 200
Sacramento, CA 95814
(877) 924-2732 (916) 442-7889 fax

bethh@csla.net

DEADLINE FOR RECEIVING NOMINATIONS – April 18, 2018



California Special Districts Association
DISTRICT NETWORKS





**California Special
Districts Association**
Districts Stronger Together

2018 CSDA BOARD CANDIDATE INFORMATION SHEET

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

Name: _____

District/Company: _____

Title: _____

Elected/Appointed/Staff: _____

Length of Service with District: _____

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

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

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

4. List civic organization involvement:

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after May 31, 2018 will not be included with the ballot.**



Agenda Item: 9

Date: March 6, 2018

Subject: Resolution No. 18-05 Authorizing Application for Funding Assistance through the Bay-Delta Restoration Program: CalFed Water Use Efficiency Grant Program

Staff Contact: Dana Dean, P.E., Engineering Manager

Recommended Board Action:

Adopt Resolution No. 18-05 Authorizing Application for Funding Assistance through the Bay-Delta Restoration Program: CALFED Water Use Efficiency Grant Program.

Discussion:

The United States Bureau of Reclamation (Reclamation) has notified Sacramento Suburban Water District (District) of a potential grant funding opportunity for 2018-2020.

In February 2018, Reclamation released the CALFED Water Use Efficiency Grant, also under the cost share funding for water efficiency projects. The total available program funding is up to \$3.0 million and allows for up to \$750,000 per project and up to \$1,500,000 per recipient under the current Funding Opportunity Announcement (No. BOR-MP-18-F002). Projects must demonstrate a direct benefit to the California Bay-Delta with the federal share on any one project not to exceed 50% of the project cost. An agency can submit more than one application (project), with the maximum award of \$1,500,000 for any recipient.

The District is interested in applying for one (1) grant as part of a regional effort coordinated by the Regional Water Authority (RWA). The RWA will prepare the grant application at no cost to the District. The CALFED application is due on or before March 15, 2018. The CALFED Grant has a two (2) year period for completion (October 1, 2018 - October 1, 2020). RWA is not eligible to apply for the grant because it lacks water delivery authority, so will act as the grant manager. The District will be the lead agency for the grant.

This regional approach has been used for past Reclamation grants. The District was the lead agency on a \$5 million regional award received in 2009 through Reclamation under the American Recovery and Reinvestment Act, of which the District received \$1.1 million. The District also received a \$198,000 award from a 2012 CALFED Grant and a \$187,000 award from a 2013 CALFED Grant for water meter installations. The required Board Resolution is attached as Exhibit 1.

Resolution No. 18-05 Authorizing Application for Funding Assistance through the Bay-Delta Restoration Program: CalFed Water Use Efficiency Grant Program

March 6, 2018

Page 2 of 2

The application is part of a three agency project (SSWD, City of Sacramento, and Sacramento County) for the installation of residential water meters. If successful, the allying agencies would share the award. The award share for the District as lead agency would be approximately \$275,000, and the other two agencies would each receive approximately \$237,500.

Fiscal Impact:

There is no fiscal impact for preparation of the grant application. If successful with the grant award, RWA would manage Reclamation's agreement for all participating agencies. Based on previous RWA grant management services, the District's share of costs for this grant is expected to be less than \$5,000, which is reimbursed from the grant.

Strategic Plan Alignment:

Leadership – 5.C. Participate in regional water management partnerships (e.g. RWA, SGA).

SSWD demonstrates leadership by taking the lead role in coordination of the grant application with other area water purveyors.

EXHIBIT 1

RESOLUTION NO. 18-05

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SACRAMENTO SUBURBAN WATER DISTRICT AUTHORIZING AN APPLICATION FOR FUNDING ASSISTANCE THROUGH THE BAY-DELTA RESTORATION PROGRAM: CALFED WATER USE EFFICIENCY GRANT PROGRAM

WHEREAS, the United States Bureau of Reclamation (“Reclamation”) has implemented the Bay-Delta Restoration Program: CALFED Water Use Efficiency Grant Program to promote the goals/objectives and mission of the Bay-Delta Restoration Fund;

WHEREAS, Reclamation has solicited proposals from public water suppliers and other water users for a new round of grant funding under the CALFED Water Use Efficiency Grant Program, which proposals are due on or before March 15, 2018;

WHEREAS, the Board of Directors of the Sacramento Suburban Water District (“SSWD”) has identified itself as an eligible applicant under Reclamation’s CALFED Water Use Efficiency Grant Program; and

WHEREAS, SSWD is interested in pursuing grant funding assistance under the CALFED Water Use Efficiency Grant Program in the amount of \$750,000 for a regionally-collaborated effort to install residential water meters.

NOW, THEREFORE, be it resolved by the Board of Directors as follows:

1. The Board has reviewed the scope and purpose of SSWD’s grant funding application, finds that the Projects will serve both the needs of the District’s ratepayers and satisfy the goals of the CALFED Water Use Efficiency Grant Program, and, on that basis, supports staff’s submittal of the grant funding application to Reclamation.
2. SSWD is capable of funding the minimum 50-percent cost share required to obtain grant funding under the CALFED Water Use Efficiency Grant Program. Collaborating agencies will verify their funding capabilities through letters of commitment to be included with the application.
3. The General Manager of SSWD is hereby authorized to apply for grant funding from Reclamation’s CALFED Water Use Efficiency Grant Program as part of a regional collaborative effort and to execute any related documents within established deadlines, including entering into a grant funding agreement with Reclamation and any regional partners.

4. The General Manager and staff are directed to take all other actions necessary to secure funding for the Projects under the CALFED Water Use Efficiency Grant Program.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on the 19th day of March 2018, by the following vote:

AYES:

NOES:

ABSENT:

By: _____
Craig M. Locke
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 meeting hereof held on the 19th day of March 2018.

(SEAL)

By: _____
Dan York
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 10

Date: March 12, 2018

Subject: General Manager's Report

Staff Contact: Dan York, General Manager

a. McClellan Business Park Successor Agreement Update

McClellan Business Park (MBP) and District staff are continuing coordination of efforts to ensure the District's infrastructure and parcel maps functionally equivalent are identical to the MBP's infrastructure and parcel maps as that will identify the number of water services/fire services at the inception of the 1999 Agreement and current.

The District, MBP and legal counsel are scheduled to meet on March 14, 2018. Staff will provide a brief update to the Board at the March 19, 2018, regular Board meeting.

Note: The 1999 Agreement between the District and County is a legal binding document and will not be terminated until the Successor Agreement between the District and MBP is approved and signed by both parties.

b. Assistant General Manager Recruitment

The recruitment for the District's Assistant General Manager closed on February 26, 2018. The recruitment process resulted in twelve candidates providing applications for consideration of an interview. Consultant Shellie Anderson assisted staff with reviewing the applications received. Upon review of the applications, the General Manager chose to extend the recruitment an additional two weeks. The final closing date for applications is March 26, 2018. The current schedule anticipates the new Assistant General Manager may begin employment with the District in May 2018, depending on the amount of notice given to his/her employer following successful completion of the required background check and physical examination.

c. Antelope Transmission Pipeline Update

As previously reported, on December 9, 2017, a 6" gate valve on a lateral line for a blow-off failed on the Antelope Transmission Pipeline (ATP). Due to the failed valve, the ATP was taken out of service to conduct the necessary repairs. Upon completion of the repairs, the 6" gate valve was determined to be extremely corroded. Verification inspection of an additional 6" gate valve downstream of the previous failed gate valve suggests the failed gate valve was an isolated case. However, additional assessment of the overall corrosion potential of the existing pipeline and appurtenances will be completed in 2018. District staff is in the process of coordinating efforts to place the ATP back in service. It is anticipated the ATP will be back online in mid-April 2018.

Director Schild requested that staff report back to the Board if there was remaining Placer County Water Agency (PCWA) water that remains to be provided to the District due to the December 9th leak that resulted taking the ATP out of service. The District was delivered a quantity of water slightly in excess of the full contract amount of 12,000 acre-feet (AF) take or pay water. The District received 12,145 AF in the calendar year by PCWA, of which only 10,161 AF was utilized by District customers. The remaining 1,984 AF was delivered to Cal-American Water Company through our wholesale contract. As a result, the District was able to receive the purchased 12,000 AF take or pay PCWA water in CY2017.

Based on data obtained from National Oceanic Atmospheric Administration's California Nevada River Forecast Center webpage, the most probable forecast for the 2018 water year accumulation volume for American River inflow into Folsom Lake is 1.55 Million Acre Feet (MAF). This volume is less than the 1.6 MAF of projected March to November unimpaired inflow required to allow Non-Project water from the Middle Fork American River Project to be delivered to the District from PCWA.

d. Long-Term Warren Act Contract Update

The Bureau of Reclamation (Reclamation) has set a date of March 19, 2018 for the District's Long-Term Warren Act Contract (LTWAC) Negotiations Session. Reclamation issued the required two-week press release notification. The solicitors for Reclamation will be in attendance at the Negotiation Session, therefore, to ensure the "approval and vetting" process is real time, District legal counsel will also be in attendance. Unless significant discussions come from the Negotiation Session, it is only a matter of time for the National Environmental Policy Act document to be approved and then the contract can be executed. It is anticipated that LTWAC will be similar to the 5-Year Warren Act Contract that was recently issued by Reclamation.



Agenda Item: 11

Date: March 13, 2018

Subject: Financial Report

Staff Contact: Daniel A. Bills, Finance Director

Five reports are attached for your information. They are:

- DRAFT - Financial Statements – February 2018
- Cash Expenditures – February 2018
- Credit Card Expenditures – February 2018
- DRAFT - District Reserve Balances – February 2018
- DRAFT - Information Required by Bond Agreement

DRAFT - Financial Statements

These Financial Statements and certain other reports noted above and below are presented in Draft form and should not be relied upon for investment or other decision making purposes. As December 31 is the District's year-end for financial reporting purposes, amounts presented in this report will remain "Draft" until the external auditor's financial audit is complete and the Board accepts the audited 2017 annual report (CAFR). The results of the audit and the CAFR are expected to be complete and brought to the Board for approval at the April Board meeting.

DRAFT - Balance Sheet:

District cash and cash equivalents increased to \$8.6 million as of February 28, 2018, up from \$6.1 million at December 31, 2017. Cash held in the District's bank accounts (\$4.3 million as of February 28) is held in accordance with state and federal regulations, which state that cash held in the District's bank accounts above the FDIC insured limits must be fully collateralized with government securities that are equal to or greater than 110% of the District's cash balance in the bank at any time.

Investments decreased since December 31, 2017 by \$0.2 million to a total of \$35.6 million, reflecting unrealized market value losses of \$0.3 million net of \$0.1 million in reinvestment of interest received. At the request of the Board, Investment portfolio and activity is now reported quarterly.

Capital assets grew \$0.6 million to \$459.1 million as of February 28, 2018, reflecting expenditures on distribution main replacement projects, well improvement projects and meter retrofits. Capital

assets are primarily funded by monthly remuneration from customers through “capital facilities charges,” developer contributions, as well as grant funds, when available, and District reserves when necessary.

Net position stands at \$246.3 million as of February 28, 2018, compared to \$245.4 million at December 31, 2017 for an increase of \$0.9 million.

DRAFT - Income Statement:

The net position increase of \$0.9 million in 2018, when compared to \$1.0 million for 2017, shows:

1. Water Consumption Sales increased by \$0.1 million (12.3 percent) compared to 2017 due primarily to increased water deliveries as 3,029 acre-feet of water was delivered in 2018 compared to 2720 acre-feet in 2017. In addition to the increased volume of water consumption, a 4.0 percent rate increase also occurred in 2018.
2. Total operating revenues increased primarily due to Capital Facility Charges increasing by \$0.1 million in line with the 4.0 percent rate increase referred to above.
3. Operating expenses increased by \$0.1 million due primarily to – 1) increased annual IT license fees; 2) an increase of \$0.3 million in groundwater pumping costs as no surface water was taken in February 2018 due to the shutdown of the Antelope Transmission Pipeline (ATP) and water availability; offsetting the increased cost from groundwater pumping costs was a decrease of \$0.3 million in surface water purchasing costs;
4. Interest and investment income decreased \$0.3 million compared to the same period a year ago primarily due to unrealized holding losses in February 2018.

DRAFT - Budgets:

The District’s operating and maintenance expenditures for 2018 came in less than the budget by \$1.1 million. Most of this positive variance is due to water cost savings that stem primarily from savings from not purchasing surface water due to the shutdown of the ATP and water availability.

Operating capital project expenditures in February were \$0.1 million. The total budget for the year is \$1.16 million.

The District’s 2018 capital improvement project (CIP) budget is \$19.2 million. For 2018, \$0.6 million has been spent. Expenditures continue to be primarily in distribution system replacements, well improvements and meter retrofit projects.

Debt – February 2018

This report shows District activity in repaying its long-term debt obligations. Scheduled 2018 principal payments of \$4.2 million are not due until the end of October. Total principal outstanding as of February 28, 2018 is \$81.6 million.

Cash Expenditures – February 2018

During the month of February, the District made cash payments totaling \$2.3 million. The primary expenditures were – \$0.6 million for 2018 capital improvement projects, \$0.1 million for inventory material and supplies, \$0.1 million for debt service, \$0.6 million for water costs including pumping and chemical costs, \$0.1 million for financial services, and \$0.6 million for payroll, pension and health benefits.

Purchasing Card Expenditures – February 2018

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

During the month, the District spent \$6,714 for various purchases on the six District purchasing cards. Details by vendor and purpose are included in this report.

District Reserve Fund Balances

The District's Reserve Policy, PL – Fin 004, requires the District to maintain a certain level of cash and investments on hand at any one time, as determined by the Board annually. Balances as of February 28, 2018 are \$47,888,751 compared to \$45,691,327 at December 31, 2017.

