

Agenda

Sacramento Suburban Water District

Regular Board Meeting

3701 Marconi Avenue, Suite 100
Sacramento, California 95821

Monday, September 17, 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 916.679.3972. 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 Items for Discussion and/or Action.

1. Minutes of the August 20, 2018 Regular Board Meeting
Recommendation: Approve subject minutes.

2. Minutes of the September 10, 2018 Special Board Workshop
Recommendation: Approve subject minutes.
3. General Manager and Directors Out of State Travel Request
Recommendation: Approve out of state travel request.
4. Resolution No. 18-15 Amending District Conflict of Interest Code
Recommendation: Approve subject resolution.
5. Public Works Contracting Policy (PL – Eng 002)
Recommendation: Approve subject policy.
6. Procurement Policy (PL – Fin 005)
Recommendation: Approve subject policy.

Items for Discussion and/or Action

7. Resolution No. 18-16 Amending Regulation No. 3 of the Regulations Governing Water Service
Recommendation: Approve subject regulation.
8. Electronic Board Packet Options
Recommendation: Receive written staff report and direct staff as appropriate.
9. 2019 Revised Budget Preparation Timeline
Recommendation: Receive staff report and direct staff as appropriate.

General Manager's Report

10. General Manager's Report
 - a. City of Sacramento Wholesale Agreement
 - b. 2018 Water Transfer Update
 - c. Strategic Plan Workshop

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

11. a. Regional Water Authority (Director Wichert)
Agenda from the September 13, 2018 Meeting.

Regional Water Authority Executive Committee (General Manager York)
Agenda from the August 22, 2018 Meeting.

- b. Sacramento Groundwater Authority (Director Thomas)
No report.
- c. Water Caucus Meeting (General Manager York)
Agenda from the September 12, 2018 Meeting.
- d. Water Forum Successor Effort (General Manager York)
No report.
- e. Other Reports – AB1234

Committee Reports

- 12. a. Facilities and Operations Committee (Director Jones)
Agenda for the September 13, 2018 Meeting.
- b. Finance and Audit Committee (Director Thomas)
No report.

Information Items

- 13. Fixing the 2018 Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees' Medical and Hospital Care Act Follow Up
- 14. 2018 Water Rate Study Update
- 15. 2018 Employee Compensation Study Update
- 16. Legislative and Regulatory Update
- 17. Upcoming Water Industry Events

Department/Staff Reports

- 18. Financial Report
 - a. Financial Highlights – August 2018
 - b. Financial Statements – August 2018
 - c. Investments Outstanding and Activity
 - d. Cash Expenditures – August 2018

- e. Credit Card Expenditures – August 2018
 - f. District Reserve Balances – August 2018
 - g. Information Required by Bond Agreement
 - h. Financial Markets Report
19. 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
20. Engineering Report
- a. Major Capital Improvement Projects
 - b. Other

Miscellaneous Correspondence and General Information

21. Correspondence received by the District

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)

None.

Adjournment

Upcoming Meetings

Wednesday, October 3, 2018 at 4:30 p.m., San Juan Water District/Sacramento Suburban Water District Water Management/Re-Organization Committee Meeting
Monday, October 15, 2018 at 6:00 p.m., Regular Board Meeting

I certify that the foregoing agenda for the September 17, 2018 meeting of the Sacramento Suburban Water District Board of Directors was posted by September 13, 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

ITEM 1

Minutes

Sacramento Suburban Water District Regular Board Meeting Monday, August 20, 2018

Call to Order

President Locke called the meeting to order at 6:00 p.m.

Pledge of Allegiance

President Locke led the Pledge of Allegiance.

Roll Call

Directors Present: Craig Locke, Dave Jones, Kevin Thomas and Robert Wichert.

Directors Absent: Kathleen McPherson.

Staff Present: General Manager Dan York, Finance Director Dan Bills, Heather Hernandez-Fort, Assistant General Manager Mike Huot, Dana Dean, Matt Underwood, Jim Arenz, Annette O'Leary, Lynne Yost and Legal Counsel Ryan Bezerra.

Public Present: William Eubanks and Avery Wiseman.

Announcements

General Manager Dan York (GM York) announced:

- Director McPherson had a prior engagement scheduled for this date and will not be attending the meeting;
- The SGA appointments of Director Thomas as representative and Director McPherson as alternate representative for SSWD have been approved and adopted by the City of Sacramento City Council at their July 24, 2018 meeting;
- On July 31, 2018, Moody's Investor Services issued a press release reaffirming the District's long-term credit rating of "Aa1" on the variable-rate 2009A COP. The rating is comprised of a stand-alone rating of Sumitomo Mitsui Banking Corporation of "A1" and the District's stand-alone rating of "Aa2;"
- The California Special Districts Association will be conducting its 2018 Sierra Network Tour on August 23, 2018, and will be visiting SSWD facilities, the Fulton – El Camino Recreation & Park District, and the Sacramento-Yolo Mosquito & Vector Control District;
- The SJWD/SSWD Water Management/Re-Organization Committee Meeting (2x2) is set for Wednesday, October 3, 2018, at 4:30 p.m. at the Marconi Office, and;

- All 4 Directors up for election are running unopposed, therefore an election for our District will not be held in November.

Public Comment

None.

Consent Items

1. **Minutes of the July 16, 2018, Regular Board Meeting**
2. **Return to Work Policy (PL – HR 007)**
3. **Investment Policy (PL – Fin 003)**
4. **Reserve Policy (PL – Fin 04)**
5. **GIS Database Tool for Well Site Selection Planning**

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

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

Items for Discussion and/or Action

6. **Resolution No. 18-13 Approving a Long Term Warren Act Contract For a Period of Twenty-Seven Years (2018 - 2045) Between the Sacramento Suburban Water District and the United States Bureau of Reclamation and Authorizing Execution of the Contract**

GM York presented the staff report.

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

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

7. **Resolution No. 18-14 A Resolution of the Board of Directors of the Sacramento Suburban Water District Recognizing Water Professionals Appreciation Week**
Assistant General Manager Mike Huot (AGM Huot) presented the staff report.

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

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

8. Directors Out of State Travel Request

GM York presented the staff report.

William Eubanks (Mr. Eubanks) expressed that he believed the Conference was a waste of ratepayer’s money as the Conference flyer primarily highlighted non-business related events.

President Locke expressed that he was interested in the groundwater courses.

Director Thomas stated that most Conferences offered additional events, but that most times Directors did not attend them.

Director Thomas moved to approve the Item; President Locke seconded. The motion passed by a 3/1 vote. Director Wichert opposed.

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

General Manager’s Report

9. General Manager’s Report

GM York presented the staff report.

a. *McClellan Business Park Successor Agreement Update*

GM York presented the staff report.

b. *City of Sacramento Wholesale Agreement*

GM York presented the staff report.

c. *Meter Reading Issues Update*

GM York presented the staff report.

Director Thomas inquired if there was a timeline of when it would be completed.

Matt Underwood (Mr. Underwood) expressed that staff was trying to come to an agreement soon.

Mr. Underwood further explained details of the terms of the agreement.

d. *Public Outreach Meeting on Main Replacement Projects*

GM York presented the staff report.

Director Thomas expressed that he attended the Outreach Meeting and that there was a lot of good feedback and good questions from customers.

- e. *Grant of Easement and Right of Way at 4000 Edison Avenue*
GM York presented the staff report.
- f. *2018 Water Transfer*
GM York presented the staff report.

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

- 10. a. Regional Water Authority (Director Wichert)
No report.

Regional Water Authority Executive Committee (General Manager York)
The Agenda from the July 25, 2018 Meeting was provided.

- b. Sacramento Groundwater Authority (Director Thomas)
The Agenda from the August 9, 2018 Meeting was provided.
- c. Water Caucus Meeting (General Manager York)
No report.
- d. Water Forum Successor Effort (General Manager York)
No report.
- e. Director Reports (AB1234)

President Locke provided oral reports regarding the meetings he had with the General Manager on March 12 and 21, 2018.

Director Thomas provided oral reports on the Delta Smelt Seminar that he attended on July 24, 2018, the Aerojet CAG Meeting that he attended on July 25, 2018, the meeting with the Finance Director on July 31, 2018, the Flow Standard Seminar that he attended on August 1, 2018, and the Outreach Meeting that he attended on August 2, 2018.

Director Wichert asked if staff could reach out to Aerojet to see if we could obtain any information on the foam firefighting agent that they use in order to see if McClellan Business Park ever used the same foam.

Committee Reports

- 11. a. Facilities and Operations Committee (Director Jones)
The Draft Minutes from the August 1, 2018, meeting were provided.

Mr. Eubanks expressed that Director Wichert had a lengthy discussion regarding if the Nitrate levels in the water represented a health hazard to pregnant woman. He noted that due to Director Wichert's emphasis of the issue in the discussion, he was left wondering if there was a health hazard that the public should be made aware of.

GM York expressed that if there was ever a well in the District that tested above the Maximum Contaminant Level (MCL) for Nitrate, the well would be shut off.

Mr. Eubanks asked if the Nitrates in the water represented a health hazard to pregnant women.

Director Wichert expressed that the District meets the state requirements but that he was unaware if it poses a health hazard to pregnant women. He further expressed that staff was working on language to provide to the Division of Drinking Water to request approval to provide more detail about Nitrates in our Consumer Confidence Report.

Mr. Eubanks expressed that he was surprised that the Board would discuss the topic without having the answers for the public.

Director Wichert expressed that the topic was scheduled to be discussed at the next Facilities and Operations Committee meeting.

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

Information Items

12. **2018 Employee Compensation Study Update**

A written report was provided. Dan Bills (Mr. Bills) provided an update to the staff report.

13. **2018 Water Rate Study Update**

A written report was provided. Mr. Bills provided an update to the staff report.

Director Wichert expressed that he wanted to attend the meeting between staff and the consultant.

Mr. Bills stated that staff would get him the information for the meeting.

14. **Legislative and Regulatory Update**

A written report was provided.

15. **Upcoming Water Industry Events**

A written report was provided.

16. **Upcoming Policy Review**

A written report was provided.

a. Public Works Contracting Policy (PL – Eng 002)

A written report was provided. Director comments are due by August 31, 2018.

b. Procurement Policy (PL – Fin 005)

A written report was provided. Director comments are due by August 31, 2018.

Department/Staff Reports

17. **Financial Report**

A written report was provided.

a. *Financial Highlights – July 2018*

A written report was provided.

b. *Financial Statements – July 2018*

A written report was provided.

c. *Investments Outstanding and Activity*

A written report was provided.

d. *Cash Expenditures – July 2018*

A written report was provided.

e. *Credit Card Expenditures – July 2018*

A written report was provided.

f. *District Reserve Balances – July 2018*

A written report was provided.

g. *Information Required by Bond Agreement*

A written report was provided.

h. *Financial Markets Report*

A written report was provided.

18. **District Activity Report**

A written report was provided.

a. *Water Operations and Exceptions Report*

A written report was provided.

b. *Water Quality Report*

A written report was provided.

c. *Water Conservation and Regional Water Efficiency Program Report*
A written report was provided.

d. *Customer Service Report*
A written report was provided.

e. *Community Outreach Report*
A written report was provided.

19. **Engineering Report**

A written report was provided.

a. *Major Capital Improvement Projects*
A written report was provided.

b. *Other*
A written report was provided.

Miscellaneous Correspondence and General Information

20. Correspondence received by the District
A written report was provided.

Director's Comments/Staff Statements and Requests

None.

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

The Board convened in Closed Session at 6:50 p.m. to discuss the following:

21. 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.

Return to Open Session

The Board convened in open session at 7:14 p.m. There was no reportable action.

Adjournment

President Locke adjourned the meeting at 7:15 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District

Minutes

Sacramento Suburban Water District
Special Board Workshop
Monday, September 10, 2018

Call to Order

President Locke called the meeting to order at 6:00 p.m.

Pledge of Allegiance

President Locke led the Pledge of Allegiance.

Roll Call

Directors Present: Craig Locke, Dave Jones, Kevin Thomas, Kathleen McPherson and Robert Wichert.

Directors Absent: None.

Staff Present: General Manager Dan York, Finance Director Dan Bills, Assistant General Manager Mike Huot, Heather Hernandez-Fort, Dana Dean, Matt Underwood, Annette O'Leary and Lynn Pham.

Public Present: William Eubanks.

Announcements

General Manager Dan York (GM York) announced:

- Reminder that the Facilities and Operations Committee Meeting is scheduled for Thursday, September 13, 2018, at 2:00 p.m.

Public Comment

None.

Items for Discussion and Action

1. First Draft 2019 Budget

Dan Bills (Mr. Bills) presented the staff report and PowerPoint Presentation.

Detailed information was provided regarding the following topics:

- 2019 Budget
- Reserve Balances
- O&M Budget
- New Positions
- CIP Budget
- OCB Budget
- Debt Service Forecast

Discussion ensued primarily on explaining the proposed budget and answering Director questions.

Director Wichert requested staff to provide a new budget timeline in light of delays in the Compensation Study and Water Rate Analysis.

Mr. Bills expressed that staff would provide an updated timeline at the September 17, 2018 Regular Board Meeting.

Director Wichert suggested to budget nothing for purchasing water through the City of Sacramento. The remaining Directors decided to hold off until roughly November when the City of Sacramento was scheduled to provide the results of their Wholesale Water Rate Analysis.

William Eubanks (Mr. Eubanks) asked several clarifying questions.

Mr. Bills responded to Mr. Eubanks questions.

Mr. Bills expressed that staff was making no recommendations on compensation or rates, until the Compensation Study and Rate Study were complete.

Mr. Bills expressed in detail, the rising cost of water by its components, how the COLA and Merit program affect salaries and the CIP program.

President Locke suggested for staff to look into “green” or hybrid vehicles as part of its vehicle replacement program.

President Locke expressed that he was not interested in using reserve monies from the capital asset fund to balance the O&M Budget. He expressed that he wanted to be sure that the rate study reflected the goals that were in the Master Plan.

Adjournment

President Locke adjourned the meeting at 8:08 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 3

Date: September 4, 2018

Subject: General Manager and Directors Out of State Travel Request

Staff Contact: Dan York, General Manager

Recommended Board Action:

Approve out of state travel for the General Manager and interested Directors to attend the WaterSmart Innovations Conference on October 4, 2018 to accept Environmental Protection Agency’s WaterSense Partner of the Year Award.

Discussion:

In February 2018 Sacramento Suburban Water District (District) staff applied for a 2017 Environmental Protection Agency’s (EPA) WaterSense Partner of the Year Award. The annual awards ceremony honors WaterSense Partners for their efforts to promote the WaterSense Program and water use efficiency. Staff received notification in August 2018 that the District won an Award that will be presented at the WaterSmart Innovations Conference Luncheon (Conference) on October 4, 2018 at the South Point Hotel in Las Vegas, Nevada. The General Manager would like to attend the Award Ceremony on behalf of the District to accept the award. Directors are encouraged to attend the awards ceremony if interested. Since 2006, the Conference has been the largest water use efficiency and conservation conference in the world, attaching more than 1,000 participants each year.

Attendance of the full Conference will not be necessary. The General Manager and any attending Directors may attend the awards luncheon for a cost. WaterSense has provided the District with one complementary lunch voucher. All other attendees will have the opportunity to purchase a ticket to the luncheon. Exhibit 1 shows information regarding the awards ceremony.

Fiscal Impact:

Funds to attend this event are available in the CY2018 budget.

Strategic Plan Alignment:

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

Leadership – 5.C. 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).

The WaterSmart Innovations Conference and the WaterSense Partner of the Year Awards is an excellent opportunity for the District to be highlighted on a national level for its water conservation and use efficiency efforts. It would be appropriate for the General Manager and an associated Board Member to be in attendance to accept the award on behalf of the District.

Exhibit 1

WaterSense® Awards Call Summary 2018 Excellence Awards

1) Recognition Event

What is it? The 2018 award winners will be announced at the WaterSense and Alliance for Water Efficiency (AWE) Awards Luncheon. The luncheon is co-sponsored by EPA and AWE and will feature the 2018 Sustained Excellence Award winners, Partners of the Year, Excellence Award winners, and AWE's Water Star Award winner. Veronica Blette, EPA WaterSense Branch Chief; a senior official from EPA's Office of Water; and Mary Ann Dickinson, AWE's Executive Director, will speak and present the awards.

Where is it? The awards luncheon will be held during the WaterSmart Innovations Conference and Exposition (WSI). Conference information is available on [WSI's website](#).

Address

South Point Hotel and Conference Center
Grand Ballroom B
9777 Las Vegas Blvd. South
Las Vegas, NV 89123

When is it? Thursday, October 4, 2018 from 11:20 a.m. – 2:00 p.m.

Who will attend? The luncheon is open to ALL fully registered WSI conference participants. Past WSI conferences have drawn more than 1,000 participants from across the country. Each awarded partner organization will be offered **one (1)** voucher to attend the luncheon at no cost. The luncheon is included in the full conference registration; however, if an awarded organization has a member who would like to attend the luncheon who is not registered for the conference, please have them purchase a luncheon ticket [online](#) by clicking on the "new conference registration" as the registration type and then choosing "exhibits only." *Please understand that EPA policy prohibits WaterSense from paying award winners' travel, lodging, or any other related expenses attributable to attending this event.*

2) Embargo Period

Media— The names of the 2018 WaterSense award winners should be kept *strictly confidential* until they are announced during the luncheon. If your organization plans to distribute a press release, schedule and conduct media interviews, pitch media, post website changes, or issue social media updates, **please ensure all relevant parties within your organization (and those working on behalf of your organization, such as an ad agency) are aware of and agree to withhold ALL public announcements until after 3:00 p.m. Eastern on Thursday, October 4, 2018.**

3) Opportunities at WSI

On Stage – Excellence Award winners can have one representative from their organization accept their award on stage during the ceremony. Due to time constraints, we will **not** be able to take professional photos as you accept your award, but you will have the opportunity to take photos **after** the ceremony.

Photos – A professional photographer will be on hand to capture the event. Award winners should remain in Grand Ballroom B following the luncheon for staged photos. A "dance card" will be provided at each reserved table's place setting that outlines the order that photos will be taken. WaterSense will also provide the following items to each winner via email within 24 hours of the announcement: a photo of the winner receiving the award, a team photo, a group photo of winners by award type (i.e., Sustained

Excellence, Partner of the Year, and Excellence), and a link to all the photos from the luncheon. **Please contact erin.pittorino@erg.com no later than Wednesday, September 19, with instructions on where/to whom WaterSense should send this photo (e.g., to your PR specialist, your ad agency contact, etc.).**

Media – To facilitate potential interviews, upon request, EPA can provide award winners with a list of registered media representatives scheduled to attend WSI.

4) Other Opportunities and Benefits

Exclusive logos – Each Excellence Award winner receives the special WaterSense logo and guidelines describing how and where to use it. We will provide the logo artwork prior to October 4, 2018, but please do not use or display it publicly until after that date.

Possible press releases – EPA’s Office of External Affairs and Environmental Education (OEAAE) or EPA Regional offices may issue “official” press release(s) by 3:00 p.m. Eastern on Thursday, October 4, 2018. The press release will appear in EPA’s “[newsroom](#).” Please withhold your organization’s press release until that time.

Placed article – WaterSense will submit an article featuring the 2018 award winners to *Water Efficiency – the Journal for Water Resource Management* for publication in its January/February edition.

Possible trade media – WaterSense may distribute emails to trade industry journalists and bloggers with pertinent details on the 2018 award winners.

Fact sheet – WaterSense will post a fact sheet on the website detailing award winners’ 2017 activities.

Other – WaterSense will send a program-wide email announcing winners; post special banners on the WaterSense home page and Partner Resources website; tailor the WaterSense widget; announce via Facebook and Twitter; and feature winners in the WaterSense *Partner Pipeline* and *Current*.

5) Miscellaneous

Seating – Award winners should sit at their reserved table toward the front of the ballroom. A seating chart will be sent to each winner prior to the luncheon. **Please contact erin.pittorino@erg.com no later than Wednesday, September 19, with the number of luncheon attendees in your party and/or other seating requests.**

Company Logo & Team Photo – We’d like to include your company’s logo and a photo of your team in the slideshow that will appear when we announce each winner. **Please send erin.pittorino@erg.com your company’s logo and team photo by Wednesday, September 19.**

Dress Code – Since the luncheon is open to all conference participants, attendee’s attire will vary. However, award winner representatives who will accept their award on stage should wear business professional attire.

6) Contacts: If you have ANY questions or concerns, please contact:

EPA – Beth Livingston @ livingston.beth@epa.gov / 202-564-9594 or

ERG – Erin Pittorino @ erin.pittorino@erg.com / 781-674-7260



Agenda Item: 4

Date: August 30, 2018

Subject: Resolution No. 18-15 Amending District Conflict of Interest Code

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

Recommended Board Action:

Approve Resolution No. 18-15 Amending District Conflict of Interest Code.

Discussion:

The California Political Reform Act requires all local government agencies to review their conflict of interest codes biennially. Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency’s Code includes disclosure by those agency officials who make or participate in making governmental decisions. The District’s review is scheduled in even-numbered years and must be submitted to Form 700 Coordinator for the Sacramento County Board of Supervisors by October 1, 2018.

Once the proposed amendments to the Conflict of Interest Code is received, it is then placed on the Sacramento County Board of Supervisors agenda for approval.

District legal counsel has reviewed the proposed changes and has confirmed that there is a need to amend the District’s Code to amend a staff position that will be required to file Form 700 forms based on their involvement in making, or participating in making, agency decisions. It has been determined the Technical Services Director position has been changed to the Engineering Manager, and is required to file a Form 700 Statement of Economic Interest. The Code has been formatted so it consists of a cover page and appendix with reporting position designations and related explanatory text, with the FPPC regulation incorporated by reference.

Staff has provided a draft template for the resolution (Exhibit 1) and the amended Conflict of Interest Code, attached as Exhibit 2. The approved resolution is now a stand-alone document that has the sole purpose of adopting the revised Code and directing its submission to the Sacramento County Board of Supervisors for final approval.

Fiscal Impact:

None.

Strategic Plan Alignment:

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

A Conflict of Interest Code is a benefit to the District's customer's because the purpose is to ensure that agency officials subject to the statute disclose economic interests that might be involved in the making of decisions that may have a material effect on each official's financial interest.

EXHIBIT 1

RESOLUTION NO. 18-15

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SACRAMENTO SUBURBAN WATER DISTRICT ADOPTING AMENDED DISTRICT CONFLICT OF INTEREST CODE

WHEREAS, Government Code Section 87300 requires each local public agency to adopt and promulgate a Conflict of Interest Code pursuant to the Political Reform Act for the purpose of ensuring that agency officials subject to the statute disclose economic interests that might be involved in the making or in the participation of making decisions that may foreseeably have a material effect on each official's financial interest;

WHEREAS, Government Code Section 87307 authorizes a local public agency to amend its conflict of interest code at any time; and

WHEREAS, the District's existing Conflict of Interest Code, as last amended by the Board on November 21, 2016, requires updating to designated staff positions subject to the code's reporting requirements, and make other minor changes.

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

1. The Board of Directors hereby adopts the revised District Conflict of Interest Code attached hereto, which supersedes the amended conflict of interest code adopted by the Board on November 21, 2016, and all other prior inconsistent codes or resolutions.
2. Designated employees and consultants shall file statements of economic interest on FPPC Form 700 with the District's designated code filing officer, the Executive Assistant to the General Manager or her or his designee, who will make the statements available for public inspection and copying and, if required, file such statements with Sacramento County.
3. This Conflict of Interest Code shall not take effect until the Sacramento County Board of Supervisors approves it in its capacity as code reviewing body under the Political Reform Act. The General Manager is hereby authorized and directed to submit a certified copy of this resolution with the amended District Conflict of Interest Code to the Board of Supervisors and request approval of that code.
4. After approval by the Sacramento County Board of Supervisors, the amended code attached hereto shall constitute the Conflict of Interest Code of the Sacramento Suburban Water District in accordance with subdivision (a) of Section 18730.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on this 17th day of September 2018, by the following vote:

AYES:
NOES:
ABSENT:

By: _____
Craig 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 regular meeting thereof held on the 17th day of September 2018.

(SEAL)

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

EXHIBIT 2

Sacramento Suburban Water District

Conflict of Interest Code

Adopted: February 20, 2002

Revised: ~~September 17, 2012, November 21, 2016~~ September 17, 2018

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, Section 18730 of Title 2 of the California Code of Regulations, which contains the terms of a standard conflict of interest code. This regulation can be incorporated by reference into any agency's code without publication in full within the code. After public notice and hearing, Section 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of that regulation, Title 2, section 18730 of the California Code of Regulations and any amendments to it duly adopted by the Fair Political Practices Commission from time to time are hereby incorporated by reference in full into this code and will be applied in accordance with the provisions existing on the date that any issue arising under this code adopted by the Sacramento Suburban Water District Board of Directors must be addressed. This cover page, the referenced and incorporated FPPC regulation, and the Appendix, which is attached hereto and incorporated herein, designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the Sacramento Suburban Water District.

Recognizing that different employees have different levels of authority and responsibility, the Appendix to this Conflict of Interest Code establishes three categories of disclosure under which employees are designated based on the scope of their decision making authority. Employees with no significant decision making responsibility are classified as exempt, and are not required to file reports under this Code.

Non-exempt District employees and officers listed in the attached Appendix are designated as persons who are deemed to make, or participate in the making of, decisions that may have a material effect on a financial interest. Consultants are also subject to the disclosure requirements of this Conflict of Interest Code if they are in a position to make decisions, or influence decisions, that could have an effect on their financial interest.

**SACRAMENTO SUBURBAN WATER DISTRICT
CONFLICT OF INTEREST CODE**

APPENDIX OF DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES

Designated Positions. The officers and employees listed below are designated as persons who are deemed to make, or participate in the making of, decisions that may have a material effect on a financial interest. Persons holding designated positions listed below will disclose interests and investments in accordance with the corresponding disclosure categories as defined below.

<u>Designated Position</u>	<u>Disclosure Categories</u>
Assistant General Manager	1
District Legal Counsel	1
Engineering Manager Technical Services Director	2
Operations Manager	2
Information Technology Manager	2
Administrative Services Manager	3
Consultants	1 ¹

Officials Who Manage Public Investments. Officials who manage public investments are deemed to be “statutory filers” within the meaning of Government Code Section 87200 and California Code of Regulations, Title 2, section 18720 because they must file statements of economic interest (FPPC Form 700) pursuant to the state Political Reform Act instead of the District’s Conflict of Interest Code. The District’s statutory filers are: Members of the Board of Directors, General Manager/Board Secretary and Finance Director/Board Treasurer. As a result, such persons are not designated in this code and are listed here for information only. An individual holding one of the above-listed positions may contact the Fair Political Practices Commission (“FPPC”) for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The FPPC makes the final determination whether or not a position is covered by Government Code Section 87200.

¹ Unless the General Manager determines in writing that narrower disclosure is permitted in accordance with the standards provided on page 2 of this Appendix under the heading “Consultants.”

Disclosure Categories. The District's disclosure categories are defined as follows:

Category 1- Full Disclosure: All persons in this disclosure category will disclose all interests in real property within two miles of the District's boundaries, as well as all investments, business positions in business entities and sources of income, including receipt of gifts, loans and travel payments, from all sources.

Category 2 – Employees with Significant Contracting and Policy Authority But Without Authority Over Acquisition of Interests in Real Property: All persons in this disclosure category will disclose all investments, business positions in business entities and sources of income, including receipt of gifts, loans and travel payments, in or from all sources that provide goods, equipment or services, including training or consulting services, of the type utilized by the District.

Category 3 – Employees with Specific Contracting or Policy Authority or Who Participate in Making Specific Contracts or Policies: All positions in this category will disclose all investments, business positions in business entities and sources of income, including the receipt of gifts, loans and travel payments, in or from all sources that provide services and supplies of the type utilized by the department or programs administered or managed by the designated position.

Consultants. "Consultant" means an individual who, pursuant to a contract with the District, either: (A) Makes a governmental decision whether to: (1) approve a rate, rule, or regulation; (2) adopt or enforce a law; (3) issue, deny, suspend, or revoke any permit, license, application, certificate, approval, order, or similar authorization or entitlement; (4) authorize the District to enter into, modify, or renew a contract provided it is the type of contract that requires District approval; (5) grant District approval to a contract that requires District approval and to which the District is a party, or to the specifications for such a contract; (6) grant District approval to a plan, design, report, study, or similar item; or (7) adopt or grant District approval of policies, standards, or guidelines for the District, or for any subdivision thereof; or (B) Serves in a staff capacity with the District and in that capacity participates in making a governmental decision as defined in California Code of Regulations, Title 2, Section 18702.2 or performs the same or substantially all the same duties for the District that would otherwise be performed by an individual holding a position specified in the District's conflict of interest code under Government Code Section 87302. (See 2 CCR 18701(a)(2).)²

² A consultant serves in a staff capacity only if he or she has an on-going relationship with the District. A consultant who works on one project or a limited range of projects for the District is not deemed a consultant subject to the reporting requirements of this code unless the project or projects extend over a substantial period of time, generally more than one year. (See *Smith* Advice Letter, FPPC No. I-99-316; *Travis* Advice Letter, FPPC No. A-96-053; *Randolph* Advice Letter, FPPC No. A-95-045.)

“Consultants” are included in the list of designated positions and must disclose interests and investments in accordance with the broadest disclosure category in the District’s conflict of interest code, subject to the following limitation: The General Manager may determine in writing that a particular consultant, although a “consultant” and “designated position,” nevertheless is hired or retained to perform a range of duties that is limited in scope and therefore is not required to comply with any or some of the disclosure requirements described in this section. The General Manager’s written determination will include a description of the consultant’s duties, and, based on that description, a statement of the extent of disclosure requirements. The written determination is a public record and will be retained for public inspection in the same manner and location as the District’s conflict of interest code as required by Government Code Section 81008.

New Position Added or New Consultant Hired Without Code Revision. If the District creates a new position that requires disclosure under this code without simultaneously amending the code, the employee appointed to fill such a position will file a Form 700 Assuming Office Statement and thereafter file annual Form 700 Disclosure of Economic Interest Statements using the broadest disclosure category until the District amends the code to designate the position and, if warranted, to authorize more narrow disclosure for the position. Alternatively, the General Manager may designate for any such position or consultant narrower disclosure obligations using a FPPC Form 804 (New Hire) or Form 805 (New Consultant) as appropriate. (See 2 CCR 18734.)

Filing of Form 700 Statements of Economic Interest. Persons holding designated positions shall file statements of economic interests with the ~~Administrative Services Manager~~ Executive Assistant to the General Manager, who is the District’s code filing officer. The ~~Administrative Services Manager~~ Executive Assistant to the General Manager will retain all Forms 700 filed for the retention period provided in the District’s records management policy and will, upon request, make filed statements of economic interests available for public inspection and reproduction (at a cost of no more than \$0.10 per page) in accordance with Government Code Section 81008.



Agenda Item: 5

Date: September 12, 2018

Subject: Public Works Contracting Policy (PL - Eng 002)

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

Recommended Board Action:

Approve the revised version of the Public Works Contracting Policy (PL – Eng 002) as shown in Exhibit 1.

Discussion:

The District’s Public Works Contracting Policy (PL - Eng 002) was adopted by the Board in December 2004 and was most recently revised in August 2016. It was submitted to the Board last month as an Information Item.

Pursuant to staff’s review of the policy, minor revisions to the policy are recommended – primarily to increase clarity. Staff received comments from Director Jones, however, several of those comments had potential ramifications to other policies so staff is proposing to address them at the next regular update to this Policy to allow time for careful evaluation.

