

# **Agenda**

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

3701 Marconi Avenue, Suite 100  
Sacramento, California 95821

Monday, December 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.

### **Swearing in Newly Elected Directors**

The District Secretary will swear in the newly elected directors.

### **Call to Order**

### **Pledge of Allegiance**

### **Roll Call**

### **Election of District Officers**

1. Election of District Officers

### **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.

2. Minutes of the November 19, 2018 Regular Board Meeting  
*Recommendation: Approve subject minutes.*
3. Minutes of the December 7, 2018 Special Board Meeting  
*Recommendation: Approve subject minutes.*

### **Items for Discussion and/or Action**

4. Resolution No. 18–19 Honoring Robert Ames on His Retirement  
*Recommendation: Approve subject resolution.*
5. Draft Final Budget 2019  
*Recommendation: Approve the 2019 budget.*
6. Evaluation of the Finance and Audit Committee  
*Recommendation: Receive written staff report and direct staff as appropriate.*
7. Evaluation of the Facilities and Operations Committee  
*Recommendation: Receive written staff report and direct staff as appropriate.*
8. Committee and Liaison Appointments for 2019  
*The Board President will consider committee and liaison appointments for 2019.*
9. Distribution Main Replacement Program - Master Service Contract for Main Lines  
*Recommendation: Approve subject Agreement.*

### **General Manager's Report**

10. General Manager's Report
  - a. Strategic Plan Update
  - b. McClellan Business Park
  - c. Billing Error Update

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

11. a. Regional Water Authority (Director Wichert)  
None.  
  
Regional Water Authority Executive Committee (General Manager York)  
None.
- b. Sacramento Groundwater Authority (Director Thomas)  
Agenda from the December 13, 2018 Meeting.
- c. Water Caucus Meeting (General Manager York)  
None.
- d. Water Forum Successor Effort (General Manager York)  
Agenda from the December 13, 2018 Meeting.
- e. Other Reports – AB 1234

**Committee Reports**

12. a. Facilities and Operations Committee (Director Jones)  
None.
- b. Finance and Audit Committee (Director Thomas)  
None.
- c. San Juan Water District/Sacramento Suburban Water District Water Management/Re-Organization Committee (Director Locke and Director Jones)  
Agenda from the December 10, 2018 Meeting.

**Information Items**

13. Moody's Annual Issuer Comment Report
14. Supplemental Language for 2018 Consumer Confidence Report
15. 2018 Budget Reallocations
16. Legislative and Regulatory Update
17. Upcoming Water Industry Events

**Department/Staff Reports**

18. Financial Report
  - a. Financial Highlights – November 2018
  - b. Financial Statements – November 2018
  - c. Investments Outstanding and Activity – November 2018
  - d. Cash Expenditures – November 2018
  - e. Credit Card Expenditures – November 2018
  - f. District Reserve Balances – November 2018
  - g. Information Required by LOC 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)**

- 22. 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.
- 23. Public employee performance evaluation involving the General Manager under Government Code section 54954.5(e) and 54957.

**Adjournment**

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**Upcoming Meetings**

- Monday, January 28, 2019 at 5:30 p.m., Financing Corporation Annual Board Meeting
- Monday, January 28, 2019 at 6:00 p.m., Regular Board Meeting

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

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Dan York  
 General Manager/Secretary  
 Sacramento Suburban Water District



## Agenda Item: 1

**Date:** December 6, 2018

**Subject:** Election of District Officers

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

According to the Rules for Proceedings of the Board of Directors (PL - BOD 002), annually at the first regular meeting in December the Board may select a president and/or vice president to serve for the coming year. Below is an excerpt from PL - BOD 002 that outlines the selection of officers and the duties of the President.