Information Required by Bond Agreement

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

DRAFT - Financial Statements
February 28, 2018

Sacramento Suburban Water District
Balance Sheet

As Of

	February 2018	December FY 2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$8,573,142.13	\$6,084,811.39
Restricted Cash and cash equivalents	12,526.99	12,504.34
Accounts receivable, net of allowance for uncollectible accounts	1,632,071.68	3,220,813.91
Interest receivable	144,382.63	175,718.91
Restricted Interest receivable	13,633.52	7,982.27
Grants receivables	135,446.55	135,446.55
Other receivables	279,040.00	139,520.00
Inventory	636,845.11	687,361.49
Prepaid expenses and other assets	498,386.38	596,878.92
TOTAL CURRENT ASSETS	11,925,474.99	11,061,037.78
NONCURRENT ASSETS		
Investments	35,617,240.49	35,860,505.32
Restricted Investments	3,527,825.39	3,527,683.79
Fair value of interest rate swaps	487,057.00	487,057.00
TOTAL NONCURRENT ASSETS	39,632,122.88	39,875,246.11
Property, plant and equipment	459,117,195.42	458,488,252.58
Accumulated depreciation	(170,245,018.00)	(168,222,020.00)
TOTAL CAPITAL ASSETS	288,872,177.42	290,266,232.58
TOTAL ASSETS	340,429,775.29	341,202,516.47
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on long-term debt refunding	6,570,902.91	6,678,090.23
Pension contribution subsequent to measurement date	2,623,682.00	2,807,227.00
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	349,624,360.20	350,687,833.70
LIABILITIES		
CURRENT LIABILITIES		
Current portion of long-term debt and capital leases	4,240,000.00	4,240,000.00
Accounts payable	537,092.12	1,799,258.35
Accrued interest	634,408.38	426,439.43
Deferred revenue and other liabilities	975,409.63	895,650.62
Accrued expenses	326,037.41	1,194,890.42
TOTAL CURRENT LIABILITIES	6,712,947.54	8,556,238.82
NONCURRENT LIABILITIES		
Long-term debt	85,438,794.28	85,548,384.48
Compensated absences	1,038,286.58	1,019,780.10
Net pension liability	8,997,648.00	8,997,648.00
TOTAL NONCURRENT LIABILITIES	95,474,728.86	95,565,812.58
TOTAL LIABILITIES	102,187,676.40	104,122,051.40
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow of effective swaps	487,057.00	487,057.00
Employee pensions	647,273.00	647,273.00
NET POSITION		
Invested in capital assets, net of related debt	207,155,938.33	207,155,938.33
Restricted	3,548,170.40	3,548,170.40
Unrestricted	35,598,245.07	34,727,343.57
TOTAL NET POSITION	246,302,353.80	245,431,452.30
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	349,624,360.20	350,687,833.70

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

	Month	Year-To-Date	Month	Year-To-Date
	2/28/2018	2/28/2018	2/28/2017	2/28/2017
OPERATING REVENUES				
Water consumption sales	\$532,017.79	\$1,060,957.93	\$511,472.63	\$945,123.57
Water service charge	535,195.07	994,090.59	535,817.46	1,006,555.91
Capital facilities charge	2,034,881.81	3,763,026.16	1,955,821.81	3,617,644.02
Wheeling water charge	364.00	708.42	310.31	594.67
Other charges for services	76,913.61	175,655.32	79,252.35	181,716.64
TOTAL OPERATING REVENUES	3,179,372.28	5,994,438.42	3,082,674.56	5,751,634.81
OPERATING EXPENSES				
Source of supply	5,201.06	44,988.33	182,688.31	377,753.99
Pumping	293,248.35	571,285.78	205,015.42	303,308.52
Transmission and distribution	241,468.19	479,962.20	356,370.14	504,576.27
Water conservation	23,510.26	44,262.39	20,919.19	39,208.44
Customer accounts	103,042.46	168,316.28	127,995.40	187,925.61
Administrative and general	523,098.66	1,107,723.96	484,601.44	916,750.30
TOTAL OPERATING EXPENSES	1,189,568.98	2,416,538.94	1,377,589.90	2,329,523.13
Operating income before depreciation	1,989,803.30	3,577,899.48	1,705,084.66	3,422,111.68
Depreciation and amortization	(1,011,499.00)	(2,022,998.00)	(1,017,370.70)	(2,034,978.24)
OPERATING INCOME	978,304.30	1,554,901.48	687,713.96	1,387,133.44
NON-OPERATING REV. (EXP.)				
Rental income	21016.27	36355.65	26421.27	40966.91
Interest and investment income	-49341.91	-183636.65	86873.62	158553.28
Interest expense	(250,652.04)	(543,671.85)	(255,357.28)	(564,828.03)
Other non-operating revenues	33.50	64.34	2,217.17	11,396.12
Grant revenue pass-through to sub recipients			186,191.70	186,191.70
Other non-operating expenses	6,888.53	6,888.53	2377.61	2,491.69
Sub recipient grant expenses			(186,191.70)	(186,191.70)
NON-OPERATING REV. (EXP.)	(272,055.65)	(683,999.98)	(137,467.61)	(351,420.03)
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	706,248.65	870,901.50	550,246.35	1,035,713.41
CAPITAL CONTRIBUTIONS				
CHANGE IN NET POSITION	706,248.65	870,901.50	550,246.35	1,035,713.41
Net position at beginning of period	245,596,105.15	245,431,452.30	234,345,923.30	233,860,456.24
NET POSITION AT END OF PERIOD	246,302,353.80	246,302,353.80	234,896,169.65	234,896,169.65

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

	Month Of February			2018 YTD		
	Actual	Budget	Variance	Actual	Budget	Variance
BUDGETED OPERATING EXPENSES						
Board of Directors	\$687.44	\$2,853.07	\$2,165.63	\$8,983.56	\$16,706.14	\$7,722.58
Administrative	175,195.29	210,882.08	35,686.79	378,215.90	422,764.16	44,548.26
Finance	70,615.58	87,727.09	17,111.51	89,551.29	175,454.18	85,902.89
Customer Services	103,042.46	109,133.47	6,091.01	168,316.28	218,266.94	49,950.66
Field Operations	39,995.93	67,147.78	27,151.85	114,721.83	134,295.56	19,573.73
Production	298,449.41	635,941.54	337,492.13	616,274.11	1,261,883.08	645,608.97
4 Distribution	131,289.56	190,377.02	59,087.46	264,559.37	380,754.04	116,194.67
Field Services	108,522.18	116,941.16	8,418.98	213,746.38	233,884.32	20,137.94
Maintenance	52,104.72	56,159.23	4,054.51	71,564.38	112,318.46	40,754.08
Water Conservation	23,510.26	41,164.26	17,654.00	44,262.39	82,328.52	38,066.13
Engineering	95,234.69	113,968.15	18,733.46	177,897.07	227,846.30	49,949.23
GIS/CAD	26,806.30	33,714.97	6,908.67	52,894.80	67,429.94	14,535.14
Human Resources	16,996.07	19,705.32	2,709.25	27,548.35	40,200.64	12,652.29
MIS	47,119.09	117,437.21	24,318.12	188,003.23	188,874.42	871.19
TOTAL OPERATING EXPENSES	1,189,568.98	1,803,152.35	567,583.37	2,416,538.94	3,563,006.70	1,146,467.76

SACRAMENTO SUBURBAN WATER DISTRICT
 OPERATING CAPITAL AMENDED BUDGET
 2/28/2018

Project Number	Project Name	Original Budget	Amendments	Amended Budget	Current Month Expenditures	Expenditures Year-To-Date	Committed Year-To-Date	Remaining Balance
SF18-427	3 FOREMAN OFF FURNITURE/STATIO	\$ 12,000.00		\$ 12,000.00	-	\$ -	\$ 8,523.00	\$ 3,477.00
SF18-428	FOLDING TABLES & CHAIRS	\$ 13,000.00		13,000.00	-	-	-	\$ 13,000.00
SF18-429	BUILDING & STRUCTURES MAINT	\$ 95,000.00		95,000.00	5,528.00	7,628.00	-	\$ 87,372.00
SF18-430	HVAC/ROOFS/BUILDING REPAIRS	\$ 30,000.00		30,000.00	7,500.00	7,500.00	-	\$ 22,500.00
SF18-431	EXT SEAL SOUTH WALL SHOP-WALNU	\$ 12,000.00		12,000.00	-	-	-	\$ 12,000.00
SF18-432	GAZEBO/BATHRM/KITCHEN-ANTELOPE	\$ 70,000.00		70,000.00	-	-	-	\$ 70,000.00
SF18-433	3 FOREMAN OFFICES REMODEL	\$ 31,000.00		31,000.00	25,626.00	25,626.00	-	\$ 5,374.00
SF18-434	WINDOW COVERING - WALNUT	\$ 5,000.00		5,000.00	2,299.43	2,299.43	2,299.57	\$ 401.00
SF18-435	REKEY ALL FACILITIES	\$ 12,000.00		12,000.00	-	-	-	\$ 12,000.00
SF18-436	REPLACE TRAILERS 168 & 169	\$ 20,000.00		20,000.00	-	-	-	\$ 20,000.00
SF18-437	VEH REPL - RIGHT SIZE TRUCK# 2	\$ 75,000.00		75,000.00	-	-	65,641.00	\$ 9,359.00
SF18-438	VEH REPL-RIGHT SIZE/TRUCK#11	\$ 33,000.00		33,000.00	-	-	27,964.00	\$ 5,036.00
SF18-439	VEH REPL-RIGHT SIZE/TRUCK#14	\$ 45,000.00		45,000.00	-	-	33,623.00	\$ 11,377.00
SF18-440	VEH REPL-RIGHT SIZE/TRUCK#47	\$ 45,000.00		45,000.00	-	-	33,623.00	\$ 11,377.00
SF18-441	VEH REPL-RIGHT SIZE/TRUCK#48	\$ 45,000.00		45,000.00	-	-	33,623.00	\$ 11,377.00
SF18-442	COMPACT MINI EXCAVATOR	\$ 62,000.00		62,000.00	-	-	-	\$ 62,000.00
SF18-443	METER VAULT LIDS REPLACEMENT	\$ 32,000.00		32,000.00	-	-	-	\$ 32,000.00
SF18-444	ASPHALT REPL/SEAL- WELL SITES	\$ 30,000.00		30,000.00	-	-	-	\$ 30,000.00
SF18-445	FENCES REPLACE - 4 WELL SITES	\$ 28,000.00		28,000.00	-	-	-	\$ 28,000.00
SF18-446	PERISTALTIC CHEM DOSING PUMPS	\$ 27,500.00		27,500.00	-	-	-	\$ 27,500.00
SF18-447	UCMR 4 MONITORING	\$ 120,000.00		120,000.00	-	-	-	\$ 120,000.00
SF18-448	HARDWARE REFESH PROGRAM	\$ 108,500.00		108,500.00	26,239.68	26,239.68	21,429.00	\$ 60,831.32
SF18-449	SOFTWARE ENHANCEMENTS/MODULES	\$ 160,000.00		160,000.00	-	-	20,000.00	\$ 140,000.00
SF18-450	SERVER ROOM	\$ 50,000.00		50,000.00	-	-	-	\$ 50,000.00
TOTAL		\$ 1,161,000.00	\$ -	\$ 1,161,000.00	\$ 67,193.11	\$ 69,293.11	\$ 246,725.57	\$ 844,981.32

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**Sacramento Suburban Water District
Capital Improvement Project Amended Budget
2/28/2018**

Project No.	Project Name	Original Budget	Changes	Amended Budget	Current Month Expenditures	Expenditures Year-To-Date	Committed Year-To-Date	Remaining Balance
SC18-009	WELL REHAB/PUMP ST IMPROVEMENT	\$ 1,000,000.00		\$1,000,000.00	\$ 73,195.00	\$ 73,195.00	\$195,675.00	\$ 731,130.00
SC18-010	SCADA RTU/COMMUN IMPROVEMENT	\$ 60,000.00		60,000.00		-	17,375.00	\$ 42,625.00
SC18-011	WELLHEAD TREATMENT/CHEM FEED	\$ 150,000.00		150,000.00		-	17,034.00	\$ 132,966.00
SC18-012	WELL REPLACEMENTS	\$ 3,300,000.00		3,300,000.00	2,995.91	2,995.91	181,148.00	\$ 3,115,856.09
SC18-013	ELECTRICAL IMPROV @WELL SITES	\$ 200,000.00		200,000.00	1,060.00	1,060.00	17,405.00	\$ 181,535.00
SC18-018	DISTRIBUTION MAIN REPLACEMENTS	\$ 10,470,000.00		10,470,000.00	442,513.05	442,513.05	8,335,397.00	\$ 1,692,089.95
SC18-019	DIST MAIN IMPRV/EXT/INTERTIES	\$ 600,000.00		600,000.00	5,273.94	5,273.94	40,317.00	\$ 554,409.06
SC18-020	MCCLELLAN LINE REPL	\$ - 50,000.00		50,000.00		-	3,070.00	\$ 46,930.00
SC18-022	WTR RELATED STREET IMPRV	\$ 200,000.00		200,000.00		-	140,415.00	\$ 59,585.00
SC18-024	METER RETROFIT PROGRAM	\$ 2,100,000.00		2,100,000.00	33,142.96	33,142.96	82,490.00	\$ 1,984,367.04
SC18-034	RESERVIOR/TANK IMPROVMENT	\$ 100,000.00		100,000.00		-	-	\$ 100,000.00
SC18-035	CORROSION CONTROL-TRAN MAINS	\$ 50,000.00		50,000.00		-	-	\$ 50,000.00
SC18-038	LARGE WTR METER >3" REPL	\$ 140,000.00		140,000.00		-	8,800.00	\$ 131,200.00
SC18-040	ENGINE GENERATOR COMPLIANCE	\$ 240,000.00		240,000.00		-	240,000.00	\$ -
SC18-042	METER REPLACE/REPAIR - WMP	\$ 350,000.00		350,000.00		-	-	\$ 350,000.00
SC18-046	TANK INSPECTION & REPAIRS	\$ 100,000.00		100,000.00		-	-	\$ 100,000.00
SC18-048	RIGHT OF WAY/EASEMENT ACQUISTI	\$ 50,000.00		50,000.00		-	-	\$ 50,000.00
		\$ 19,160,000.00	\$ -	\$ 19,160,000.00	\$ 558,180.86	\$ 558,180.86	\$ 9,279,126.00	\$ 9,322,693.14