The recommended changes to the policy were reviewed by General Counsel, and are summarized below:

1. Header
The portion of the header which lists revisions was updated to the current format.
2. Introduction
Minor modifications were made to improve clarity.
3. Section 1.00 – Purpose
Some language in this section was moved to Section 3.00 (Procedure) because it relates to implementation of the Policy.
4. Section 2.00 – Authority
Minor modifications were made to improve clarity.
5. Section 3.00 – Procedure
Some language was moved to this section from Section 1.00 (Purpose) because it relates to implementation of the Policy.

6. Section 4.00 – Incorporation of Sustainability Policy
Minor modifications were made to improve clarity.

Fiscal Impact:

None.

Strategic Plan Alignment:

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

This policy benefits District customers because it helps ensure that ratepayers will receive the best value for money spent on public works projects within the District.

Sacramento Suburban Water District

Public Works Contracting Policy

Adopted: December 20, 2004

~~Revised/Approved with Changes: December 15, 2008; August 20, 2012; August 18, 2014;
August 15, 2016; September 17, 2018~~

Introduction

Under sections 31005 and 31049 of the California Water Code, County Water Districts may contract for the construction of public works projects. Under these provisions, the Sacramento Suburban Water District has broad discretion to contract for the construction of public works. The Board of Directors desires to provide District ratepayers the best value for the revenues spent on public works projects within the District. In determining best value, District will develop procedures that will include the following, as appropriate:

- Contractor Qualifications
- Quality of Service
- Quality of Product
- Schedule
- Acceptable Contract Terms
- Contractor's Reputation, History, and/or Performance on Similar Projects
- District Costs of Contract Management including District staff costs

The Board of Directors desires to maintain flexibility for staff to contract District public works projects. Also, the Board desires to treat contractors working for the District in a fair and equitable manner, to ensure that the ratepayers procure the highest quality projects for the lowest possible cost ~~and with the least likelihood of contractor claims or bid protests.~~ Methods of awarding contracts for public works projects shall be selected to produce the greatest economic advantage to District ratepayers, and to perform public works projects shall be transparent consistent with the method selected and produce the greatest economic advantage to District ratepayers. Public works contracting processes also will avoid providing any favoritism or unfair advantage to individual contractors. Procedures developed for this policy will ensure proper District/contractor relationships.

Depending on the circumstances driving the need for a public works project, District staff may use a variety of methods to contract for that project. These methods may include, but are not limited to, the following:

- Design/Build Contracting
- Emergency Contracting
- Force Account Contracting
- Open Bid Contracting

- Pre-Qualification Bid Contracting
- Request for Qualifications/ Request for Proposal
- Sole Source Negotiations
- Solicitation of Price Quotes

The General Manager has the discretion to authorize staff to choose the appropriate contracting method, taking into consideration the project's requirements, available funds, effects on ratepayers, impacts on District operations, applicable legal and regulatory requirements, and any applicable grant or loan funding contract requirements pertaining to the particular project. Staff will document the reasons for choosing a particular contracting method and, when appropriate, report them to the Board.

1.00 Purpose

The primary purpose of this policy is to provide the District's ratepayers the best value for public works contracts awarded by the District. ~~Staff will utilize the method of contracting that best meets the District's needs. When time allows, the District will utilize generally accepted methods to acquire competitive pricing to achieve this objective. Specific procedures for obtaining competitive pricing from competing contractors will follow District Policies.~~

2.00 Authority

The General Manager is designated as the District's contracting officer with the authority to award and execute contracts binding the District to the construction of public works projects. Board approval of contracts is required when contract amounts exceed the purchasing authority of the General Manager as specified in the District Procurement Policy (PL - Fin 005) or the ~~annual approval of the approved~~ Capital Improvement Program (CIP) budget. The General Manager ~~will have~~has the authority to appoint ~~one or more~~ designees to act on his/her behalf, ~~as required,~~ subject to this ~~policy~~ Policy and to the establishment of ~~proper~~ procedures and controls governing such designees' authority.

The Board, at its discretion, may direct the manner in which a particular public works contract is selected and/or awarded. The Board may delegate actions under this policy to a Board committee.

3.00 Procedure

The General Manager District staff will maintain procedures for each method of contracting, to be approved by the General Manager, and in conformance with this policy. Staff will utilize the method of contracting that best meets District needs. When time allows and it best suits the needs of the District, the District will utilize generally accepted methods to acquire competitive pricing to achieve this objective. Specific procedures for obtaining competitive pricing from competing contractors will follow District Policies.

4.00 Incorporation of Sustainability Policy

Whenever prudent, and permitted by law, staff will incorporate the applicable principles of the District's Sustainability Policy into the bid procedures and the projects constructed in accordance with this Public Works Contracting Policy.

5.00 Policy Review

This Policy will be reviewed at least biennially.



Agenda Item: 6

Date: September 12, 2018

Subject: Procurement Policy (PL - Fin 005)

Staff Contact: Daniel A. Bills, Finance Director

Recommended Board Action:

Adopt the attached updated Procurement Policy (PL – Fin 005).

Discussion:

The Procurement Policy (PL – Fin 005) was adopted in 2004 and last reviewed by the Board in August 2016.

The attached updated Policy has been reviewed by staff and legal counsel. Recommended substantive changes include:

- Section 200.10 – Removal of confusing purchasing amount language.
- Section 200.20 – Clarifying language for purchases less than \$100,000.00.

Director comments were requested by August 31, 2018. One set of comments were received. Those comments have been incorporated into the attached Policy.

Fiscal Impact:

None.

Strategic Plan Alignment:

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

This policy benefits District customers by setting forth comprehensive guidelines for the purchasing of goods and services.

Sacramento Suburban Water District

Procurement Policy

Adopted: September 20, 2004

Revised: ~~August 15, 2005, August 20, 2007, August 17, 2009, August 20, 2012, September 15, 2014, August 15, 2016~~ Approved with changes on August XXSeptember 17, 2018

100.00 Purpose of the Policy

This document sets forth the policy of the Sacramento Suburban Water District concerning its purchases or procurement of materials (including supplies, inventory and equipment) and trade services. This Policy is adopted in accordance with the provisions of Article 7, Chapter 5, Part 1, Division 2 of Title 5 of the California Government Code (commencing with Section 54201) and the provisions of Article 1, Chapter 3, Part 5 of Division 13 of the California Water Code (commencing with Section 35600).

The primary purpose of this Policy is to provide guidance for the purchase of materials and trade services with the objective that they will be available at the proper time, in the proper place, in the proper quantity, in the proper quality, and at a competitive price, consistent with the anticipated needs of the District.

When used in this Policy, the term “procurement,” “purchase,” or “purchases” includes the purchase, lease or rental of materials and/or trade services.

When used in this Policy, the term “trade services” means services provided to the District other than those provided by licensed contractors performing construction of public works. Public works construction services are covered under District Policy PL – Eng. 002, “Public Works Contracting Policy.”

200.00 Policy**200.10 Authority**

The General Manager of the District has the authority to make purchases, sign contracts and otherwise encumber the District for the acquisition of materials or trade services within the ~~confines~~ scope of the Board of Directors approved District’s annual operating and maintenance budget, operating capital budget, or capital improvement program budget. The General Manager ~~will have~~ has the authority to appoint one or more designees to act as the District’s purchasing agent and may delegate his/her authority(~~ies~~) to District staff within established procedures and controls.

All District material or trade contract purchases, excepting those made under District Policy PL – Eng. 002, “Public Works Contracting Policy,” will be made in accordance with this Policy.

Purchases from contract and/or grant funds ~~shall~~ will be approved in accordance with the sponsoring agency's contract or grant procedures in addition to this Policy.

~~The determination of the purchase amount will be under taken based on the estimated or actual cumulative cost of materials and trade services to the provider on all projects provided by the provider in a single calendar year. The General Manager has the authority to determine which purchasing process is appropriate.~~

**200.20 Purchases of Materials and Trade Services
Up To ~~under~~ \$100,000**

For non-emergency, purchases or other encumbrances ~~under up to \$100,000 per annum~~, the General Manager or designee will have the authority to make the purchase, without the prior authorization of the Board of Directors and without following the procedures described in Section 200.30 of this Policy. However, disclosure of the purchase and its impact on the District's estimated total annual operating expenses or capital budget costs will be made to the Board of Directors at ~~its~~ the next regularly scheduled meeting of the Board of Directors. ~~The General Manager may make purchases under this section of materials or trade services under \$100,000 may be made~~ by negotiation, requests for proposal/qualifications or competitive bid at ~~his or her~~ the General Manager's discretion, provided that the method chosen is reasonable and ensures that the goods or services are procured at a price that is fair to the District and its ratepayers. The General Manager has the authority to determine which purchasing process is appropriate.

For emergency purchasing guidance, see Section 200.50.

Irrespective of monetary or other limitations specified in this section, the Board of Directors may, at its discretion, direct the manner in which a ~~known particular~~ specific purchase will be made.

200.30 Purchases of Materials and Trade Services in Excess of \$100,000.00 by a Request for Qualifications (RFQ) or a Request for Proposal (RFP)

Except as otherwise specified herein, all purchases of materials and trade services where the estimated expenditure is in excess of \$100,000.00 ~~per annum~~ will be made by a competitive process in the following manner.

An RFQ or RFP inviting bids for such purchases or trade services will be sent to qualified bidders as determined by the District, at least 10 days prior to the date designated for receipt of responses to the RFQ or RFP.

For trade services, selection criteria will be established by the District, which may be

based solely on qualifications (~~SOQ~~) of the candidate(s).

A written contract will be executed for all such purchases, preferably a contract prepared by the District.

The General Manager may determine and declare a bidder not to be a responsible bidder upon consideration of the following factors:

- (a) The bidder's record of performance on previous contract(s) or service(s);
- (b) The bidder's previous and existing compliance with laws and ordinances relating to the contract or service;
- (c) The bidder's ability, capacity, and skill to perform the work~~contract~~ or provide the service required;
- (d) Whether the bidder has the facilities to perform the contract work or provide the service promptly, or within the time specified, without delay or interference;
- (e) The sufficiency of the financial resources of the bidder to perform the contract work or provide the service;
- (f) The ability of the bidder to provide future maintenance and service (if required) of the commodity purchased;
- (g) The character, integrity, reputation, judgment, experience, and efficiency of the bidder.

Upon ~~finding~~ determination that a bidder is not a responsible bidder, the General Manger will transmit to the bidder a statement of the basis for such determination, and the bidder will be given a reasonable opportunity to refute the basis for such determination, prior to awarding the contract to a responsible bidder.

Once notified, a ~~disqualified prospective~~ non-responsible bidder may appeal the District's proposed determination of disqualification. The District will provide a two-tiered appeal process, consisting of an initial appeal to the General Manager and if dissatisfied with the General Manager's decision, to the Board of Directors or a committee of Directors assigned by the Board President. The Board of Directors' ruling on a disqualification appeal is final.

200.40 General Purchasing Guidelines

- (a) Purchases made with the District's Purchasing Card (Cal Card) shall conform to this Policy and Policy PL Fin 006 "Purchasing Card Policy."
- (b) Employees not designated under a ~~with~~ signed authorization, issued by the General Manager or his/her designee shall not encumber the District for

materials or trade services without prior, written authorization from the General Manager or his/her designee.

- (c) Transactions greater than \$500 may be pre-authorized with a valid Purchase Order or trade service contract.
- (d) Sales, Use, and other excise taxes shall be paid when~~re~~ required by State or Federal law.
- (e) Once materials or trade services received by the District have been confirmed to be acceptable and an appropriate invoice has been received, the District shall process the invoice, obtain the necessary approvals and pay for the materials or trade services within 30 days of receipt of invoice. If the invoice received is not approved, the District will provide notification of the deficiencies to the vendor within two weeks of receipt of invoice.
- (f) All receiving orders and invoices must be approved within the terms and conditions set forth by the General Manager in appropriately established purchasing procedures and controls before payment is made.
- (g) The General Manager may establish an imprest account(s) for the purposes of paying vendors or reimbursing employees for District expenditures of materials or trade services costing \$500 or less. Appropriate controls and procedures will be established by the General Manager or his/her designee.
- (h) All District purchases shall be made for District purposes only. Commingling of District purchases with personal purchases is prohibited.

200.50 Emergency Purchases

In case of emergency, where a purchase has not been authorized by the Board of Directors or this Policy requires such purchase to be made by competitive process or RFQ or RFP, and the General Manager has determined that the best interests of the District require that such purchase be made before the Board of Directors can meet to authorize such purchase, the General Manager or designee is authorized to make such purchase by negotiation after first obtaining the written or verbal consent of **two members** of the Board of Directors. The General Manager will thereafter promptly report in writing to the Board of Directors at the next regularly scheduled meeting of the Board of Directors the nature and amount of the purchase and the emergency circumstances justifying such purchase.

300.00 Policy Review

This Policy shall be reviewed at least biennially.



Agenda Item: 7

Date: September 12, 2018

Subject: Resolution No. 18-16 Amending Regulation No. 3 of the Regulations Governing Water Service

Staff Contact: Daniel A. Bills, Finance Director

Recommended Board Action:

Adopt Resolution No. 18-16 Amending Regulation No. 3 of the Regulations Governing Water Service.

Background:

The Regulations Governing Water Service (Regulations) is a District Ordinance that was adopted on April 18, 2004. It provides direction for governance of the business related functions necessary to operate the various processes performed to serve water to customers. From time to time, staff reviews the Regulations and recommends changes for Board review and approval. Changes typically reflect updated information, clarity edits, updates to fees and rates, and incorporation of policy changes enacted by the Board.

Discussion:

There is a single change recommended to Regulation No. 3 - a \$15.00 reduction in charges for backflow prevention assembly (Assembly) testing. A redline/strikeout version of the proposed amendment is included with this report as Exhibit 1. To save paper, a clean version is available upon request.

The District has been developing a backflow testing portal for testers to sign-up for and submit backflow testing results directly to the District. Until now, the District has been utilizing the services of Sacramento County (County) to obtain and manage eligible certified testers. The County charges the District \$11.00 per certification tag issued for this service. This \$11.00 charge is included in the current \$76.00 testing charge applied if a customer requests backflow testing or the District determines it is necessary to test an Assembly. With the ability now to apply and submit testing results directly to the District, the District can maintain its own list of certified testers, no longer needing to rely on the County. The District has determined that a charge of \$1.00 per tag covers the District's costs of providing tags. Thus, a fee reduction of \$10.00 in testing charges is warranted.

Additionally, upon further review, staff has also determined a further reduction of \$5.00 per test is warranted, based on the current tester fees and District labor costs associated with backflow testing.

Presently Regulation No. 3, Section D states the District is to charge \$76.00 for each Assembly tested. This charge (fee) should be reduced by \$15.00 to \$61.00 per test for the reasons cited above.

Fiscal Impact:

Cross Connection Control Program (CCCP) fee income is expected to be reduced by \$7,500.00, but will cover the CCCP's cost.

Strategic Plan Alignment:

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

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

EXHIBIT 1

Regulation No. 3 Water Service Charges and Rates

Adopted: March 15, 2004

~~Amended: December 21, 2009; December 19, 2011; January 28, 2013;
August 27, 2013; June 15, 2015; April 17, 2017~~ Approved with Changes on:
September 15, 2018

A. Charges for Water Service

The District charges all Customers on a monthly basis. Customers billed on a Residential Flat Rate are billed in advance, while Metered Rate Customers are billed in arrears. All charges are based on the District's costs of providing District Water Service. Therefore, the basis for charges and rates are categorized on the same basis as District costs. Explanations of each charge and the related District costs are as follows:

1. Flat Service Charge: This charge is based on connection size. The charge is intended to cover District operations and maintenance fixed costs, attributable to serving Residential Flat Rate Customers.

Usage Charge: This charge is based on Parcel square footage. The charge is intended to cover District operations and maintenance variable costs, attributable to Residential Flat Rate Customers.

Sacramento Suburban Water District Flat Rate Customers				
	01/01/15	01/01/16	01/01/17	01/01/18
Usage Charge (\$/1,000 sq. ft.)	\$ 0.95	\$ 0.98	\$ 1.02	\$ 1.06
Flat Service Charge				
3/4" connection	\$ 15.49	\$ 16.11	\$ 16.75	\$ 17.42
1" connection	\$ 22.41	\$ 23.31	\$ 24.24	\$ 25.21
1 1/2" connection	\$ 42.32	\$ 44.01	\$ 45.77	\$ 47.60
2" connection	\$ 41.80	\$ 43.47	\$ 45.21	\$ 47.02

2. Meter Service Charge: This charge is based on meter size. The charge is intended to cover District operations and maintenance variable costs attributable to serving Metered Rate Customers.

Usage Charge: This charge is based on water usage. The charge is intended to cover District operations and maintenance fixed costs attributable to Metered Rate Customers, including the cost of water. The Usage Charge is based on 100 cubic feet of water (748 gallons.).

Sacramento Suburban Water District Metered Rate Customers				
Meter Usage Charge (\$/CCF) – 1CCF = 748 gallons	01/01/15	01/01/16	01/01/17	01/10/18
Non-Residential-Off-Peak Rate (Nov-Apr)	\$ 0.84	\$ 0.88	\$ 0.91	\$ 0.95
Non- Residential - Peak Rate (May-Oct)	\$ 1.05	\$ 1.09	\$ 1.14	\$ 1.18
Residential - 1st Tier (0-10 CCF)	\$ 0.83	\$ 0.87	\$ 0.90	\$ 0.94
Residential - 2nd Tier (11+ CCF)	\$ 1.04	\$ 1.08	\$ 1.12	\$ 1.17
Meter Service Charge				
5/8" meter	\$ 3.74	\$ 3.89	\$ 4.05	\$ 4.21
3/4" meter	\$ 5.46	\$ 5.68	\$ 5.91	\$ 6.14
1" meter	\$ 8.84	\$ 9.19	\$ 9.56	\$ 9.94
1 1/2" meter	\$ 17.26	\$ 17.95	\$ 18.67	\$ 19.42
2" meter	\$ 27.46	\$ 28.55	\$ 29.70	\$ 30.88
3" meter	\$ 51.17	\$ 53.21	\$ 55.34	\$ 57.56
4" meter	\$ 85.02	\$ 88.42	\$ 91.96	\$ 95.64
6" meter	\$ 169.68	\$ 176.46	\$ 183.52	\$ 190.86
8" meter	\$ 305.14	\$ 317.34	\$ 330.04	\$ 343.24
10" meter	\$ 491.40	\$ 511.06	\$ 531.50	\$ 552.76
12" meter	\$ 728.42	\$ 757.55	\$ 787.85	\$ 819.37

3. Capital Facilities Charge (Applies to Residential Flat and Metered Rate Accounts):
This charge is based on meter or connection size and property location. This charge covers District capital improvement charges and the periodic principal and interest payments due on District debt.

Sacramento Suburban Water District All Customers				
Capital Facilities Charge	01/01/15	01/01/16	01/01/17	01/01/18
5/8" meter	\$ 20.02	\$ 20.82	\$ 21.65	\$ 22.52
3/4" meter or connection	\$ 29.85	\$ 31.04	\$ 32.28	\$ 33.57
1" meter or connection	\$ 49.92	\$ 51.92	\$ 53.99	\$ 56.15
1 1/2" meter or connection	\$ 99.48	\$ 103.46	\$ 107.59	\$ 111.90
2" meter or connection	\$ 159.22	\$ 165.59	\$ 172.22	\$ 179.11
3" meter or connection	\$ 298.79	\$ 310.74	\$ 323.17	\$ 336.10
4" meter or connection	\$ 498.11	\$ 518.03	\$ 538.75	\$ 560.30
6" meter or connection	\$ 995.90	\$ 1,035.74	\$ 1,077.17	\$ 1,120.26
8" meter or connection	\$ 1,792.75	\$ 1,864.46	\$ 1,939.04	\$ 2,016.60
10" meter or connection	\$ 2,888.55	\$ 3,004.09	\$ 3,124.25	\$ 3,249.22
12" meter or connection	\$ 4,282.36	\$ 4,453.65	\$ 4,631.80	\$ 4,817.07

4. Multiple Unit Charge

An additional monthly per unit charge will be imposed on all multi-family accounts (i.e. duplex, triplex, etc.) billed by the District on a flat rate basis as defined below.

Multiple Unit Charge				
	01/01/15	01/01/16	01/01/17	01/01/18
Per Unit Charge	\$ 8.35	\$ 8.69	\$ 9.03	\$ 9.39

B. Service Charges

1. For each new account to be established, a service charge shall be assessed and added to the first or opening water bill for payment in accordance with the following provisions:

Service charge with water service already on. \$9.00

Service charge during regular business hours, which requires restoration of water. \$31.00

2. The following dispatch service charges shall be assessed in accordance to Section K.2, Regulation 5 and Section C, Regulation 6:

Dispatching personnel to deliver delinquency notice \$35.00

Dispatching personnel to terminate water service \$60.00

Other than in an emergency, to locate a service or shut-off water service after regular business hours the District will charge its actual cost of time and material.

C. Temporary Turn-On Charges

When water service has been terminated for non-payment or put into an inactive status, and temporary (24-hour maximum) service is required for third-party inspection purposes, a non-refundable charge of \$40.00 shall be paid before service is turned on.

D. Cross-Connection Control Program

Monthly charges shall be paid to fund the District's Cross-Connection Control Program (CCCP). This charge shall be billed monthly per Backflow Prevention Assembly (Assembly) to each Account holder with one or more Assemblies. Each Assembly is the property of the Landowner. The services covered by this charge shall include, but are not limited to, administering/monitoring the program, notifying Customers, performing inspections, reviewing and recording test results and reporting to the State Water Resources Control Board Division of Drinking Water (DDW). The charge shall be determined each

year based on program expenses and the number of Assemblies within the District. The current monthly charge for the CCCP shall be \$2.20 per Assembly for all connection sizes.

If a Customer requests Assembly testing or the District determines it is necessary to test an Assembly, the District will impose an Assembly test charge of ~~\$76.00~~\$61.00 per Assembly. The charge includes the fee for the required District tag. While the District does not routinely perform repairs or replacements, labor and materials will be charged to the Account holder if the District is required to repair or replace an Assembly.

As part of the Assembly test, a District tag must be attached to the Assembly indicating whether it “passed” or “failed”. These tags are to be purchased by the tester at the District office. The cost of the tag shall be determined each year based on the cost of producing the tag and overseeing the tag distribution. The current cost shall be \$1.00 per tag.

E. Privately-Owned Fire Protection Systems

A monthly charge shall be paid for water service at un-metered connections to the District’s Water System which supplies water to privately-owned and maintained sprinklers used exclusively for firefighting, irrespective of the quantity of water used and based on the size of the fire service assembly as follows:

Private Fire Service				
Size	01/01/15	01/01/16	01/01/17	01/01/18
2-inch	\$ 11.80	\$ 12.28	\$ 12.77	\$ 13.28
3-inch	\$ 22.15	\$ 23.04	\$ 23.96	\$ 24.92
4-inch	\$ 36.09	\$ 37.53	\$ 39.03	\$ 40.59
6-inch	\$ 71.81	\$ 74.68	\$ 77.67	\$ 80.78
8-inch	\$ 127.04	\$ 132.12	\$ 137.40	\$ 142.90
10-inch	\$ 198.48	\$ 206.42	\$ 214.68	\$ 223.27
12-inch	\$ 221.21	\$ 230.06	\$ 239.26	\$ 248.83

F. Security Deposits

Whenever an Applicant's or Customer’s credit rating or payment history is or becomes unacceptable to the District because of poor credit history, non-payment of water bills, or frequent delinquent bill payment, a cash deposit may be required in accordance with the schedule set below:

1. Residential Customers shall be required to pay the sum equal to two (2) months water charge, but not less than \$90.00 (cost of ¾” flat base charges).
2. Business Customers shall be required to pay the sum equal to three (3) times the estimated water bill, but not less than \$180.00 (cost of 1” meter base charges).

The District may apply the security deposit to any account of a Customer that is delinquent for more than 30 days and will notify the Customer of such application. Water service may

be terminated if the account is not fully paid and the security deposit replenished, subject to the conditions and procedures described in Regulation 6, Section B.

The security deposit will be returned to the Customer without interest upon termination of the service and payment of all rates and charges owed to the District by the Customer, or at such earlier time as the District may determine that the credit of the Customer is satisfactory. Security deposits that remain unclaimed after five (5) years from the date the deposit became refundable will become property of the District.

For the purpose of this Regulation 3, the District shall determine whether a Customer's credit is satisfactory. The credit of a Customer who has paid all rates and charges without delinquency for twelve months shall be deemed satisfactory.

G. Application of Payments

Any monies received on an account will be applied first to the oldest outstanding charges.

H. Returned Payments

The District shall levy a charge for each returned payment as defined in Regulation 5, Section C. The amount shall be the District's actual Bank Service Charge plus \$10.00.

I. Meter Testing Fee

This charge will be assessed to accounts that request a meter test with results within the range set by AWWA per Regulation 4, Section D. The fee will be \$285.00 per meter test for large meters (3" and above), \$200.00 for medium meters (1-1/2" and 2"), and \$60.00 for small meters (1" and below).

J. Bacteriological Testing

The District will assess actual time and material costs but not less than a minimum charge of \$25.00 for each bacteriological test as defined in Regulation 7, Section H.8.

K. Annexation Fees

The District will charge annexation fees for each Parcel located outside of the District's legal boundaries that desires to be annexed into the District. The fee will be charged on a time and materials basis and reflect all District costs to apply for and complete the annexation of a Parcel, including without limitation staff time, attorneys' and consultant fees, LAFCO application fees, and costs of studies and environmental review. Upon application for an annexation into the District, staff will estimate the costs to process the annexation and the applicant shall deposit the estimated costs with the District. Upon conclusion of the annexation proceedings, if a portion of the deposit remains, it will be refunded to the applicant. If the District has expended the entire deposit and advanced additional funds to pay costs of the annexation proceedings, the applicant will repay the

entire amount of any funds advanced by the District as a condition of LAFCO's recording of the Certificate of Completion approving the annexation and of the District's approval of the applicant's Application for Water Service.

L. Water Conservation Violation

In accordance with Section B of Regulation 15, the following charges may be imposed for a Water User's violation of the District's water conservation regulations:

1. A charge of \$50.00 will be added to the next billing for serving the second water conservation violation as defined in Regulation 15, Section B.
2. A charge of \$100.00 will be added to the next billing for serving the third water conservation violation as defined in Regulation 15, Section B.

M. Variance Application Service Fees

1. A service fee of \$300.00 will be charged to any person or entity for a filing variance application as provided in Regulation 17, Section B.
2. If an Applicant desires a hearing at a special Board of Directors meeting, a fee of \$1,200.00 will be charged as provided in Regulation 17, Section E.

N. Facility Use Fees

District Facilities may be used only upon approval of the General Manager. Interested parties must apply for use of District Facilities by completing the District's "Facility Use Application." All charges for use of District Facilities, including insurance requirements, are as noted on the Application and are dependent on facility location, event duration and recovery of all District costs required for the event.

O. Public Information Request

A charge of \$0.10 per page shall be charged for requests for copying of disclosable District records. Additional charges and terms of reproduction and delivery of copies of records are provided in the District's Records Inspection, Retention and Disposal Policy, PL-Admin 002.

P. Construction Water Charge

Water provided by the District for construction purposes will be charged subject to conditions of the service or project and in conformance with Regulation 12. The following charges will apply:

1. For construction water taken through a District Fire Hydrant Meter the contractor will be required to pay the current metered nonresidential peak

usage rate per hundred cubic feet of water taken, a \$50.00 permit fee and \$2,300.00 deposit for the hydrant meter with backflow prevention assembly.

2. Use of District Fire Hydrants is authorized by a permit issued by the District only, as conditioned in Regulation 13, Section D. Illegal use of a Fire Hydrant may be subject to a \$250.00 charge.

Q. Plan Check Fee

An hourly rate of \$90.00 shall be assessed for review of an Applicant's construction plans as provided in Regulation 7 under Part H.1. The minimum plan check fee shall be \$900.00.

R. Supervision and Inspection

An hourly charge of \$87.00 shall be used to calculate the deposit for supervision and inspection of new or upgraded water facilities to be connected to the District system, as provided in Regulation 7, Section H.6. The minimum fee for Supervision and Inspection shall be \$600.00.

S. Hydrant Flow Test

A completed application for hydrant flow test and \$350.00 fee shall be paid in advance to supervise and perform a fire hydrant flow test and to provide written results of the test to the person or entity requesting it.

T. Abandonment of Service and Reinstallation of Abandoned Service

The District charge for abandoning an existing water service from the existing water main as provided in Regulation 7, Section K shall be calculated on a time and materials basis, with a minimum charge of \$3,000.00. The estimated charge shall be paid to the District prior to scheduling the abandonment. In addition, if requested by a Landowner, the District will restore an abandoned service connection by charging on a time and materials basis, with a minimum charge of \$3,000.00.

U. Administration Fee

This fee will be assessed to those accounts that participate in certain District programs, including without limitation the Large Irrigation Service, Wholesale Water, and Owner/Tenant Billing Agreement. Each fee is based on actual District costs for administering the individual program and is reviewed at least annually.

V. Locking Device Replacement Fee

If the District has installed a locking device on a water meter, curb stop or service valve and such a device is damaged or removed, then a \$35.00 charge shall be imposed on the Landowner.

If installed locking devices on the same service connection continue to be damaged or removed, the District reserves the right to abandon the service. Charges for service abandonment and any subsequent reinstallation of service will be on time and materials for the abandonment of the service as provided in Section T of this Regulation 3. The charges will be added to the Customer's water bill and must be paid before service is restored.

EXHIBIT 2

RESOLUTION NO. 18-16

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SACRAMENTO SUBURBAN WATER DISTRICT AMENDING REGULATION NO. 3 OF THE REGULATIONS GOVERNING WATER SERVICE

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

WHEREAS, the Board now desires to amend Regulation No. 3 of the Regulations Governing Water Service as described in this Resolution; and

WHEREAS, none of the described amendments to Regulation No. 3 are subject to Proposition 218’s notice and hearing requirements as provided in Article XIII D, section 6 of the California Constitution.

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

1. Regulation No. 3 is hereby amended as shown in Exhibit 1, which is attached to and made a part of this Resolution.
2. The Board authorizes and directs the General Manager and staff to take all actions necessary to amend Regulation No. 3 and to enforce such amended regulations in accordance with the authority granted by this Resolution.
3. Except as modified by the terms of this Resolution, the existing District Regulations Governing Water Service shall remain in full force and effect. Any provisions in the existing regulations that conflict with the amendments set forth in this Resolution are deemed superseded and of no further effect.
4. This Resolution shall take effect as of October 1, 2018.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on the 17th day of September 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 regular meeting hereof held on the 17th day of September 2018.

(SEAL)

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



Agenda Item: 8

Date: September 7, 2018

Subject: Electronic Board Packet Options

Staff Contact: Mike Huot, Assistant General Manager

Recommended Board Action:

Staff recommends the Board consider the paper vs. electronic Board Packet options described in this staff report and determine what option, or modified option, is preferred for future District Board meetings. After direction is received, staff will begin adjusting business practices to implement.

Background:

Traditionally, the Board of Directors, staff, and the public receive Board Packets in paper copy form. Prior to the advancement in technology, paper Board Packets were the primary mechanism for the Board, staff, and the public to review Board documents. As computers and technology have become the norm in the workplace, the process for routing and printing paper documents are being replaced by electronic processes.