**Sacramento Suburban Water District
Debt
2/28/2018**

Current Month

	Series 2009A COP	Series 2009B COP	Series 2012A	Total
Beginning Balance	\$ 42,000,000	\$ 22,065,000	\$ 17,490,000	\$ 81,555,000
Additions:				-
Reductions: Payment	-	-	-	-
Ending Balance	<u>\$ 42,000,000</u>	<u>\$ 22,065,000</u>	<u>\$ 17,490,000</u>	<u>\$ 81,555,000</u>

Year-To-Date

	Series 2009A COP	Series 2009B COP	Series 2012A	Total
Beginning Balance	\$ 42,000,000	\$ 22,065,000	\$ 17,490,000	\$ 81,555,000
Additions:				-
Reductions: Payment	-	-	-	-
Ending Balance	<u>\$ 42,000,000</u>	<u>\$ 22,065,000</u>	<u>\$ 17,490,000</u>	<u>\$ 81,555,000</u>

**Cash Expenditures
February 2018**

AP Warrant List from 2/1/2018 to 2/28/2018

Group	Vendor Name	Date	Amount	Description
	ACWA JPIA INSURANCE/EAP - Invoices:1	2/14/2018	152.75	Miscellaneous Employee Benefits
	ADP, INC - Invoices:2	2/28/2018	365,699.24	Payroll
	AFLAC - Invoices:1	2/22/2018	846.96	Supplemental Insurance Plan
	AMERITAS (VISION) - Invoices:2	2/7/2018	3,794.64	Employee Benefit - Vision
	BASIC PACIFIC - Invoices:3	2/2/2018	263.00	Miscellaneous Employee Benefits
	CIGNA GROUP INS LIFE/LTD - Invoices:1	2/7/2018	3,929.33	Employee Benefit - LTD Insurance
	CIGNA-DENTAL INS - Invoices:1	2/28/2018	12,355.03	Employee Benefit - Dental
	EMPLOYMENT DEVELOPMENT - Invoices:1	2/2/2018	121.00	Miscellaneous Employee Benefits
	PERS HEALTH - Invoices:2	2/23/2018	97,999.00	Miscellaneous Employee Benefits
	PERS LONG TERM CARE PROGRAM -	2/2/2018	2,657.04	Miscellaneous Employee Benefits
	PERS PENSION - Invoices:7	2/1/2018	65,588.23	Employee Benefit - PERS
	ADLER TANK RENTALS - Invoices:1	2/22/2018	650.00	Construction In Progress
	ARMORCAST PRODUCTS COMPANY -	2/28/2018	33,142.96	Construction In Progress
	CITY OF SACRAMENTO/ ENCROACHMENT -	2/28/2018	1,861.36	Construction In Progress
	CORE & MAIN - Invoices:3	2/7/2018	54,791.05	Construction In Progress
	COUNTY OF SAC ENVIRO MGT DEPT -	2/7/2018	25,018.00	Construction In Progress
	COUNTY OF SAC PUBLIC WORKS -	2/22/2018	5,420.91	Construction In Progress
	DELL MARKETING LP - Invoices:2	2/22/2018	26,239.68	Construction In Progress
	DOUG VEERKAMP GENERAL ENGR -	2/7/2018	1,910.58	Construction In Progress
	ERC CONTRACTING - Invoices:1	2/7/2018	15,305.00	Construction In Progress
	FLOWLINE CONTRACTORS INC - Invoices:2	2/14/2018	314,696.65	Construction In Progress
	GEOCON CONSULTANTS INC - Invoices:2	2/2/2018	2,430.00	Construction In Progress
	KIRBY PUMP AND MECHANICAL - Invoices:1	2/22/2018	9,850.00	Construction In Progress
	LOEWEN PUMP MAINTENANCE - Invoices:2	2/7/2018	34,545.00	Construction In Progress
	RICOS WINDOW COVERING SYSTEMS -	2/28/2018	6,731.62	Building Maintenance - Office &
	RIVER CITY PAINTING - Invoices:3	2/7/2018	26,640.00	Construction In Progress
	ROADRUNNER DRILLING & PUMP CO -	2/2/2018	30,400.00	Construction In Progress
	S E AHLSTROM INSPECTION - Invoices:1	2/23/2018	9,200.00	Construction In Progress
	SEA HEATING AND AIR CONDITIONING -	2/15/2018	7,500.00	Construction In Progress
	SUNLAND ANALYTICAL LAB - Invoices:1	2/22/2018	852.00	Construction In Progress
	VANS CARPETS - Invoices:2	2/28/2018	4,514.00	Construction In Progress
	SUMITOMO MITSUI BANKING	2/5/2018	47,853.82	2009A COP Interest Expense
	WELLS FARGO SWAP - Invoices:1	2/1/2018	53,129.19	2009A COP Interest Expense
	ADP, INC - Invoices:2	2/14/2018	1,016.59	Financial Services
	BARTKIEWICZ KRONICK & SHANAHAN -	2/22/2018	21,047.43	Legal Services
	BRINKS - Invoices:2	2/14/2018	523.32	Financial Services
	LIEBERT CASSIDY WHITMORE - Invoices:1	2/28/2018	4,405.40	Legal Services
	PFM ASSET MANAGEMENT LLC - Invoices:2	2/2/2018	7,968.00	Financial Services
	STRADLING YOCCA CARLSON & RAUTH -	2/2/2018	14,594.33	Financial Services

VANTIV INTEGRATED PAYMENT	2/23/2018	534.86	Financial Services
WESTAMERICA BANK ANALYSIS FEES -	2/14/2018	7,941.19	Financial Services
WESTAMERICA CARD PROCESSING STMT -	2/14/2018	6,999.73	Financial Services
A & A STEPPING STONE MFG., INC -	2/2/2018	160.54	Operating Supplies
ADVANCED ROOF DESIGN INC - Invoices:1	2/7/2018	542.00	Building Maintenance - Office &
AIRGAS USA LLC - Invoices:1	2/28/2018	133.42	Operating Supplies
ALL PRO BACKFLOW - Invoices:2	2/7/2018	488.00	Backflow Services
ALLTECH GATES - Invoices:3	2/14/2018	2,045.00	Building Maintenance - Office &
ANSWERNET - Invoices:1	2/22/2018	387.41	Communication
AQUA CARE POOL SERVICE - Invoices:1	2/12/2018	405.47	Operating Supplies
ASCO POWER SERVICES, INC - Invoices:1	2/14/2018	600.00	Contract Services
ASTRAL COMMUNICATIONS INC -	2/14/2018	15.00	Operating Supplies
AT&T CALNET 3 - Invoices:5	2/7/2018	3,591.28	Communication
ATLAS DISPOSAL - Invoices:2	2/28/2018	352.44	Building Service Expense - Office &
BACKFLOW DISTRIBUTORS INC - Invoices:1	2/7/2018	56.03	Operating Supplies
BADGER METER INC - Invoices:1	2/28/2018	492.23	Licenses, Permits & Fees
BAY ALARM COMPANY - Invoices:1	2/28/2018	116.55	Building Service Expense - Office &
BAY VALVE SERVICE & ENG LLC -	2/7/2018	1,080.00	Contract Services
BROADRIDGE MAIL LLC - Invoices:18	2/14/2018	57,033.74	Contract Services
BROWER MECHANICAL - Invoices:3	2/7/2018	688.00	Building Maintenance - Office &
BROWN & CALDWELL - Invoices:1	2/7/2018	4,213.40	Consulting Services
BRYCE CONSULTING INC - Invoices:2	2/22/2018	1,994.00	Consulting Services
BUD'S TRI COUNTY TREE SERVICE -	2/2/2018	650.00	Misc. Repairs
BUREAU OF RECLAMATION FOLSOM -	2/2/2018	5,000.00	Consulting Services
BURTON ROB /BURT'S LAWN & GARDEN	2/7/2018	7,850.00	Contract Services
CAPITAL RUBBER CO LTD - Invoices:1	2/2/2018	1,326.06	Operating Supplies
CDWG - Invoices:2	2/22/2018	1,822.67	Licenses, Permits & Fees
CINTAS - Invoices:12	2/28/2018	2,250.14	Building Maintenance - Office &
CITRUS HEIGHTS WATER DISTRICT -	2/7/2018	136.33	Public Relations
CITY OF SACRAMENTO DEPT OF UTILITIES -	2/7/2018	25.54	Utilities
CLEAR VISION WINDOW CLEANING -	2/7/2018	225.00	Building Service Expense - Office &
COLLEGE OAK TOWING - Invoices:1	2/2/2018	225.00	Vehicle Maintenance Services
COMCAST - Invoices:1	2/28/2018	27.44	Communication
CONSOLIDATED COMMUNICATIONS -	2/14/2018	408.49	Communication
COOKS TRUCK BODY - Invoices:1	2/28/2018	441.89	Vehicle Maintenance Services
CORIX WATER PRODUCTS US INC. -	2/2/2018	9,203.52	Operating Supplies
COUNTY OF SAC UTILITIES - Invoices:2	2/2/2018	395.43	Utilities
CREEKSIDE COMMERCIAL BUILDERS -	2/2/2018	2,289.74	Hydrant Deposit Refund
CULLIGAN - Invoices:1	2/7/2018	69.50	Building Maintenance - Office &
Customer Refunds: 44	2/2/2018	12,399.52	Operating Supplies
DAN YORK - Invoices:1	2/2/2018	111.16	Local Travel Cost
DAVID SEELEY - Invoices:1	2/2/2018	150.00	BMP Rebates
DELUXE - Invoices:1	2/28/2018	160.32	Operating Supplies
DIG SMART LLC - Invoices:1	2/2/2018	9,000.00	Licenses, Permits & Fees

DIRECT TV - Invoices:1	2/28/2018	9.25	Communication
DKS ELECTRIC - Invoices:1	2/7/2018	898.00	Contract Services
DOMCO PLUMBING - Invoices:1	2/7/2018	1,475.00	Building Maintenance - Office &
ELEVATOR TECHNOLOGY INC - Invoices:2	2/28/2018	190.00	Building Service Expense - Office &
EMIGH ACE HARDWARE - Invoices:5	2/2/2018	146.84	Operating Supplies
EUROFINS EATON ANALYTICAL - Invoices:3	2/14/2018	96.00	Inspection & Testing
FASTENAL COMPANY - Invoices:2	2/14/2018	1,634.18	Operating Supplies
FIBERCO GENERAL ENGINEERING -	2/22/2018	2,229.48	Hydrant Deposit Refund
FRESH LOOK MOBILE WASH LLC -	2/7/2018	1,235.00	Vehicle Maintenance Services
GEI CONSULTANTS - Invoices:1	2/2/2018	2,655.00	Consulting Services
GEORGE LEWIS - Invoices:1	2/2/2018	150.00	BMP Rebates
GM CONSTRUCTION & DEVELOPERS -	2/14/2018	28,811.00	Construction Services
H2H PROPERTIES - Invoices:1	2/2/2018	1,221.00	H&D WALNUT PARKING LOT LEASE
HACH COMPANY - Invoices:1	2/22/2018	523.24	Operating Supplies
HARRINGTON PLASTICS - Invoices:1	2/2/2018	3,019.62	Operating Supplies
HARROLD FORD - Invoices:8	2/2/2018	1,219.26	Equipment Maintenance Services
HD Supply/WHITE CAP - Invoices:1	2/2/2018	430.92	Operating Supplies
HECTOR SEGOVIANO - Invoices:1	2/14/2018	105.00	Required Training
HILTON SACRAMENTO ARDEN WEST -	2/7/2018	2,500.00	Employee Retention/Morale
IN COMMUNICATIONS - Invoices:1	2/22/2018	3,227.75	Public Relations
IRON MOUNTAIN OFF SITE DATA	2/14/2018	464.63	Equipment Maintenance Services
JOHN SELTZER - Invoices:2	2/22/2018	248.53	Required Training
KATHLEEN WILLIAMS - Invoices:1	2/14/2018	650.00	BMP Rebates
KODIAK UNION ROOFING SERVICES INC -	2/28/2018	851.00	Building Maintenance - Office &
LAKE VUE ELECTRIC INC - Invoices:1	2/7/2018	386.00	Building Maintenance - Office &
LES SCHWAB TIRE CENTER/MADISON -	2/7/2018	1,986.03	Equipment Maintenance Services
MCGARD SPECIAL PRODUCTS - Invoices:1	2/28/2018	2,016.47	Operating Supplies
MICHAEL PHILLIPS LANDSCAPE CORP -	2/7/2018	6,220.00	Building Service Expense - Office &
MIKE KEMPF - Invoices:1	2/14/2018	73.00	BMP Rebates
MUELLER SYSTEMS - Invoices:2	2/2/2018	132,017.10	Inventory Supplies
NATIONAL METER AND AUTOMATION INC -	2/22/2018	258.60	Equipment Maintenance Services
NEIL SCHILD - Invoices:1	2/2/2018	38.70	Local Travel Cost
NORMAN D VAN BROCKLIN - Invoices:1	2/14/2018	136.00	BMP Rebates
OFFICE DEPOT INC - Invoices:15	2/2/2018	1,550.93	Office Supplies
ONE STOP TRUCK SHOP - Invoices:3	2/2/2018	824.07	Vehicle Maintenance Services
OVERLAND PACIFIC & CUTLER - Invoices:1	2/28/2018	3,046.25	Consulting Services
PALADIN PRIVATE SECURITY - Invoices:1	2/2/2018	674.16	Building Service Expense - Office &
PAUL BAKER PRINTING INC - Invoices:1	2/7/2018	897.39	Public Relations
PLACER COUNTY WATER AGENCY -	2/22/2018	12,737.93	Consulting Services
POLLARD WATER - Invoices:1	2/7/2018	11,860.69	Operating Supplies
PUMP EFFICIENCY TESTING SERVICES -	2/7/2018	11,550.00	Contract Services
RAY MORGAN CO - Invoices:2	2/14/2018	659.78	Equipment Maintenance Services
REGINA LEE - Invoices:1	2/2/2018	75.00	BMP Rebates
RELIABLE PEST MANAGEMENT - Invoices:2	2/28/2018	170.00	Building Service Expense - Office &
ROBERT ROSCOE - Invoices:2	2/2/2018	273.09	Local Travel Cost

RUE EQUIPMENT INC - Invoices:5	2/28/2018	642.49	Equipment Maintenance Services
SACRAMENTO AREA SEWER DISTRICT - SAWWA - Invoices:1	2/14/2018 2/2/2018	1,656.45 1,850.00	Construction Services Membership & Dues
SENSUS - Invoices:1	2/22/2018	500.00	Equipment Maintenance Services
SHARON SOLBERG YODER - Invoices:1	2/14/2018	75.00	BMP Rebates
SHRED-IT - Invoices:1	2/7/2018	69.25	Contract Services
SIERRA MOUNTAIN CONSTRUCTION -	2/14/2018	2,239.74	Hydrant Deposit Refund
SKILLPATH SEMINARS - Invoices:2	2/7/2018	305.94	Required Training
SONITROL - Invoices:2	2/28/2018	1,760.84	Building Service Expense - Office &
SOPHOS SOLUTIONS - Invoices:1	2/7/2018	11,440.00	Consulting Services
TEE JANITORIAL & MAINTENANCE -	2/2/2018	6,447.00	Building Service Expense - Office &
TESCO - Invoices:1	2/7/2018	575.00	Contract Services
TOM DICKINSON - Invoices:1	2/22/2018	80.00	Required Training
TULLY & YOUNG - Invoices:1	2/22/2018	752.50	Consulting Services
ULINE SHIPPING SUPPLY SPECIALISTS -	2/22/2018	69.14	Operating Supplies
UNITED PARCEL SERVICE - Invoices:1	2/7/2018	235.80	Postage/Shipping/UPS/Fed Ex
US BANK CORPORATE PAYMENT SYSTEM -	2/14/2018	6,724.92	District Maintenance Supplies
USA BLUEBOOK - Invoices:1	2/14/2018	205.70	Operating Supplies
VALLEY REDWOOD & YARD SUPPLY -	2/2/2018	207.42	Operating Supplies
VERIZON WIRELESS/DALLAS TX -	2/2/2018	4,660.64	Communication
VICTOR MASSAGLI - Invoices:1	2/2/2018	150.00	BMP Rebates
VOYAGER FLEET SYSTEMS - Invoices:1	2/14/2018	7,074.59	Operating Supplies
WASTE MANAGEMENT - Invoices:3	2/28/2018	463.30	Building Service Expense - Office &
WATERWISE CONSULTING, INC. -	2/22/2018	525.00	Consulting Services
WAYNE SCHERFFIUS - Invoices:1	2/28/2018	223.00	Travel Conferences
WELLS SWEEPING -Monthly - Invoices:2	2/28/2018	186.38	Building Service Expense - Office &
WILLIAM FLEISHER - Invoices:1	2/14/2018	49.00	BMP Rebates

CITY OF SACRAMENTO WATER - Invoices:1	2/22/2018	413.79	Purchased Water-City of
PG&E - Invoices:2	2/22/2018	56.86	Utilities
SAN JUAN WATER DISTRICT - Invoices:1	2/22/2018	424,353.45	Water
SMUD - Invoices:6	2/2/2018	102,295.79	Electrical Charges
		<u>2,277,412.03</u>	

**Purchasing Card Expenditures
February 2018**

Sacramento Suburban Water District
 US Bank Purchasing Card Program
 CalCard Expenditures
 February 2018

Vendor Name	Description	Amount	Proj/GLAcct
CAL CHAMBER	CA LABOR LAW DIGEST FOR LYNNE YOST	\$ 162.21	17-52108
GRA	REGISTRATION FOR DAN YORK	\$ 27.00	02-55002
AMERICAN FLOOR MATS	DAN YORK FLOOR MAT	\$ 171.20	02-52108
STAMP CONNECTION	LYNNE YOST STAMP	\$ 43.90	17-52108
GRA	GRA REGISTRATION FOR SEVERAL EMPLOYEES	\$ 180.00	02-55002
ACWA	REGISTRATION FOR DAN YORK	\$ 45.00	02-55002
ACWA	REGISTRATION FOR ROB ROSCOE	\$ 45.00	02-55002
EB MAKING SAFE CLEAN	REGISTRATION FOR DAN YORK	\$ 44.28	02-55002
TARGET	COFFEE CREAMER - OFFICE ORDER	\$ 21.05	02-52108
RALEY'S	JANUARY BIRTHDAY CELEBRATION	\$ 30.96	02-51403
SMART & FINAL	KITCHEN SUPPLIES	\$ 152.42	03-52108
HOME DEPOT	WIRE STRIPPERS	\$ 87.28	08-52101
HOME DEPOT	TOILET TANK FLAPPERS	\$ 167.79	13-52101
AWWA	2018 AWWA ANNUAL CONFERENCE & EXPOSITION- MATT UNDERWOOD	\$ 920.00	05-55001
AWWA	2018 AWWA ANNUAL CONFERENCE & EXPOSITION- TODD ARTRIP	\$ 920.00	08-55001
HOME DEPOT	TARPS & BUNGEE CORDS	\$ 180.69	15-52101
SOUTHWEST	FLIGHT TO LAS VEGAS FOR AWWA CONFERENCE- MATT UNDERWOOD	\$ 285.96	05-55001
SOUTHWEST	FLIGHT TO LAS VEGAS FOR AWWA CONFERENCE- TODD ARTRIP	\$ 285.96	08-55001
PAYPAL	2018 CALIFORNIA IRRIGATION INSTITUTE CONFERENCE-GREG BUNDESEN	\$ 225.00	13-51406
PAYPAL	2018 CALIFORNIA IRRIGATION INSTITUTE CONFERENCE-VICKI SPRAGUE	\$ 225.00	13-51406
FRED PRYOR/CAREER TRACK	STRATEGIES FOR THE OVERWHELMED- SHAWN SHEDENHELM	\$ 99.00	06-51400
AWWA	WRITING WITH A PURPOSE WORKSHOP-SHAWN SHEDENHELM	\$ 150.00	06-51400
FLASHPOINT STUDIOS	MONTHLY FEE FOR ONHOLD RECORDINGS	\$ 79.00	04-54508
BEST BUY	WALL MOUNT FOR LARGE MONITOR AT ANTELOPE FACILITY	\$ 323.24	18-52101
AMAZON MARKET PLACE	POLYCOM REPLACEMENT PHONE FOR DAN YORK'S OFFICE	\$ 614.22	18-52101
FRY'S ELECTRONICS	ADAPTER FOR SSD DRIVE TO RETREIVE DATA FROM FAILED DRIVE	\$ 19.29	18-52101
WALMART	2 EACH PLASTIC JUGS FOR TOUCH UP PAINT	\$ 6.40	12-52101
CA AIR RESOURCES BOARD	INITIAL REGISTRATION FOR NEW FX65 TRAILER VAC - EQUIP. #162	\$ 620.00	12-54509
THE HOME DEPOT	SCREW GUN FOR IT OFFICE/DRAIN CLEANER/TOILET REPAIR/ANCHORS	\$ 286.62	12-52101
GCIRON.COM	TWO REPLACEMENT HANDLES FOR MQ PUMPS	\$ 200.58	12-54003
THE HOME DEPOT	ANCHORS TO MOUNT MONITOR WALL BRACKETS AT ANTELOPE	\$ 11.83	12-52101
THE HOME DEPOT	24"X48" PLYWOOD TO MOUNT MONITOR BRACKETS AT ANTELOPE	\$ 43.44	12-54008
TARGET	RESTROOM SUPPLIES - WALNUT OFFICE	\$ 17.75	12-54008
ORCHARD SUPPY HARDWARE	ANCHORS TO MOUNT MONITOR WALL BRACKETS AT ANTELOPE	\$ 15.16	12-52101
PEP BOYS	BUTT CONNECTORS FOR MODEM WIRING REPAIR	\$ 6.99	12-54006

Totals: \$ 6,714.22

**DRAFT - District Reserve Balances
February 28, 2018**

**Sacramento Suburban Water District
Reserve Fund Balance**

	<u>February 28, 2018</u>	<u>December 31, 2017</u>
Debt Service Reserve	\$ 3,553,986	\$ 3,548,170
Facilities Reimbursement	-	-
Emergency/Contingency	11,255,000	10,931,500
Operating	7,390,000	7,270,250
Rate Stabilization	6,244,500	5,976,000
Interest Rate Risk	-	-
Grant	-	210,000
Capital Asset	19,445,265	17,733,285
TOTAL	<u>\$ 47,888,751</u>	<u>\$ 45,669,205</u>

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

	<u>February 28, 2018</u>	<u>December 31, 2017</u>
Cash and cash equivalents	\$ 8,573,142	\$ 6,084,811
Investments	35,761,623	36,036,224
Restricted assets	3,553,986	3,548,170
TOTAL	<u>\$ 47,888,751</u>	<u>\$ 45,669,205</u>

Information Required by Bond Agreement

Sacramento Suburban Water District
Schedule of Net Revenues
As Of

	Actual Year-To-Date <u>2/28/2018</u>	Budget Year-To-Date <u>2/28/2018</u>
REVENUES		
Water sales charges	\$2,231,412.26	\$3,368,834.00
Capital facilities charge	3,763,026.16	4,114,166.00
Facility development charges	-	50,000.00
Interest and investment income	(183,636.65)	130,000.00
Rental & other income	36,419.99	45,666.00
TOTAL REVENUES	<u>5,847,221.76</u>	<u>7,708,666.00</u>
EXPENSES		
Source of supply	44,988.33	582,533.34
Pumping	571,285.78	679,349.74
Transmission and distribution	479,962.20	627,138.36
Water conservation	44,262.39	82,328.52
Customer accounts	168,316.28	218,266.94
Administrative and general	1,100,835.43	1,327,389.80
TOTAL EXPENSES	<u>2,409,650.41</u>	<u>3,517,006.70</u>
NET REVENUE	<u><u>3,437,571.35</u></u>	<u><u>4,191,659.30</u></u>

Sacramento Suburban Water District
 6 - Months Debt Service Schedule
 2/28/2018

Month	Total SSWD Debt Service				
	Principal	Interest Adjustable/Fixed/Swap	Facility Fee	Remarketing	Debt Service
Mar-18	\$ -	\$ 96,077.76	\$ 47,250.00	\$ 13,125.00	\$ 156,452.76
Apr-18	4,270,000.00	1,031,778.76	-	-	5,301,778.76
May-18	-	96,077.76	-	-	96,077.76
June-18	-	96,077.76	47,250.00	13,125.00	156,452.76
July-18	-	96,077.76	-	-	96,077.76
Aug-18	-	96,077.76	-	-	96,077.76

Month	Series 2012A Fixed Rate Bonds (\$23,440,000.00)			
	Principal	Interest - Fixed 4.25%		Debt Service
Mar-18	\$ -	\$ -	\$ -	\$ -
Apr-18	2,135,000.00	374,096.00	-	2,509,096.00
May-18	-	-	-	-
June-18	-	-	-	-
July-18	-	-	-	-
Aug-18	-	-	-	-

Month	Series 2009A Adjustable Rate COPs (\$42,000,000.00)				
	Principal	Interest, Adjustable 1.04%	Facility Fee 0.450%	Remarketing 0.125%	5
Mar-18	\$ -	\$ 36,400.00	\$ 47,250.00	\$ 13,125.00	\$ 96,775.00
Apr-18	-	36,400.00	-	-	36,400.00
May-18	-	36,400.00	-	-	36,400.00
June-18	-	36,400.00	47,250.00	13,125.00	96,775.00
July-18	-	36,400.00	-	-	36,400.00
Aug-18	-	36,400.00	-	-	36,400.00

Month	Series 2009B Fixed Rate COPs (\$27,915,000)			
	Principal	Interest - Fixed 5.00%		Debt Service
Mar-18	\$ -	\$ -	\$ -	\$ -
Apr-18	2,135,000.00	561,605.00	-	2,696,605.00
May-18	-	-	-	-
June-18	-	-	-	-
July-18	-	-	-	-
Aug-18	-	-	-	-

Month	2012 SWAP Interest, Net (\$33,000,000.00)			
	Principal	Interest, Swap Net (3.283-0.95245-.18)%		Debt Service
Mar-18		\$ 59,677.76	-	59,677.76
Apr-18		\$ 59,677.76	-	59,677.76
May-18		\$ 59,677.76	-	59,677.76
June-18		\$ 59,677.76	-	59,677.76
July-18		\$ 59,677.76	-	59,677.76
Aug-18		\$ 59,677.76	-	59,677.76



Agenda Item: 12

Date: March 8, 2018

Subject: District Activity Report

Staff Contact: Matt Underwood, Operations 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 2017 and 2018. The District continues to rely solely on its groundwater sources for both the North and South Service Areas.

ii. Water Operations Activity – Exhibit WO-2

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

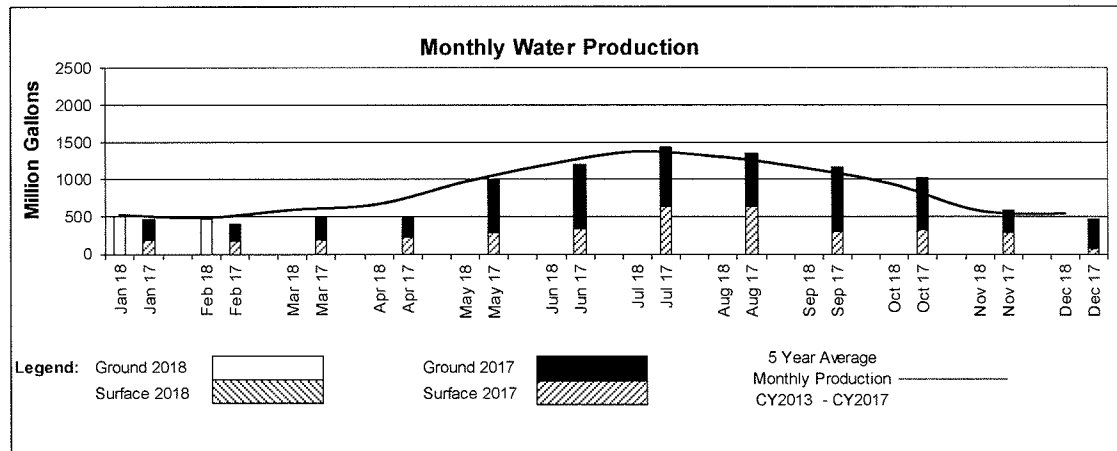
iii. Claims Update – Exhibit WO-3

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.