Discussion:

Since electronic documentation is becoming more common and a standard for the future, staff would like to present options for receiving Board Packets. Options below are to consider and to help begin discussions. In each option, Board members and staff who currently receive Board Packets could choose to use a District provided laptop or surface, which will be loaded with the Board Packet and pdf software to view, highlight, or make notes:

1. Status Quo – We currently print fifteen Board Packets and print additional Board Packets when requested and paid by the public. One Board member currently uses a personal laptop to view Board Packets electronically. Recipients of paper copy Board Packets include:
 - Board members (4)
 - Staff (6) – General Manager, Assistant General Manager, Finance Director, Operations Manager, Engineering Manager, and Senior Project Manager
 - Public (4)
 - Additional public copies when requested and purchased (typically 1)
2. Hybrid – In this option some staff and Board members would convert to receiving electronic Board Packets. This would reduce the number of full Board Packets copies from 15 down to as low as 1, depending how many Board members and staff would convert from paper to electronic Board Packets. There will still be three partial copies for

the public that will include only the Agenda, Action, and Consent Items. Recipients of paper copy Board packets in this option include:

- Board members (up to 4)
 - Staff (up to 2) – General Manager and Finance Director
 - One full public copy (1)
 - Three public copies of Agenda, Action, and Consent Items (3 partial)
 - Additional public copies (when requested and purchased, typically 1)
3. Electronic Option – This option would require staff to only print copies of the Agenda, Consent, or Action Items for the public of, depending on the Board’s preference. Board members and staff would use a District provided laptop or surface, which will be loaded with the Board Packet to view, highlight, or make notes.

Reducing or eliminating the amount of paper copy copies has many benefits. In addition to being more efficient, it will allow our administrative staff to reallocate their time towards other District business needs, which is about 20 hours a month. Going electronic will also promote our “going green” objective by reducing use of printing supplies and paper.

Fiscal Impact:

A laptop or surface and accessories will cost about \$1,700. The number of Board members and staff that need a laptop or surface will dictate the initial cost.

Strategic Plan Alignment

Facilities and Operations – 2.C. Develop cost-effective strategies utilizing technology and available resources to optimize delivery of water and enhance service.

Facilities and Operations – 2.E. Continue with information technology systems that will provide the availability of timely and accurate information allowing a provision of superior service to our customers.

Changing from paper copies to electronic board packets benefits District customers by increasing the efficiency of District business and allowing our staff to focus on other pressing business needs; thus, our customers will get more out of the rates they pay for staff.



Agenda Item: 9

Date: September 12, 2018

Subject: 2019 Revised Budget Preparation Timeline

Staff Contact: Daniel A. Bills, Finance Director

Recommended Board Action:

Attached for the Board’s review is a proposed revised schedule for developing and adopting the 2019 budget. Staff seeks approval of the revised schedule as set forth in the attached document or as amended.

Discussion:

Due to delays in finalizing the 2018 Compensation Study, staff is proposing the revised 2019 Budget schedule for Board consideration.

Strategic Plan Alignment:

Finance – 4.H. Produce and monitor an annual budget for necessary system operations, maintenance and improvements.

A budget process benefits District customers as it is a device which forms the basis of organization and control of its financial resources. It also aids in making advance decisions regarding the efficient use of rate payers funds.

2019 Proposed-Revised Budget Preparation Schedule

Below is the proposed-revised schedule for preparation of the 2019 budget. The necessary preparation tasks and their corresponding due dates are detailed below. Please note the original schedule presumeds Budget adoption in October. While the Board may still adopt the Budget in October, which the Board has traditionally preferred in election years staff is revising the schedule to allow for adoption at the November 19, 2018 Regular Board Meeting.

<u>Meeting</u>	<u>Purpose</u>	<u>Due</u>	<u>Date</u>	<u>Time</u>
Board Meeting	Approve Schedule	Monday	June 18	6:00 pm
Kick-Off Meeting	Marconi Staff Training	Monday	July 9	Noon
Kick-Off Meeting	Walnut Staff Training	Tuesday	July 10	Noon
Finance Committee	Review Assumptions	Tuesday	July 10	2:00 pm
1st Draft Due	Send to Finance Dept	Friday	August 3	COB
GM/AGM/FD/FA	Review 1 st Draft	Friday	August 17	1:30 pm
Budget Preparers	Informed of Changes	Monday	August 20	Noon
Board Meeting	Status Report	Monday	August 20	6:00 pm
2 nd Draft Due	Send to Finance Dept	Friday	August 24	COB
Ex Comm Review	Review 2 nd Draft	Wednesday	August 29	10:00 am
Budget Preparers	Informed of Changes	Friday	August 31	COB
Board Workshop	Budget Presentation	Monday	September 10	6:00 pm
Board Meeting	Budget <u>Timeline</u> Update	Monday	September 17	6:00 pm
Finance Committee	Review Compensation Study	Thursday	October 4	2:00 pm
Ex Comm Review	Review Final <u>Budget</u> Draft	Wednesday Friday		
	Oct September 26			11:00 am
Board Meeting	Approve Final Budget <u>Review Compensation Study</u> <u>And 2nd Draft Budget</u>	Monday	October 15	6:00 pm
Board Meeting	Approve Final Budget	Monday	November 19	6:00 pm
Budget Preparers	Final Budgets Provided	Tuesday	October 26	COB

AGM – Assistant General Manager
 COB – Close of business
 FD – Finance Director
 FA – Finance Analyst

(Note: the budget is comprised of the Operations and Maintenance Budget (O&M), Operating Capital Budget (OCB), and the Capital Improvement Program Budget (CIP)).

2019 Revised Budget Preperation Schedule

Below is the revised schedule for preparation of the 2019 budget. The necessary preparation tasks and their corresponding due dates are detailed below. Please note the original schedule presumed Budget adoption in October. While the Board may still adopt the Budget in October, staff is revising the schedule to allow for adoption at the November 19, 2018 Regular Board Meeting.

<u>Meeting</u>	<u>Purpose</u>	<u>Due</u>	<u>Date</u>	<u>Time</u>
Board Meeting	Approve Schedule	Monday	June 18	6:00 pm
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Budget Preparers	Informed of Changes	Monday	August 20	Noon
Board Meeting	Status Report	Monday	August 20	6:00 pm
2 nd Draft Due	Send to Finance Dept	Friday	August 24	COB
Ex Comm Review	Review 2 nd Draft	Wednesday	August 29	10:00 am
Budget Preparers	Informed of Changes	Friday	August 31	COB
Board Workshop	Budget Presentation	Monday	September 10	6:00 pm
Board Meeting	Budget Timeline Update	Monday	September 17	6:00 pm
Finance Committee	Review Compensation Study	Thursday	October 4	2:00 pm
Ex Comm Review	Review Final Budget Draft	Friday	October 5	11:00 am
Board Meeting	Review Compensation Study And 2 nd Draft Budget	Monday	October 15	6:00 pm
Board Meeting	Approve Final Budget	Monday	November 19	6:00 pm
Budget Preparers	Final Budgets Provided	Tuesday	October 26	COB

AGM – Assistant General Manager

COB – Close of business

FD – Finance Director

FA – Finance Analyst

(Note: the budget is comprised of the Operations and Maintenance Budget (O&M), Operating Capital Budget (OCB), and the Capital Improvement Program Budget (CIP)).



Agenda Item: 10

Date: September 12, 2018

Subject: General Manager’s Report

Staff Contact: Dan York, General Manager

a. City of Sacramento Wholesale Agreement

As reported in October 2017, the District and City of Sacramento (City) concur that it is advantageous to amend the 2004 Agreement that will potentially lower the cost per acre feet that would allow the City to utilize their water supplies and to allow the District to purchase the water to benefit its Conjunctive Use Program. In addition, the City and the former Northridge Water District (NWD) entered into an agreement in 1980, under which the City granted NWD the right, subject to specified conditions, to divert up to 9,023 acre feet (af) per year from the American River for use within the portion of service area of NWD, referred to as Area D. The City has contracted with HDR Engineering Inc. to conduct a wholesale water rate analysis. HDR is scheduled to provide the subject analysis to the City’s Finance Department in November 2018.

District legal counsel has generated a draft letter that would commit the two agencies to initiate negotiations for a new agreement to transfer the 9,023 af of Area D water supply to the District for use within the North Service Area. The draft letter was delivered to COS on September 10, 2018.

b. 2018 Water Transfer Update

The 2018 Water Transfer Program period is July 1, 2018 through September 30, 2018. As previously reported, City of Sacramento (COS) and Sacramento Suburban Water District (SSWD) began transferring water on July 13, 2018 as part of the Regional Transfer Program. The COS is transferring 3,900 af of groundwater and SSWD is transferring up to 4,300 af of groundwater in lieu of using surface water, for a total of 8,200 af. SSWD is on pace to transfer the committed 4,300 af. However, COS is running behind schedule because of the water transfer starting 12 days after the start date for the 2018 Water Transfer Program due to mechanical issues related to a few of their groundwater wells. COS is on pace to pump 2,440 af, which is 1,460 af less than committed. This leaves about 1,300 – 1,400 af additional water that SSWD will pump and transfer to provide additional funds to the transfer program for the District.

Participants in the Regional Water Transfer Program will be receiving the first payment allotment, which is 50% of the water transfer program amount, the week of September 17, 2018. The invoice for the second payment for transfer water will be sent to the Buyers the week of September 10, 2018. The final payment will be invoiced after Department of Water Resources finalizes the calculations of all water transferred, which

is anticipated to be in October 2018. In addition, the Buyers agreed to pay the Sellers administrative expenses pertaining to the water transfer, in the amount of \$50,000. The administrative expenses are associated with consultant/legal fees required for the transfer of water. The District expensed \$34,000 for administrative costs associated with the regional transfer. However, among the regional agencies participating in the water transfer, the District will receive \$16,500 of the \$50,000 allotted expenses for administrative expenses.

c. Strategic Plan Workshop

The District conducted its first Strategic Planning process in 2004. The meeting was conducted with the assistance of a consultant that specialized in strategic planning processes. Strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy. It may also extend to control mechanisms for guiding the implementation of the strategy. It is necessary to determine how to invest limited resources to achieve the greatest desired return, within acceptable levels, to achieve the District's Mission Statement.

The most recent Strategic Plan Workshop conducted by the District was in March 2011. In reviewing the documents from the March 2011 workshop, it appears there were no implementation processes/goals set for the District. It is important to review the District's Strategic Plan as there have been significant changes to the region and state since 2011. In addition, it is relevant to review strategic plans on a periodic basis to address potential changes to strategic plans, but also develop goals, both short and long term.

On September 7, 2018, staff met with Ellen Cross, with Strategy Driver, to discuss her view of a Strategic Plan Workshop from her perspective and provide the District with a scope of work that would describe where her expertise could best be utilized in the process and estimate the cost of her involvement. Staff is in the process of contracting with Ms. Cross to assist in reviewing/updating the District's Strategic Plan. Below is a proposed schedule to achieve the goal of reviewing the District's Strategic Plan in 2018:

- September 2018: Consultant to meet with management staff
- September / October 2018: Departmental staff input
- October / November 2018: Consultant interviews Directors individually
- November 2018: Board Workshop
- December 2018: Final Strategic Plan

ITEM 11. a.

REGIONAL WATER AUTHORITY REGULAR MEETING OF THE BOARD OF DIRECTORS

Thursday, September 13, 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. Minutes from the July 12, 2018 RWA Board meeting

Action: Approve the Consent Calendar Item

4. EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS

a. Information: Final minutes of the June 27, 2018 and July 25, 2018 Executive Committee meetings and draft minutes from the August 22, 2018 Executive Committee meeting

b. Information: Executive Committee report on the Executive Director's performance review

c. Action: Designate \$14,000 from FY2018 from office move funds for future improvements in FY2019.

5. PROPOSITION 1 STORAGE UPDATE

Information Presentation: Terrie Mitchell, Sacramento Regional County Sanitation District and Jim Peifer, City of Sacramento Department of Utilities

6. REGIONAL RELIABILITY UPDATE

Information Presentation: Rob Swartz, Manager of Technical Services

7. CALWEP UPDATE

Information Presentation: Mary Ann Dickinson, President and CEO of Alliance for Water Efficiency and California Water Efficiency Partnership Executive Director and Amy Talbot, Senior Project Manager, Regional Water Authority and Chair of the CALWEP Board of Directors

8. EXECUTIVE DIRECTOR'S REPORT

9. DIRECTORS' COMMENTS

ADJOURNMENT

Upcoming meetings:

Next Executive Committee Meetings – Thursday, September 27, 2018 and Wednesday, October 24, 2018, 8:30 a.m. at the RWA office.

Next RWA Board of Directors' Meeting – Thursday, November 8, 2018, 9:00 a.m., at the RWA Office.

**REGIONAL WATER AUTHORITY
EXECUTIVE COMMITTEE AGENDA**

**August 22, 2018; 8:30 a.m.
5620 Birdcage Street, Suite 110
Citrus Heights, CA 95610
(916) 967-7692**

AGENDA

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

- 1. CALL TO ORDER AND ROLL CALL**
- 2. PUBLIC COMMENT:** Members of the public who wish to address the committee may do so at this time. Please keep your comments to less than three minutes.
- 3. CONSENT CALENDAR**
Minutes of the July 25, 2018 Executive Committee meeting
Action: Approve Consent Calendar item
- 4. DESIGNATE FUNDS FROM FY2018**
Action: Designate \$14,000 from FY2018 from office move funds for future improvements in FY2019
- 5. UPDATE OF POLICY 400.2 EMPLOYEE COMPENSATION**
Information Presentation and Discussion: John Woodling, Executive Director
Action: Recommend Board Approval of amended Policy 400.2
- 6. SUBCOMMITTEE UPDATES**
Information Presentation: Conference and Membership Subcommittees and Discussion
- 7. RWA SEPTEMBER 13, 2018 BOARD MEETING**
Action: Approve Agenda for September 13, 2018 Meeting of the RWA Board of Directors
- 8. CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(E) AND 54957 – PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
Title: Executive Director
- 9. REPORT FROM CLOSED SESSION – EXECUTIVE DIRECTOR'S PERFORMANCE**

10. EXECUTIVE DIRECTOR'S REPORT

11. DIRECTORS' COMMENTS

ADJOURNMENT

Upcoming meetings:

Upcoming Executive Committee Meetings – September 26, 2018 and October 24, 2018 at 8:30 a.m. at the RWA office

Next RWA Board of Directors' Meeting – Thursday, September 13, 2018, at 9:00 a.m. in the RWA conference room, 5620 Birdcage Street, Ste. 110, Citrus Heights, CA 95610

ITEM 11. c.

WATER CAUCUS
Wednesday, September 12, 2018
11:30 AM – 1:00 PM
Regional Water Authority
5620 Birdcage St., Citrus Heights

Agenda

1. Delta Updates
2. SGMA Update
3. Legislative Update
4. Water Efficiency Update
5. Regional Water Reliability Plan Update
6. Proposition 3 Funding

ITEM 12. a.

Agenda Sacramento Suburban Water District **Facilities and Operations Committee**

3701 Marconi Avenue, Suite 100
Sacramento, CA 95821

Thursday, September 13, 2018
2:00 p.m.

Public documents relating to any open session item listed on this agenda that are distributed to the Committee members less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

The public may address the Committee concerning any item of interest. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The Committee Chair will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at (916)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 an opportunity for the public to comment on non-agenda items within the subject matter jurisdiction of the Committee. Comments are limited to 3 minutes.

Consent Items

The Committee 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 member of the Committee, staff or interested person requests that an item be removed from the Consent Items, it will be considered with the Items for Discussion and/or Action.

- 1. Minutes of the August 1, 2018 Facilities and Operations Committee Meeting**
Recommendation: Approve subject minutes.

Items for Discussion and/or Action

2. **Distribution Main Asset Management Plan Update**
Recommendation: Receive staff report and direct staff as appropriate.
3. **Review Draft Language for 2018 Consumer Confidence Report**
Recommendation: Receive staff report and direct staff as appropriate.
4. **McClellan Business Park Update**
Recommendation: Receive staff presentation.
5. **Antelope Gardens**
Recommendation: Receive staff report and direct staff as appropriate.

Adjournment

Upcoming Meetings:

Monday, September 17, 2018 at 6:00 p.m., Regular Board Meeting
Wednesday, October 3, 2018 at 4:30 p.m., San Juan Water District/Sacramento Suburban Water District Water Management/Re-Organization Committee Meeting
Monday, October 15, 2018 at 6:00 p.m., Regular Board Meeting

I certify that the foregoing agenda for the September 13, 2018 meeting of the Sacramento Suburban Water District Facilities and Operations Committee was posted by September 6, 2018 in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was made available to the public during normal business hours.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 13

Date: September 13, 2018

Subject: Fixing the 2018 Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees' Medical and Hospital Care Act Follow Up

Staff Contact: Daniel A. Bills, Finance Director

Background:

At the July 16, 2018, regular Board meeting, the District's Board of Directors approved Resolution No. 18-12 stipulating that the District remain in the CalPERS medical Program for 2019. However, the Board had some concerns and asked staff to bring back more information on the CalPERS health plan and asked for responses to specific questions from Directors. Below are the questions posed and staff's answers per the Board's request:

1. Please clarify CalPERS "100/90" Medical Benefit Formula for health plans:

The District elected to join CalPERS' health coverage plan effective January 1, 2003, roughly a year after merger. Employees hired prior to this date are in a "pre-merger" plan where full vesting occurs 5 years after employment with 100% of the premium paid for the employee and their dependents after retirement. For employees hired after January 1, 2003, two major changes were instituted – 1) Vesting would begin after 10 years of service (50%), with full vesting occurring at 20 years (100%); and 2) medical premiums, upon vesting, would be covered in full for the employee (100%) but dependents would be covered at only 90% of the required premium. Therefore, the "100/90" formula refers to the amount of premiums paid by the District on behalf of employees hired after January 1, 2003.

2. Please explain CalPERS Medical Benefits Plan "options":

CalPERS offers options the District can select from regarding health care vesting requirements and premiums covered. These "options" are specifically outlined by CalPERS with the District simply selecting one of the "options". Right now, the Board has elected the option to cover the higher of the lowest costing HMO or PPO plan. Meaning, CalPERS requires the District to offer to its employees and retirees the full suite of health plans offered by CalPERS, but allows the District to determine from the "options" list how much it is willing to pay for any of the plans. This option that prior Boards have elected allows the Board to meet its LAFCO legal requirement of "all pre-consolidation employees are vested in the compensation, benefits, and other terms and

conditions of their respective employment with Arcade Water District (AWD) and Northridge Water District (NWD) as of January 31, 2002. As a result, the Board cannot reduce the level of pension, health care, and other employment benefits that such employees were entitled to on the consolidation date. All pre-consolidation employees are vested in the "3 at 60, final 12 months compensation" pension formula, fully paid employment, and retiree health benefits and in the other employment benefits that were offered by AWD and NWD to their respective employees at consolidation." (See Exhibit 1, Section I.A.) Other viable options available to the Board would only include higher levels of funding, not less.

3. Please explain the Board's authority and LAFCO and CalPERS requirements related to health care benefits:

There is one legal standard and one set of regulations that affect the Board's control over health care benefits. First, is the LAFCO resolution (enabling legislation) that requires differential treatment for "pre-merger" employees versus "post-merger" employees. The second is CalPERS requirements under the Public Employee Health and Medical Care Act (PEHMCA). When the District elected to join CalPERS on January 1, 2003, it elected to follow their rules, which are primarily set by laws and regulations. CalPERS further divides employees and annuitants between those hired prior to January 1, 2003, to those hired after. These two set of laws and regulations are discussed in further detail in Exhibit 1 - Memorandum from Legal Counsel dated August 11, 2010.

4. Please describe in further detail the comparative health plan costs as offered by Special District Risk Management Authority (SDRMA) and ACWA/JPIA:

CalPERS requirements for a Special District that withdraws from CalPERS coverage is that they are not eligible to reapply for such CalPERS benefits until after being away for a minimum of 5 years. The only rates that competitors will quote us are for one year. Therefore, costs are unknown for years 2 through 5. In discussing with other districts who have left CalPERS coverage, these out-year rates have typically increased significantly for them. As presented in July, staff determined the District should remain in the CalPERS medical program for 2019 after comparing plans and rates with those offered through ACWA/JPIA and SDRMA which were both more expensive from the outset. Staff obtained the following information for the July report:

- CalPERS 2019 Kaiser Plan premium rates (the plan with the most employee participation—approximately 70%) will be decreasing by -2.27%.
- ACWA/JPIA's 2019 Kaiser plan premium rates will most likely be increasing by 2.64% if they blend Kaiser North and South rate increases, which their Benefits Manager believes will happen. ACWA/JPIA's 2018 Kaiser rates were higher than CalPERS following a 4.64% increase were.
- SDRMA will not have 2019 rates available until July; however, even if their rates were to decrease by 3-4% (SDRMA staff indicated they might come down by a few percentage points), they will still be substantially higher than the CalPERS rates since their 2018 rates were approximately 11% higher than CalPERS rates.

5. Please explain why CalPERS' Kaiser rate is falling, but District health care costs are increasing:

Based on current enrollments, health plan rates will be approximately 6% lower in 2019 than 2018 due to the reduced cost for the CalPERS Kaiser plan. However, as employees move in/out of the Districts Health Insurance Coverage Program (HICP) wherein they are covered under their spouse's health plan and not the District's, District medical costs can go up/down significantly. As presented to the Board at the Special Board Workshop on Monday, September 10, 2018, District medical costs are expected to increase by \$56,000 (5.2%) in 2019 over 2018. This is due to the proposed staffing of three new positions (\$64,000) increase, less the combination of reduced CalPERS Kaiser plan rates plus the cost of employees moving back from spousal coverage under HICP program to District provided coverage.

Conclusion:

If further discussion or information is desired by the Board, staff recommends utilizing the Finance and Audit Committee to facilitate a more thorough review by agendaizing this matter in sufficient time to allow for reconsideration prior to June 30, 2019.

Attachment: Exhibit 1 - Memorandum from Legal Counsel dated August 11, 2010.



Bartkiewicz, Kronick & Shanahan
A Professional Corporation

MEMORANDUM

TO: BOARD OF DIRECTORS, SACRAMENTO SUBURBAN WATER DISTRICT

CC: ROB ROSCOE, GENERAL MANAGER

FROM: JOSHUA M. HOROWITZ

DATE: AUGUST 11, 2010

RE: DISTRICT’S LEGAL AUTHORITY TO ALTER EMPLOYEE BENEFITS

Several Board members have expressed concern about controlling the District’s employee and retiree benefits costs and have asked what legal authority the Board has to change existing benefits. This memorandum discusses the Board’s authority to change the various types of pension and health care benefits offered by the District to employees and retirees. This memorandum also briefly addresses other types of benefits that the District offers to active employees. Because the District has different legal obligations to active employees and retirees, and because the District has different legal obligations to active employees depending on date of hire, this memorandum addresses the District’s obligations to each class of employees and retirees separately.

I. EXISTING EMPLOYEES FORMERLY EMPLOYED BY AWD AND NWD

A. Summary of SSWD Obligations to Employees at Consolidation

The first class of existing District employees are those who were first employed by Arcade Water District (“AWD”) or Northridge Water District (“NWD”) and who remained employed by the District when it was formed on February 1, 2002 by consolidation of the former districts. Under Sacramento LAFCO Resolution No. LAFC 1237 approving the consolidation and Board Resolution No. 02-02, all “pre-consolidation” employees are vested in the compensation, benefits and other terms and conditions of their respective employment with AWD or NWD as of January 31, 2002. As a result, the Board cannot reduce the level of pension, health care and other employment benefits that such employees were entitled to on the consolidation date. All pre-consolidation employees are vested in the “3 at 60, final 12 months compensation” pension formula, fully paid employment and retiree health benefits and in the other employment benefits that were offered by AWD and NWD to their respective employees at consolidation. There are 27 active employees in this class.

B. Discussion

1. Pension Benefits:

Technically, all pre-consolidation employees are only entitled to the level of pension benefits that were in effect as of January 31, 2002. AWD employees were entitled to a District contribution of 20 percent of salary to a purchase money (defined contribution) plan. For NWD employees, the District was required to contribute both the employer's and the 7 percent employees' share of contributions to a "2 at 55, final 12 months compensation" CalPERS defined benefit pension plan. Because pension benefits are considered a vested right when earned under California law, when the District adopted the CalPERS "3 at 60, 12 months final compensation" pension formula in September 2002, all active District employees at that time were deemed to have become vested in the "3 at 60" plan.

Under current vested rights law, the Board does not have the authority to reduce pre-consolidation employees' 3 at 60 pension formula to the 2 at 55 formula/purchase money plan contribution unless the Board provides a comparable benefit to make up for the reduction. Note, however, that the issue of retroactive increases in pension benefits is being litigated in a case involving the City of San Diego and its police and fire employees. If a final court judgment is issued in favor of the city, the Board may be able to require that CalPERS apply the 2 at 55 formula to each employee's pre-consolidation years of service and the 3 at 60 formula for all post-consolidation years of service.¹

2. Health Care Benefits:

All pre-consolidation employees are vested in a right to District-paid health care premiums because of the vesting of existing benefits provided in the LAFCo Resolution No. LAFCo 1237 and Board Resolution No. 02-02. This applies both to full payment of premiums while such employees are active and when retired from District service. As we have previously advised the Board, however, we believe that the District may reasonably limit the amount paid for pre-consolidation employees' health care premiums by limiting the number of fully funded health plans. For example, the District could, as for active employees, fully fund only the lowest cost available HMO and PPO plans for such employees and their dependents and require them to pick up a portion of the premiums if they desire to enroll in a higher-cost HMO or PPO plan. The Board has already capped health benefit premium payments for all active employees based on this advice.

Also, in accordance with Section 1.5 (p. 2) of the Employee Policy and Procedures Manual ("Manual") ["The District reserves full discretion to add to, modify, or delete provisions of this Manual and other employment policies, procedures, work rules, or benefits, at any time and without advance notice."], and Section 4.1 (p. 14) of the Manual ["The District and its benefit

¹ As a practical matter, it also would be difficult to quantify the value of former AWD employees' benefits under the purchase money plan. The District would need to hire an actuary to calculate the appropriate valuation. The District also would have to negotiate with CalPERS to terminate the participation of former AWD employees from the District pension plan or to apply the appropriate PERS pension formula to the accounts of former AWD employees.

providers reserve the right to reduce or terminate any of these benefits at any time and for any reason. . . . Except as required by law, employees will not become entitled to any vested rights under any of the benefits provided the District.”], the Board has the right to reduce or change any upgraded or additional health care benefits provided to pre-consolidation employees that were granted after consolidation occurred.

3. Other Benefits:

Pre-consolidation employees also are vested in other types of employment benefits that were offered by AWD or NWD to active employees at the time of consolidation, subject to any then-existing limitations and exclusions. For example, AWD and NWD employees have greater vacation accrual rights than post-consolidation employees. (See Manual, Section 5.1.2, p. 20.) Again, however, if the Board has provided any new or increased benefits to employees since consolidation, it has the right to change or reduce those new or increased benefits for all employees as long as pre-consolidation employees’ vested benefits are protected.

II. EXISTING EMPLOYEES EMPLOYED BY SSWD AFTER CONSOLIDATION BUT BEFORE THE 2006 CHANGE IN PENSION PLAN

A. Summary of SSWD Obligations to Employees Hired After Consolidation But Before the Change in Pension Plan

The second class of existing District employees are those who were first employed by the District after consolidation, but before the Board adopted the existing “second tier” 2 at 55 pension plan adopted effective September 25, 2006. This class of employees is vested in the 3 at 60 pension formula. They are not vested in any employment-related health care benefits and are only vested in any retiree health care benefits to the extent that they already have been earned. Under the Board’s policies, these employees also are not vested in other types of employment benefits. There are 18 active employees in this class.

B. Discussion

1. Pension Benefits:

Employees hired after consolidation but before the September 25, 2006 adoption of the second tier pension plan have the same pension rights as those described for pre-consolidation employees in Section I.B.1., page 2, of this memorandum. Also see Part V, page 6 of this memorandum for a discussion of the Board’s authority to require employees to begin paying a portion of the employees’ share of CalPERS pension contributions.

2. Health Care Benefits:

The Board may change the health benefits plan design for existing and new active employees, including changing health plan providers, the plans offered, and the employee contribution levels for such benefits. (See Section I.B.2. above quoting Sections 1.5 and 4.1 of the Manual.) This authority includes terminating the District’s participation in CalPERS’ health

care programs administered under the Public Employees Medical and Hospital Care Act (“PEMHCA”), and obtaining health care benefits from another provider. The Board already has instituted such a change when it adopted a cap on health care premiums effective January 1, 2007. Under that cap, the District pays the entire premium for the lowest cost HMO or PPO plan offered by CalPERS for each employee and his or her dependents, but any employee wishing to enroll in a higher cost plan must pay the difference in premiums.

All employees who were hired after January 1, 2003 (this includes all 33 employees hired post-consolidation) are subject to the “10/20” retiree health care vesting schedule provided in PEMHCA. The 10/20 vesting schedule requires an employee to work a minimum of 10 years in CalPERS service, with at least five years at the District, before they vest in any right to District-paid retiree health care. At year 10, qualified employees become vested in a right to District payment of 50 percent of their retiree health care premiums and earn an additional 5 percent right to District pick-up of premiums annually until vested in a right to fully-paid health care premiums after 20 years of service. Regardless of the 10/20 vesting schedule, the Board also has limited discretion to change active employees’ retiree health care benefits. While active employees probably are vested in any retiree health care benefits that they have already earned, the Board may alter future benefits by changing plan design or by reducing or eliminating such benefits as long as any rights in which employees have vested are protected. Other than any vested employee rights in healthcare benefits already earned, the only limits on the Board’s discretion to change active employees’ retiree health care benefits would be any limitations imposed by CalPERS’ regulations and policies under PEMHCA.

If the Board is interested in altering current health care benefits provided under PEMHCA, the Human Resources Coordinator should consult with CalPERS health benefits staff to determine if CalPERS has adopted any regulations or policies that may limit or impact the District’s authority to change the existing health benefits plan for active employees.

3. Other Benefits:

Under Sections 1.5 and 4.1 of the Manual (See discussion in Section I.B.2. above), the Board has full authority to reduce or eliminate other types of employment benefits offered to employees hired post-consolidation. The Board’s policy is consistent with existing law, which provides the Board with complete discretion to alter other employment benefits absent a clear written policy promising employees a certain, stated level of benefits.

III. EXISTING EMPLOYEES EMPLOYED BY SSWD AFTER CONSOLIDATION AND AFTER 2006 CHANGE IN PENSION PLAN

A. Summary of SSWD Obligations to Employees Hired After Consolidation and After Change in Pension Plan

The third class of existing District employees are those who were first employed by the District after consolidation and after the Board adopted the “second tier” 2 at 55 pension plan effective September 25, 2006. These employees are vested in the 2 at 55, average last three years compensation pension formula adopted by the Board in July 2006. They are not vested in any

employment-related health care benefits and are only vested in any retiree health care benefits to the extent they already have been earned. Under the Board's policies, these employees also are not vested in any other employment benefits. There are 15 active employees in this class.

B. Discussion

1. Pension Benefits:

Employees hired after consolidation and after the September 25, 2006 adoption of the second tier pension plan are vested in the second tier 2 at 55, average final 3 years of compensation and 7 percent EPMC pension formula. These employees cannot vest in the previous 3 at 60 plan unless the Board decides to discontinue the second tier pension plan and consolidate all employees into the first tier pension plan. Also see Part V, page 6 of this memorandum for a discussion of the Board's authority to require active employees in this class to begin paying a portion of the employees' share of CalPERS pension contributions.

2. Health Care Benefits:

Employees in this class are subject to the same health care benefits rules described in Section II.B.2., page 3, of this memorandum.