Monthly Water Production 2018

Exhibit WO-1

North Service Area *				South Service Area **			Total North & South Service Areas (MG)	Average MG/Day	% Of Total Year to Date Production
Month	Surface (MG)**	Ground (MG)	Sub Total (MG)	Surface (MG)	Ground (MG)	Sub Total (MG)			
Jan	0.000	299.436	299.436	0.000	212.467	212.467	511.903	16.513	51.867
Feb	0.000	271.513	271.513	0.000	203.539	203.539	475.052	16.966	48.133
Mar									
Apr									
May									
Jun									
July									
Aug									
Sep									
Oct									
Nov									
Dec									
MG	0.000	570.949	570.949	0.000	416.006	416.006	986.955	16.728	
AF	0.000	1,752.178	1,752.178	0.000	1,276.676	1,276.676	3,028.854		



* 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.
 The reporting periods for groundwater production may differ from the calendar month beginning/end dates and will vary year-to-year.

Million Gallons (MG)				
Mo/Yr	Surface	Ground	Total	Difference
Jan 18	0.000	511.903	511.903	39.431
Jan 17	187.518	284.954	472.472	
Feb 18	0.000	475.052	475.052	61.187
Feb 17	174.222	239.643	413.865	
Mar 18				
Mar 17	191.993	310.052	502.045	
Apr 18				
Apr 17	231.705	268.862	500.567	
May 18				
May 17	299.000	707.019	1,006.019	
Jun 18				
Jun 17	343.160	867.452	1,210.612	
Jul 18				
Jul 17	645.034	802.782	1,447.816	
Aug 18				
Aug 17	646.839	715.477	1,362.316	
Sep 18				
Sep 17	314.565	860.300	1,174.865	
Oct 18				
Oct 17	324.859	704.543	1,029.402	
Nov 18				
Nov 17	293.807	295.098	588.905	
Dec 18				
Dec 17	82.322	392.959	475.281	

Exhibit WO-2

Water Operations Activity

	January 2018	February 2018	Monthly Avg CY 2018	Total CY 2018	Total # in System	% Completed CY 2018
<u>Production Department</u>						
<u>Service Orders</u>						
Preventive Maintenance: Work Orders Completed	427	426	427	853		
Corrective Maintenance: Work Orders Completed	7	3	5	10		
<u>Water Quality</u>						
Complaints	0	0	0	0		
Inquiries	14	17	16	31		
Taste & Odor Complaints	0	0	0	0		
Taste & Odor Inquiries	8	7	8	15		
<u>Distribution Department</u>						
<u>Service Orders</u>						
Main Leaks	5	7	6	12		
Service Line Leaks	9	7	8	16		
<u>Water Main Shutdown</u>						
-- Emergency	3	2	3	5		
-- Scheduled	0	2	1	2		
<u>Preventive Maintenance Program</u>						
Fire Hydrants Inspected	0	0	0	0	6,486	0.0%
Fire Hydrant Valves Inspected	1	0	1	1	5,759	0.0%
Fire Hydrant Valves Exercised	1	0	1	1	5,759	0.0%
Mainline Valves Inspected	182	106	144	288	11,132	2.6%
Mainline Valves Exercised	143	95	119	238	11,132	2.1%
<u>After Hours Activity (On-Call Technician)</u>						
Calls Received	44	36	40	80		
Calls Responded	23	28	26	51		
Overtime Hours	45	66	56	111		
<u>Field Services Department</u>						
<u>Meters</u>						
PM - Meters Tested (3 - 10 inch)	0	1	1	1	451	0.2%
PM - Meters Replaced (⁵ / ₈ - 1 inch)	0	0	0	0	35,728	0.0%
PM - Meter Re-Builds (1 ¹ / ₂ - 2 inch)	44	7	26	51	2,441	2.1%
Customer Pressure Inquiries	8	6	7	14		
<u>Field Operations Department</u>						
Service Requests Generated	1,986	1,604	1,795	3,590		
Work Orders Generated	1,184	951	1,068	2,135		

Exhibit WO-3

Date: March 8, 2018

Subject: Claims Update

Staff Contact: Matt Underwood, 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

John V. Mejia, Attorney for Noah Beliso – Oakdale Elementary School – Storm Drain Grate

On February 6, 2018, staff received a District Claim Form from Mr. Mejia asserting that the District is the owner/operator of an unsecured storm drain grate that resulted in an injury to his client, Noah Beliso.

Upon receipt of the claim, staff performed an investigation to determine the validity of the claim. Staff utilized the provided attachment within the District Claim Form to determine the exact type of appurtenance that was referenced in the claim, and also visited the site to determine the storm drain inlet was part of the overall drainage system of the school.

Staff contacted Cece Wuchter, JPIA Senior Claims Examiner, to inform her of the subject claim. Ms. Wuchter advised staff to follow protocol and send Mr. Mejia a Letter of Rejection.

Claim Amount – Unlimited Civil Case

Date of loss – September 29, 2017

Status - Rejected

CLAIMS UNDER REVIEW/INVESTIGATION

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

b. Water Quality Report

1,2,3-Trichloropropane Monitoring: Well 58

The District's contract lab recently reported that 17.4 parts per trillion (ppt) of 1,2,3-Trichloropropane (1,2,3-TCP) was detected in a sample collected from Well 58 on February 5, 2018. Well 58 is located in the District's North Service Area (NSA)(see Exhibit 1). The maximum contaminant level (MCL) for 1,2,3-TCP is 5 ppt. Production staff immediately removed Well 58 from service following notification of the result by Environmental Compliance staff. On February 27, 2018, two Confirmation Samples were collected to verify the initial result. Water produced during Confirmation Sampling was pumped to waste. Following an expedited analysis, on March 1, 2018, the lab reported the results of the first (17.9 ppt) and second (15.2 ppt) Confirmation Samples.

In accordance with regulatory requirements, on March 2, 2018, within 48 hours following receipt of the Confirmation Sample results, the District notified the State Water Resources Control, Division of Drinking Water (DDW). DDW suggested that the District submit a permit amendment to change the status of Well 58 to either Standby or Inactive. On March 5, 2018, the District submitted a permit amendment request to change the status of Well 58 to Inactive.

DDW's 5 ppt MCL for 1,2,3-TCP became effective on December 14, 2017. The initial monitoring requirement states that four quarterly samples shall be collected at each source. To increase sampling efficiency, the District began monitoring 1,2,3-TCP in the South Service Area (SSA) during Title 22 sampling in the third quarter of 2017. The District began 1,2,3-TCP sampling in the NSA in February 2018. All wells that are currently Active and operational have had at least one quarter of 1,2,3-TCP monitoring performed. Lab results have not yet been received for 12 recently sampled NSA wells. No current 1,2,3-TCP compliance monitoring has been conducted at eight wells (5 NSA and 3 SSA) that are Active and non-operational due to work associated with either rehabilitation or repairs. One of those wells (Well 31A) is located approximately 2,100 feet to the east-northeast (and potentially upgradient) of Well 58 (see Exhibit 1).

As of March 9, 2018, available data indicates that only one well (Well 58) has had a result(s) that exceeds the MCL and/or is reportable. Two SSA wells (Well 26 and Well 65) have had trace detections with estimated 1,2,3-TCP concentrations of 2 ppt and 1.2 ppt, respectively. In addition, the lab reported that a sample recently collected from Well N30 in the NSA had an estimated 1,2,3-TCP concentration of 0.7 ppt.

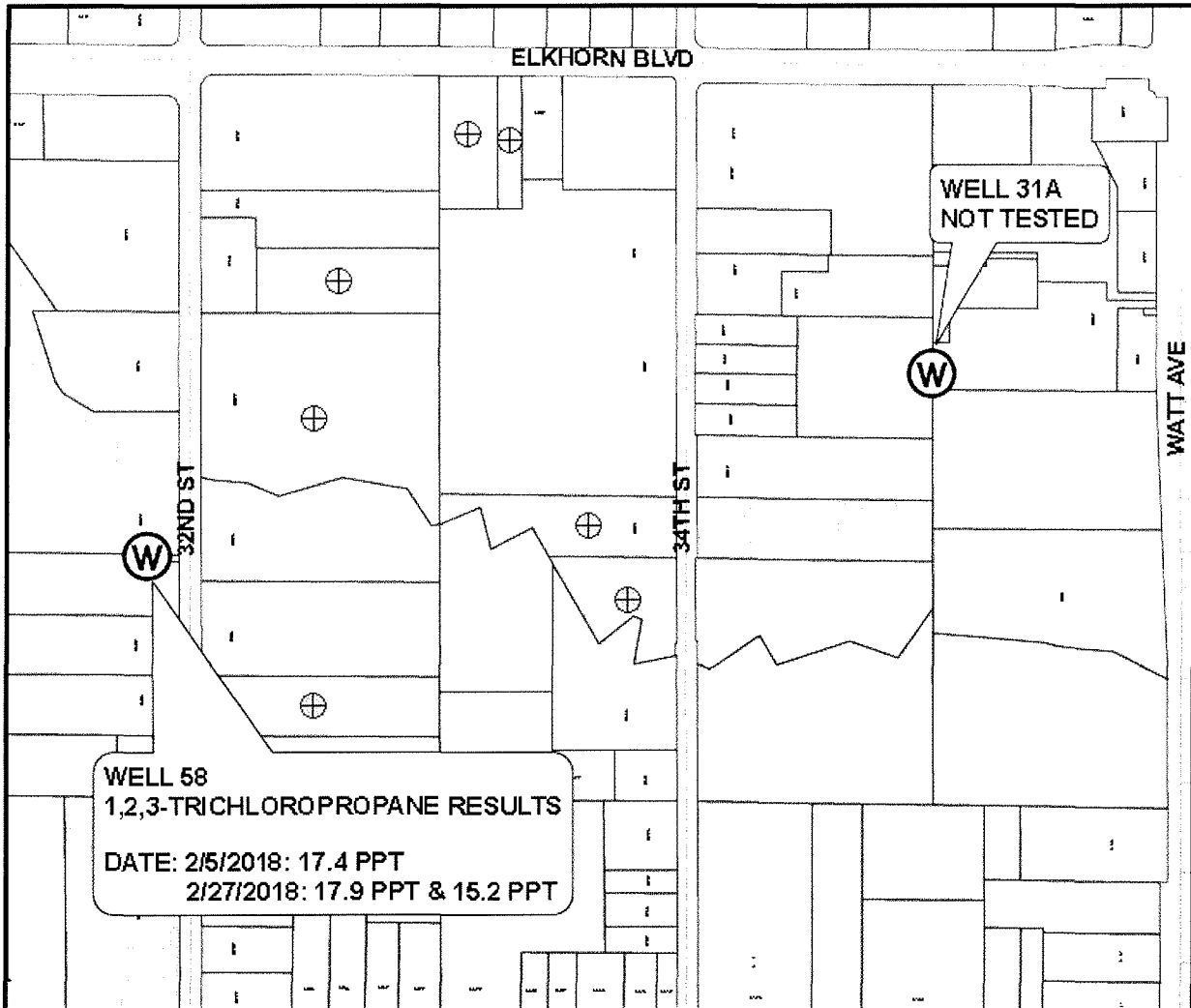
According to information available on DDW's web site, 1,2,3-TCP has been historically used as an industrial solvent, cleaning and degreasing agent and paint remover. It was also found as a minor component of some widely-used soil fumigants. 1,2,3-TCP degrades very slowly in groundwater. The best available technology to remove 1,2,3-TCP is granular activated carbon. Aside from remaining as an inactive source of supply, at this time, the District has not yet determined the fate of this well. In addition, the District must decide if the source of the 1,2,3-TCP will be investigated. If so, the manner

and degree to which the investigation is performed must also be determined. District staff will be meeting the week of March 12th to determine the extent of the investigation.

Taste and Odor Complaints

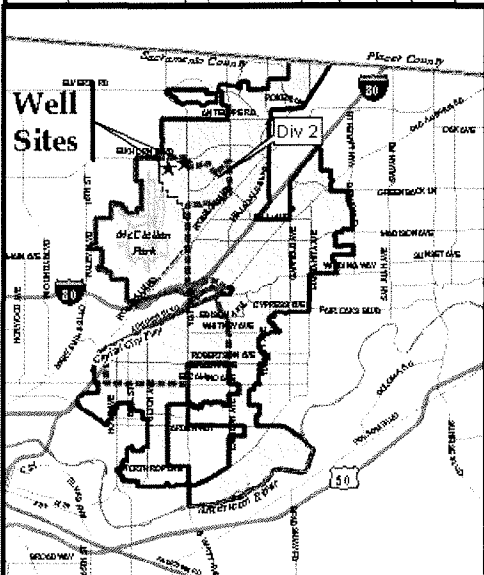
While there were no confirmed taste or odor complaints in February, District Environmental Compliance staff did receive seven calls from customers who expressed concerns about taste and/or odor. Most were associated with a chlorine taste and/or odor. In each case, staff checked recent distribution system data, checked with Production Operators for problems, and/or field checked chlorine residuals. In each case chlorine residuals were found to be within the District's target range of 0.3 ppm to 1.2 ppm. As discussed during the December Water Quality Committee meeting, only confirmed customer concerns are counted as complaints.

Because the chemistry of each well is different, some wells tend to reveal a greater chlorine taste and/or odor than others. Specifically, District staff have noted that some customers are more sensitive to the taste, odor and effects (on their skin) of chlorinated hard water than others. In such cases, District staff suggest potential partial solutions that include: using a carbon pitcher filter for drinking water, using a shower head with a carbon filter, and/or researching if a softening unit will address their concerns.



WELL 58
1,2,3-TRICHLOROPROPANE RESULTS
 DATE: 2/5/2018: 17.4 PPT
 2/27/2018: 17.9 PPT & 15.2 PPT

WELL 31A
NOT TESTED



NTS Portion of Sacramento Suburban Water District

EXHIBIT 1

NOT FOR RECORDING

WELL 58

1,2,3-TRICHLOROPROPANE RESULTS

(Voting Division 2)

SACRAMENTO SUBURBAN WATER DISTRICT

Base Data: Sacramento County Gis Base Map
 Projection: CA State Plane 2, NAD83
 Scale: No Scale
 Prepared by: DAV, SSWD
 Sacramento, CA - March 2018
 Well 58_Test.mxd

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

c. Water Conservation and Regional Water Efficiency Program Report

i. Program Overview for February 2018

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 to ensure they are aware of the most up to date water use efficiency practices and water conservation programs being offered by the District and other local and state agencies. The following is a list of District water conservation related activities for February 2018.

- 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 12% reduction in February 2018 (when compared to February 2013), which met the District's 10% monthly goal. Since the Emergency Drought Regulations were enacted¹ in June 2015, the District has achieved a 24% reduction in water use when compared to 2013, exceeding the District's 10% overall goal.
- b. Customer Leak Notifications – Staff sent out 750 notifications of 72-hour continuous flow events in February 2018 and conducted 33 leak investigations as a result of customers being identified as having 72 hours of continuous use.
- c. Public Outreach – The District utilized various info graphics for public outreach in February 2018. Staff utilized online advertising and the District's website to communicate the District's water use efficiency message. The online advertisements used for Google generated 242 clicks and left 106,175 impressions. The District's primary focus for February 2018 was to request that customers turn off their sprinkler systems during rain events.

ii. Water Conservation Program and Results

District staff continues to promote water conservation. During the month of February 2018, District staff and our contract company performed 22 Single Family Residential Water-Wise House Calls (WWHC) and 1 Commercial WWHC. Staff received 4 calls and 11 reports via the District's website regarding water waste. Staff issued 9 Information Only Water Waste Notices, 11 Notices of Violation, and 1 Warning Notice of Violation.

The District issued rebates for 7 toilets, 2 clothes washers, and 1 Irrigation Efficiency Upgrade in February 2018.

¹ Though the Emergency Drought Regulations were rescinded in May 2017 the District continues to use CY2013 as a baseline for water conservation and use efficiency target setting.

iii. Permanent Water Use Prohibitions

On February 20, 2018 the State Water Resources Control Board (SWRCB) postponed the decision to adopt permanent prohibitions against certain water waste use practices to allow further comments on proposed changes that resulted from prior comment periods. There is no set date for the SWRCB to vote on the proposed prohibitions. Staff will continue to monitor the SWRCB's activity and support the comment letters submitted by the Association of California Water Agencies and the Regional Water Authority regarding the proposed water use prohibitions.

iv. California Special District's Magazine Article

In January 2018, staff worked with IN Communications and the California Special Districts Association to generate a news article regarding the Gardens at Howe Park. The article was release as part of the CSDA's Volume 13, Issue 1, Jan – Feb 2018 magazine (starting on page 20) and highlighted the partnership between the District and the Fulton/El Camino Parks and Recreation's District used to build the Garden and the educational opportunities the Garden provides to the public. Copies of the article can be provided on request.

v. Upcoming Events

Saturday, April 14, 2018 - Creek Week Event at Carmichael Park.

d. Customer Service Report

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

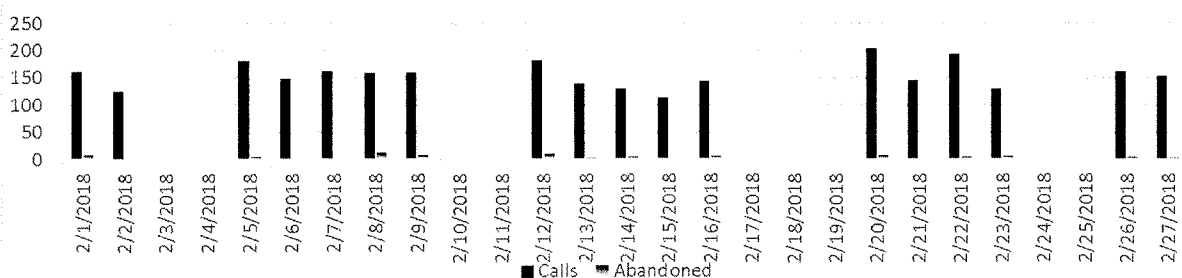
1. Customer Service Activity Report shows Customer Service activity for the month of February 2018.
2. Call Volume Report shows number of calls received, abandoned calls, and queue times.

Exhibit CS-1

	February 2018		Calendar Year 2018	
Billing				
Water Connections - Total Active	46,271			
E-billing	3,408			
Payments				
Cash/Check Payments	1,213	3.1%	2,714	3.2%
Credit Card Payments	705	1.8%	1,592	1.9%
Customer Web Payments	5,046	12.8%	10,489	12.5%
Auto-Pay (Checking Account)	4,508	11.4%	9,029	10.7%
Auto-Pay (Credit Card)	3,728	9.5%	7,381	8.8%
IVR (Automated Phone System)	1,568	4.0%	3,258	3.9%
Electronic (Online Banking)	10,680	27.1%	22,877	27.2%
LockBox (Checks)	11,994	30.4%	26,772	31.8%

Monthly Calls

Date	Total Calls	Calls Abandoned	% of Calls Abandoned	Avg Wait On Queue	Max Wait on Queue	Avg Talk Time
2/1/2018	160	7	4.38%	1m, 13s	6m, 52s	2m, 33s
2/2/2018	125	1	0.80%	47s	6m, 58s	3m, 28s
2/5/2018	180	5	2.78%	51s	6m, 56s	3m, 2s
2/6/2018	148	2	1.35%	26s	3m, 34s	2m, 54s
2/7/2018	162	2	1.23%	37s	10m, 6s	3m, 7s
2/8/2018	159	12	7.55%	1m, 25s	6m, 45s	2m, 29s
2/9/2018	159	8	5.03%	24s	4m, 3s	2m, 57s
2/12/2018	182	10	5.49%	36s	6m, 3s	2m, 43s
2/13/2018	139	3	2.16%	44s	11m, 25s	2m, 9s
2/14/2018	129	5	3.88%	21s	2m, 44s	2m, 48s
2/15/2018	113	1	0.88%	15s	6m, 29s	2m, 21s
2/16/2018	143	6	4.20%	22s	4m, 30s	2m, 20s
2/20/2018	204	7	3.43%	53s	6m, 48s	2m, 50s
2/21/2018	145	1	0.69%	15s	2m, 28s	2m, 53s
2/22/2018	193	5	2.59%	1m, 2s	8m, 22s	3m, 1s
2/23/2018	130	6	4.62%	24s	5m, 28s	2m, 42s
2/26/2018	162	5	3.09%	1m, 3s	10m, 47s	3m, 13s
2/27/2018	152	3	1.97%	36s	5m, 53s	2m, 57s
2/28/2018	143	1	0.70%	25s	3m, 31s	2m, 39s
Group Total	2785	89	3.20%	45s	5m, 65s	2m, 45s



e. Community Outreach Report

i. April Bill Insert

The April bill insert will begin on March 26, 2018, and continue until April 22, 2018. A sample of the bill insert has been included with this report.

ii. April Envelope Message

The April envelope informs customers of Creek Week and Earth Day. The envelope will begin on March 26, 2018, and continue until April 22, 2018.

00200794



H₂O on the Go

April 2018

Come Join the Creek Week Celebration

Help improve our rivers and streams by participating in Creek Week 2018 and then join in the celebration on Saturday, April 14 from noon to 2 p.m. at Carmichael Park.

SSWD will have a booth at the event, and we'll be giving away moisture meters, faucet aerators, high-efficiency showerheads, hose shut-off nozzles, shower timers, and lots of handy advice on how you can use water wisely.

Carmichael Park is located at 5750 Grant Avenue, Carmichael CA 95608. More information about participating in Creek Week is available online at: <http://creekweek.net>.

sswd.org

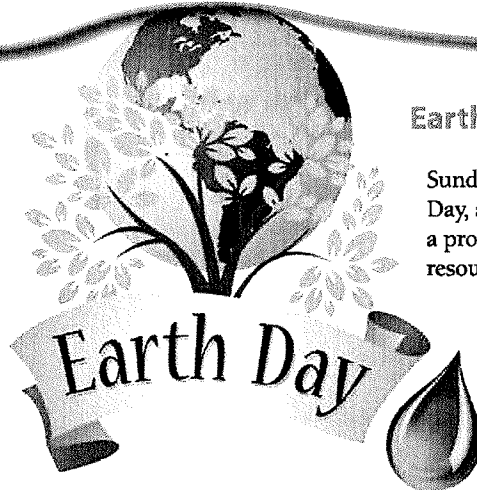
Phone: 916.972.7171

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.

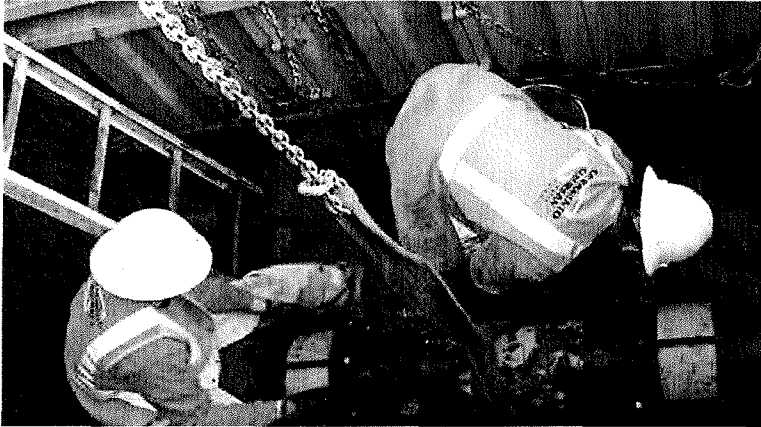


Earth Day | Sunday, April 22

Sunday, April 22nd is the 48th annual Earth Day, and we have some tips on how you can be a proper steward of one of our most precious resources – fresh water.

- ☞ Set up a Water-Wise House Call. One of SSWD's water efficiency experts will do a complete water use survey of your home. They'll look for leaks, perform a landscape irrigation survey, and make recommendations on ways you can use water wisely.
- ☞ Check for leaks on a regular basis. A toilet that is constantly running can waste up to 50 gallons of water an hour, sending thousands of gallons a month down the drain.
- ☞ Test your soil before ramping up your sprinklers to see if you need to water. You can use a moisture meter or do the screwdriver test. Take an eight-inch screwdriver and push it into the ground. If it can easily go in three inches beneath the soil you don't need to water.
- ☞ Replace your old showerheads with WaterSense-labeled high-efficiency ones and install faucet aerators on your bathroom and kitchen faucets. You'll save water every time you turn on the tap.
- ☞ Install high-efficiency rotator sprinklers or drip irrigation. SSWD has rebates available.
- ☞ Add plenty of mulch around your plants and trees. It helps moderate soil temperature, control weeds and adds nutrients to the soil.
- ☞ Visit one of SSWD's demonstration gardens to get ideas on how you can create a water-wise garden at home. The Garden on Eden and Gardens at Howe Park are open year round, and Antelope Gardens will reopen in May. You can see the complete list of demonstration gardens and their hours online at: <http://www.sswd.org/demonstrationgardens>.
- ☞ And be sure to stop by the SSWD office to pick up faucet aerators, dye tablets and a moisture meter for your home.





We're Connected | Fixing a Break in the Main

One of SSWD's most important activities and functions is repairing, upgrading and maintaining the District's extensive system of water mains.

The District has made caring for water mains a priority and the number of needed repairs has been declining year after year – from 92 line repairs in 2008 to 52 repairs last year. Even so, mains sometimes are damaged by corrosion, during work by other utilities or even tree roots.

Water Mains 411

Water mains are the pipes that deliver water from the District's pumping stations to the service pipe for your home or business. They are usually not less than 4 inches in diameter and typically run under the street. SSWD has 696 miles of water mains, the oldest of which have been in service more than 60 years.

When a leak or break is discovered, the District begins the repair process by first creating a plan to stop debris from flowing into nearby storm drains and gutters and directly into our waterways.

The types of breaks we typically encounter are caused by age. Even a small break in a main has the potential to waste more than 2,000 gallons of water per day.