3. Other Benefits:

Employees in this class are subject to the same other employment benefits rules described in Section II.B.3., page 4, of this memorandum.

IV. DISTRICT RETIREES

A. Summary of SSWD's Obligations to Retirees

Under the California vested rights doctrine, District retirees are vested in their pensions upon retirement and such benefits cannot be altered by the District. The extent to which the vested rights doctrine protects retiree health care benefits is less clear – it appears that retirees who have earned a right to District-paid health care are vested in a continued right to some reasonable level of paid benefits, although the majority of appellate cases indicate that the Board has limited discretion to change retiree health plan design, for example by limiting the number of plans offered or by capping premiums. The District currently has 25 retirees receiving pension and health benefits.

B. Discussion

1. Pension Benefits:

Retirees are vested in a right to the pension formula under which they retired. Because retirees are no longer employed by the District and because retiree pension benefits are

administered and paid by CalPERS, the District has no right to change retiree pension benefits in any way.

2. Health Care Benefits:

Retirees are vested in the health care benefits that they had accrued upon retirement from the District. While CalPERS administers retirees' health care benefits, the administration of those benefits is coordinated with the District, which continues to pay the costs of those benefits. In addition, as discussed in this memorandum, the weight of legal authority appears to provide some authority for the District to alter plan design and to cap premiums for existing retirees' health care benefits. However, CalPERS may have adopted regulations or policies that limit any authority of contracting agencies to alter retiree health plan design or to cap premiums. If the Board is interested in trying to limit its exposure for retiree health care costs (in addition to its previous action to pre-fund OPEB obligations), the Human Resources Coordinator should contact CalPERS health care staff to discuss these issues.

3. Other Benefits:

Retirees are not considered District employees and therefore do not have any rights to other types of benefits offered to active District employees.

V. A COMMENT ON CHANGING RESPONSIBILITY FOR PAYMENT OF EMPLOYEE CONTRIBUTIONS TO CALPERS PENSION PLAN

To date, the District has "picked-up" the entire EPMC for its employees. This also was the practice at AWD and NWD. One unresolved issue in public employment law is whether a public agency that does not have an employee union may begin requiring its employees to pay a portion or the entire employees' share of contributions to that agency's CalPERS defined benefit retirement plan (the "EPMC"). Because of the promises made to pre-consolidation employees not to change their benefits as they existed at consolidation, the Board probably cannot require those employees to pay all or most of the EPMC.² The current trend in the courts indicates that the District may be able to require employees hired post-consolidation to begin paying some or all of the EPMC.

Recent California Supreme Court and court of appeal cases support an argument that the Board may require employees to begin paying some or all of the EPMC because it is an element of compensation that can be changed. Some older cases support the argument that the EPMC is a vested right that the District cannot alter without either providing an equivalent benefit, for example a salary increase in the same percentage as the reduction in EPMC payments, or by negotiating the change with employees and obtaining their consent. The California Supreme Court has not settled this question, so the answer is unclear. In fact, a 1945 Supreme Court case ruled that once a public agency agrees to pick up the EPMC, that pick-up becomes a vested right

² Because the existing NWD pension formula was 2 at 55 with a 7 percent EPMC, the Board arguably could require former NWD employees pick up 1 percent of the EPMC under the current 3 at 60 with 8 percent EPMC plan. Former AWD employees probably cannot be required to pick up any EPMC because that district fully paid all purchase money plan costs.

and cannot be changed unless the agency provides a compensating benefit in exchange for reducing its pick-up of the EPMC. More recent decisions indicate that the California Supreme Court might overturn its 1945 decision but no case is pending before the court that would present an opportunity to revisit that earlier case.

Because of the uncertain state of the law, a decision to reduce or eliminate the EPMC is a risk management and policy issue that the Board should consider carefully before implementing. In contrast, the law is clear that the Board may require all new hires to pay some or all of the EPMC. If the Board is interested in investigating whether to require existing or new employees to begin paying a portion or all of the EPMC, the District's Human Resources Coordinator should consult with CalPERS to determine if it has adopted any regulations or policies concerning the payment of the EPMC that might impact or limit the Board's authority to require such contributions.



Agenda Item: 14

Date: September 12, 2018

Subject: 2018 Water Rate Study Update

Staff Contact: Daniel A. Bills, Finance Director

The 2018 Water Rate Study (Study) is proceeding in line with the Scope and Schedule approved by the Board on April 23, 2018.

As the Board will recall, completion of the Study was desired to occur late in 2018 or January 2019. Major steps necessary to complete the Study are:

TASK	COMPLETED ON
1. Prepare/distribute Request for Proposals (RFP)	May 23, 2018
2. Receive Proposals	June 13, 2018
3. Select Consultant	July 16, 2018
4. Execute contract	July 19, 2018
5. Consultant begins study	August 8, 2018
6. Kick-Off Meeting with Consultant	August 28, 2018
7. Intermittent discussions with Committee and Board	
8. Study completed	
9. Board approval	
10. 218 Hearing (only if increases are necessary)	

Presently, staff has provided the Consultant with a significant amount of information necessary to perform the Study. A meeting is scheduled for Tuesday, September 18, 2018 to review the data and the interpretations thereof before the analysis begins.



Agenda Item: 15

Date: September 12, 2018

Subject: 2018 Employee Compensation Study Update

Staff Contact: Daniel A. Bills, Finance Director

The 2018 Employee Compensation Study is proceeding about one month behind the Scope and Schedule accepted by the Board on April 23, 2018.

As the Board will recall, Study tasks were split between two Consultants: Bryce Consulting (Shellie Anderson) to perform a review of the District’s Organizational Chart and Job Descriptions at a cost not to exceed \$8,500.00; and a Compensation Study Consultant to be selected through the RFP process to perform the Compensation Study. The Board has accepted Ralph Andersen & Associates (Doug Johnson) to perform the Compensation portion of the Study at a cost not to exceed \$29,995.00.

Bryce Consulting has been of great assistance to staff with suggesting, reviewing and providing guidance on a new Organizational Chart and Job Descriptions. The Job Descriptions are about 80% complete with one last major review by Management and Bryce Consulting to go that is currently underway.

Ralph Andersen & Associates has met with staff and has been given the proposed Organizational Chart, Job Descriptions and District benefits necessary to begin their work. In discussions between Ralph Andersen & Associates, Bryce Consulting and staff, even though the Job Descriptions are only in substantially final form, they are sufficient for the Compensation Study to proceed.

The major steps necessary to complete the Compensation Study are:

TASK	COMPLETED ON
1. Prepare/distribute Request for Proposals (RFP)	May 23, 2018
2. Receive Proposals	August 3, 2018
3. Select Consultant	August 13, 2018
4. Execute contract	August 15, 2018
5. Consultant begins study	August 31, 2018
6. Intermittent discussions with Committee and Board	
7. Study completed	
8. Board approval	



Agenda Item: 16

Date: September 7, 2018

Subject: Legislative and Regulatory Update

Staff Contact: Greg Bundesen, Water Conservation Supervisor

RWA Government Affairs Committee

The 2018 Legislative Session ended on August 31, 2018. Table 1 shows a listing of the results from the Bills the District and the Regional Water Authority (RWA) have been tracking.

SB 845

In August 2018, the California legislature changed direction regarding SB 623 Water Quality: Safe and Affordable Drinking Water Fund. The original legislation set up the mandatory recovery of funds for the Affordable Drinking Water Fund from customers based on their size of connection. SB 623 contained a clause that allowed customers that could, based on income, opt out of the payment. The new legislation, SB 845, would require water utilities to provide an opportunity for customers to provide a voluntary remittance to the Safe Affordable Drinking Water Fund. The RWA and the Association of California Water Agencies (ACWA) had taken an “Opposed Unless Amended” stance regarding SB 845, and provided template letters to all water utilities supporting the opposition. The District submitted letters of opposition to legislatures in both the Assembly and Senate whose districts overlap the District’s service area (see Exhibit 1 for the letters from the District, RWA and ACWA). SB 845 was defeated in the Senate on August 31, 2018. Exhibit 2 shows an article written in the Sacramento Bee regarding SB 845’s defeat.

Table 1: Updates Regarding Previously Reported Legislation

Bill Number	Name	House Location	Date	Action	Comments	Results
SB 623	Safe and Affordable Drinking Water Fund	NA	NA	Rewritten and assigned as SB 845.		Rewritten
SB 845	Safe & Affordable Drinking Water Fund	Assembly	8/24/18	Not Passed		Oppose Unless Amended

Legislative and Regulatory Update

September 7, 2018

Page 2 of 2

SB 998	Discontinuation of Residential Water Service: Urban and	Senate	8/29/18	Passed	Ordered to engrossing and enrolling	Oppose Unless Amended
SB 1422	California Safe Drinking Water Act: Micro-plastics	Assembly	8/23/18	Passed	Ordered to engrossing and enrolling	Oppose unless Amended
AB 2370	Lead Exposure: Child Day Care Facilities: Family Day Care Homes	Senate	6/28/18	Passed	Ordered to engrossing and enrolling	Watch
AB 3206	Water Conservation: Water Meters: Accuracy and Performance Standards	Senate	8/16/18	Not Passed.	In suspense file.	Oppose Unless Amended
H.R. 434	New WATER Act	U.S. Congress	7/27/18	Natural Resources Committee	In Committee Process	Support recommended

General Manager

Daniel R. York

Exhibit 1



Board of Directors

President - Craig M. Locke
Vice President - David A. Jones
Kathleen McPherson
Kevin M. Thomas
Robert P. Wichert

August 30, 2018

The Honorable Richard Pan
Senate District 6
State Capitol, Room 5114
Sacramento, CA 95814

Re: Proposed Drinking Water Tax: Senate Bill 845 - OPPOSE

Dear Senator Pan,

I am writing to express Sacramento Suburban Water District's strong opposition to a proposed unprecedented and unwise state tax on drinking water. This regressive and inequitable mandatory "voluntary remittance" is being advanced through your legislation, Senate Bill 845.

As a Sacramento region water agency, we are committed to delivering safe and reliable water. The goal of ensuring safe drinking water for all Californians, especially those in disadvantaged communities, is laudable and appropriate. However, creating a "voluntary" remittance that is implemented by mandatory charges on customer's water bills (unless they notify their water agency that they choose to pay a different amount) is inappropriate and regressive. Taxing Californians for something that is essential to life does not make sense, especially at a time when some are raising concerns about the cost of living in the state. Requiring California's local water agencies to collect this mandatory charge for a statewide rather than a local purpose negatively affects the relationship we have with our ratepayers, particularly when we seek support for funding our own necessary local system improvements.

Water agencies do not currently have the staffing resources to collect a statewide charge such as this, particularly not one that has to be verified with every customer during every billing cycle. A far more efficient mechanism to implement this voluntary contribution would be via an additional voluntary contribution element on California's income tax form (Form 540.)

For these reasons, we **oppose** SB 845. If you or members of your staff have any questions, please contact me at (916) 972-7171 or dyork@sswd.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan York", is written over a white background.

Dan York
General Manager

cc: Ms. Kim Craig, Deputy Cabinet Secretary, Office of the Governor

General Manager

Daniel R. York



Board of Directors

President - Craig M. Locke
Vice President - David A. Jones
Kathleen McPherson
Kevin M. Thomas
Robert P. Wichert

August 30, 2018

The Honorable Jim Nielsen
Senate District 4
State Capitol, Room 2068
Sacramento, CA 95814

Re: Proposed Drinking Water Tax: Senate Bill 845 - OPPOSE

Dear Senator Nielsen,

I am writing to express Sacramento Suburban Water District's strong opposition to a proposed unprecedented and unwise state tax on drinking water. This regressive and inequitable mandatory "voluntary remittance" is being advanced through your legislation, Senate Bill 845.

As a Sacramento region water agency, we are committed to delivering safe and reliable water. The goal of ensuring safe drinking water for all Californians, especially those in disadvantaged communities, is laudable and appropriate. However, creating a "voluntary" remittance that is implemented by mandatory charges on customer's water bills (unless they notify their water agency that they choose to pay a different amount) is inappropriate and regressive. Taxing Californians for something that is essential to life does not make sense, especially at a time when some are raising concerns about the cost of living in the state. Requiring California's local water agencies to collect this mandatory charge for a statewide rather than a local purpose negatively affects the relationship we have with our ratepayers, particularly when we seek support for funding our own necessary local system improvements.

Water agencies do not currently have the staffing resources to collect a statewide charge such as this, particularly not one that has to be verified with every customer during every billing cycle. A far more efficient mechanism to implement this voluntary contribution would be via an additional voluntary contribution element on California's income tax form (Form 540.)

For these reasons, we **oppose** SB 845. If you or members of your staff have any questions, please contact me at (916) 972-7171 or dyork@sswd.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan York", is written over a horizontal line.

Dan York
General Manager

cc: Ms. Kim Craig, Deputy Cabinet Secretary, Office of the Governor

General Manager

Daniel R. York



Board of Directors

President - Craig M. Locke
Vice President - David A. Jones
Kathleen McPherson
Kevin M. Thomas
Robert P. Wichert

August 30, 2018

The Honorable Ken Cooley
Assembly District 8
State Capitol
P.O. Box 742849
Sacramento, CA 94249-0008

Re: Proposed Drinking Water Tax: Senate Bill 845 - OPPOSE

Dear Assemblyman Cooley,

I am writing to express Sacramento Suburban Water District's strong opposition to a proposed unprecedented and unwise state tax on drinking water. This regressive and inequitable mandatory "voluntary remittance" is being advanced through your legislation, Senate Bill 845.

As a Sacramento region water agency, we are committed to delivering safe and reliable water. The goal of ensuring safe drinking water for all Californians, especially those in disadvantaged communities, is laudable and appropriate. However, creating a "voluntary" remittance that is implemented by mandatory charges on customer's water bills (unless they notify their water agency that they choose to pay a different amount) is inappropriate and regressive. Taxing Californians for something that is essential to life does not make sense, especially at a time when some are raising concerns about the cost of living in the state. Requiring California's local water agencies to collect this mandatory charge for a statewide rather than a local purpose negatively affects the relationship we have with our ratepayers, particularly when we seek support for funding our own necessary local system improvements.

Water agencies do not currently have the staffing resources to collect a statewide charge such as this, particularly not one that has to be verified with every customer during every billing cycle. A far more efficient mechanism to implement this voluntary contribution would be via an additional voluntary contribution element on California's income tax form (Form 540.)

For these reasons, we **oppose** SB 845. If you or members of your staff have any questions, please contact me at (916) 972-7171 or dyork@sswd.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan York", is written over a horizontal line.

Dan York
General Manager

cc: Ms. Kim Craig, Deputy Cabinet Secretary, Office of the Governor

General Manager

Daniel R. York



Board of Directors

President - Craig M. Locke
Vice President - David A. Jones
Kathleen McPherson
Kevin M. Thomas
Robert P. Wichert

August 30, 2018

The Honorable Kevin McCarty
Assembly District 7
State Capitol
P.O. Box 942849
Sacramento, CA 94249

Re: Proposed Drinking Water Tax: Senate Bill 845 - OPPOSE

Dear Assemblyman McCarty,

I am writing to express Sacramento Suburban Water District's strong opposition to a proposed unprecedented and unwise state tax on drinking water. This regressive and inequitable mandatory "voluntary remittance" is being advanced through your legislation, Senate Bill 845.

As a Sacramento region water agency, we are committed to delivering safe and reliable water. The goal of ensuring safe drinking water for all Californians, especially those in disadvantaged communities, is laudable and appropriate. However, creating a "voluntary" remittance that is implemented by mandatory charges on customer's water bills (unless they notify their water agency that they choose to pay a different amount) is inappropriate and regressive. Taxing Californians for something that is essential to life does not make sense, especially at a time when some are raising concerns about the cost of living in the state. Requiring California's local water agencies to collect this mandatory charge for a statewide rather than a local purpose negatively affects the relationship we have with our ratepayers, particularly when we seek support for funding our own necessary local system improvements.

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For these reasons, we **oppose** SB 845. If you or members of your staff have any questions, please contact me at (916) 972-7171 or dyork@sswd.org.

Sincerely,

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Dan York
General Manager

cc: Ms. Kim Craig, Deputy Cabinet Secretary, Office of the Governor

General Manager

Daniel R. York



Board of Directors

President - Craig M. Locke
Vice President - David A. Jones
Kathleen McPherson
Kevin M. Thomas
Robert P. Wichert

August 30, 2018

The Honorable Bill Monning
Senate Majority Leader
State Capitol, Room 313
Sacramento, CA 95814

Re: Proposed Drinking Water Tax: Senate Bill 845 - OPPOSE

Dear Senator Monning,

I am writing to express Sacramento Suburban Water District's strong opposition to a proposed unprecedented and unwise state tax on drinking water. This regressive and inequitable mandatory "voluntary remittance" is being advanced through your legislation, Senate Bill 845.

As a Sacramento region water agency, we are committed to delivering safe and reliable water. The goal of ensuring safe drinking water for all Californians, especially those in disadvantaged communities, is laudable and appropriate. However, creating a "voluntary" remittance that is implemented by mandatory charges on customer's water bills (unless they notify their water agency that they choose to pay a different amount) is inappropriate and regressive. Taxing Californians for something that is essential to life does not make sense, especially at a time when some are raising concerns about the cost of living in the state. Requiring California's local water agencies to collect this mandatory charge for a statewide rather than a local purpose negatively affects the relationship we have with our ratepayers, particularly when we seek support for funding our own necessary local system improvements.

Water agencies do not currently have the staffing resources to collect a statewide charge such as this, particularly not one that has to be verified with every customer during every billing cycle. A far more efficient mechanism to implement this voluntary contribution would be via an additional voluntary contribution element on California's income tax form (Form 540.)

For these reasons, we **oppose** SB 845. If you or members of your staff have any questions, please contact me at (916) 972-7171 or dyork@sswd.org.

Sincerely,



Dan York
General Manager

cc: Ms. Kim Craig, Deputy Cabinet Secretary, Office of the Governor

August 20, 2018



The Honorable Bill Monning
Senate Majority Leader
State Capitol, Room 313
Sacramento, CA 95814

Re: Opposition to SB 845

Marcus Yasutake,
Chair
Paul Schubert, Vice
Chair

Dear Senator Monning:

Members

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

Associates

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

I am writing to express the Opposition of the Regional Water Authority (RWA) to Senate Bill 845, which would require water providers to solicit, collect and remit to the state a “voluntary” tax on every customer’s water bill. While we recognize the importance of providing funding so that all Californians may have access to safe drinking water, the mechanism proposed in SB 845 is not the way to accomplish this goal.

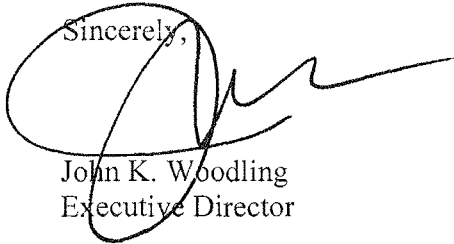
RWA joins more than 200 water agencies, cities, business organizations and others in opposing the bill. We urge the Legislature to reject the newly amended “opt-out” tax proposal for the following reasons:

- 1) The proposal would impose a costly, complex and inefficient structure by requiring over 3,000 water suppliers of all sizes to create and staff new systems to solicit and collect donations each month on customers’ local water bills to bypass local needs and be sent to Sacramento;
- 2) The proposal could be simplified by instead adding a new voluntary contribution fund check off to the California Form 540 and have it efficiently collected at a much lower cost by one state agency (the Franchise Tax Board). Alternatively, using the state’s general fund or other sources of funding would be more efficient and expedient than the proposal in SB 845;
- 3) SB 845 is unnecessary:
 - The Budget Conference Committee already acted on June 8, 2018 to reject the prior version of the budget trailer bill and instead set aside \$23.5 million General Fund dollars for safe drinking water to be allocated in August;
 - California voters just approved Proposition 68 in June with \$250 million for safe drinking water that is prioritized for disadvantaged communities; and
- 4) This new proposal did not go into print until the night of August 16, and no policy committee has taken public testimony on this new proposal. The proponents developed the proposed collection mechanism without the input of the thousands of community water systems that would be charged with implementing it.

Letter to the Honorable Bill Monning
Re: Opposition to SB 845
August 20, 2018
Page two of two

The Regional Water Authority represents the interests of 21 water suppliers serving two million people in the Sacramento Region. We are strongly opposed to the drinking water component of the budget trailer bill.

Sincerely,

A handwritten signature in black ink, appearing to read "John K. Woodling", written over the word "Sincerely,".

John K. Woodling
Executive Director

cc: Ms. Kim Craig, Deputy Cabinet Secretary, Office of the Governor
Assemblymember Ken Cooley
Assemblymember Jim Cooper
Assemblymember James Gallagher
Assemblymember Kevin Kiley
Assemblymember Kevin McCarty
Senator Richard Pan
Senator Ted Gaines
Senator Jim Nielsen



Bringing
Water
Together

TO: Honorable Members of the California Legislature
FROM: Over 200 Public Water Agencies, Water Associations, Cities, and Business Organizations
DATE: August 20, 2018
RE: **OPPOSITION TO NEW STATEWIDE “OPT-OUT” WATER MANDATE**
SENATE BILL 845 (MONNING)
New Twist on Statewide Water Tax Proposal

The coalition of over 200 public water agencies, water associations, cities, and business organizations listed below **urges the Legislature to REJECT this new statewide “opt-out” water mandate** for the following reasons:

- 1) **The proposal would impose a costly and complicated structure by requiring over 3,000 community water systems of all sizes to first solicit and then collect donations each month on customers’ local water bills to bypass local needs and be sent to Sacramento;**
- 2) **The proposal could be simplified by instead adding a new voluntary contribution fund check off to the California Form 540 and have it efficiently collected at a much lower cost by one state agency (the Franchise Tax Board);**
- 3) **SB 845 is unnecessary:**
 - A) **The Budget Conference Committee already acted on June 8, 2018 to reject the prior version of the budget trailer bill and instead set aside \$23.5 million General Fund dollars for safe drinking water to be allocated in August;**
 - B) **California voters just approved Proposition 68 in June with \$250 million for safe drinking water that is prioritized for disadvantaged communities;**
- 4) **It is an 11th-hour proposal: This new proposal did not go into print until the night of August 16, and **no policy committee has taken public testimony on this new proposal**. The proponents developed the proposed collection mechanism **without the input of the thousands of community water systems that would be charged with implementing it**; and**
- 5) **Adding this solicitation to local water bills may inadvertently exacerbate the issue of water affordability for some customers.**

If you have questions, please contact Cindy Tuck or Wendy Ridderbusch of the Association of California Water Agencies at (916) 441-4545, cindy@acwa.com or wendyr@acwa.com.

cc: The Honorable William W. Monning

ORGANIZATIONS OPPOSED TO SB 845 (Monning)

Alameda County Water District	Central Basin Municipal Water District	Dublin San Ramon Services District
Alhambra Chamber of Commerce	Centerville Community Services District	East Orange County Water District
Amador Water Agency	Ceres Chamber of Commerce	East Valley Water District
Anderson-Cottonwood Irrigation District	Cerritos Regional Chamber of Commerce	Eastern Municipal Water District
Apple Valley Chamber of Commerce	Citrus Heights Water District	El Dorado County Chamber Alliance
Antelope Valley – East Kern Water Agency	City of Beverly Hills	El Dorado Hills Chamber of Commerce
Association of California Water Agencies	City of Corona Department of Water and Power	El Dorado Irrigation District
Bard Water District	City of Fairfield	El Monte/South El Monte Chamber of Commerce
Bella Vista Water District	City of Garden Grove	El Segundo Chamber of Commerce
Bighorn-Desert View Water Agency	City of Glendale Water and Power	El Toro Water District
BizFed Los Angeles County	City of Lakewood	Florin Resources Conservation District/Elk Grove Water District
Borrego Water District	City of Newport Beach	Elk Grove Chamber of Commerce
Brawley Chamber of Commerce	City of Oceanside	Elsinore Valley Municipal Water District
Brooktrails Township	City of Pasadena	Fair Oaks Water District
Community Services District	City of Redding	Fallbrook Public Utility District
Browns Valley Irrigation District	City of Rialto/Rialto Utility Authority	Folsom Chamber of Commerce
Building Owners and Managers Association of California	City of Riverside	Foothill Municipal Water District
Calaveras County Water District	City of Roseville	Fremont Chamber of Commerce
CalDesal	City of San Diego	The Gateway Chambers Alliance
California Cleaners Association	City of Santa Rosa	Georgetown Divide Public Utility District
California Business Properties Association	City of Shasta Lake	Glendora Chamber of Commerce
California Craft Beer Association	City of Thousand Oaks	Glenn-Colusa Irrigation District
California Municipal Utilities Association	City of Torrance	Goleta Water District
California Special Districts Association	Claremont Chamber of Commerce	Greater Coachella Valley Chamber of Commerce
Calleguas Municipal Water District	Clovis Chamber of Commerce	Hawthorne Chamber of Commerce
Camrosa Water District	Coachella Valley Water District	Helix Water District
Carlsbad Municipal Water District	Coastside County Water District	Hidden Valley Lake Community Services District
Carmel Chamber of Commerce	Commercial Real Estate Development Association (NAIOP CA)	Hollywood Chamber of Commerce
Carmichael Water District	Contra Costa Water District	Humboldt Bay Municipal Water District
Casitas Municipal Water District	Crescenta Valley Water District	
	Crestline-Lake Arrowhead Water Agency	
	Cucamonga Valley Water District	
	Culver City Chamber of Commerce	
	Del Paso Manor Water District	
	Desert Water Agency	
	Downtown San Diego Partnership	

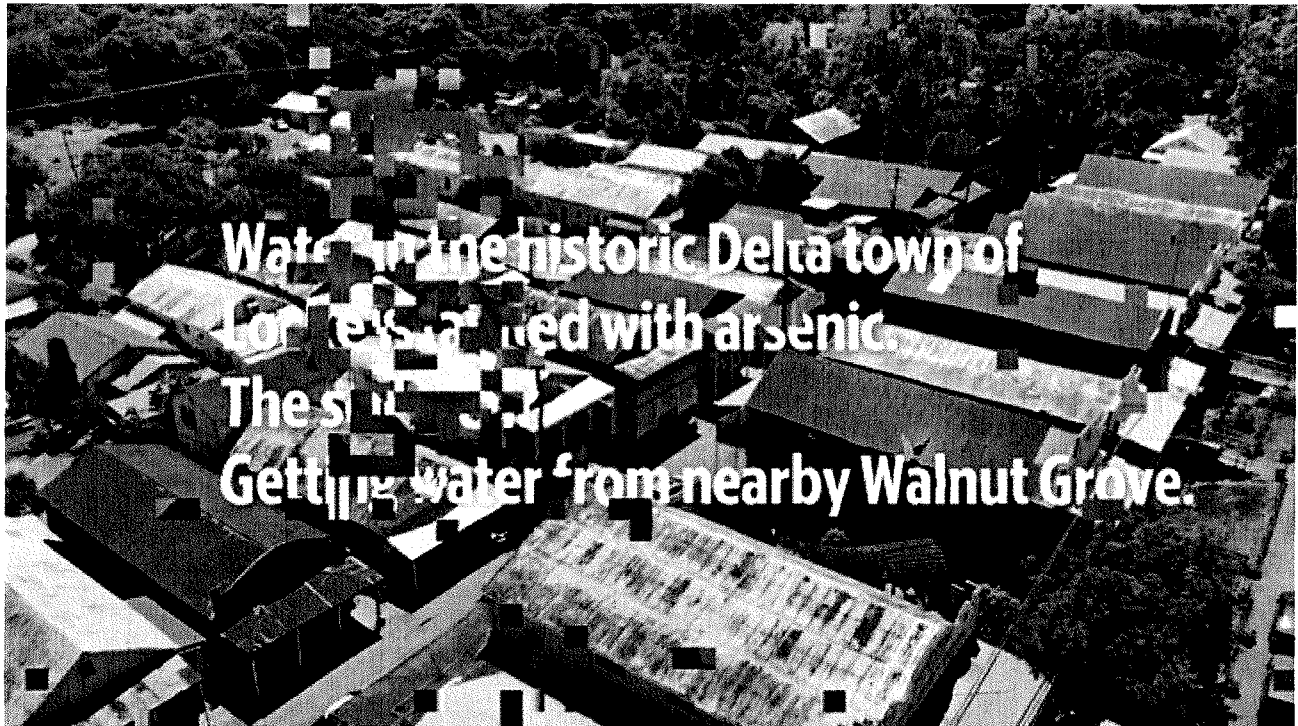
Humboldt Community Services District
Idyllwild Water District
Indian Wells Valley Water District
Indio Water Authority
Inland Empire Utilities Agency
International Council of Shopping Centers
Irvine Ranch Water District
Kern County Water Agency
Kinneloa Irrigation District
Kirkwood Meadows Public Utility District
Lake Tahoe South Shore Chamber of Commerce
La Canada Irrigation District
La Verne Chamber of Commerce
Laguna Beach County Water District
Lake Hemet Municipal Water District
Las Virgenes Municipal Water District
LAX Coastal Area Chamber of Commerce
Lincoln Avenue Water Company
Long Beach Water Department
Malaga County Water District
Mammoth Community Water District
Mariana Ranchos County Water District
McKinleyville Community Services District
Mendocino County Russian River Flood Control & Water Conservation Improvement District
Merced Irrigation District
Mesa Crest Water Company
Mesa Water District
Metropolitan Water District of Southern California
Mid-Peninsula Water District

Millview County Water District
Mission Springs Water District
Mojave Water Agency
Monrovia Chamber of Commerce
Montara Water and Sanitation District
Monte Vista Water District
Municipal Water District of Orange County
Nevada Irrigation District
North Marin Water District
North Tahoe Public Utility District
Northern California Water Association
Norwalk Chamber of Commerce
Oakdale Irrigation District
Olivenhain Municipal Water District
Orange County Water District
Orchard Dale Water District
Otay Water District
Padre Dam Municipal Water District
Palm Ranch Irrigation District
Palmdale Water District
Paradise Irrigation District
Pico Water District
Pittsburg Chamber of Commerce
Placer County Water Agency
Pleasanton Chamber of Commerce
Quartz Hill Water District
Rainbow Municipal Water District
Rancho California Water District
Rancho Cordova Chamber of Commerce
Rancho Cucamonga Chamber of Commerce
Redondo Beach Chamber of Commerce
Regional Water Authority
Redwood Valley County Water District
Richvale Irrigation District

Rincon del Diablo Municipal Water District
Rio Alto Water District
Rio Linda Elverta Community Water District
Roseville Area Chamber of Commerce
Rowland Water District
Rubio Canon Land and Water Association
Sacramento Metro Chamber
Sacramento Suburban Water District
San Diego County Water Authority
San Diego Regional Chamber of Commerce
San Dieguito Water District
San Gabriel County Water District
San Gabriel Valley Economic Partnership
San Gabriel Valley Municipal Water District
San Juan Water District
Santa Clarita Valley Chamber of Commerce
Santa Clarita Valley Water Agency
Santa Fe Irrigation District
Santa Margarita Water District
Santa Ynez River Water Conservation District
Improvement District No. 1
Scotts Valley Water District
Serrano Water District
Shasta Community Services District
South Bay Chamber of Commerce
South Coast Water District
South Tahoe Public Utility District
Southern California Water Coalition
Stockton East Water District
Sweetwater Authority
Tahoe City Public Utility District
Templeton Community Services District

Textile Rental Service
Association
Three Valleys Municipal
Water District
Torrance Area Chamber of
Commerce
Tuolumne Utilities District
Twain Harte Community
Services District
United Chamber Advocacy
Network
United Water Conservation
District
Upper Russian River Water
Agency
Upper San Gabriel Valley
Municipal Water District
Vallecitos Water District
Valley Center Municipal
Water District
Valley Industry & Commerce
Association
Valley of the Moon Water
District
Valley Water Company
Ventura County Economic
Development Association
Victor Valley Chamber of
Commerce
Vista Irrigation District
Walnut Valley Water District
Westlands Water District
Western Canal Water
District
Western Municipal Water
District
West Valley-Warner Center
Chamber of Commerce
Yolo County Flood Control
Water Conservation District
Yorba Linda Water District
Yuba Water Agency
Zone 7 Water Agency

Exhibit 2



Capitol Alert

The go-to source for news on California policy and politics

CAPITOL ALERT

Push for drinking water tax dies in the California Legislature

BY TARYN LUNA
tluna@sacbee.com

August 31, 2018 02:10 PM
Updated August 31, 2018 08:51 PM

An effort to impose a “voluntary” water tax on residents to pay for safe drinking water projects died in the Legislature on Friday.