The majority of repairs involve placing a full circle repair clamp around the damaged area. In some cases, the damaged area is too large and a new section of pipe is installed. The repair of a water main leak typically takes six hours, and installing a new pipe can take eight hours or more.

After the repair is finished, we fill in the excavation area and restore the area to its original condition.

If you find a water main break or leak, please contact the District office at 916.972.7171.

Rob Roscoe Honored

Rob Roscoe, who is retiring after serving as SSWD's General Manager for the past 15 years, was honored with a Lifetime Achievement Award by the American Society of Civil Engineers (ASCE) Region 9 at their annual California Infrastructure Symposium and Awards Dinner in San Francisco on March 23rd.

The ASCE is a non-profit organization founded in 1852 to advance the science and profession of civil engineering and the enhancement of human welfare through the activities of society members. ASCE Region 9 represents all of California. Rob was recognized for his exemplary 40-year career in water engineering and management.

He also recently received the 2017 Emissary Award from the Association of California Water Agencies (ACWA). The Emissary Award recognizes individual ACWA member volunteers who have made remarkable and visible contributions to the enhancement, protection or development of water resources in California.



Rob Roscoe



CREEK WEEK *Celebration*

**Saturday, April 14
at Carmichael Park**

Help support rivers
and streams by
participating in
Creek Week 2018.

More information
about Creek Week
2018 is available at
creekweek.net.

ALSO
COMING
SOON
48th Annual
EARTH DAY
on Sunday
April 22



Agenda Item: 13

Date: March 5, 2018

Subject: Engineering Report

Staff Contact: Dana Dean, P.E., 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 Program Projects; and b) Other.

a. Major Capital Improvement Program Projects

The District continues to deliver Capital Improvement Program (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

Well N6A – Palm (Replacement Well)

This project is planned to be put out to bid at the end of March 2018 with a contract award in April 2018 and construction starting soon after.

Well 78 – Butano/Cottage (New Well Site)

Construction of the new well is expected to begin in April 2018. Pumping plant design is anticipated to be completed in July 2018, with construction beginning in 2019.

Various Well Investigation and/or Rehabilitation Projects

- Well 4B – Bell/Marconi: The pump has been replaced and the well was returned to service in early March.

2) Distribution

Parkland Estates Phase 2 Main Replacement Project

Installation of distribution main and fire hydrants has been completed. Approximately 52% of services (281) have been installed. This project is expected to be completed in fall 2018.

Edison Meadows Main Replacement Project

Construction work on the mainline is underway. Service line work is anticipated to start in early March 2018. This project is expected to be completed in late-2018 to early-2019.

Meter Retrofit Program

The 2018 Meter Retrofit project is anticipated to be put out to bid during the month of April 2018 and will consist of approximately 1,300 meter retrofits.

b. Other

New Engine Generator for Administration Building

- Work is progressing on the new generator structure and is expected to be completed in April 2018.
- Work related to the installation of the new transformer and electrical panels is expected to be completed in the last quarter of 2018.

ITEM 14. a.

REGIONAL WATER AUTHORITY REGULAR MEETING OF THE BOARD OF DIRECTORS

Thursday, March 8, 2018, 9:00 a.m.

5620 Birdcage Street, Suite 110

Citrus Heights, CA 95610

(916) 967-7692

AGENDA

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

1. CALL TO ORDER AND ROLL CALL

2. PUBLIC COMMENT

3. CONSENT CALENDAR

- a. Information: Final minutes of the December 6, 2017 and January 24, 2018 Executive Committee meetings
- b. Draft minutes from the January 11, 2018 RWA regular board meeting
- c. Authorize Executive Director to Extend Contract with Southwest Environmental until September 2018 with a not to exceed amount of an additional \$500,000

Action: Approve the Consent Calendar Item

4. POWERHOUSE SCIENCE CENTER UPDATE

Presentation: Harry Laswell, Executive Director of the Powerhouse Science Center

Action: Approve Amended Agreement between RWA and the Powerhouse Science Center

5. EXECUTIVE COMMITTEE REPORT AND RECOMMENDATION

Accept the modifications to the Information/Education and Advocacy elements of the RWA Strategic Plan 2018+

Action: Accept the modifications to the RWA Strategic Plan 2018+

6. POLICY 500.16 ALLOCATING LIABILITIES TO WITHDRAWING MEMBERS

Information Presentation: John Woodling, Executive Director

Action: Approve Policy 500.16 Allocating Liabilities to Withdrawing Members

7. RWA FINANCIAL DESIGNATION POLICY 500.1

Action: Approve Changes to RWA Financial Designation Policy 500.1

8. DEVELOPMENT OF FISCAL YEAR 2018 – 2019 BUDGET

Presentation: John Woodling, Executive Director

Action: Approve Fiscal Year 2018 – 2019 Budget

9. LEGISLATIVE AND REGULATORY UPDATE

Discussion: Adam W. Robin, Legislative and Regulatory Affairs Project Manager

10. EXECUTIVE DIRECTOR'S REPORT

11. DIRECTORS' COMMENTS

ADJOURNMENT

Upcoming meetings:

Next Executive Committee Meetings – Wednesday, March 21, 2018 and April 25, 2018, 8:30 a.m. at the RWA office.

Next RWA Board of Directors' Meeting – Thursday, May 3, 2018, 9:00 a.m., at the RWA Office.

ITEM 15. a.

Minutes

Sacramento Suburban Water District
Facilities and Operations Committee
 Tuesday, March 6, 2018

Call to Order

Chair Jones called the meeting to order at 3:00 p.m.

Pledge of Allegiance

Chair Jones led the Pledge of Allegiance.

Roll Call

Directors Present: Dave Jones and Robert Wichert.

Directors Absent: None.

Staff Present: General Manager Dan York, Amy Bullock, Matt Underwood, Dana Dean, David Morrow, Jim Arenz, David Espinoza and Dan Bills.

Public Present: William Eubanks.

Announcements

General Manager Dan York (GM York) announced that the District had a water quality issue at Well 58. The MCL is 5 parts per trillion and the well tested at a higher level of 17 parts per trillion. The well has been taken out of service. Staff has notified the Division of Drinking Water and staff will have a report in the March regular Board meeting.

Public Comment

None.

Consent Items

1. **Minutes of the December 18, 2017 Water Quality Committee Meeting**
2. **Minutes of the February 12, 2018 Facilities and Operations Committee Meeting**

Director Wichert moved to consent items 1 and 2; Chair Jones seconded. The motion passed by unanimous vote.

AYES:	Jones and Wichert	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Items for Discussion and Action

3. **Amending Regulations Nos. 1, 7 and 9 of the Regulations Governing Water Service**
 David Espinoza (Mr. Espinoza) presented the staff report.

Chair Jones inquired if the minimum size is called out in the specs and standards.

Mr. Espinoza stated that the minimum size is listed in the specs and standard.

GM York clarified some of the definitions and terminologies in the standards that have been brought up by other board members in past meetings.

Director Jones inquired about the 5.9 percent increase for developer fees and if that is consistent with what the District's costs are.

Director Wichert inquired where in the regulations it states the meter is to be installed.

GM York stated that in Regulation 7, page 12, it states that the meter is to be installed behind the sidewalk.

Director Wichert suggested specific, clear language to clarify where meters are to be installed.

Dan Bills (Mr. Bills) went through the finance portion of the suggested edits to the regulations.

Chair Jones inquired how the District compared with neighboring districts.

Mr. Bills stated that in comparing the rates and FDC charges, the District is the second to the lowest out of ten neighboring agencies.

Director Wichert inquired how much was raised on the development charges.

Mr. Bills stated that last year a total of \$130,000 in FDC charges was collected and for 2016 it was about the same figure.

Director Wichert inquired about the private fire service protection charges.

Mr. Bills stated that there were no additional costs that were not already covered in the FDC cost or the monthly bill.

GM York noted that on Regulation 7, page 10 is where you can review the fees.

William Eubanks (Mr. Eubanks) addressed concern on why the Board inquired to staff on how the District compares to other districts. Mr. Eubanks stated that there was no way to compare one district to another, asking staff to compare districts is comparing apples to oranges and it is an unnecessary question.

Chair Jones agreed with Mr. Eubanks comments.

Director Wichert and Chair Jones Directed to move the item to the full Board at the March 19, 2018 regular Board meeting as a Consent Item.

Adjournment

Chair Jones adjourned the meeting at 3:35 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 16

Date: March 12, 2018

Subject: Legislative and Regulatory Update

Staff Contact: Greg Bundesen, Water Conservation Supervisor

RWA Government Affairs Committee

February 16, 2018 marked the final day the California Legislature could introduce bills for consideration in 2018. As the Legislative session advances, the Regional Water Authority (RWA) will continue to regularly update the bill list, and as the Lobbyist Subscription Program (LSP) begins to adopt positions, the development of the priority bills will ensue, such as:

- SB 998 – Water Shutoffs: Urban and Community Water Systems – Would require an urban and community water system, defined as a public water system that supplies water to more than 200 service connections, to have a written policy on residential service shutoff available in English, Spanish, or any other language spoken by at least 5% of the people residing in its service area. The bill would require the policy to include certain components and be available on the system’s internet web site and be provided annually to customers in writing.

This bill would prohibit an urban and community water system from shutting off residential service until a payment by a customer has been delinquent for at least 60 days; would require the water utility to contact the customer named on the account and provide the customer with the water system’s shut off policy three business days before shutoff; and, prohibit an urban and community water system from shutting off residential service until the system notifies the local health department and the local health department assesses that a shutoff at the residence would not pose a grave threat to the health and safety of the residents, except as provided. This bill would also prohibit residential service from being shutoff under specified circumstances, require monthly reporting regarding the number of shutoffs on its website, and prohibit the assessment of a reconnection fee to customers with a demonstrated household income below 200% of the federal poverty line. If this bill is signed into law, implementation would be required by April 1, 2019.

This bill has significant potential negative operation and financial implications for water systems. The RWA’s stance regarding this bill is opposed/opposed unless amended.

- AB 1668/SB 606 – Water Management Planning - Requires the State Water Resources Control Board, in coordination with the Department of Water Resources, to adopt long-

term standards for the efficient use of water, as provided, and performance measures for commercial, industrial, and institutional water use.

There is no further information regarding the progress of this bill. The LSP will continue to monitor the bill's progression in the legislature.

- AB 3206 – Water Conservation: Water Meters: Accuracy and Performance Standards – This bill would require the State Energy Resources Conservation and Development Commission, on or before January 1, 2020, to adopt regulations setting standards for the accuracy of water meters purchased, repaired or reconditioned on and after the effective date of those regulations, including water meters installed pursuant to the Water Measurement Law, as specified. The bill would allow a water purveyor to install a water meter possessed by that water purveyor before the effective date of the regulations for a time period deemed appropriate by the commission. This bill would also require the State Water Resources Control Board (SWRCB) to establish, by regulation, requirements for accuracy testing of installed water meters on or before January 1, 2021, and require the SWRCB to adopt, by regulation, protocols to be used by each urban water supplier for the regular sampling and testing of its customer's service meters to establish a statistically sound estimate of the accuracy of the water meters serviced by the urban water supplier on or before January 1, 2020.

This bill has potentially significant operational impacts. Though the bill includes no requirements that the SWRCB's regulations account for implementation issues, such as the technical feasibility of required sampling and testing, or cost impacts of local water suppliers.

The RWA has formed a local workgroup to provide feedback to the LSP regarding the potential implementation of this bill.

Bill Updates

- SB 427 – Public Water Systems: Community Water Systems: Lead User Service Lines – Last reported to the board on February 26, 2018, SB 427 was passed by the Assembly on August 24, 2017 and signed into law on September 11, 2018.
- SB 623 – Safe and Affordable Drinking Water Fund Safe and Affordable Drinking Water Fund—establishes a new special fund for the SWRCB to assist communities, particularly disadvantaged communities, in paying for the short-term and long-term costs of obtaining access to safe and affordable drinking water.

UPDATE – This bill was re-referred to the Rules Committee on September 1, 2017, after passing 11-0 in the Appropriations Committee on September 1, 2017, and will be placed on the June 5, 2018, ballot as Proposition 68.

State

The Department of Water Resources (DWR) on February 6, 2018, announced \$85.8 million in grants for groundwater sustainability projects that directly benefit severely disadvantaged communities, and for local agency development of Groundwater Sustainability Plans.

DWR received 78 grant applications and is recommending that all receive awards, pending a 15-day public comment period. The grants are funded by Proposition 1 passed in 2014 and are awarded on a competitive basis.

DWR announced on January 29, 2018, a statewide increase in water allocations. Going forward, the vast majority of State Water Project (SWP) contractors will receive 20 percent of their requests. Statewide allocations are based on conservative assumptions and may change depending on rain and snow received this winter. The initial December 2018 allocation provided 15 percent to most SWP contractors. The state's major reservoirs continue to be well above their historical averages thanks to last year's record year. The DWR reported on March 1, 2018, that the snow pack remains below average, with a snow water equivalent of 37%.



Agenda Item: 17

Date: March 8, 2018

Subject: Upcoming Water Industry Events

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

Note that the Board adopted Policy governing Director compensation and expense reimbursement section 200.20(g) states that Directors may receive a meeting stipend (currently \$100.00) for “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...” Just because information is presented on upcoming water industry events or regularly scheduled meetings of other water districts does not necessarily imply that approval for a compensable meeting or reimbursement of expenses are triggered.