Assembly Speaker Anthony Rendon said “a piecemeal funding approach” to the problem “won’t work.”

“The Assembly is committed to identifying a sustainable funding source to ensure safe drinking water for all Californians,” Rendon said in a statement. “Building on the hard work of Senator Bill Monning and others in this area, Assemblymembers Eduardo Garcia and Heath Flora have agreed to lead our house’s safe water efforts.”

State lawmakers are hesitant to support any new tax increase after Republicans successfully recalled Sen. Josh Newman in June, linking the Fullerton Democrat to the \$52 billion gas tax to fund road repairs from 2017.

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After failing to win approval of a mandatory tax on water bills earlier this year, Monning introduced a new pair of bills that would apply a voluntary levy on ratepayers of less than \$1 per month a few weeks ago. Senate Bill 844 and 845, which were backed by Gov. Jerry Brown, would also establish a required tax on dairies and fertilizer manufacturers.

The politicians gave customers the ability to opt-out of the fee on their water bills to increase the legislation's chances of success, but ultimately the change wasn't enough to convince hesitant lawmakers to approve a tax hike in an election year. The bills were expected to generate as much as \$100 million per year.

Monning said he was "deeply disappointed" that the bills were not heard in the Assembly and pledged to continue his efforts next year.

"I do want to assure you that our fight is not over," he said. "It is not over until we win the support necessary to fulfill the fundamental human right to water for all Californians."

The state has reported that more than 1 million residents face potential exposure to unsafe water, largely in low-income communities, without the funding to fix the problems. A 2018 McClatchy investigation similarly found that 360,000 Californians are served by water systems that violate state standards for nitrates, arsenic, uranium and other pollutants.





Agenda Item: 17

Date: September 7, 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. Water Education Foundation – 2018 Water Summit
September 20, 2018
Sacramento, CA
<https://www.watereducation.org/>
2. Carmichael Founders Day
Carmichael, CA
September 22, 2018
<https://www.fairoakshostlionsclub.com/carmichaels-founders-day.html>
3. CSDA Annual Conference & Exhibitor Showcase
September 24-27, 2018
Indian Wells, CA
<http://conference.csda.net/>
4. ACWA Folsom Dam Presentation and Tour
September 26, 2018
Antelope/Folsom, CA
https://www.acwa.com/wp-content/uploads/2018/08/Region-4-Event-Preliminary-Agenda.pdf?_cldee=aGhlcm5hbmRlekBzc3dkLm9yZWw%3d%3d&recipientid=contact-c921c736704be51180c300155dd02246-be5fe0debc9a4cde8faa2aa84e7c7e76&utm_source=ClickDimensions&utm_medium=email&utm_campaign=ACWA%20Events&esid=1b50f864-e8aa-e811-8195-e0071b72b791

Upcoming Water Industry Events

September 7, 2018

Page 2 of 3

5. RWA Executive Committee Meeting
September 26, 2018
RWA Office
<http://rwah2o.org/>
6. Wood Rodgers Annual Open House
September 27, 2018
Wood Rodgers Office
<https://rsvp.woodrogers.com/invite?rsvp=MAVMBT>
7. Sacramento Suburban Water District Open House
October 17, 2018
SSWD Office
www.sswd.org
8. SGA Board Meeting
October 18, 2018
SGA Office
<http://www.sgah2o.org/meetings/board-meetings/>
9. SGA 20th Anniversary Event
October 18, 2018
Sacramento, CA
<http://www.sgah2o.org/>
10. AWWA Annual Fall Conference
October 22-25, 2018
Palm Springs, CA
<http://ca-nv-awwa.org/>
11. RWA Executive Committee Meeting
October 24, 2018
RWA Office
<http://rwah2o.org/>
12. California Groundwater Association's 2018 Annual Convention and Trade Show
October 25-27, 2018
Reno, NV
<https://cdn.ymaws.com/www.groundh2o.org/resource/resmgr/files/forms/cga-2018-registration-brochu.pdf>
13. RWA Board Meeting
November 8, 2018
RWA Office
<http://rwah2o.org/>

14. ACWA 2018 Fall Conference
November 27-30, 2018
San Diego, CA
<https://www.acwa.com/events/2018-fall-conference-exhibition/>
15. CSDA Extraordinary Leader Workshop
December 4, 2018
Sacramento, CA
<https://members.csdanet.net/imis1/EventDetail?EventKey=EXLE120418>
16. RWA Executive Committee Meeting
December 5, 2018
RWA Office
<http://rwah2o.org/>
17. SGA Board Meeting
December 13, 2018
SGA Office
<http://www.sgah2o.org/meetings/board-meetings/>

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: September 10, 2018

Subject: Financial Report

Staff Contact: Daniel A. Bills, Finance Director

Eight reports are attached for your information. Please note formatting changes and additional reports:

- Financial Highlights – August 2018
- Financial Statements – August 2018
- Investments Outstanding and Activity – August 2018
- Cash Expenditures – August 2018
- Credit Card Expenditures – August 2018
- District Reserve Balances – August 2018
- Information Required by Bond Agreement
- Financial Markets Report – August 2018

Financial Highlights

The Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position are presented in this report. It is gleaned from the financial statements presented on subsequent pages. Key information from this report indicates the District is running ahead of its prior year cash balance at the same date by \$2.2 million; accordingly, investments are \$1.7 million more than on August 31, 2017; liabilities have decreased by \$8.0 million due to the payment of bond principal in October 2017 and the refunding of the 2009B COP in May 2018; and net position has increased by \$11.5 million in the last 12 months as the District continues to replace capital infrastructure through customer rates as opposed to debt financing. Operating revenues have increased compared to the same period a year ago due primarily to the 4.0% rate increase that occurred on January 1, 2018.

Financial Statements

Statements of Net Position:

District cash and cash equivalents increased to \$12.4 million as of August 31, 2018, up from \$6.3 million at December 31, 2017. Cash held in the District's bank accounts (\$4.8 million as of August 31) is held in accordance with state and federal regulations, which state that cash held in the District's bank accounts above the FDIC insured limits must be fully collateralized with government securities that are equal to or greater than 110% of the District's cash balance in the bank at any time.

Investments decreased since December 31, 2017 by \$0.1 million to a total of \$35.8 million, reflecting the reinvestment of \$0.5 million interest received off-set by \$0.2 unrealized market value losses and \$0.4 moved to the money market account. Investment portfolio balances and activity are reported on subsequent pages.

Capital assets grew \$8.6 million to \$467.1 million as of August 31, 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 \$252.4 million as of August 31, 2018, compared to \$245.4 million at December 31, 2017 for an increase of \$7.0 million.

Statements of Revenues, Expenses and Changes in Net Position:

The net position increase of \$7.0 million in 2018, when compared to \$7.1 million for the same year-to-date period in 2017, shows:

1. Water Consumption Sales increased by \$0.1 million (1 percent) compared to the same period in 2017 due primarily to the 4.0 percent rate increase that occurred on January 1, 2018. Water deliveries decreased 1.6 percent as 20,892 acre-feet was delivered in 2018 compared to 21,224 acre-feet in 2017.
2. Total operating revenues also increased due to Capital Facility Charges increasing by \$0.6 million in line with the 4.0 percent rate increase referred to above.
3. Operating expenses remained unchanged from the same period in 2017 due to the net effect of – 1) a decrease of \$0.1 million in surface water purchasing costs as no surface water was taken in first three months of 2018 due to the shutdown of the Antelope Transmission Pipeline (ATP) and availability of PCWA water; and 2) an increase of \$0.2 million in groundwater pumping 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 the first eight months of 2018 that is a result of increasing market rates.
5. Interest expense and debt related costs decreased \$0.1 million compared to the same period a year ago primarily due to the savings from refunding the 2009B COP to a lower interest rate with the issuance of the 2018A Revenue Bond.

Budgets:

The District’s operating and maintenance expenditures for 2018 came in less than the budget by \$2.1 million. Most of this positive variance is due to water cost savings that stem primarily from the lack of purchased surface water due to the shutdown of the ATP and water availability. The

District still expects to take 12,000 AF of surface water in 2018 in the north service area, but is not planning on any surface water purchases in the south service area.

Operating capital project expenditures through August were \$0.5 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, \$8.1 million has been spent, while \$9.0 million is under contract. Expenditures continue to be primarily in distribution system replacements, well improvements and meter retrofit projects.

Debt – August 2018

The District completed refunding the Series 2009B COP with the 2018A Revenue Refunding Bond in May, saving the District \$1.3 million (NPV) over the next 10 years. This report shows the Series 2009B COP with outstanding principal of \$22.065 million, and 5.0% Fixed Rate was repaid in full through the issuance of the series 2018A, 3.4% Fixed-Rate Revenue Refunding Bond in the amount of \$19.615 million.

Scheduled 2018 principal payments of \$4.4 million are not due until the end of October. Total principal outstanding as of August 31, 2018 is \$79.1 million.

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

For the eight months ended August 31, 2018, the District has incurred interest expense of \$1,746,788 versus a forecast of \$2,306,667 or a \$559,879 positive variance. This is primarily due to: 1) expected Federal Reserve interest rate increases occurring later in the year than originally anticipated, and 2) savings from refunding the Series 2009B COP to a lower interest rate with the issuance of the 2018A Revenue Bond.

Investments Outstanding and Activity – August 2018

Reserve funds are invested in diverse investments that consist of corporate notes, Federal Agency bonds and discount notes, U.S. Treasury bonds, notes and bills, Supra-National Agency notes, commercial paper, municipal bonds, negotiable certificates of deposit and LAIF (Local Agency Investment Fund). The District's investments are under the day-to-day management of PFM Asset Management, LLC (PFM). PFM manages the portfolio in compliance with the District's Investment Policy and provides monthly and quarterly reporting, analysis and proposes strategies for the District. The market portfolio is currently earning a rate of 2.14% per annum, while LAIF is earning 2.0% per annum. District staff monitors investment assets quarterly and reviews/approves the effective duration of the District's portfolio against its benchmark index on a quarterly basis as well.

During the month of August, the District purchased one Certificate of Deposit for \$0.7million (par) and one Commercial Paper for \$0.5 million (par). The District sold Certificate of Deposit for \$0.8 million (par). The District received principal paydowns on five Federal Agency Collateralized Mortgage Obligations of \$56,528 (par) and seven Asset-Backed Security Obligations of \$47,210

(par). One Commercial Paper investment matured for \$0.7 million (par). See “Investment Activity” section in the attached report for further details.

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

Cash Expenditures – August 2018

During the month of August, the District made cash payments totaling \$4.3 million. The primary expenditures were – \$1.9 million for 2018 capital improvement projects, \$0.1 million for debt service, \$0.5 million for water costs including pumping and chemical costs, \$0.4 million for Sacramento Ground Water Authority’s and Regional Water Authority’s annual dues, \$0.1 million for customer billing, printing and postage and \$0.9 million for payroll, pension and health benefits.

Purchasing Card Expenditures – August 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 \$5,030 for various purchases on the six District purchasing cards. Details by vendor and purpose are included in this report.

District Reserve Balances

The District’s Reserve Policy, PL – Fin 004, requires the District to maintain a certain level of cash and investments on hand at any one time, as determined by the Board annually. Balances as of August 31, 2018 are \$48,388,253 compared to \$45,669,205 at December 31, 2017. In May, \$3.5 million of reserves were liquidated due to refunding the 2009B COP.

Information Required by LOC Agreement

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

Financial Statements
August 31, 2018

Sacramento Suburban Water District
Financial Highlights
Period Ended

STATEMENTS OF NET POSITION

	<u>Year-To-Date</u> <u>8/31/2018</u>	<u>Year-To-Date</u> <u>8/31/2017</u>
LIQUIDITY		
Cash and cash equivalents	\$12,419,369.37	\$10,185,830.87
INVESTMENT		
Investments	35,786,173.50	34,089,988.69
CAPITAL ASSETS		
Property, plant and equipment	467,070,699.59	452,982,441.80
Accumulated depreciation	<u>(176,535,482.42)</u>	<u>(167,092,192.12)</u>
	290,535,217.17	285,890,249.68
LIABILITIES		
Long Term Debt	(86,047,128.60)	(94,066,990.88)
NET POSITION		
Net Position	252,410,932.86	240,908,010.52

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	<u>Month</u> <u>8/31/2018</u>	<u>Year-To-Date</u> <u>8/31/2018</u>	<u>Month</u> <u>8/31/2017</u>	<u>Year-To-Date</u> <u>8/31/2017</u>
NET INCOME				
Operating Revenue	4,423,513.47	29,101,971.32	4,581,328.95	28,321,694.79
Operating Expense	(2,116,752.28)	(12,374,709.70)	(1,637,146.65)	(12,288,247.15)
Other, Net	<u>(1,070,656.66)</u>	<u>(9,747,781.06)</u>	<u>(1,053,556.71)</u>	<u>(8,985,893.36)</u>
Change in Net Position	1,236,104.53	6,979,480.56	1,890,625.59	7,047,554.28

**Sacramento Suburban Water District
Statements of Net Position**

As Of

	Month End 8/31/2018	Year End 12/31/17
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$12,406,731.78	\$6,084,811.39
Restricted Cash and cash equivalents	12,637.59	12,504.34
Accounts receivable, net of allowance for uncollectible accounts	2,352,785.77	3,220,813.91
Interest receivable	182,709.37	175,718.91
Restricted Interest receivable		7,982.27
Grants receivables	135,446.55	135,446.55
Other receivables		139,520.00
Inventory	942,983.42	687,361.49
Prepaid expenses and other assets	1,177,393.73	596,878.92
TOTAL CURRENT ASSETS	17,210,688.21	11,061,037.78
NONCURRENT ASSETS		
Investments	35,786,173.50	35,860,505.32
Restricted Investments		3,527,683.79
Fair value of interest rate swaps	487,057.00	487,057.00
TOTAL NONCURRENT ASSETS	36,273,230.50	39,875,246.11
Property, plant and equipment	467,070,699.59	458,488,252.58
Accumulated depreciation	(176,535,482.42)	(168,222,020.00)
TOTAL CAPITAL ASSETS	290,535,217.17	290,266,232.58
TOTAL ASSETS	344,019,135.88	341,202,516.47
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on long-term debt refunding	6,244,472.42	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	352,887,290.30	350,687,833.70
LIABILITIES		
CURRENT LIABILITIES		
Current portion of long-term debt and capital leases	4,425,000.00	4,240,000.00
Accounts payable	683,933.08	1,799,258.35
Accrued interest	407,320.73	426,439.43
Deferred revenue and other liabilities	1,066,050.27	895,650.62
Accrued expenses	1,065,149.84	1,194,890.42
TOTAL CURRENT LIABILITIES	7,647,453.92	8,556,238.82
NONCURRENT LIABILITIES		
Long-term debt	81,622,128.60	85,548,384.48
Compensated absences	1,074,796.92	1,019,780.10
Net pension liability	8,997,648.00	8,997,648.00
TOTAL NONCURRENT LIABILITIES	91,694,573.52	95,565,812.58
TOTAL LIABILITIES	99,342,027.44	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	41,706,824.13	34,727,343.57
TOTAL NET POSITION	252,410,932.86	245,431,452.30
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	352,887,290.30	350,687,833.70

Sacramento Suburban Water District
Statements of Revenues, Expenses and Changes in Net Position

Period Ended

	<u>Month</u> <u>8/31/2018</u>	<u>Year-To-Date</u> <u>8/31/2018</u>	<u>Month</u> <u>8/31/2017</u>	<u>Year-To-Date</u> <u>8/31/2017</u>
OPERATING REVENUES				
Water consumption sales	\$1,669,776.55	\$7,976,905.55	\$2,010,624.14	\$7,893,209.13
Water service charge	536,699.89	4,206,267.57	537,489.78	4,221,919.98
Capital facilities charge	2,039,611.40	15,989,392.80	1,960,400.80	15,369,081.46
Wheeling water charge	96,538.99	261,990.62	919.98	165,788.18
Other charges for services	80,886.64	667,414.78	71,894.25	671,696.04
TOTAL OPERATING REVENUES	<u>4,423,513.47</u>	<u>29,101,971.32</u>	<u>4,581,328.95</u>	<u>28,321,694.79</u>
OPERATING EXPENSES				
Source of supply	478,230.93	1,821,249.14	365,059.69	1,967,546.98
Pumping	371,506.55	2,662,363.68	305,044.50	2,414,535.61
Transmission and distribution	304,323.80	2,175,471.87	331,851.61	2,350,526.66
Water conservation	57,752.02	263,129.80	(4,534.05)	304,933.45
Customer accounts	114,009.71	811,761.01	118,044.05	841,029.40
Administrative and general	790,904.29	4,634,900.80	522,706.59	4,410,753.02
TOTAL OPERATING EXPENSES	<u>2,116,727.30</u>	<u>12,368,876.30</u>	<u>1,638,172.39</u>	<u>12,289,325.12</u>
Operating income before depreciation	2,306,786.17	16,733,095.02	2,943,156.56	16,032,369.67
Depreciation and amortization	(1,037,823.01)	(8,313,462.42)	(1,015,967.13)	(8,132,335.97)
OPERATING INCOME	<u>1,268,963.16</u>	<u>8,419,632.60</u>	<u>1,927,189.43</u>	<u>7,900,033.70</u>
NON-OPERATING REV. (EXP.)				
Rental income	15,815.97	163,236.68	21,215.15	172,098.13
Interest and investment income	152,513.36	260,764.32	119,073.01	595,367.44
Interest expense and debt related costs	(228,778.53)	(2,188,422.79)	(276,918.20)	(2,315,814.69)
Other non-operating revenues	560.57	151,882.54	85,594.37	179,261.88
Grant revenue pass-through to sub recipients				389,100.55
Other non-operating expenses		12,019.81	20.83	3,677.07
Sub recipient grant expenses				(389,100.55)
Gain(loss) on disposal of capital assets	27,030.00	27,030.00		
NON-OPERATING REV. (EXP.)	<u>(32,858.63)</u>	<u>(1,573,489.44)</u>	<u>(51,014.84)</u>	<u>(1,365,410.17)</u>
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>1,236,104.53</u>	<u>6,846,143.16</u>	<u>1,876,174.59</u>	<u>6,534,623.53</u>
CAPITAL CONTRIBUTIONS				
Facility development charges		116,284.00	14,451.00	91,097.00
Developer contributions				413,977.00
Federal, state and local capital grants		17,053.40		7,856.75
TOTAL CAPITAL CONTRIBUTIONS		<u>133,337.40</u>	<u>14,451.00</u>	<u>512,930.75</u>
CHANGE IN NET POSITION	<u>1,236,104.53</u>	<u>6,979,480.56</u>	<u>1,890,625.59</u>	<u>7,047,554.28</u>
Net position at beginning of period	251,174,828.33	245,431,452.30	239,017,384.93	233,860,456.24
NET POSITION AT END OF PERIOD	<u><u>252,410,932.86</u></u>	<u><u>252,410,932.86</u></u>	<u><u>240,908,010.52</u></u>	<u><u>240,908,010.52</u></u>

Sacramento Suburban Water District
Operations and Maintenance Budget
Period Ended

	<i>Month Of August</i>			<i>2018 YTD</i>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
BUDGETED OPERATING EXPENSES						
Board of Directors	\$3,125.63	\$2,853.07	(\$272.56)	\$25,743.60	\$44,824.56	\$19,080.96
Administrative	270,542.90	210,894.08	(59,648.82)	1,484,055.53	1,690,088.64	206,033.11
Finance	98,973.38	79,394.09	(19,579.29)	595,709.85	685,152.72	89,442.87
Customer Services	114,009.71	109,133.47	(4,876.24)	811,761.01	873,067.76	61,306.75
Field Operations	51,674.44	67,147.78	15,473.34	388,698.98	515,182.24	126,483.26
Production	849,737.48	745,945.54	(103,791.94)	4,483,612.82	5,460,540.32	976,927.50
Distribution	221,260.26	190,377.02	(30,883.24)	1,285,575.95	1,523,016.16	237,440.21
Field Services	83,063.54	120,339.16	37,275.62	888,237.47	968,285.32	80,047.85
Maintenance	61,943.26	56,159.30	(5,783.96)	405,517.82	449,274.12	43,756.30
Water Conservation	57,752.02	41,164.26	(16,587.76)	263,129.80	329,564.08	66,434.28
Engineering	164,898.64	115,063.15	(49,835.49)	829,966.97	916,360.20	86,393.23
GIS/CAD	31,119.72	33,714.97	2,595.25	233,340.48	278,223.76	44,883.28
Human Resources	23,912.69	24,705.32	792.63	124,894.02	168,822.56	43,928.54
Information Technology	84,713.63	71,437.21	(13,276.42)	548,632.00	607,997.68	59,365.68
TOTAL OPERATING EXPENSES	<u><u>2,116,727.30</u></u>	<u><u>1,868,328.42</u></u>	<u><u>(248,398.88)</u></u>	<u><u>12,368,876.30</u></u>	<u><u>14,510,400.12</u></u>	<u><u>2,141,523.82</u></u>

**SACRAMENTO SUBURBAN WATER DISTRICT
OPERATING CAPITAL AMENDED BUDGET
8/31/2018**

Project Number	Project Name	Original Budget	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	\$ -	\$ 11,960.00	\$ -	\$ 40.00
SF18-428	FOLDING TABLES & CHAIRS	\$ 13,000.00	13,000.00	-	822.00	-	\$ 12,178.00
SF18-429	BUILDING & STRUCTURES MAINT	\$ 95,000.00	95,000.00	11,775.00	26,176.00	55,025.00	\$ 13,799.00
SF18-430	HVAC/ROOFS/BUILDING REPAIRS	\$ 30,000.00	30,000.00	-	8,610.00	2,500.00	\$ 18,890.00
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	-	\$ 5,374.00
SF18-434	WINDOW COVERING - WALNUT	\$ 5,000.00	5,000.00	-	4,598.54	-	\$ 401.46
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	-	71,854.00	-	\$ 3,146.00
SF18-438	VEH REPL-RIGHT SIZE/TRUCK#11	\$ 33,000.00	33,000.00	-	27,706.00	-	\$ 5,294.00
SF18-439	VEH REPL-RIGHT SIZE/TRUCK#14	\$ 45,000.00	45,000.00	-	-	37,754.00	\$ 7,246.00
SF18-440	VEH REPL-RIGHT SIZE/TRUCK#47	\$ 45,000.00	45,000.00	-	-	37,754.00	\$ 7,246.00
SF18-441	VEH REPL-RIGHT SIZE/TRUCK#48	\$ 45,000.00	45,000.00	33,721.00	33,721.00	4,131.00	\$ 7,148.00
SF18-442	COMPACT MINI EXCAVATOR	\$ 62,000.00	62,000.00	-	59,370.00	-	\$ 2,630.00
SF18-443	METER VAULT LIDS REPLACEMENT	\$ 32,000.00	32,000.00	-	11,100.00	-	\$ 20,900.00
SF18-444	ASPHALT REPL/SEAL- WELL SITES	\$ 30,000.00	30,000.00	-	24,100.00	-	\$ 5,900.00
SF18-445	FENCES REPLACE - 4 WELL SITES	\$ 28,000.00	28,000.00	-	7,317.00	2,546.00	\$ 18,137.00
SF18-446	PERISTALTIC CHEM DOSING PUMPS	\$ 27,500.00	27,500.00	4,518.00	4,518.00	-	\$ 22,982.00
SF18-447	UCMR 4 MONITORING	\$ 120,000.00	120,000.00	-	-	-	\$ 120,000.00
SF18-448	HARDWARE REFRESH PROGRAM	\$ 108,500.00	108,500.00	16,170.00	64,759.25	1,361.00	\$ 42,379.75
SF18-449	SOFTWARE ENHANCEMENTS/MODULES	\$ 160,000.00	160,000.00	32,920.00	72,317.00	3,432.00	\$ 84,251.00
SF18-450	SERVER ROOM	\$ 50,000.00	50,000.00	-	-	43,384.00	\$ 6,616.00
TOTAL		\$ 1,161,000.00	\$ 1,161,000.00	\$ 99,104.00	\$ 454,554.79	\$ 187,887.00	\$ 518,558.21

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**Sacramento Suburban Water District
Capital Improvement Project Amended Budget
8/31/2018**

Project No.	Project Name	Original Budget	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	\$982,000.00 ²	\$ 43,664.00	\$ 357,518.00	\$269,695.00	\$ 354,787.00
SC18-010	SCADA RTU/COMMUN IMPROVEMENT	\$ 60,000.00	60,000.00	-	-	-	\$ 60,000.00
SC18-011	WELLHEAD TREATMENT/CHEM FEED	\$ 150,000.00	168,000.00 ²	-	159,064.00	3,253.00	\$ 5,683.00
SC18-012	WELL REPLACEMENTS	\$ 3,300,000.00	3,300,000.00	264,710.00	391,287.41	2,301,755.00	\$ 606,957.59
SC18-013	ELECTRICAL IMPROV @WELL SITES	\$ 200,000.00	100,000.00 ³	5,320.00	11,804.50	20,968.00	\$ 67,227.50
SC18-018	DISTRIBUTION MAIN REPLACEMENTS	\$ 10,470,000.00	10,470,000.00	938,389.00	5,878,981.02	4,399,978.00	\$ 191,040.98
SC18-019	DIST MAIN IMPRV/EXT/INTERTIES	\$ 600,000.00	540,000.00 ¹	32,600.00	291,501.79	94,790.00	\$ 153,708.21
SC18-020	MCCLELLAN LINE REPL	\$ 50,000.00	50,000.00	3,793.00	11,575.00	1,496.00	\$ 36,929.00
SC18-022	WTR RELATED STREET IMPRV	\$ 200,000.00	200,000.00	167,862.00	334,023.00	60,966.00	\$ (194,989.00)
SC18-024	METER RETROFIT PROGRAM	\$ 2,100,000.00	2,160,000.00 ¹	150,180.00	449,102.69	1,706,862.00	\$ 4,035.31
SC18-034	RESERVIOR/TANK IMPROVMENT	\$ 100,000.00	100,000.00	4,285.00	4,285.00	21,565.00	\$ 74,150.00
SC18-035	CORROSION CONTROL-TRAN MAINS	\$ 50,000.00	50,000.00	-	-	19,200.00	\$ 30,800.00
SC18-038	LARGE WTR METER >3" REPL	\$ 140,000.00	140,000.00	16,700.00	23,510.00	73,859.00	\$ 42,631.00
SC18-040	ENGINE GENERATOR COMPLIANCE	\$ 240,000.00	340,000.00 ³		206,930.00	34,071.00	\$ 98,999.00
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	\$ 1,627,503.00	\$ 8,119,582.41	\$ 9,008,458.00	\$ 2,031,959.59

**Sacramento Suburban Water District
Debt
8/31/2018**

Principal Current Month

	Series 2009A COP	Series 2009B COP	Series 2012A	Series 2018A	Total
Beginning Balance	\$ 42,000,000	\$ -	\$ 17,490,000		\$ 59,490,000
Additions:				\$ 19,615,000	19,615,000
Reductions: Payment	-	-	-	-	-
Ending Balance	<u>\$ 42,000,000</u>	<u>\$ -</u>	<u>\$ 17,490,000</u>	<u>\$ 19,615,000</u>	<u>\$ 79,105,000</u>

Principal Year-To-Date

	Series 2009A COP	Series 2009B COP	Series 2012A	Series 2018A	Total
Beginning Balance	\$ 42,000,000	\$ 22,065,000	\$ 17,490,000		\$ 81,555,000
Additions:				\$ 19,615,000	19,615,000
Reductions: Payment	-	(22,065,000)			(22,065,000)
Ending Balance	<u>\$ 42,000,000</u>	<u>\$ -</u>	<u>\$ 17,490,000</u>	<u>\$ 19,615,000</u>	<u>\$ 79,105,000</u>

Interest Expense

	Current Month Actual	Actual	Year-To-Date Budget	Variance
Interest Expense	\$ 193,689	\$ 1,746,788	\$ 2,306,667	\$ 559,879

**Investments Outstanding and Activity
August 2018**



Managed Account Detail of Securities Held

For the Month Ending August 31, 2018

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 08/31/2015 1.375% 08/31/2020	912828L32	250,000.00	AA+	Aaa	12/11/17	12/13/17	246,523.44	1.90	9.50	247,424.59	243,916.00
US TREASURY NOTES DTD 02/28/2014 2.000% 02/28/2021	912828B90	75,000.00	AA+	Aaa	07/06/16	07/08/16	78,667.97	0.92	4.14	76,990.90	73,784.13
US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828O78	175,000.00	AA+	Aaa	01/03/17	01/05/17	171,527.34	1.86	810.80	172,826.74	169,175.83
US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	100,000.00	AA+	Aaa	03/15/17	03/17/17	97,402.34	2.02	349.39	98,280.27	96,550.80
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	300,000.00	AA+	Aaa	09/01/16	09/02/16	310,781.25	1.22	1,524.59	306,317.48	294,597.60
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	550,000.00	AA+	Aaa	10/03/16	10/05/16	570,646.48	1.21	30.39	562,766.75	539,021.45
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	600,000.00	AA+	Aaa	04/03/17	04/05/17	604,640.63	1.82	33.15	603,202.45	588,023.40
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	900,000.00	AA+	Aaa	07/06/17	07/11/17	905,449.22	1.85	49.72	903,993.64	882,035.10
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	1,050,000.00	AA+	Aaa	12/01/16	12/05/16	1,053,117.19	1.93	58.01	1,052,014.19	1,029,040.95
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	1,400,000.00	AA+	Aaa	06/27/17	06/29/17	1,415,257.81	1.73	77.35	1,411,083.52	1,372,054.60
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	275,000.00	AA+	Aaa	08/01/17	08/03/17	269,725.59	1.72	1,158.29	271,032.83	262,958.03
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	475,000.00	AA+	Aaa	10/05/17	10/10/17	463,997.07	1.85	2,000.68	466,354.18	454,200.23
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	1,200,000.00	AA+	Aaa	08/30/17	08/31/17	1,181,062.50	1.64	5,054.35	1,185,510.78	1,147,453.20
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	450,000.00	AA+	Aaa	12/04/17	12/06/17	445,324.22	2.12	2,843.07	446,081.43	436,728.60