Below is a list of upcoming water industry events:

Upcoming Events

1. RWA Executive Committee Meeting
March 21, 2018
RWA Office
<http://rwah2o.org/>
2. SGA Meeting
April 12, 2018
RWA Office, CA
www.sgah2o.org
3. Sacramento Metro Chamber Cap-to-Cap 2018
April 14-18, 2018
Washington DC
<https://metrochamber.org/>
4. RWA Executive Committee Meeting
April 25, 2018
RWA Office
<http://rwah2o.org/>

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5. RWA Board Meeting
May 3, 2018
RWA Office, Sacramento
<http://rwah2o.org/>
6. ACWA 2018 Spring Conference
May 8 – May 11, 2018
Sacramento, CA
<https://www.acwa.com/events/2018-acwa-spring-conference-exhibition/>
7. RWA Executive Committee Meeting
May 23, 2018
RWA Office
<http://rwah2o.org/>
8. American Water Works Association Annual Conference & Exposition
June 11-14, 2018
Las Vegas, NV
<https://www.awwa.org/conferences-education/conferences/annual-conference.aspx>
9. SGA Meeting
June 14, 2018
RWA Office, CA
www.sgah2o.org
10. RWA Executive Committee Meeting
June 27, 2018
RWA Office
<http://rwah2o.org/>
11. Governance Conference for Elected and Appointed Directors/Trustees - CSDA
July 8 – 11, 2018
Napa, CA
<http://sdla.csda.net/home>
12. RWA Board Meeting
July 12, 2018
RWA Office, Sacramento
<http://rwah2o.org/>
13. RWA Executive Committee Meeting
July 25, 2018
RWA Office
<http://rwah2o.org/>

Upcoming Water Industry Events

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14. RWA Executive Committee Meeting

August 22, 2018

RWA Office

<http://rwah2o.org/>

15. CSDA Annual Conference & Exhibitor Showcase

September 24-27, 2018

Indian Wells, CA

<http://conference.csda.net/>

Below is a partial list of local Water Purveyors Regular Board Meeting information and websites:

- Carmichael Water District: <http://carmichaelwd.org/> - Every 3rd Monday of the month
- Citrus Heights Water District: <http://chwd.org/> - Every 2nd Tuesday of the month
- Del Paso Manor Water District: (916)487-0419 - Every 1st Monday of the month
- El Dorado County Water Agency - <http://www.edlafco.us/> - Every 2nd Wednesday of the month
- El Dorado Irrigation District - <http://www.eid.org/> - Every 2nd and 4th Monday's of the month
- Fair Oaks Water District: <http://www.fowd.com/> - Every 2nd Monday of the month
- Natomas Mutual Water Company - <http://natomaswater.com/> - Every 2nd Tuesday of the month
- Orangevale Water Company - <https://orangevalewater.com/> - Every 1st Tuesday of the month
- Placer County Water Agency: <https://pcwa.net/> - Every 1st and 3rd Thursdays of the month
- Rio Linda/Elverta Community WD: <http://www.rlecwd.com/> - Every 3rd Monday of the month
- San Juan Water District: <http://www.sjwd.org/> - Every 4th Wednesday of the month



Agenda Item: 18

Date: March 8, 2018

Subject: Upcoming Policy Review – Disposing of Surplus District Real Property, Vehicles and Large Equipment and Other Personal Property Policy (PL – Adm 003)

Staff Contact: Matt Underwood, Operations Manager

The Disposing of Surplus District Real Property, Vehicles and Large Equipment and Other Personal Property Policy (PL – Adm 003) was originally adopted by the Board in July 2003 and last revised in April 2016.

Staff has no recommended changes to the policy and it was not submitted to legal counsel for review.

This policy is scheduled for Board consideration and adoption at the April 23, 2018 Board meeting. Attached as Exhibit 1 is the policy for review. If a Director has additional comments or suggested changes, please provide those comments to staff by Monday, April 2, 2018. If minor or no comments are received, the item will be placed on the agenda as a consent item.

Sacramento Suburban Water District

Disposing of Surplus District Real Property, Vehicles and Large Equipment and Other Personal Property Policy

Adopted: July 21, 2003

Revised: June 19, 2006, May 18, 2009, February 22, 2010, July 18, 2011, September 16, 2013,
April 21, 2014, April 18, 2016

100.00 Purpose of the Policy

The primary purpose of this policy is to allow management staff to determine if a parcel of real property, easement, vehicles or large equipment or other personal property is no longer needed for daily, emergency and/or future operations. A staff report is generated to document why a parcel of real property, easement, vehicles or large equipment or other District property should not be retained.

100.10 Definitions

Real Property – Any parcel of land owned by the District.

Easement – An interest in another’s real property that permits the District to make limited use of that real property for a District purpose.

Vehicles and Large Equipment – Utility trucks, dump trucks, tractors, backhoes, forklifts, and other significant self-propelled equipment used in District operations.

Personal Property – Small equipment (cut-off saws, drills, etc), computer equipment (monitors, printers, etc), office furniture.

200.00 Disposal of Real Property

1. District management staff determines if a parcel of real property no longer meets the needs of daily, emergency and/or future operations. A staff report is generated to document why the parcel should not be retained.
2. District management staff determines if a parcel falls within the notice and offer procedures provided in Government Code sections 54220 through 54232, as they may be amended from time to time. If the statutory notice and offer procedures must be followed, the District must obtain a qualified appraisal of the parcel and offer the surplus real property to specified public agencies before it can sell the

property to other public agencies or a private party. The specified public agencies are as follows:

- a) Sacramento County for developing low- and moderate-income housing;
 - b) Sacramento County Parks and Recreation Department for park and recreational purposes;
 - c) Any regional park authority that has jurisdiction over the area in which the surplus real property is located if it is to be used for park and recreational purposes;
 - d) The State Resources Agency for park and recreational purposes; and
 - e) The school district in whose jurisdiction the parcel is located.
3. A parcel of real property is exempt from the statutory notice and offer procedures if it:
- a) Is less than 5,000 square feet; **or**
 - b) Is less than “the minimum legal residential building lot size for the jurisdiction in which the parcel is located”; **or**
 - c) Has no recorded access and is less than 10,000 square feet; **and**
 - d) Is not: (a) contiguous to land owned by a state or local agency that is used for park, recreational, open-space, low- or moderate-income housing; or (b) located in an enterprise zone or high-density, economically-distressed areas involved in certain redevelopment program; **and**
 - e) Is sold to the owner of contiguous land.
4. The Board of Directors declares real property surplus and determines if a parcel must be offered to the designated public agencies under the statutory notice and offer procedures prescribed by the Government Code or is exempt from such procedures. If the District must sell a surplus parcel under the statutory notice and offer procedures, the General Manager will give qualifying public agencies notice of the parcel’s availability for purchase. If none of the agencies to which notice must be given notifies the District within 60 days after receiving notice that they are interested in buying the surplus parcel, then the District may sell the parcel by advertised public sale.
5. In all cases where the statutory notice and offer procedures have not resulted in disposal of a parcel, the District will sell surplus real property by public sale. The General Manager will notice the parcel’s sale at the appraised value unless the

Board of Directors authorizes a different price. The notice of sale will contain a description of the property; a statement of time and place for opening bids. Bids for the purchase of real property will be accepted or rejected by a resolution of the District Board of Directors. Alternatively, the District may list the surplus parcel for public sale with a licensed real estate broker in good standing who advertises the parcel through a multiple listing service or similar listing system at a fair market value determined by the broker using comparable sales data. Documents for the conveyance of title to surplus real property will be executed by the President of the Board upon authorization by the Board of Directors.

6. If the General Manager determines that a surplus parcel is exempt from the Government Code's notice and offer procedures, it will not be necessary to obtain a formal appraisal of the property. If circumstances warrant, the surplus parcel may be sold for less than fair market value. In such cases, the General Manager or his designee will prepare a staff report documenting why the parcel was not appraised, why it may be sold for less than fair market value, the fiscal impact of selling the parcel and why it is exempt from the Government Code notice and offer procedures. After review of the staff report, the Board of Directors may approve the sale of the surplus parcel by motion. A staff report and a certified copy of the Board of Directors Meeting minutes reflecting the Board's approval of the sale is sufficient to authorize the General Manager to make the sale.

300.00 Relinquishment of District Interest in Easements

1. Staff determines if an easement no longer meets the needs of daily, emergency and/or future operations of the District. Staff then will generate a report that documents the justification for relinquishing the easement and makes a determination whether the easement has any fair market value. Staff then will forward the report to the General Manager for review. If staff determines that the easement has fair market value, the General Manager will present the staff report to the Board at its next regular meeting with a recommendation for Board action on relinquishing the easement in accordance with Article 200.00 of this policy.
2. If staff determines that the easement has nominal fair market value, the General Manager shall have the authority, upon review and approval of the recommendation in the staff report, to sign and record a quitclaim deed to relinquish the District's interest in the easement. If the easement is a Public Utility Easement, the General Manager shall have the authority, upon review and approval of the recommendation in the staff report, to sign an easement relinquishment letter.
3. If, upon recommendation of staff, the General Manager authorizes disposal of an easement under this Article, then the General Manager will report the disposal

of the easement to the Board at its next regular meeting following the recording of the quitclaim deed relinquishing the easement.

400.00 Disposal of Vehicles and Large Equipment

1. At least once each fiscal year, the General Manager will prepare a list of District vehicles and items of large equipment that are deemed surplus because they exceed the District's Vehicle Point System. This system is used to project actual vehicle and equipment value throughout the life of the asset. The system utilizes age/depreciation, maintenance and repairs, miles, type of service, reliability, and condition as criteria for this determination.
2. District management staff will establish values and set minimum bid prices for each vehicle or item of large equipment to be sold by public auction. If staff, during the process of establishing value to a vehicle or piece of large equipment, determines that the particular vehicle or equipment has diminutive or no value or the costs of preparation for sale and sale are greater than the value of the vehicle or equipment, then the General Manager is authorized to dispose of the property in accordance with Sections 500.00 (5) and (6) of this policy.
3. 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.
4. Vehicles or large equipment are to be sold at public auction. The General Manager will consign the vehicles or equipment to a public auctioneer after posting a notice concerning the sale of the vehicle and/or large equipment.

400.10 Guidelines Concerning the Sale of Surplus Vehicles and Large Equipment

Prior to the sale of surplus vehicles or large equipment, the General Manager will direct staff to take the following actions:

1. Remove all District equipment from the vehicle or large equipment (radio, decals, etc.).
2. Clean and if necessary, repair the vehicle or large equipment if it has an immediate safety issue.
3. Vehicle or large equipment will be sold at public auction.
4. Establish vehicle or large equipment value using an appropriate, publicly available valuation tool such as the Kelley Blue Book, qualified appraisal, trade

publications or classified newspaper advertisements. Staff will prepare a written report concerning the valuation of the item and attach appropriate documentation.

5. Arrange for the delivery and consignment of the item and in consultation with the General Manager and auctioneer, determine an appropriate reserve or minimum price for the item.
6. Prepare and post a notice of sale. The notice and advertisement will include the vehicle or large equipment description, minimum bid, conditions of sale, and place of public auction.
7. When the vehicle or large equipment is sold, the General Manager or his/her designee will sign the "pink slip", bill of sale and any other documents required to complete the sale.
8. After the vehicle or large equipment is sold, the General Manager or his/her designee will complete paperwork as required by DMV to report the sale of the vehicle or large equipment, and return all completed forms and vehicle license plates to DMV.

500.00 Disposal of Other Personal Property Other than Vehicles/Large Equipment

1. At least once each fiscal year, the General Manager will prepare a list of District personal property, other than vehicles and large equipment, which is deemed surplus.
2. District management staff will establish values and set minimum bid prices for each item of personal property to be sold by public auction. If staff, during the process of establishing value to an item of personal property, determines it to be of diminutive or no value, the General Manager is authorized to dispose of the property in accordance with Sections 500.00 (5) and (6) of this policy.
3. The General Manager may authorize the sale of personal property with an estimated value of \$4,000 or less. Personal property with an estimated value greater than \$4,000 will be sold as surplus following authorization by the Board of Directors at a public meeting.
4. Surplus personal property is to be sold at public auction. The General Manager will consign the personal property to a public auctioneer after posting a notice concerning the District's sale of the property.
5. For surplus items not sold, the General Manager has the authority to donate such items to another government agency or any non-discriminatory, tax exempt non-profit organization qualified under Internal Revenue Code section 501(c)(3).

6. If an item of surplus property is not sold during sale and the General Manager is unable to donate the surplus items to a qualified government agency or tax-exempt organization, the General Manager may properly dispose of such items at a legal disposal site.

600.00 Revenue from Disposal of Surplus Property

All revenue received from the disposal of surplus real or personal property will be deposited in the District's General Operating Fund unless otherwise specified by the Board of Directors.

700.00 Prohibition Against Upgrades

Unless necessary to ensure the safety, merchantability and/or serviceability of surplus property, District staff may not make any repairs or upgrades to any real or personal property recommended or already deemed to be surplus. For example, staff may not replace a vehicle's worn but serviceable tires with new tires, nor may staff add or replace optional equipment that enhances a vehicle's value. Before sale and upon the General Manager's authorization, District staff may repair or replace parts on a surplus item if it is necessary to ensure that it is safe, serviceable and/or merchantable.

800.00 Prohibited Director, Officer and Employee Transactions

In accordance with Government Code section 1090, all members of the District Board of Directors and the General Manager are prohibited from purchasing surplus District real or personal property. Staff members generally are eligible to buy surplus District real or personal property noticed for sale on the same terms and conditions as those offered to members of the public, except that any District employee who actively participated in determining an item's price, surplus status or conditions of sale is prohibited from purchasing such items because the employee is deemed by law to have a prohibited interest in the sale. The General Manager, in consultation with the Board and legal counsel, will determine if an employee has a prohibited interest in an item of surplus property.

900.00 Lot or Group Sales

The District reserves the right to place items of surplus property in a group or lot for sale to the highest bidder.

900.10 Discretion of Board and General Manager

Except as prohibited by law, the Board of Directors and General Manager will have the discretion to waive any minor irregularity in the procedures for the surplus and disposing of surplus property. Such discretion will be exercised in a non-discriminatory manner.

1000.00 Policy Review

This Policy shall be reviewed at least biennially.