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U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	500,000.00	AA+	Aaa	01/03/18	01/04/18	493,652.34	2.18	3,158.97	494,586.05	485,254.00
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	950,000.00	AA+	Aaa	05/03/18	05/07/18	919,644.53	2.73	6,002.04	921,956.76	921,982.60
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	1,050,000.00	AA+	Aaa	07/03/18	07/06/18	1,018,992.19	2.69	6,633.83	1,020,198.92	1,019,033.40
Security Type Sub-Total		10,300,000.00					10,246,412.11	1.95	29,798.27	10,240,621.48	10,015,809.97
Supra-National Agency Bond / Note											
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	900,000.00	AAA	Aaa	09/12/17	09/19/17	897,840.00	1.64	6,595.23	898,516.40	878,344.20
INTER-AMERICAN DEVELOPMENT BANK DTD 11/08/2013 2.125% 11/09/2020	4581X0CD8	700,000.00	AAA	Aaa	10/02/17	10/10/17	706,488.37	1.81	4,627.78	704,649.44	690,541.60
INTER-AMERICAN DEVELOPMENT BANK NOTE DTD 04/19/2018 2.625% 04/19/2021	4581X0DB1	225,000.00	AAA	Aaa	04/12/18	04/19/18	224,505.00	2.70	2,165.63	224,563.49	223,917.75
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 07/25/2018 2.750% 07/23/2021	459058GH0	750,000.00	AAA	Aaa	07/18/18	07/25/18	748,245.00	2.83	2,062.50	748,301.44	748,701.00
Security Type Sub-Total		2,575,000.00					2,577,078.37	2.13	15,451.14	2,576,030.77	2,541,504.55
Municipal Bond / Note											
CT ST TXBL GO BONDS DTD 03/25/2015 1.974% 03/15/2019	20772JZK1	230,000.00	A	A1	03/16/15	03/25/15	230,646.30	1.90	2,093.54	230,090.45	228,645.30
Security Type Sub-Total		230,000.00					230,646.30	1.90	2,093.54	230,090.45	228,645.30
Federal Agency Collateralized Mortgage Obligation											



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Federal Agency Collateralized Mortgage Obligation											
FNMA SERIES M4 FA DTD 03/01/2015 2.292% 09/01/2018	3136AMTM1	1,758.20	AA+	Aaa	03/12/15	03/31/15	1,757.75	0.38	3.36	1,758.20	1,755.61
FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AOSW1	13,908.05	AA+	Aaa	11/06/15	11/30/15	14,047.13	1.20	22.00	13,908.05	13,859.75
FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AQD00	79,402.44	AA+	Aaa	10/07/15	10/30/15	80,197.57	1.08	108.91	79,526.64	79,061.75
FNMA SERIES 2015-M12 FA DTD 09/01/2015 2.422% 04/01/2020	3136AP3Z3	127,793.71	AA+	Aaa	09/10/15	09/30/15	127,747.72	0.54	293.48	127,793.71	127,730.93
FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	242,856.85	AA+	Aaa	04/11/18	04/30/18	247,687.52	2.27	720.48	247,286.87	246,195.72
FHLMC MULTIFAMILY STRUCTURED P POOL DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	200,000.00	AA+	Aaa	04/04/18	04/09/18	201,703.13	2.61	515.00	201,530.97	200,238.92
Security Type Sub-Total		665,719.25					673,140.82	1.87	1,663.23	671,804.44	668,842.75
Federal Agency Bond / Note											
FHLB GLOBAL NOTE DTD 07/14/2016 1.125% 07/14/2021	3130A8OS5	975,000.00	AA+	Aaa	07/14/16	07/15/16	969,071.03	1.25	1,432.03	971,550.86	933,275.85
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	130,000.00	AA+	Aaa	08/17/16	08/19/16	129,555.27	1.32	63.19	129,732.80	124,607.60
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	420,000.00	AA+	Aaa	08/17/16	08/19/16	418,299.00	1.33	204.17	418,977.89	402,578.40
Security Type Sub-Total		1,525,000.00					1,516,925.30	1.28	1,699.39	1,520,261.55	1,460,461.85
Corporate Note											
GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 04/25/2016 2.000% 04/25/2019	38141GVT8	50,000.00	BBB+	A3	04/20/16	04/25/16	49,861.00	2.10	350.00	49,969.17	49,767.75



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Corporate Note											
GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 04/25/2016 2.000% 04/25/2019	38141GVT8	325,000.00	BBB+	A3	04/21/16	04/26/16	324,792.00	2.02	2,275.00	324,953.88	323,490.58
CITIGROUP INC CORP NOTES DTD 06/09/2016 2.050% 06/07/2019	172967KS9	145,000.00	BBB+	Baa1	06/02/16	06/09/16	144,924.60	2.07	693.58	144,980.25	144,238.75
AMERICAN HONDA FINANCE GLOBAL NOTES DTD 09/09/2014 2.250% 08/15/2019	02665WAH4	800,000.00	A+	A2	09/04/14	09/09/14	798,520.00	2.29	800.00	799,699.09	796,932.80
BURLINGTON NRTH CORP DTD 09/24/2009 4.700% 10/01/2019	12189TBC7	200,000.00	A+	A3	06/03/16	06/08/16	220,780.00	1.48	3,916.67	206,904.52	203,901.00
CITIGROUP INC (CALLABLE) CORP NOTE DTD 01/10/2017 2.450% 01/10/2020	172967LF6	400,000.00	BBB+	Baa1	01/04/17	01/10/17	399,840.00	2.46	1,388.33	399,926.13	396,966.40
JP MORGAN CHASE & CO (CALLABLE) DTD 01/23/2015 2.250% 01/23/2020	46625HKA7	500,000.00	A-	A3	10/01/15	10/06/15	496,400.00	2.43	1,187.50	498,793.84	494,973.50
WELLS FARGO & CO CORP BONDS DTD 02/02/2015 2.150% 01/30/2020	94974BGF1	400,000.00	A-	A2	02/02/15	02/05/15	402,796.00	2.00	740.56	400,821.09	395,726.80
AMERICAN EXPRESS CREDIT (CALLABLE) NOTE DTD 03/03/2017 2.200% 03/03/2020	0258M0EE5	215,000.00	A-	A2	02/28/17	03/03/17	214,776.40	2.24	2,338.72	214,885.92	212,384.53
TOYOTA MOTOR CORP NOTES DTD 03/12/2015 2.150% 03/12/2020	89236TCF0	250,000.00	AA-	Aa3	03/23/15	03/27/15	252,220.00	1.96	2,523.26	250,708.59	247,480.00
TOYOTA MOTOR CREDIT CORP DTD 04/17/2017 1.950% 04/17/2020	89236TDU6	275,000.00	AA-	Aa3	04/11/17	04/17/17	274,873.50	1.97	1,996.04	274,930.46	270,780.13
HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020	437076BO4	175,000.00	A	A2	05/24/17	06/05/17	174,898.50	1.82	752.50	174,939.77	172,130.18
JP MORGAN CHASE & CO CORP NT (CALLABLE) DTD 06/23/2015 2.750% 06/23/2020	46625HLW8	300,000.00	A-	A3	09/01/15	09/04/15	301,491.00	2.64	1,558.33	300,571.89	298,450.20
WELLS FARGO & COMPANY NOTES DTD 07/22/2015 2.600% 07/22/2020	94974BGM6	375,000.00	A-	A2	09/01/15	09/04/15	377,103.75	2.48	1,056.25	375,846.99	371,582.25



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Corporate Note											
CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	1491302A6	275,000.00	A	A3	09/05/17	09/07/17	274,769.00	1.88	2,501.35	274,843.38	269,280.00
APPLE INC DTD 11/13/2017 2.000% 11/13/2020	037833DJ6	400,000.00	AA+	Aa1	11/06/17	11/13/17	399,664.00	2.03	2,400.00	399,751.69	393,161.60
WAL-MART STORES INC CORP NOTE DTD 10/20/2017 1.900% 12/15/2020	931142EA7	375,000.00	AA	Aa2	10/11/17	10/20/17	374,456.25	1.95	1,504.17	374,599.38	367,931.63
US BANCORP CORP NOTES (CALLABLE) DTD 01/29/2016 2.350% 01/29/2021	91159HHL7	350,000.00	A+	A1	12/11/17	12/13/17	350,983.50	2.26	731.11	350,761.97	344,302.70
BRANCH BANKING & TRUST (CALLABLE) NOTES DTD 10/26/2017 2.150% 02/01/2021	05531FAZ6	75,000.00	A-	A2	10/23/17	10/26/17	74,965.50	2.17	134.38	74,973.42	73,250.55
IBI CORP CORP NOTES DTD 02/06/2018 2.650% 02/05/2021	44932HAG8	400,000.00	A+	A1	02/01/18	02/06/18	399,804.00	2.67	765.56	399,839.92	396,513.20
JOHN DEERE CAPITAL CORP NOTES DTD 03/13/2018 2.875% 03/12/2021	24422EUD9	375,000.00	A	A2	03/08/18	03/13/18	374,745.00	2.90	5,031.25	374,783.12	373,197.38
NATIONAL RURAL UTIL COOP DTD 02/26/2018 2.900% 03/15/2021	63743HER9	150,000.00	A	A2	02/21/18	02/26/18	149,833.50	2.94	2,235.42	149,861.92	149,361.90
NATIONAL RURAL UTIL COOP DTD 02/26/2018 2.900% 03/15/2021	63743HER9	225,000.00	A	A2	04/12/18	04/19/18	224,048.25	3.05	3,353.13	224,170.11	224,042.85
PEPSICO INC CORP (CALLABLE) NOTE DTD 10/10/2017 2.000% 04/15/2021	713448DX3	225,000.00	A+	A1	10/05/17	10/10/17	224,955.00	2.01	1,700.00	224,965.90	219,752.33
BANK OF NEW YORK MELLON CORP (CALLABLE) DTD 02/19/2016 2.500% 04/15/2021	06406FAA1	375,000.00	A	A1	05/16/16	05/19/16	383,617.50	2.00	3,541.67	379,642.55	369,076.13
BANK OF AMERICA CORP NOTE DTD 04/19/2016 2.625% 04/19/2021	06051GFW4	35,000.00	A-	A3	11/01/17	11/03/17	35,271.60	2.39	336.88	35,208.77	34,452.95
MORGAN STANLEY CORP NOTES DTD 04/21/2016 2.500% 04/21/2021	61746BEA0	350,000.00	BBB+	A3	11/01/17	11/03/17	351,134.00	2.40	3,159.72	350,872.75	342,906.55



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Corporate Note											
AMERICAN EXPRESS CREDIT (CALLABLE) NOTES DTD 05/05/2016 2.250% 05/05/2021	0258M0EB1	225,000.00	A-	A2	05/25/16	05/31/16	224,478.00	2.30	1,631.25	224,710.12	219,690.23
BRANCH BANKING & TRUST (CALLABLE) NOTE DTD 05/10/2016 2.050% 05/10/2021	05531FAV5	200,000.00	A-	A2	05/10/16	05/16/16	199,868.00	2.06	1,264.17	199,927.23	194,122.60
HERSHEY COMPANY CORP NOTES DTD 05/10/2018 3.100% 05/15/2021	427866BA5	150,000.00	A	A1	05/03/18	05/10/18	149,896.50	3.12	1,433.75	149,906.94	150,567.60
STATE STREET CORP NOTES DTD 05/19/2016 1.950% 05/19/2021	857477AV5	110,000.00	A	A1	05/19/16	05/24/16	109,532.50	2.04	607.75	109,739.57	106,753.90
CHARLES SCHWAB CORP CORP NOTES DTD 05/22/2018 3.250% 05/21/2021	808513AW5	250,000.00	A	A2	05/17/18	05/22/18	249,992.50	3.25	2,234.38	249,993.08	250,809.50
BANK OF AMERICA CORP (CALLABLE) DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	240,000.00	A-	A3	09/13/17	09/18/17	240,000.00	2.33	2,328.00	240,000.00	235,040.40
BANK OF AMERICA CORP NOTES DTD 05/17/2018 3.499% 05/17/2022	06051GHH5	90,000.00	A-	A3	05/14/18	05/17/18	90,000.00	3.50	909.74	90,000.00	90,163.44
Security Type Sub-Total		9,285,000.00					9,315,291.35	2.31	59,380.42	9,296,483.41	9,183,182.11
Commercial Paper											
BNP PARIBAS NY BRANCH COMM PAPER DTD 01/22/2018 0.000% 10/19/2018	09659CKK3	700,000.00	A-1	P-1	01/22/18	01/23/18	689,329.67	2.07	0.00	698,096.00	698,045.60
MUFG BANK LTD/NY COMM PAPER DTD 07/20/2018 0.000% 04/16/2019	62479MRG0	750,000.00	A-1	P-1	07/20/18	07/20/18	735,543.75	2.62	0.00	737,846.04	737,987.25
DEXIA CREDIT LOCAL SA NY COMM PAPER DTD 08/09/2018 0.000% 04/29/2019	25214PKO5	500,000.00	A-1+	P-1	08/08/18	08/09/18	490,685.42	2.60	0.00	491,500.00	491,625.50
Security Type Sub-Total		1,950,000.00					1,915,558.84	2.42	0.00	1,927,442.04	1,927,658.35
Certificate of Deposit											



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Certificate of Deposit											
CANADIAN IMPERIAL BANK NY CD DTD 12/05/2016 1.760% 11/30/2018	13606A5Z7	725,000.00	A-1	P-1	12/01/16	12/05/16	724,434.50	1.78	3,225.44	724,929.80	724,125.65
NORDEA BANK FINLAND NY CD DTD 12/05/2016 1.760% 11/30/2018	65558LWA6	725,000.00	A-1+	P-1	12/01/16	12/05/16	725,000.00	1.74	3,331.78	725,000.00	724,674.48
SVENSKA HANDELSBANKEN NY LT CD DTD 01/12/2017 1.890% 01/10/2019	86958JHB8	750,000.00	A-1+	P-1	01/10/17	01/12/17	750,000.00	1.91	2,086.88	750,000.00	748,190.25
BANK OF NOVA SCOTIA HOUSTON LT CD DTD 04/06/2017 1.910% 04/05/2019	06417GUE6	375,000.00	A-1	P-1	04/05/17	04/06/17	375,000.00	1.91	2,964.48	375,000.00	373,768.58
SUMITOMO MITSUI BANK NY CD DTD 05/04/2017 2.050% 05/03/2019	86563YVN0	700,000.00	A-1	P-1	05/03/17	05/04/17	700,000.00	2.05	4,823.19	700,000.00	698,518.30
SKANDINAV ENSKILDA BANKEN NY CD DTD 08/04/2017 1.840% 08/02/2019	83050FXT3	700,000.00	A-1	P-1	08/03/17	08/04/17	699,727.00	1.85	1,073.33	699,874.38	695,355.50
MUFG BANK LTD/NY CERT DEPOS DTD 09/27/2017 2.070% 09/25/2019	06539RGM3	350,000.00	A	A1	09/25/17	09/27/17	350,000.00	2.07	6,822.38	350,000.00	347,132.30
CREDIT SUISSE NEW YORK CERT DEPOS DTD 02/08/2018 2.670% 02/07/2020	22549LFR1	375,000.00	A	A1	02/07/18	02/08/18	375,000.00	2.67	5,645.94	375,000.00	375,219.38
UBS AG STAMFORD CT LT CD DTD 03/06/2018 2.900% 03/02/2020	90275DHG8	400,000.00	A+	Aa2	03/02/18	03/06/18	400,000.00	2.93	5,767.78	400,000.00	401,452.40
BANK OF NOVA SCOTIA HOUSTON CD DTD 06/07/2018 3.080% 06/05/2020	06417GU22	375,000.00	A+	Aa2	06/05/18	06/07/18	374,857.50	3.10	2,695.00	374,873.62	377,340.38
WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	625,000.00	AA-	Aa3	08/03/17	08/07/17	625,000.00	2.05	854.17	625,000.00	616,481.25
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 08/03/2018 3.190% 08/03/2020	06370REU9	670,000.00	A+	Aa2	08/01/18	08/03/18	670,000.00	3.23	1,721.71	670,000.00	670,069.58
SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	700,000.00	AA-	Aa2	11/16/17	11/17/17	700,000.00	2.30	4,767.00	700,000.00	686,941.50
ROYAL BANK OF CANADA NY CD DTD 06/08/2018 3.240% 06/07/2021	78012UEE1	650,000.00	AA-	Aa2	06/07/18	06/08/18	650,000.00	3.24	4,855.50	650,000.00	654,821.70



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Security Type Sub-Total		8,120,000.00					8,119,019.00	2.30	50,634.58	8,119,677.80	8,094,092.65
Asset-Backed Security / Collateralized Mortgage Obligation											
NISSAN ABS 2015-A A3 DTD 04/14/2015 1.050% 10/15/2019	65477UAC4	725.87	NR	Aaa	04/07/15	04/14/15	725.72	1.06	0.34	725.84	725.46
FORD ABS 2015-B A3 DTD 05/26/2015 1.160% 11/15/2019	34530VAD1	1,384.09	NR	Aaa	05/19/15	05/26/15	1,383.96	1.16	0.71	1,384.06	1,383.25
NISSAN ABS 2015-B A3 DTD 07/22/2015 1.340% 03/15/2020	65475WAD0	46,150.38	NR	Aaa	07/15/15	07/22/15	46,146.72	1.34	27.49	46,149.38	46,042.20
JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	49,698.20	NR	Aaa	07/19/16	07/27/16	49,694.24	1.25	27.61	49,696.62	49,434.00
ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	56,771.03	AAA	Aaa	05/24/16	05/31/16	56,765.52	1.44	36.33	56,768.64	56,569.44
HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	46,773.36	AAA	Aaa	03/22/16	03/30/16	46,764.30	1.57	32.43	46,769.66	46,587.43
FORD ABS 2016-B A3 DTD 04/26/2016 1.330% 10/15/2020	34532EAD7	49,014.83	AAA	NR	04/19/16	04/26/16	49,010.19	1.33	28.97	49,013.48	48,754.94
CITIBANK ABS 2017-A2 A2 DTD 01/26/2017 1.740% 01/19/2021	17305EGA7	550,000.00	AAA	Aaa	01/19/17	01/26/17	549,894.68	1.75	1,169.67	550,000.00	548,555.10
HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	195,000.00	AAA	Aaa	09/14/16	09/21/16	194,973.75	1.30	111.80	194,986.05	192,899.81
ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	150,000.00	NR	Aaa	01/24/17	01/31/17	149,986.89	1.70	113.33	149,991.90	148,938.56
FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	475,000.00	NR	Aaa	01/18/17	01/25/17	474,998.24	1.67	352.56	474,999.03	470,606.63
ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	520,000.00	NR	Aaa	03/21/17	03/29/17	519,938.69	1.79	411.38	519,959.61	516,079.62
TAOT 2018-B A3 DTD 05/16/2018 2.960% 09/15/2022	89238TAD5	325,000.00	AAA	Aaa	05/09/18	05/16/18	324,995.16	2.96	427.56	324,995.50	325,054.86
ALLYA 2018-3 A3 DTD 06/27/2018 3.000% 01/15/2023	02007JAC1	400,000.00	AAA	Aaa	06/19/18	06/27/18	399,972.64	3.09	533.33	399,973.78	400,192.72



Managed Account Detail of Securities Held

For the Month Ending August 31, 2018

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Asset-Backed Security / Collateralized Mortgage Obligation											
CCCIT 2018-A1 A1 DTD 01/31/2018 2.490% 01/20/2023	17305EGK5	750,000.00	NR	Aaa	01/25/18	01/31/18	749,896.20	2.54	2,126.88	749,909.54	741,810.23
Security Type Sub-Total		3,615,517.76					3,615,146.90	2.12	5,400.39	3,615,323.09	3,593,634.25
Managed Account Sub-Total		38,266,237.01					38,209,218.99	2.14	166,120.96	38,197,735.03	37,713,831.78
Securities Sub-Total		\$38,266,237.01					\$38,209,218.99	2.14%	\$166,120.96	\$38,197,735.03	\$37,713,831.78
Accrued Interest											\$166,120.96
Total Investments											\$37,879,952.74

**Investment Activity
August 2018**



Managed Account Security Transactions & Interest

For the Month Ending August 31, 2018

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
BUY											
	08/01/18	08/03/18	BANK OF MONTREAL CHICAGO CERT DEPOS DTD 08/03/2018 3.190% 08/03/2020	06370REU9	670,000.00	(670,000.00)	0.00	(670,000.00)			
	08/08/18	08/09/18	DEXIA CREDIT LOCAL SA NY COMM PAPER DTD 08/09/2018 0.000% 04/29/2019	25214PKO5	500,000.00	(490,685.42)	0.00	(490,685.42)			
Transaction Type Sub-Total					1,170,000.00	(1,160,685.42)	0.00	(1,160,685.42)			
INTEREST											
	08/01/18	08/01/18	BRANCH BANKING & TRUST (CALLABLE) NOTES DTD 10/26/2017 2.150% 02/01/2021	05531FAZ6	75,000.00	0.00	806.25	806.25			
	08/01/18	08/01/18	MONEY MARKET FUND	MONEY0002	0.00	0.00	72.48	72.48			
	08/01/18	08/25/18	FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AOSW1	13,939.43	0.00	22.05	22.05			
	08/01/18	08/25/18	FHLMC MULTIFAMILY STRUCTURED P POOL DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	200,000.00	0.00	515.00	515.00			
	08/01/18	08/25/18	FNMA SERIES M4 FA DTD 03/01/2015 2.292% 09/01/2018	3136AMTM1	3,323.81	0.00	6.57	6.57			
	08/01/18	08/25/18	FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AODO0	116,665.71	0.00	160.03	160.03			
	08/01/18	08/25/18	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	250,000.00	0.00	766.96	766.96			
	08/01/18	08/25/18	FNMA SERIES 2015-M12 FA DTD 09/01/2015 2.422% 04/01/2020	3136AP3Z3	138,318.53	0.00	288.83	288.83			
	08/02/18	08/02/18	SKANDINAV ENSKILDA BANKEN NY CD DTD 08/04/2017 1.840% 08/02/2019	83050FXT3	700,000.00	0.00	6,475.77	6,475.77			
	08/05/18	08/05/18	IBM CORP CORP NOTES DTD 02/06/2018 2.650% 02/05/2021	44932HAG8	400,000.00	0.00	5,270.56	5,270.56			
	08/07/18	08/07/18	WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	625,000.00	0.00	6,406.25	6,406.25			



Managed Account Security Transactions & Interest

For the Month Ending August 31, 2018

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST											
	08/15/18	08/15/18	AMERICAN HONDA FINANCE GLOBAL NOTES DTD 09/09/2014 2.250% 08/15/2019	02665WAH4	800,000.00	0.00	9,000.00	9,000.00			
	08/15/18	08/15/18	NISSAN ABS 2015-B A3 DTD 07/22/2015 1.340% 03/15/2020	65475WAD0	55,043.07	0.00	61.46	61.46			
	08/15/18	08/15/18	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	520,000.00	0.00	771.33	771.33			
	08/15/18	08/15/18	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	475,000.00	0.00	661.04	661.04			
	08/15/18	08/15/18	HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	51,764.75	0.00	67.29	67.29			
	08/15/18	08/15/18	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	55,018.58	0.00	57.31	57.31			
	08/15/18	08/15/18	ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	64,014.40	0.00	76.82	76.82			
	08/15/18	08/15/18	TAOT 2018-B A3 DTD 05/16/2018 2.960% 09/15/2022	89238TAD5	325,000.00	0.00	801.67	801.67			
	08/15/18	08/15/18	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	150,000.00	0.00	212.50	212.50			
	08/15/18	08/15/18	FORD ABS 2015-B A3 DTD 05/26/2015 1.160% 11/15/2019	34530VAD1	8,323.85	0.00	8.05	8.05			
	08/15/18	08/15/18	NISSAN ABS 2015-A A3 DTD 04/14/2015 1.050% 10/15/2019	65477UAC4	9,206.53	0.00	8.06	8.06			
	08/15/18	08/15/18	FORD ABS 2016-B A3 DTD 04/26/2016 1.330% 10/15/2020	34532EAD7	54,356.71	0.00	60.25	60.25			
	08/15/18	08/15/18	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	195,000.00	0.00	209.63	209.63			
	08/15/18	08/15/18	ALLYA 2018-3 A3 DTD 06/27/2018 3.000% 01/15/2023	02007JAC1	400,000.00	0.00	1,000.00	1,000.00			
	08/17/18	08/17/18	FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	420,000.00	0.00	2,625.00	2,625.00			
	08/17/18	08/17/18	FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	130,000.00	0.00	812.50	812.50			



Managed Account Security Transactions & Interest

For the Month Ending August 31, 2018

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST											
	08/31/18	08/31/18	US TREASURY NOTES DTD 02/28/2014 2.000% 02/28/2021	912828B90	75,000.00	0.00	750.00	750.00			
	08/31/18	08/31/18	US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	1,050,000.00	0.00	10,500.00	10,500.00			
	08/31/18	08/31/18	US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	1,400,000.00	0.00	14,000.00	14,000.00			
	08/31/18	08/31/18	US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	900,000.00	0.00	9,000.00	9,000.00			
	08/31/18	08/31/18	US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	550,000.00	0.00	5,500.00	5,500.00			
	08/31/18	08/31/18	US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	600,000.00	0.00	6,000.00	6,000.00			
	08/31/18	08/31/18	US TREASURY NOTES DTD 08/31/2015 1.375% 08/31/2020	912828L32	250,000.00	0.00	1,718.75	1,718.75			
Transaction Type Sub-Total					11,059,975.37	0.00	84,692.41	84,692.41			
MATURITY											
	08/08/18	08/08/18	CREDIT AGRICOLE CIB NY COMM PAPER -- 0.000% 08/08/2018	22533UH89	700,000.00	700,000.00	0.00	700,000.00	6,898.11	0.00	
Transaction Type Sub-Total					700,000.00	700,000.00	0.00	700,000.00	6,898.11	0.00	
PAYDOWNS											
	08/01/18	08/25/18	FNMA SERIES 2015-M12 FA DTD 09/01/2015 2.422% 04/01/2020	3136AP3Z3	10,524.82	10,524.82	0.00	10,524.82	3.79	0.00	
	08/01/18	08/25/18	FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AODO0	37,263.27	37,263.27	0.00	37,263.27	(373.15)	0.00	
	08/01/18	08/25/18	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	7,143.15	7,143.15	0.00	7,143.15	(142.08)	0.00	
	08/01/18	08/25/18	FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AOSW1	31.38	31.38	0.00	31.38	(0.31)	0.00	
	08/01/18	08/25/18	FNMA SERIES M4 FA DTD 03/01/2015 2.292% 09/01/2018	3136AMTM1	1,565.61	1,565.61	0.00	1,565.61	0.40	0.00	



Managed Account Security Transactions & Interest

For the Month Ending August 31, 2018

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
PAYDOWNS										
08/15/18	08/15/18	ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	7,243.37	7,243.37	0.00	7,243.37	0.70	0.00	
08/15/18	08/15/18	FORD ABS 2016-B A3 DTD 04/26/2016 1.330% 10/15/2020	34532EAD7	5,341.88	5,341.88	0.00	5,341.88	0.51	0.00	
08/15/18	08/15/18	NISSAN ABS 2015-A A3 DTD 04/14/2015 1.050% 10/15/2019	65477UAC4	8,480.66	8,480.66	0.00	8,480.66	1.78	0.00	
08/15/18	08/15/18	HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	4,991.39	4,991.39	0.00	4,991.39	0.97	0.00	
08/15/18	08/15/18	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	5,320.38	5,320.38	0.00	5,320.38	0.42	0.00	
08/15/18	08/15/18	NISSAN ABS 2015-B A3 DTD 07/22/2015 1.340% 03/15/2020	65475WAD0	8,892.69	8,892.69	0.00	8,892.69	0.71	0.00	
08/15/18	08/15/18	FORD ABS 2015-B A3 DTD 05/26/2015 1.160% 11/15/2019	34530VAD1	6,939.76	6,939.76	0.00	6,939.76	0.64	0.00	
Transaction Type Sub-Total				103,738.36	103,738.36	0.00	103,738.36	(505.62)	0.00	
SELL										
08/01/18	08/03/18	BANK OF MONTREAL CHICAGO CERT DEPOS DTD 02/09/2017 1.880% 02/07/2019	06427KRC3	800,000.00	797,483.84	7,352.89	804,836.73	(2,516.16)	(2,516.16)	FIFC
Transaction Type Sub-Total				800,000.00	797,483.84	7,352.89	804,836.73	(2,516.16)	(2,516.16)	
Managed Account Sub-Total					440,536.78	92,045.30	532,582.08	3,876.33	(2,516.16)	
Total Security Transactions					\$440,536.78	\$92,045.30	\$532,582.08	\$3,876.33	(\$2,516.16)	

**Cash Expenditures
August 2018**

AP Warrant List from 8/1/2018 to 8/31/2018

Vendor Name	Amount	Description
ACWA JPIA INSURANCE/EAP - Invoices:1	\$ 155.10	Miscellaneous Employee Benefits
ADP PAYROLL - 3 Pay Periods	\$ 635,426.94	Payroll
AFLAC - Invoices:1	\$ 846.96	Supplemental Insurance
AMERITAS (VISION) - Invoices:2	\$ 3,814.20	Employee Benefit - Vision
BASIC PACIFIC - Invoices:1	\$ 34.00	Miscellaneous Employee Benefits
CIGNA GROUP INS LIFE/LTD - Invoices:1	\$ 4,236.21	Employee Benefit - LTD Insurance
CIGNA-DENTAL INS - Invoices:2	\$ 25,286.18	Employee Benefit - Dental
EMPLOYMENT DEVELOPMENT - Invoices:1	\$ 3,592.00	Miscellaneous Employee Benefits
PERS HEALTH - Invoices:2	\$ 101,227.46	Miscellaneous Employee Benefits
PERS LONG TERM CARE PROGRAM - Invoices:2	\$ 2,657.04	Miscellaneous Employee Benefits
PERS PENSION - Invoices:3	\$ 110,432.20	Employee Benefit - PERS
CDWG - Invoices:3	\$ 18,020.13	Construction In Progress
DOMENCHELLI & ASSOCIATES - Invoices:5	\$ 59,739.25	Construction In Progress
GM CONSTRUCTION & DEVELOPERS - Invoices:11	\$ 56,202.06	Construction In Progress
HARRINGTON PLASTICS - Invoices:6	\$ 12,706.95	Construction In Progress
LOEWEN PUMP MAINTENANCE - Invoices:9	\$ 21,368.00	Construction In Progress
LUHDORFF & SCALMANINI - Invoices:2	\$ 39,362.61	Construction In Progress
TEICHERT CONSTRUCTION - Invoices:3	\$ 296,107.00	Construction In Progress
AREA WEST ENGINEERS - Invoices:1	\$ 6,195.00	Construction In Progress
ANDREGG PSOMAS - Invoices:1	\$ 3,792.50	Construction In Progress
R&S OVERHEAD DOORS AND GATES - Invoices:1	\$ 1,571.25	Construction In Progress
RIVER CITY PAINTING - Invoices:3	\$ 4,110.00	Building Maintenance - Office &
FERGUSON WATERWORKS - Invoices:22	\$ 45,522.27	Construction In Progress
WOOD RODGERS ENGINEERING - Invoices:3	\$ 22,191.00	Construction In Progress
PRODIGY ELECTRIC - Invoices:3	\$ 19,393.00	Construction In Progress
DOWNTOWN FORD - Invoices:1	\$ 33,720.67	Construction In Progress
FLOWLINE CONTRACTORS INC - Invoices:3	\$ 494,639.35	Construction In Progress
GEOCON CONSULTANTS INC - Invoices:7	\$ 11,319.80	Construction In Progress
DOUG VEERKAMP GENERAL ENGR - Invoices:2	\$ 355,219.39	Construction In Progress
AFFINITY ENGINEERING INC - Invoices:4	\$ 41,955.00	Construction In Progress
COUNTY OF SAC ENVIRO MGT DEPT - Invoices:1	\$ 320.00	Construction In Progress
SYBLON REID - Invoices:2	\$ 208,715.00	Construction In Progress
ADLER TANK RENTALS - Invoices:1	\$ 650.00	Construction In Progress
KIRBY PUMP AND MECHANICAL - Invoices:2	\$ 12,968.00	Construction In Progress
ERC CONTRACTING - Invoices:2	\$ 16,930.00	Construction In Progress
R & B COMPANY - Invoices:2	\$ 52,124.06	Construction In Progress
E. ROZAKIS RESTORATION - Invoices:3	\$ 14,925.00	Construction In Progress
ATLAS FENCE - Invoices:2	\$ 2,030.00	Construction In Progress
S E AHLSTROM INSPECTION - Invoices:2	\$ 14,800.00	Construction In Progress
WINNER CHEVROLET INC - Invoices:1	\$ 27,705.89	Construction In Progress
PACIFIC SURVEYS - Invoices:1	\$ 3,455.00	Construction In Progress

SECUREWORKS - Invoices:2	\$	32,920.38	Construction In Progress
RX MONITORING SERVICES INC - Invoices:2	\$	3,165.46	Construction In Progress
MBP MASTER ASSOCIATION INC - Invoices:1	\$	250.00	Construction In Progress
SUMITOMO MITSUI BANKING CORPORATION - WELLS FARGO SWAP - Invoices:1	\$	26,462.61	2009A COP Interest Expense
	\$	44,989.86	2009A COP Interest Expense
ADP, INC - Invoices:4	\$	2,182.98	Financial Services
BRINKS - Invoices:2	\$	623.35	Financial Services
PFM ASSET MANAGEMENT LLC - Invoices:2	\$	7,336.01	Financial Services
UNION BANK OF CAL TRUST - Invoices:2	\$	6,415.00	Financial Services
US BANK CORPORATE PAYMENT SYSTEM - Invoices:2	\$	5,042.44	Financial Services
WESTAMERICA BANK ANALYSIS FEES - Invoices:1	\$	7,108.02	Financial Services
WESTAMERICA CARD PROCESSING STMT - Invoices:1	\$	11,487.96	Financial Services
AIRGAS USA LLC - Invoices:1	\$	133.42	Operating Supplies
ALL PRO BACKFLOW - Invoices:4	\$	3,824.00	Operating Supplies
AM CONSERVATION GROUP INC - Invoices:1	\$	15,205.22	Operating Supplies
ANSWERNET - Invoices:1	\$	390.17	Communication
AQUA TECH COMPANY - Invoices:1	\$	2,150.00	Contract Services
ARMORCAST PRODUCTS COMPANY - Invoices:2	\$	9,026.01	Operating Supplies
AT&T CALNET 3 - Invoices:6	\$	6,719.72	Communication
ATLAS DISPOSAL - Invoices:2	\$	366.43	Building Service Expense - Office &
AVILES SIGN AND LIGHTING REPAIR - Invoices:1	\$	878.28	Building Maintenance - Office &
BADGER METER INC - Invoices:1	\$	19.58	Equipment Maintenance Services
BARTKIEWICZ KRONICK & SHANAHAN - Invoices:2	\$	37,044.50	Legal Services
BAY ALARM COMPANY - Invoices:1	\$	116.55	Building Service Expense - Office &
BENDER ROSENTHAL INC - Invoices:1	\$	2,200.00	Consulting Services
BEVERLY L LORENS - Invoices:1	\$	150.00	BMP Rebates
BRIAN HENSON - Invoices:1	\$	967.00	Backflow Services
BROADRIDGE MAIL LLC - Invoices:8	\$	25,927.21	Contract Services
BROWER MECHANICAL - Invoices:5	\$	1,288.00	Building Maintenance - Office &
BROWN & CALDWELL - Invoices:2	\$	10,053.88	Consulting Services
BRYCE CONSULTING INC - Invoices:1	\$	170.00	Consulting Services
BUD'S TRI COUNTY TREE SERVICE - Invoices:6	\$	10,375.00	Building Maintenance - Office &
BURTON ROB /BURT'S LAWN & GARDEN SERVICE -	\$	15,555.00	Contract Services
BZ SERVICE STATION MAINTENANCE - Invoices:2	\$	643.12	Building Maintenance - Office &
CALIFORNIA DIESEL AND POWER - Invoices:1	\$	343.00	Contract Services
CALIFORNIA SURVEYING & DRAFTING - Invoices:1	\$	325.94	Office Supplies
CARMICHAEL RECREATION & PARK DISTRICT -	\$	50.00	Public Relations
CELL ENERGY INC - Invoices:1	\$	137.18	Vehicle Maintenance Supplies
CENTRAL VALLEY ENG & ASPHALT - Invoices:1	\$	10,081.10	Misc. Repairs
CINTAS - Invoices:16	\$	3,235.35	Building Maintenance - Office &
CITY OF SACRAMENTO DEPT OF UTILITIES - Invoices:2	\$	59.47	Utilities
CITY OF CITRUS HEIGHTS - Invoices:1	\$	15.50	Licenses, Permits & Fees

CITY OF SACRAMENTO/ ENCROACHMENT - Invoices:1	\$	435.00	Licenses, Permits & Fees
CLARICE CRACCHIOLO - Invoices:1	\$	243.00	BMP Rebates
CLEAR VISION WINDOW CLEANING - Invoices:2	\$	450.00	Building Service Expense - Office &
COMCAST - Invoices:1	\$	27.32	Communication
COMPASSCOM - Invoices:1	\$	4,440.00	Licenses, Permits & Fees
CONSOLIDATED COMMUNICATIONS - Invoices:1	\$	408.39	Communication
CORIX WATER PRODUCTS US INC. - Invoices:8	\$	4,536.30	Operating Supplies
COTTON SHOPPE - Invoices:1	\$	1,165.80	Uniforms
COUNTY OF SAC UTILITIES - Invoices:4	\$	885.01	Utilities
CROWN DISTRIBUTING - Invoices:2	\$	1,012.97	Building Maintenance - Office &
CULLIGAN - Invoices:1	\$	69.75	Building Maintenance - Office &
Customer Refunds: 275	\$	111,906.85	Refund Clearing Account
DAN YORK - Invoices:2	\$	321.51	Local Travel Cost
DAVE JONES - Invoices:1	\$	747.73	Travel Conferences
DEBRA L BURNETT - Invoices:1	\$	100.00	BMP Rebates
DENISE A JACOBY - Invoices:1	\$	150.00	BMP Rebates
DITCH WITCH EQUIPMENT CO - Invoices:1	\$	122.02	Equipment Maintenance Services
DOMCO PLUMBING - Invoices:1	\$	275.00	Building Maintenance - Office &
ELEVATOR TECHNOLOGY INC - Invoices:2	\$	190.00	Building Service Expense - Office &
EMIGH ACE HARDWARE - Invoices:17	\$	549.54	Building Maintenance - Office &
ERIK FLAA - Invoices:1	\$	60.00	Required Training
EUROFINS EATON ANALYTICAL - Invoices:1	\$	6,217.00	Inspection & Testing
FASTENAL COMPANY - Invoices:2	\$	325.22	Operating Supplies
FOUNDATION FOR CROSS CONNECTION - Invoices:1	\$	500.00	Membership & Dues
FREDERICK C BERRINGER - Invoices:1	\$	325.00	BMP Rebates
FRESH LOOK MOBILE WASH LLC - Invoices:2	\$	750.00	Vehicle Maintenance Services
FRIENDS OF THE RIVER - Invoices:1	\$	60.00	Membership & Dues
GASB - Invoices:1	\$	495.00	Publication
GEORGE REED INC - Invoices:1	\$	2,297.72	Hydrant Permit Refund
GOVERNMENT FINANCE OFFICERS ASSOCIATION -	\$	210.00	Membership & Dues
GRAINGER - Invoices:2	\$	40.18	Operating Supplies
H2H PROPERTIES - Invoices:2	\$	2,490.00	H&D WALNUT PARKING LOT LEASE
HACH COMPANY - Invoices:2	\$	2,296.98	Operating Supplies
HANNAH DUNRUD - Invoices:1	\$	180.00	Required Training
HARROLD FORD - Invoices:7	\$	1,966.81	Vehicle Maintenance Services
HD Supply/WHITE CAP - Invoices:1	\$	105.58	Operating Supplies
HERBURGER PUBLICATIONS INC - Invoices:1	\$	400.00	Public Relations
HOPKINS TECHNICAL PRODUCT - Invoices:1	\$	3,264.55	Operating Supplies
IN COMMUNICATIONS - Invoices:2	\$	9,162.82	Public Relations
INNOVYZE INC - Invoices:1	\$	5,100.00	Licenses, Permits & Fees
IRON MOUNTAIN OFF SITE DATA PROTECTION -	\$	1,372.08	Equipment Maintenance Services
JAMES ARENZ - Invoices:1	\$	375.00	Required Training
JAVELIN UTILITY SERVICES - Invoices:1	\$	2,295.44	Hydrant Permit Refund
KENNEDY JENKS CONSULTANTS - Invoices:2	\$	17,184.66	Consulting Services
LES SCHWAB TIRE CENTER/MADISON - Invoices:2	\$	587.86	Equipment Maintenance Services

LIEBERT CASSIDY WHITMORE - Invoices:1	\$	25.00	Legal Services
MARGARET WHITE - Invoices:1	\$	650.00	BMP Rebates
MARQUEE FIRE PROTECTION - Invoices:1	\$	1,530.00	Building Maintenance - Office &
MICHAEL EHRGOTT - Invoices:1	\$	150.00	BMP Rebates
MICHAEL PHILLIPS LANDSCAPE CORP - Invoices:9	\$	6,310.00	Building Service Expense - Office &
MITCHELL MCCARTHY - Invoices:1	\$	155.00	Required Training
MUELLER SYSTEMS - Invoices:1	\$	8,118.75	Equipment Maintenance Services
NATIONAL METER AND AUTOMATION INC - Invoices:3	\$	5,746.31	Equipment Maintenance Services
NORMAC - Invoices:1	\$	37.43	Operating Supplies
OFFICE DEPOT INC - Invoices:15	\$	2,636.09	Office Supplies
ONE STOP TRUCK SHOP - Invoices:1	\$	461.63	Equipment Maintenance Services
PACE SUPPLY CORP - Invoices:4	\$	2,856.45	Operating Supplies
PACIFIC COPY & PRINT - Invoices:2	\$	414.33	Printing
PALADIN PRIVATE SECURITY - Invoices:1	\$	674.16	Building Service Expense - Office &
PAYNE ENVIRONMENTAL CONSULTANTS - Invoices:2	\$	19,091.63	Consulting Services
PEOPLEREADY - Invoices:6	\$	5,781.60	Temporary Help
PEST PROS - Invoices:6	\$	510.00	Building Service Expense - Office &
PITNEY BOWES LEASES - Invoices:4	\$	1,172.32	Equipment Rental/Lease
PLACER COUNTY WATER AGENCY - Invoices:1	\$	34,322.13	Consulting Services
POWERS ELECTRIC PRODUCTS CO - Invoices:1	\$	590.36	Operating Supplies
RAMOS ENVIRONMENTAL - Invoices:1	\$	877.51	Hazardous Waste Disposal
RAY MORGAN CO - Invoices:2	\$	705.92	Equipment Maintenance Services
REGIONAL WATER AUTHORITY - Invoices:4	\$	119,132.00	BMP Rebates
RON TURLEY ASSOCIATES INC - Invoices:1	\$	2,153.88	Licenses, Permits & Fees
RUE EQUIPMENT INC - Invoices:9	\$	5,111.63	Equipment Maintenance Services
RW TRUCKING/ RAYCE WILSON - Invoices:1	\$	637.50	Operating Supplies
SACRAMENTO BEE - Invoices:1	\$	619.19	Publication
SACRAMENTO GROUNDWATER AUTHORITY -	\$	226,709.00	Annual Dues/Membership
SACRAMENTO SUBURBAN WATER DISTRICT -	\$	283.65	Office Supplies
SARAH BETH FINN - Invoices:1	\$	150.00	BMP Rebates
SAWWA - Invoices:2	\$	1,100.00	Membership & Dues
SHIRLEY M FIGENSHU - Invoices:1	\$	500.00	BMP Rebates
SHRED-IT - Invoices:2	\$	210.75	Contract Services
SIGNS IN 1 DAY - Invoices:2	\$	763.31	Building Maintenance - Office &
SONITROL - Invoices:3	\$	3,809.10	Building Service Expense - Office &
SOPHOS SOLUTIONS - Invoices:2	\$	9,120.00	Consulting Services
SUTTER MEDICAL FOUNDATION - Invoices:1	\$	477.00	Employment Cost
TEAM FISHEL - Invoices:1	\$	2,543.16	Consulting Services
TEE JANITORIAL & MAINTENANCE - Invoices:2	\$	6,447.00	Building Service Expense - Office &
TESCO - Invoices:3	\$	9,400.00	Consulting Services
TINA LYNN DESIGN - Invoices:4	\$	387.50	Contract Services
TODD ARTRIP - Invoices:1	\$	31.08	Travel Conferences
TRUE POINT SOLUTIONS LLC - Invoices:1	\$	150.00	Other Training
TULLY & YOUNG - Invoices:1	\$	2,750.00	Consulting Services
UNDERGROUND SERVICE ALERT - Invoices:1	\$	17,918.72	Membership & Dues

VALLEY BATTERY - Invoices:1	\$	260.62	Operating Supplies
VALLEY REDWOOD & YARD SUPPLY - Invoices:2	\$	57.06	Operating Supplies
VERIZON WIRELESS/DALLAS TX - Invoices:2	\$	5,083.24	Communication
VOYAGER FLEET SYSTEMS - Invoices:1	\$	9,454.13	Operating Supplies
WASTE MANAGEMENT - Invoices:3	\$	623.70	Building Service Expense - Office &
WATERTRAX - Invoices:1	\$	18,911.04	Licenses, Permits & Fees
WATERWISE CONSULTING, INC. - Invoices:1	\$	4,525.00	Consulting Services
WEST YOST & ASSOCIATES - Invoices:1	\$	20,493.79	Consulting Services
<hr/>			
BUREAU OF RECLAMATION L A - Invoices:2	\$	342,556.44	Water
CITY OF SACRAMENTO WATER - Invoices:2	\$	30,334.20	Purchased Water-City of
PG&E - Invoices:4	\$	743.55	Utilities
SIERRA CHEMICAL COMPANY - Invoices:5	\$	46,856.07	HFA, Chemical & Delivery
SMUD - Invoices:1	\$	78,844.33	Electrical Charges
	\$	4,338,963.52	

**Credit Card Expenditures
August 2018**

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

Vendor Name	Description	Amount	Proj/GLAcct
THRIFT BOOKSGLOBAL, LLC	PURCHASE 4 BOOKS FOR WAYNE FOR UPDATING GIS LIBRARY	\$ 101.59	16-51407
NOTHING BUNDT CAKES	JULY BIRTHDAY CELEBRATIONS	\$ 33.00	02-51403
RALEY'S	JUNE BIRTHDAY CELEBRATIONS	\$ 5.99	02-51403
WILSON TROPHY	MIKE HUOT PLATE	\$ 43.30	03-52108
NOTHING BUNDT CAKES	JUNE BIRTHDAY CELEBRATIONS	\$ 33.00	02-51403
BOXWOOD TECH INC	HR JOB ANNOUNCEMENT	\$ 105.00	17-51402
BROWN AND CALDWELL	HR JOB ANNOUNCEMENT	\$ 200.00	17-51402
TRANSITALENT.COM	HR JOB ANNOUNCEMENT	\$ 145.00	17-51402
RALEY'S	ALL HANDS REFRESHMENTS	\$ 38.87	02-51403
ROUND TABLE PIZZA	BUDGET MEETING LUNCH	\$ 112.30	03-55002
COSTCO	OFFICE SUPPLIES - COFFEE	\$ 26.27	03-52108
COSTCO	ALL HANDS REFRESHMENTS	\$ 71.89	02-51403
FLASHPOINT STUDIOS	MONTHLY FEE FOR ONHOLD RECORDINGS	\$ 79.00	04-54508
MARK AND MONICAS	PIZZA AND SODA FOR BUDGET KICKOFF MEETING AT WALNUT	\$ 155.12	03-55002
AWWA.ORG	M1 MANUAL AND 2017 UTILITY BENCHMARKING	\$ 523.23	03-52502
AMAZON.COM	WIRELESS CHARGERS FOR CELL PHONES	\$ 75.80	12-53503
THE HOME DEPOT	SUPPLIES TO REATTACH CONDUIT TO BLOCK WALL AT ANTELOPE	\$ 18.24	12-54008
LOWE'S	REPLACED NON-WORKING INCAND. EXIT LIGHT IN WALNUT SHOP WITH LED	\$ 55.24	12-54008
LOWE'S	METER AND STANDARD HEX KEYS	\$ 26.88	12-52101
AMAZON.COM	CELL PHONE CASE	\$ 12.98	12-53503
THE HOME DEPOT	FUSES FOR HVAC UNITS - 60 AMP TIME DELAY	\$ 28.60	12-52101
THE HOME DEPOT	SUPPLIES TO SEAL WATER FEATURE LEAK AT ANTELOPE GARDEN	\$ 42.71	12-54008
SAFEWAY	SAFTEY BBQ	\$ 43.25	02-51403
HOTSTART SALES	ENGINE BLOCK HEATERS	\$ 936.78	06-52101
HOME DEPOT	YELLOW SPRAY PAINT-TOOLS	\$ 4.58	07-52101
HOME DEPOT	WOOD-2X4'S	\$ 15.09	07-52101
GLOBAL INDUSTRIAL	HAND TRUCK WHEEL KIT	\$ 51.85	08-52101
CHICK-FIL-A	MID YEAR INVENTORY COUNT LUNCH	\$ 58.72	03-55001
HOME DEPOT	PEAT MOSS	\$ 510.09	05-52101
BEN MEADOWS	TELESCOPIC DIPPER & LADLES	\$ 200.97	06-52101
BUYSHADE.COM	EZ UP REPLACEMENT COVER	\$ 50.07	08-52101
MITCH'S CERTIFIED CLASSES	BACKFLOW PREVENTION ASSEMBLY TESTER COURSE	\$ 300.00	06-51406
FRED PRYOR/CAREER TRACK	LEADERSHIP, TEAM BUILDING, & COACHING SEMINAR- HANNAH DUNRUD	\$ 249.00	06-51407
HOME DEPOT	MISC. WAREHOUSE SUPPLIES	\$ 121.28	05-52101
HOME DEPOT	KNEE PADS-INTERNS	\$ 12.86	15-52101
TEXWIPE	TEXWIPE CLIPBOARDS	\$ 260.85	06-52101
FRED PRYOR/CAREER TRACK	CRASH COURSE FOR 1ST TIME MANAGERS-CODY SCOTT	\$ 149.00	08-51407
SOUTHWEST AIRLINES	TODD ARTRIP BURBANK WATER AND POWER CONFERENCE	\$ 131.96	08-55001

Totals: \$ 5,030.36

**District Reserve Balances
August 31, 2018**

**Sacramento Suburban Water District
Reserve Fund Balance**

	<u>August 31, 2018</u>	<u>December 31, 2017</u>
Debt Service Reserve	\$ -	\$ 3,527,684
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	23,498,753	17,753,771
TOTAL	\$ 48,388,253	\$ 45,669,205

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

	<u>August 31, 2018</u>	<u>December 31, 2017</u>
Cash and Cash Equivalents	\$ 12,406,732	\$ 6,084,811
Investments	35,786,174	35,860,505
Interest Receivable	182,709	175,719
Restricted Cash	12,638	12,504
Restricted Investments	-	3,527,684
Restricted Interest Receivable	-	7,982
TOTAL	\$ 48,388,253	\$ 45,669,205

Information Required by Bond Agreement

Sacramento Suburban Water District
6 - Months Debt Service Schedule
8/31/2018

Month	Total SSWD Debt Service				Debt Service
	Principal	Interest Adjustable/Fixed/Swap	Facility Fee	Remarketing	
Sept-18	-	96,451.35	50,400.00	13,125.00	159,976.35
Oct-18	-	96,451.35	-	-	96,451.35
Nov-18	4,425,000.00	732,974.35	-	-	5,157,974.35
Dec-18	-	96,451.35	50,400.00	13,125.00	159,976.35
Jan-19	-	96,451.35	-	-	96,451.35
Feb-19	-	96,451.35	-	-	96,451.35

Month	Series 2012A Fixed Rate Bonds (\$23,440,000.00)				Debt Service
	Principal	Interest - Fixed 4.25%			
Sept-18	\$ -	\$ -	\$ -	\$ -	\$ -
Oct-18	-	-	-	-	-
Nov-18	2,105,000.00	381,113.00	-	-	2,486,113.00
Dec-18	-	-	-	-	-
Jan-19	-	-	-	-	-
Feb-19	-	-	-	-	-

Month	Series 2009A Adjustable Rate COPs (\$42,000,000.00)				Debt Service
	Principal	Interest, Adjustable 1.28%	Facility Fee 0.480%	Remarketing 0.125%	
Sept-18	\$ -	\$ 44,800.00	\$ 50,400.00	\$ 13,125.00	\$ 108,325.00
Oct-18	-	44,800.00	-	-	44,800.00
Nov-18	-	44,800.00	-	-	44,800.00
Dec-18	-	44,800.00	50,400.00	13,125.00	108,325.00
Jan-19	-	44,800.00	-	-	44,800.00
Feb-19	-	44,800.00	-	-	44,800.00

Month	Series 2018A Fixed Rate COPs (\$27,915,000)				Debt Service
	Principal	Interest - Fixed 3.45%			
Sept-18	\$ -	\$ -	\$ -	\$ -	\$ -
Oct-18	-	-	-	-	-
Nov-18	2,320,000.00	255,410.00	-	-	2,575,410.00
Dec-18	-	-	-	-	-
Jan-19	-	-	-	-	-
Feb-19	-	-	-	-	-

Month	2012 SWAP Interest, Net (\$33,000,000.00)				Debt Service
	Principal	Interest, Swap Net (3.283-1.24169-.18)%			
Sept-18		\$ 51,651.35	-	-	51,651.35
Oct-18		\$ 51,651.35	-	-	51,651.35
Nov-18		\$ 51,651.35	-	-	51,651.35
Dec-18		\$ 51,651.35	-	-	51,651.35
Jan-19		\$ 51,651.35	-	-	51,651.35
Feb-19		\$ 51,651.35	-	-	51,651.35

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

As Of

	<i>Actual Year-To-Date 8/31/2018</i>	<i>Budget Year-To-Date 8/31/2018</i>
REVENUES		
Water sales charges	\$13,112,578.52	\$13,641,998.00
Capital facilities charge	15,989,392.80	16,371,334.00
Facility development charges	116,284.00	200,000.00
Interest and investment income	260,764.32	599,334.00
Rental & other income	342,149.22	177,334.00
TOTAL REVENUES	29,821,168.86	30,990,000.00
EXPENSES		
Source of supply	1,821,249.14	2,330,141.36
Pumping	2,662,363.68	3,130,398.96
Transmission and distribution	2,175,471.87	2,541,301.48
Water conservation	263,129.80	329,564.08
Customer accounts	811,761.01	873,067.76
Administrative and general	4,622,880.99	5,305,926.48
TOTAL EXPENSES	12,356,856.49	14,510,400.12
NET REVENUE	17,464,312.37	16,479,599.88

Financial Markets Report

Financial Markets Report

Summary of District's Debt Portfolio:

Debt	Original Par	Outstanding	Issuance	Credit Enhancement	Final Maturity
2009A	\$ 42,000,000	\$ 42,000,000	Adjustable Rate Revenue COP's	Sumitomo Bank*	11/1/2034
2012A	\$ 29,200,000	\$ 17,490,000	Fixed Rate Revenue Bond		11/1/2027
2018A	\$ 19,615,000	\$ 19,615,000	Fixed Rate Revenue Bond		11/1/2028
	<u>\$ 90,105,000</u>	<u>\$ 79,105,000</u>			

* Credit enhancement expires 6/30/2023

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

Debt	Outstanding	Credit Enhancement	Bank Owned	Sold in Market	Market Rate
2009A	\$42,000,000	Sumitomo Bank LOC	None	\$42,000,000	1.28%
	Notional Amount	Counterparty	FMV	Receive Rate	Fixed Rate
Swap	\$33,300,000	Wells Fargo Bank, N.A.	(\$4,898,857)	1.423%	3.283%

Current Status of District's Investment Portfolio (August 31, 2018):

Fair Market Value	Security Type	Yield
\$ 637,948.71	Money Market	1.56%
5,200,156.05	LAIF	2.00%
1,927,658.35	commercial paper	2.42%
3,593,634.25	Asset-Backed Securities/CMOs	2.12%
8,094,092.65	Certificates of Deposit	2.30%
9,183,182.11	Corporate Notes	2.31%
668,842.75	Federal Agency Collateralized Mortgage Obligation	1.87%
1,460,461.85	Federal Agency Securities Bonds/Notes	1.28%
228,645.30	Municipal Bonds	1.90%
2,541,504.55	Supra-National Agency Bond	2.13%
10,015,809.97	Treasury Bonds/Notes	1.95%
<u>\$ 43,551,936.54</u>		<u>2.11%</u>

Market:

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

Current Bond Markets

- U.S. Treasury yields kicked off the third quarter by increasing across all maturities. The two-year Treasury rose the most, increasing by 14 basis points (bps) (0.14%) from 2.53% to 2.67% over the month. The yield curve remained near its flattest level in more than a decade.

- For total return investors, shorter-term maturities generally did better in Jul , as higher yields pushed the majority of Treasury benchmarks negative for the month (the exceptions being the shortest indices). For example, the three-month and 12-month Treasury indices returned 0.16% and 0.13%, respectively. Meanwhile, the three-year, 10-year and 30-year constant maturity Treasury indices fell 0.18%, 0.72% and 1.65%, respectively.
- Investment-grade credit spreads narrowed during July, benefiting returns in the corporate sector.
- Mortgage-backed securities (MBS) returns also outperformed Treasury benchmarks, though by smaller amounts, helped by low market volatility.

PFM Outlook

- On the heels of economic strengths (GDP, job growth, consumption, rising inflation), we believe the Fed will maintain its gradual, but sustained pace of further hikes to the federal funds target rate later this year. As a result, we will continue to position portfolios with a modestly short and conservative duration bias relative to benchmarks.
- Federal agency yield spreads relative to U.S. Treasury securities widened ever so slightly in July, but remain historically narrow. The recent backup in spreads may present opportunities in certain maturities. Limited upcoming supply is expected to be a positive for the sector.
- We continue to look to credit to add to returns, as healthy fundamentals and strong earnings support allocations to corporate securities. But we prefer market-weight allocations (a modestly defensive posture relative to our recent overweight) and companies with strong capital positions as the economy enters the later phase of a long expansion cycle and responds to potential looming headwinds from trade wars, increased leverage and geopolitical uncertainty.
- Agency MBS are another vehicle to add incremental income, compared with government obligations, without taking credit risk, though security selection is vital as they add interest rate risk to a portfolio.
- AAA-rated ABS and high-quality negotiable certificates of deposit (CDs) offer a more defensive exposure to credit allocations. As a result, we have shifted our credit emphasis to sectors we view as lower-risk.
- Increasing short-term rates continue to benefit cash, shorter-term and stable net asset value investors. Today's flat yield also means buyers of short-duration credit instruments, such as commercial paper (CP) and floating-rate notes, may be able to capture yields comparable to longer-maturity government securities, but with less interest rate risk.
- The Fed rate hike in coming months has boosted money market rates well into the 2% range and, as bank deposit rates have lagged, short-term Treasuries, CP and negotiable CDs are quite attractive for liquid funds.

(Source: PFMAM August 2018 Monthly Market Review).

Debt Portfolio:

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

Investment Portfolio:

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

Financial Markets Report September 10, 2018

Summary of District's Debt Portfolio:

Debt	Original Par	Outstanding	Issuance	Credit Enhancement	Final Maturity
2009A	\$ 42,000,000	\$ 42,000,000	Adjustable Rate Revenue COP's	Sumitomo Bank*	11/1/2034
2012A	\$ 29,200,000	\$ 17,490,000	Fixed Rate Revenue Bond		11/1/2027
2018A	\$ 19,615,000	\$ 19,615,000	Fixed Rate Revenue Bond		11/1/2028
	<u>\$ 90,105,000</u>	<u>\$ 79,105,000</u>			

* Credit enhancement expires 6/30/2023

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

Debt	Outstanding	Credit Enhancement	Bank Owned	Sold in Market	Market Rate
2009A	\$42,000,000	Sumitomo Bank LOC	None	\$42,000,000	1.28%
	Notional Amount	Counterparty	FMV	Receive Rate	Fixed Rate
Swap	\$33,300,000	Wells Fargo Bank, N.A.	(\$4,898,857)	1.423%	3.283%

Current Status of District's Investment Portfolio (August 31, 2018):

Fair Market Value	Security Type	Yield
\$ 637,949	Money Market	1.56%
5,200,156	LAIF	2.00%
1,927,658	commercial paper	2.42%
3,593,634	Asset-Backed Securities/CMOs	2.12%
8,094,093	Certificates of Deposit	2.30%
9,183,182	Corporate Notes	2.31%
668,843	Federal Agency Collateralized Mortgage Obligation	1.87%
1,460,462	Federal Agency Securities Bonds/Notes	1.28%
228,645	Municipal Bonds	1.90%
2,541,505	Supra-National Agency Bond	2.13%
10,015,810	Treasury Bonds/Notes	1.95%
<u>\$ 43,551,937</u>		<u>2.11%</u>

Market:

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

Current Bond Markets

- U.S. Treasury yields kicked off the third quarter by increasing across all maturities. The two-year Treasury rose the most, increasing by 14 basis points (bps) (0.14%) from 2.53% to 2.67% over the month. The yield curve remained near its flattest level in more than a decade.

- For total return investors, shorter-term maturities generally did better in Jul , as higher yields pushed the majority of Treasury benchmarks negative for the month (the exceptions being the shortest indices). For example, the three-month and 12-month Treasury indices returned 0.16% and 0.13%, respectively. Meanwhile, the three-year, 10-year and 30-year constant maturity Treasury indices fell 0.18%, 0.72% and 1.65%, respectively.
- Investment-grade credit spreads narrowed during July, benefiting returns in the corporate sector.
- Mortgage-backed securities (MBS) returns also outperformed Treasury benchmarks, though by smaller amounts, helped by low market volatility.

PFM Outlook

- On the heels of economic strengths (GDP, job growth, consumption, rising inflation), we believe the Fed will maintain its gradual, but sustained pace of further hikes to the federal funds target rate later this year. As a result, we will continue to position portfolios with a modestly short and conservative duration bias relative to benchmarks.
- Federal agency yield spreads relative to U.S. Treasury securities widened ever so slightly in July, but remain historically narrow. The recent backup in spreads may present opportunities in certain maturities. Limited upcoming supply is expected to be a positive for the sector.
- We continue to look to credit to add to returns, as healthy fundamentals and strong earnings support allocations to corporate securities. But we prefer market-weight allocations (a modestly defensive posture relative to our recent overweight) and companies with strong capital positions as the economy enters the later phase of a long expansion cycle and responds to potential looming headwinds from trade wars, increased leverage and geopolitical uncertainty.
- Agency MBS are another vehicle to add incremental income, compared with government obligations, without taking credit risk, though security selection is vital as they add interest rate risk to a portfolio.
- AAA-rated ABS and high-quality negotiable certificates of deposit (CDs) offer a more defensive exposure to credit allocations. As a result, we have shifted our credit emphasis to sectors we view as lower-risk.
- Increasing short-term rates continue to benefit cash, shorter-term and stable net asset value investors. Today's flat yield also means buyers of short-duration credit instruments, such as commercial paper (CP) and floating-rate notes, may be able to capture yields comparable to longer-maturity government securities, but with less interest rate risk.
- The Fed rate hike in coming months has boosted money market rates well into the 2% range and, as bank deposit rates have lagged, short-term Treasuries, CP and negotiable CDs are quite attractive for liquid funds.

(Source: PFMAM August 2018 Monthly Market Review).

Debt Portfolio:

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

Investment Portfolio:

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



Agenda Item: 19

Date: September 6, 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, Water Quality Report, Water Conservation and Regional Water Efficiency Program 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. As a result of the near normal precipitation this past winter, surface water supplies are currently being utilized in the North Service Area, while the South Service Area continues to rely solely on groundwater sources.

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

This indicates the amount of water the District served to other water purveyors in Calendar Year 2018. The amount is indicated in Million Gallons (MG) and Acre Feet (AF).

iii. Water Operations Activity – Exhibit WO-3

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

iv. Claims Update – Exhibit WO-4

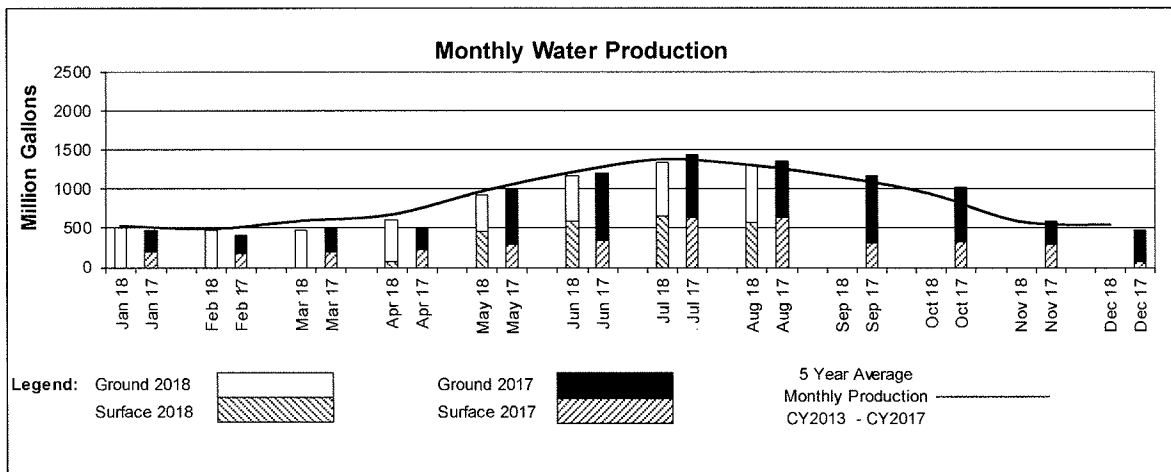
This is a summary report of claims received by the District that are less than \$10,000, and approved or rejected by the General Manager.

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	7.519
Feb	0.000	271.513	271.513	0.000	203.539	203.539	475.052	16.966	6.978
Mar	0.000	282.333	282.333	0.000	192.666	192.666	474.999	15.323	6.977
Apr	82.525	277.599	360.124	0.000	253.253	253.253	613.377	20.446	9.010
May	459.997	68.243	528.240	0.000	399.628	399.628	927.868	29.931	13.630
Jun	590.922	66.521	657.443	0.000	511.774	511.774	1,169.217	37.717	17.175
July	652.821	111.735	764.556	0.000	567.176	567.176	1,331.732	42.959	19.562
Aug	567.414	150.643	718.057	0.000	585.543	585.543	1,303.600	42.052	19.149
Sep									
Oct									
Nov									
Dec									
MG	2353.679	1528.023	3,881.702	0.000	2926.046	2,926.046	6807.748	28.015	
AF	7,223.176	4,689.330	11,912.506	0.000	8,979.705	8,979.705	20,892.211		

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	0.000	474.999	474.999	-27.046
Mar 17	191.993	310.052	502.045	
Apr 18	82.525	530.852	613.377	112.810
Apr 17	231.705	268.862	500.567	
May 18	459.997	467.871	927.868	-78.151
May 17	299.000	707.019	1,006.019	
Jun 18	590.922	578.295	1,169.217	-41.395
Jun 17	343.160	867.452	1,210.612	
Jul 18	652.821	678.911	1,331.732	-116.084
Jul 17	645.034	802.782	1,447.816	
Aug 18	567.414	736.186	1,303.600	-58.716
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	



* 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.

Notes: 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.

The previously reported North Service Area surface water total for April 2018 was adjusted to include 6.279 MG of water used to disinfect and flush the Antelope Transmission Pipeline, which bypassed the C-Bar-C flow meter.

Exhibit WO-2

SACRAMENTO SUBURBAN WATER DISTRICT
Water Wheeled To Other Purveyors
 2018

Month	California American Water Company		Citrus Heights Water District		City of Sacramento		County of Sacramento		Rio Linda / Elverta Water District		San Juan Water District		City of Roseville	
	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)
January	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
February	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
March	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
April	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
May	0.000	0.000	0.000	0.000	152.877	49.815	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
June	147.116	47.938	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
July	253.146	82.488	0.000	0.000	907.611	295.746	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
August	279.711	91.144	0.000	0.000	1488.555	485.047	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
September														
October														
November														
December														
YTD	679.973	221.570	0.000	0.000	2549.042	830.608	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Note: Water wheeled to other purveyors includes water sold.

Exhibit WO-3

Water Operations Activity

	<u>August</u>	<u>Monthly</u>	<u>Total</u>	<u>Total #</u>	<u>% Completed</u>
	<u>2018</u>	<u>Avg</u>	<u>CY 2018</u>	<u>in</u>	<u>CY 2018</u>
				<u>System</u>	
<u>Production Department</u>					
<u>Service Orders</u>					
<u>Water Quality</u>					
<u>Complaints</u>	2	2	12		
<u>Inquiries</u>	13	15	122		
<u>Taste & Odor Complaints</u>	0	0	0		
<u>Taste & Odor Inquiries</u>	0	4	32		
<u>Distribution Department</u>					
<u>Service Orders</u>					
<u>Main Leaks</u>	5	4	28		
<u>Service Line Leaks</u>	5	7	53		
<u>Water Main Shutdown</u>					
<u>- Emergency</u>	2	1	11		
<u>- Scheduled</u>	1	1	6		
<u>Preventive Maintenance Program</u>					
<u>Fire Hydrants Inspected</u>	48	15	120	6,486	1.9%
<u>Fire Hydrant Valves Inspected</u>	47	20	157	5,759	2.7%
<u>Fire Hydrant Valves Exercised</u>	46	20	156	5,759	2.7%
<u>Mainline Valves Inspected</u>	210	157	1259	11,132	11.3%
<u>Mainline Valves Exercised</u>	187	140	1120	11,132	10.1%
<u>After Hours Activity (On-Call Technician)</u>					
<u>Calls Received</u>	52	47	374		
<u>Calls Responded</u>	40	31	248		
<u>Overtime Hours</u>	62	55	443		
<u>Field Services Department</u>					
<u>Meters</u>					
<u>PM - Meters Tested (3 - 10 inch)</u>	16	10	80	451	17.7%
<u>PM - Meters Replaced (⁵/₈ - 1 inch)</u>	95	12	99	35,728	0.3%
<u>PM - Meter Re-Builds (1¹/₂ - 2 inch)</u>	5	28	226	2,441	9.3%
<u>Customer Pressure Inquiries</u>	16	10	83		
<u>Field Operations Department</u>					
<u>Service Requests Generated</u>	1,545	1,531	12,251		
<u>Work Orders Generated</u>	1,104	1,053	8,421		

Exhibit WO-4

Date: September 4, 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

There were no claims approved or rejected by the General Manager during this time.

CLAIMS UNDER REVIEW/INVESTIGATION

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

**CLAIMS UNDER REVIEW/INVESTIGATION
BY JPIA - UPDATE**

1. Ramirez
JPIA Claim #18-0386
Date of Claim – December 22, 2017
Claim Amount – In excess of \$10,000
Status – Changed – Closed as of August 29, 2018.

Background:

Mr. Ramirez alleges that he had an altercation with a driver of a District vehicle, which resulted in vehicle damage and physical injuries.

Update from JPIA:

The statute of limitations for Mr. Ramirez to file a lawsuit against SSWD expired on July 16, 2018. JPIA staff checked the Sacramento Superior Court website and confirmed he never filed a Complaint. JPIA is closing the file.

2. Sacramento Area Sewer District (SASD) vs. SSWD

JPIA Claim #17-0560

Date of Claim – March 17, 2017

Claim Amount - \$167,744.81

Status – No Change - Open

Background:

Claim filed against the District stating that during original water main installation of a subdivision located in North Highlands, that the District and/or contractor working on behalf of the District, damaged 29 SASD's sewer assets.

Update from the JPIA's attorney:

SASD failed to provide sufficient information to fully analyze the SSWD's liability in this action and working with the Third Party Administrator to obtain sufficient information has been challenging. Accordingly, Donahue Davies staff has previously discussed with JPIA's staff for waiting until a lawsuit is filed then moving forward with written discovery as part of litigation in an effort to obtain the necessary information to determine whether SSWD is liable, or whether it has any applicable statute of limitations defenses. Though it is anticipated that SASD will eventually file a lawsuit, as of today, no suit has been filed. We will continue monitoring the docket in the event a Complaint is filed.

b. Water Quality Report

The District Activity Report that was included as Agenda Item No. 21 in the Board packet for the April 23, 2018, Special Board Meeting, included a discussion concerning the detection of 1,2,3-Trichloropropane (1,2,3-TCP) in Well 31A and Well 58. Initial compliance sampling at these two North Service Area wells showed levels of 1,2,3-TCP as high as 45 parts per trillion (ppt) and 17.9 ppt, respectively. The results are significantly above California's 5 ppt maximum contaminant level. The District subsequently sent permit amendment applications to the State Water Resources Control Board, Division of Drinking Water (DDW) requesting that each well be inactivated.

Seven developed parcels exist between Well 31A and Well 58 that do not have a District water service connection. As such, it is likely that private wells provide the domestic water supply for those parcels. Because of the inferred westerly groundwater gradient, District staff were concerned that the private wells associated with those parcels could potentially be impacted by 1,2,3-TCP.

In response to the potential impact to private wells, on April 2, 2018, the General Manager sent a letter to Sacramento County Supervisors Susan Frost, and Phil Serna as well as Sacramento County Environmental Management Department (EMD) staff advising them of the 1,2,3-TCP detected in Wells 31A and 58, and the location of the parcels without a District water service connection. On April 30, 2018, EMD sent a *Private Well Drinking Water Notice* about the 1,2,3-TCP results and concerns (included as Exhibit 1) to the owners of seven parcels. The notice also indicates that EMD will provide 1,2,3-TCP sampling and analysis services at each well with no cost to the owner.

As of August 30, 2018, none of the property owners had responded to EMD or otherwise acknowledged receipt of the *Private Water Well Drinking Water Notice*.

Exhibit 1

**PRIVATE WATER WELL DRINKING WATER NOTICE
EFFECTIVE APRIL 30, 2018**

1,2,3-Trichloropropane (1,2,3-TCP) has been detected in groundwater near Elkhorn Blvd., Watt Ave., I St., and 32nd St.

This notice is being sent to you by the Sacramento County Environmental Management Department (EMD).

In February, 2018, a water purveyor in your area had detections of 1,2,3-TCP. Water sample results taken from public water wells in your area between February 20, 2018, through March 20, 2018, showed 1,2,3-TCP levels that ranged from 15 to 45 parts per trillion (ppt). This is above the 5 ppt State Maximum Contaminant Level (MCL) for 1,2,3-TCP. The public water wells that have tested above the MCL have been removed from service. You are receiving this Notice because there is no record of a public water service connection to the property and EMD files indicate there is private well on site.

What should I do?

- **THIS IS NOT AN EMERGENCY** *If it had been, you would have been notified immediately.*

Recommendations:

- *EMD recommends that your well be sampled to determine if your well is impacted with 1,2,3-TCP.*
 - *EMD can perform this sampling and testing at no cost to you. Contact EMD at the numbers below to schedule testing.*
 - *In addition, EMD can provide you with information if you would like to have your well tested on your own.*

What is 1,2,3-TCP?

1,2,3-TCP is a chlorinated hydrocarbon with high chemical stability. It is a synthetic chemical found at industrial or hazardous waste sites. It has been used as a cleaning and degreasing solvent and is associated with pesticide products.

The US EPA classifies 1,2,3-TCP as a probable human carcinogen. 1,2,3-TCP is a reasonably anticipated human carcinogen based on sufficient evidence of

carcinogenicity in experimental animals. 1,2,3-TCP causes cancer in laboratory animals. If you have other health issues concerning the consumption of this water, you may wish to consult your doctor.

For more information, please contact EMD at:

Megan Floyd, Environmental Specialist
(916) 876-7888 (*Office*)

Date distributed: _____

Signed: _____

Jason Boetzer, R.E.H.S

Deputy Health Officer



c. Water Conservation and Regional Water Efficiency Program Report

i. Program Overview for August 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 August 2018.

- a. On April 23, 2018, 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 16% reduction in August 2018 (when compared to August 2013), exceeding the District's 10% monthly goal. Since the Emergency Drought Regulations were enacted¹ in August 2015, the District has maintained a 24% reduction in water use when compared to 2013.
- b. Customer Leak Notifications – Staff sent out 1,312 notifications of 72-hour continuous flow events in August 2018 and conducted 18 customer leak investigations.
- c. Public Outreach – The District utilized various info graphics for public outreach in August 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 385 clicks and left 131,378 impressions. The District's primary focus for August 2018 was Antelope Gardens, WaterSense products, and weather-based irrigation controllers.

ii. Water Conservation Program and Results

District staff continues to promote water conservation. During the month of August 2018, District staff and the District's contract company performed 32 Single Family Residential Water-Wise House Calls (WWHC), 3 Multi-Family WWHCs, and 1 Commercial WWHC.

Staff received 27 calls and 29 reports via the District's website regarding water waste. Staff issued 28 Information Only Water Waste Notices, 79 Notices of Violation (NOV), 2 Warning NOVs, and 2 First Violation that did not result in a monetary assessment.

The District issued rebates for 2 toilets, 3 Weather Based Irrigation Controllers, 1 pool cover, and 2 Irrigation Efficiency Upgrades in August 2018.

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

iii. Upcoming Events

Carmichael Founders Day – September 22, 2018
Open House – October 17, 2018.

d. Customer Service Report

i. Customer Service Monthly Activity - Exhibits CS-1

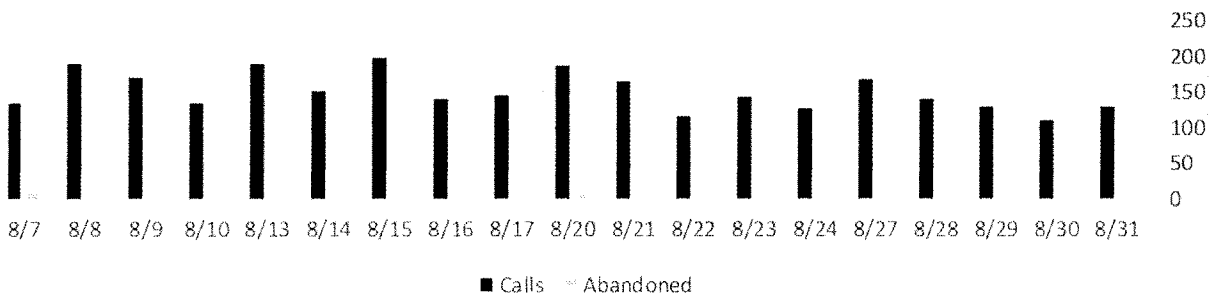
- Customer Service Activity Report shows Customer Service activity for the month of August 2018.

Exhibit CS-1

	<u>August 2018</u>		<u>Calendar Year 2018</u>	
Billing				
Connections-Total Active	46,209			
E-billing	4,058			
Payments				
Cash/Check	1,412	3.3%	9,693	3.0%
Credit Card	944	2.2%	6,070	1.9%
Web	5,356	12.6%	41,494	12.8%
Auto-Pay (Checking)	4,483	10.6%	34,851	10.8%
Auto-Pay (Credit Card)	3,997	9.4%	31,463	9.7%
NR (Auto Phone)	1,655	3.9%	12,766	3.9%
Online Banking	11,775	27.8%	89,142	27.5%
LockBox	12,773	30.1%	98,136	30.3%

Monthly Calls

Date	Total Calls	Calls Abandoned	% of Calls Abandoned	Avg Wait On Queue	Max Wait on Queue	Avg Talk Time
8/1/2018	169	4	2.37%	53s	9m, 39s	3m, 10s
8/2/2018	144	2	1.39%	26s	5m, 48s	2m, 31s
8/3/2018	176	6	3.41%	33s	4m, 15s	2m, 45s
8/6/2018	180	3	1.67%	29s	5m, 36s	2m, 37s
8/7/2018	136	9	6.62%	1m, 16s	10m, 3s	3m, 19s
8/8/2018	192	4	2.08%	24s	4m, 59s	2m, 20s
8/9/2018	171	2	1.17%	59s	8m, 26s	3m, 14s
8/10/2018	135	2	1.48%	22s	4m, 4s	3m, 5s
8/13/2018	191	2	1.05%	29s	4m, 2s	2m, 51s
8/14/2018	153	1	0.65%	29s	4m, 6s	3m, 15s
8/15/2018	198	5	2.53%	41s	6m, 35s	3m, 11s
8/16/2018	142	5	3.52%	19s	4m, 54s	2m, 34s
8/17/2018	146	5	3.42%	25s	3m, 11s	3m, 14s
8/20/2018	188	8	4.26%	31s	4m, 16s	2m, 39s
8/21/2018	165	0	0.00%	36s	7m, 9s	3m, 7s
8/22/2018	118	3	2.54%	21s	3m, 21s	3m, 28s
8/23/2018	144	2	1.39%	40s	9m, 53s	2m, 47s
8/24/2018	127	1	0.79%	45s	7m, 29s	3m, 2s
8/27/2018	170	2	1.18%	19s	3m, 30s	2m, 42s
8/28/2018	141	3	2.13%	20s	4m, 12s	2m, 47s
8/29/2018	131	2	1.53%	28s	4m, 11s	3m, 13s
8/30/2018	110	1	0.91%	22s	4m, 30s	2m, 38s
8/31/2018	130	1	0.77%	24s	3m, 22s	2m, 58s
Group Total	3557	73	2.05%	34s	5m, 38s	2m, 75s



e. Community Outreach Report

i. October Bill Insert

The October bill insert will begin on September 24, 2018 and continue until October 21, 2018. A sample of the bill insert has been included with this report.

ii. October Envelope Message

The October envelope reminds customers to dial back their sprinklers this fall. The envelope will begin on September 24, 2018 and continue until October 21, 2018.

iii. Community Meetings/Events

Staff, representing SSWD, attended the following agency meetings, conference calls, community meetings, and events in August 2018:

<u>Date:</u>	<u>Meeting:</u>	<u>Staff:</u>
08/02/18	Tri-Communities Meeting	Dan York
08/03/18	RWA Executive Director Evaluation Committee Meeting	Dan York
08/08/18	RWA Regional Water Reliability Plan	Mike Huot
08/09/18	SGA Meeting	Dan York
08/10/18	City of Woodland ASR Tour	York/Huot
08/22/18	RWA Executive Committee Meeting	Dan York
08/23/18	CSDA Tour	Dan York
08/30-31/18	Annual American River Managers Retreat	Mike Huot

00210707



H₂O on the Go

October 2018

Water Professionals Week | Discover a Career in Water

Water Professionals Week was established in California in 2017 in recognition of the important role water industry professionals and local public water agencies play in ensuring safe and reliable water, wastewater and recycled water in California. This year it runs from Saturday, October 6th through Sunday, October 14th.

Over 60,000 people work in the water industry in California, and the industry needs 6,000 new employees each year. If you're interested in a career in the water industry, you can find out about available jobs with SSWD at <http://www.sswd.org/employmentopportunity>

And remember, please be careful when driving past water utility workers when they are in the street repairing or improving the infrastructure to keep the water flowing.

sswd.org

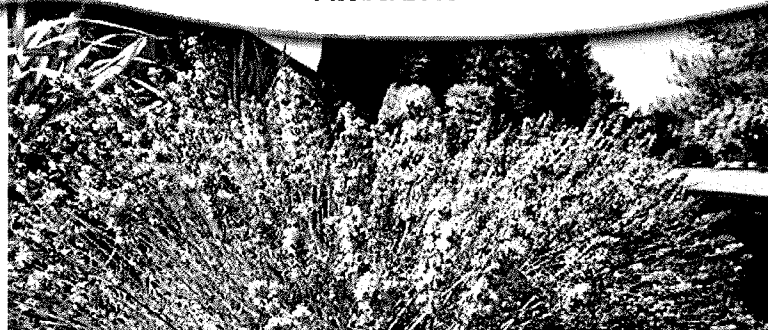
Phone: 916.972.7171

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.



Fall Into a Beautiful Water-Wise Landscape

Fall is the perfect time to redo your yard and add low-water use plants great for our climate. The soil still holds summer's warmth, which encourages root growth, but new plants don't require as much water because the days are getting cooler instead of heating up.

When spring rolls around, your new plants will have established root systems and be ready to start their growth spurt and be better prepared for the heat of summer.

Here are some things to consider:

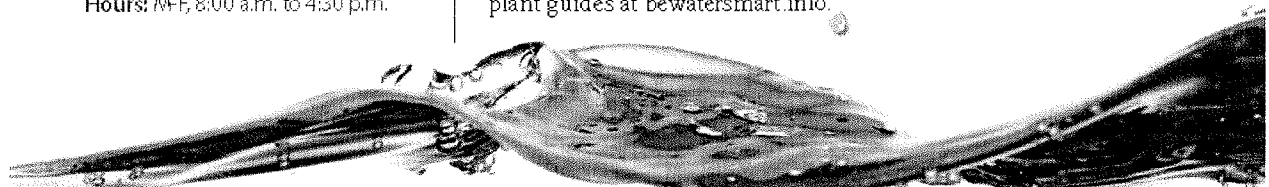
Choose the right plant for the right space – Take into account how tall the plant or tree will grow to save you time in the future when it comes to pruning. Also make sure to group your plants according to their water and sunlight needs.

Aerate the soil to let in more good stuff – Aerating or breaking up the soil in your yard will ensure that oxygen, water and nutrients will be able to get to a plant's roots.

Add plenty of compost and mulch – Compost will enrich the soil with valuable nutrients, break down clay and compacted soil, and help balance the soil's pH level. Then make sure to add a couple inches of mulch around your new plants. It's best to add the compost after you've aerated your lawn or plants to make sure it can be more easily absorbed.

Upgrade your sprinklers too – Consider adding drip irrigation to water your new plants, shrubs and trees, and installing high-efficiency rotator sprinklers for your lawn. They'll water your landscape more effectively and you'll have healthier plants.

If you're looking for plant ideas perfect for our region, check out the plant guides at bewatersmart.info.

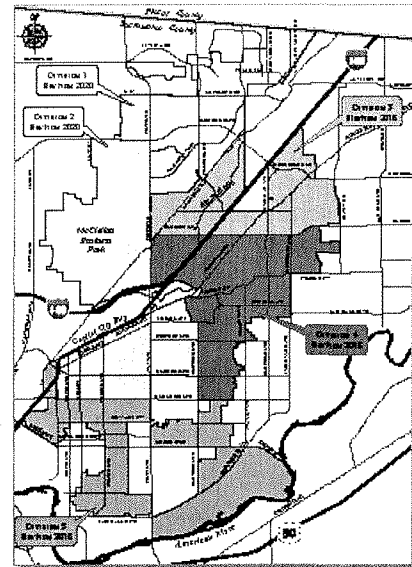


Election Day is November 6th

Don't forget to vote on Tuesday, November 6th and help choose new Directors for SSWD Districts 2*, 3, 4 and 5.

A five-member Board of Directors governs SSWD, and each Director serves a four-year term. Elections for new Directors are held on even-numbered years. See the map to the right to find out if your District will be voting for a new Director.

**Due to the untimely passing of the Director in Division 2, the Board appointed a successor who will hold office until the November 2018 election. The newly elected director will be sworn into office along with the other new directions. The Division 2 seat will be up for re-election in 2020 and serve the normal four-year term.*



We're Connected | Making Public Safety A Priority



One of SSWD's most important responsibilities is the installation and maintenance of fire hydrants.

A fire hydrant may be requested by the local fire department or required for the approval of a building permit or subdivision development. The District then works with the fire department and developer to determine the best location for the hydrant. After the fire hydrant has been installed, SSWD is responsible for its ongoing maintenance and upkeep.

The primary and authorized use of a fire hydrant is for public safety. The District will occasionally use fire hydrants to flush the water system and may also grant exceptions to contractors for controlling dust and providing temporary water at building sites. Those contractors pay for the water that is pulled from the fire hydrant.

You can play an important role in improving public safety by making sure that there is a least three feet of clearance around a fire hydrant situated on your property. That way if a fire occurs, valuable time won't be lost finding and accessing it.

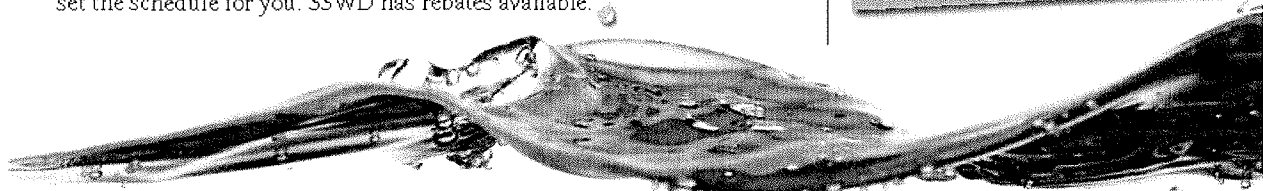
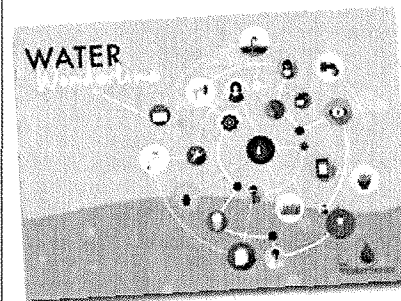
Shorter Days = Shorter Sprinkler Run Times

Though we can still have warm days in October, the days are getting shorter and your yard needs less water than it does during the hot days of summer. You can start dialing back each zone by one minute. You can also install a WaterSense-labeled weather-based sprinkler timer and let it set the schedule for you. SSWD has rebates available.

Water Wonderline

Ever wonder about SSWD or ways to be water-wise? We are here to answer your questions.

Want to know more about Capital Improvement Projects, conservation, ways to pay your bill or your Board of Directors, then email us at feedback@sswd.org and pose your question. We'll include it in future bill inserts, newsletters or future workshops.





Agenda Item: 20

Date: September 12, 2018

Subject: Engineering Report

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

Summarized below are significant Engineering Department activities and milestones over the past month. The report is separated into the following sections: a) Major Capital Improvement Program (CIP) Projects; and b) Other.

a. Major Capital Improvement Program (CIP) Projects

The District continues to deliver CIP projects at a steady rate to support operations and ensuring the readiness of District supply and facilities consistent with the funding program approved by the Board of Directors.

1) Supply

Well N6A – Palm (Replacement Well)

Construction of the pumping plant and treatment plant began in early July 2018. The well is anticipated to be on line by summer 2019.

Well 78 – Butano / Cottage (New Well at New Site)

Construction of the well is expected to begin in early September 2018. Pumping plant design is anticipated to be completed in late 2018 to early 2019. Construction of the pumping plant is anticipated to begin by summer 2019. The well is anticipated to be completed and on line in spring 2020.

Well 79 – Verner / Panorama (New Well Site)

Well design and construction is anticipated to be completed in late 2018. Pumping plant design is anticipated to be completed in late 2019. Construction of the pumping plant is anticipated to begin in early 2020. The well is anticipated to be completed and on line by the end of 2020 or early 2021.

Various Well Investigation and/or Rehabilitation Projects

- Well 28 – Red Robin/Darwin. This well is offline for discharge piping and pump control modifications. It is expected to be back on line by September 2018.
- Well 30 – Rockbridge/Keith. This well is offline for discharge piping and pump control modifications. It is expected to be back on line by September 2018.

- Well 69 – Hilldale / Cooper. This well is offline for rehabilitation. An estimated return to service date has not yet been determined.

2) Distribution

Parkland Estates Phase 2 Main Replacement Project

Installation of distribution main and fire hydrants has been completed. Approximately 95% of services have been installed. This project is expected to be completed in fall 2018.

Edison Meadows Main Replacement Project

Construction work on the mainline is approximately 85% complete. Approximately 70% of services have been installed. This project is expected to be substantially completed in late-2018 with final paving occurring in early-2019.

Jonas Main Replacement Project

This project's "distribution main" portion is expected to be put out to bid in late October for a construction start in early 2019. Staff plans to continue to utilize the Master Service Contract – "MSC" contracting approach which has been very successful at containing costs. Staff will also negotiate a cost with Flowline Contractors, Inc. (Flowline) for the "Service Line" portion of the project as part of the District's MSC with Flowline, awarded earlier this year.

Staff plans to have a bid opening in late November 2018, and anticipates bringing bid results with a recommendation for contract award to the next Facilities and Operations Committee meeting (provided a meeting is held before the December 2018 Regular Board Meeting), and then to the December 2018 regular Board meeting.

To update the assessment of the effectiveness of the Master Service Contract approach for Main Replacement Program projects, staff has made a cost comparison between the Edison Meadows Main Replacement Project (an MSC project) and the Edison Juliesse distribution main replacement project (comparatively a very small project) that was competitively bid and constructed in late 2017. The data indicate that the MSC approach provides good value to the District: total costs of \$2.0 vs. \$2.1 million per mile of main installed (MSC large project vs. bid small project).

Meter Retrofit Project

Of the approximately 1,200 meters in the 2018 Meter Retrofit Project, about 40 percent have been installed. This project is expected to be completed in late 2018.

b. Other

New Engine Generator for Administration Building

- Work related to installation of the new generator (Phase 1), including electrical work and landscaping, is nearly complete with some punch-list items remaining. This phase of the project is expected to be completed in fall 2018.

- Work related to Phase 2 of the project, which includes permitting and coordination with SMUD for the construction of a new transformer pad and related site grading, installation of a new SMUD transformer, new underground primary and secondary electrical conduit, electrical panel upgrades, and related new wiring, is expected to be completed in late 2019.

Item 21

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From: [mailto: [@.com](#)]
Sent: Saturday, September 1, 2018 9:05 AM
To: feedback <feedback@sswd.org>
Subject: Dan York

Dear Mr. York,

I am writing to thank you for the outstanding service I received from Dana Dean, P.E., SSWD Engineering Manager, when I sent your predecessor a detailed letter about the issues I have been having with the water main and meter project in my neighborhood. In it, I raised a total of six points, some positive and some negative. I preferred this strategy to attending the Public Outreach Meeting, which I suspected would be long, tedious, and patronized by at least some people who did not do much in the way of organizing their thoughts.

To my amazement, I received a letter in response from Mr. Dean that addressed each one of my points in detail, concluding with the comment that he would follow up by phone. Again, amazingly, he called as promised, and we had a most pleasant, and informative conversation.

I cannot remember when I have ever received such individual and considerate attention from a public agency – a comprehensive, individually-tailored letter followed by a quite delightful call. I would be most grateful if you would recognize Mr. Dean in some appropriate way for his superb customer service.

Thank you!

Jennifer