### Rule 1 – Selection of Officers

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

In the event of a contested election, the following is the recommended procedure for nominating and selecting the Board President or Vice President: (1) the then-presiding President should open nominations and ask if there are there any nominations for the contested office; (2) any Director then may make a nomination -- e.g., "I nominate Director X" -- no second is required for a nomination, although sometimes one or more Directors will second a nomination to indicate endorsement (a Director may nominate himself or herself, but nominations cannot be accepted from members of the public); (3) a Director may decline a nomination; (4) when it appears that no one else wishes to make a nomination, the President should ask if there are additional nominations -- if there is no response, the President then should declare that the nominations for the office are closed and state the names of the nominees (it is unnecessary to have a motion to close the nominations); (5) after nominations have been closed, nominations may be reopened only by a motion, second and majority vote to reopen them; (6) after nominations have been closed and before the vote, the public should be provided an opportunity

to comment on the agenda item; (7) the President then should call for votes on the nominees by a roll call vote on each nominee, and each Director should cast his or her yea or nay vote on each nominee, e.g., “For the first nominee for President, Director X, please state your vote by yea or nay;” (8) nominees should be voted on in the order in which they are nominated and the process should continue until there is a majority approval of one of the nominees; and (9) as soon as one of the nominees receives a majority vote, the President should declare that person elected to the office and no vote is taken on any remaining nominees.

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

## **Rule 2 – Duties of President of Board**

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

The newly elected Board President is anticipated to consider committee and liaison appointments at the December regular Board meeting.

Staff recommends that the Board by majority vote re-appoint Mr. Dan Bills as District Treasurer, and re-appoint Mr. Dan York as District Secretary.

# Agenda Item: 2

## Minutes

### Sacramento Suburban Water District Regular Board Meeting Monday, November 19, 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, Kathleen McPherson, Kevin Thomas, and Robert Wichert.

Directors Absent: None.

Staff Present: General Manager Dan York, Finance Director Dan Bills, Assistant General Manager Mike Huot, Heather Hernandez-Fort, Robert Ames, Dana Dean, Matt Underwood, Jim Arenz, Annette O'Leary, David Morrow, Greg Bundesen, Cody Scott, Mike Jenner, Paul Johnson, David Armand, Hannah Dunrud, Hector Segoviano, Sarah Dains, Shawn Shedenhelm, Chance Wick, Tom Fox, Mitchell McCarthy, Vicki Sprague, Tom Dickinson, Kyle Jividen, and Michelle Hirt.

Public Present: William Eubanks, Avery Wiseman, Doug Johnson, Norma Ames, Lisa Troshinsky.

#### Announcements

General Manager Dan York (GM York) announced:

- The District's 2017 Comprehensive Annual Financial Report received the Government Finance Office Association's Certificate of Achievement for Excellence in Financial Reporting;
- The General Manager would be attending the November 26-29, 2018 ACWA Conference;
- Happy Thanksgiving.

#### Public Comment

Avery Wiseman (Mr. Wiseman) commented that his water bill was higher than normal due to a billing error. Annette O'Leary (Ms. O'Leary), Customer Service Manager reassured that staff was reviewing for any potential issues with additional accounts. GM York expressed that he would report back on the findings.

#### Consent Items

1. **Minutes of the October 15, 2018, Regular Board Meeting**



2. **Minutes of the October 30, 2018, Special Board Meeting**
3. **Debt Obligation Continuing Disclosure Policy (PL – Fin 013)**
4. **Resolution No. 18-17 Rescinding Resolution No. 18-15 and Further Amending District Conflict of Interest Code to Require Mandatory E-filing**
5. **Federal WaterSmart Marketing Strategy Plan Memorandum of Agreement**

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

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

**Public Hearings**

6. **Public Hearing on Initial Study and Proposed Mitigated Negative Declaration for Well 79 Verner/Panorama Production Well Project**

President Locke opened the Public Hearing.

President Locke opened the floor for public comment.

Director Jones inquired why the CEQA was performed by a consultant and not in-house.

Dana Dean (Mr. Dean) expressed we do not have staff familiar enough with the CEQA process.

Director Wichert suggested for staff to brief the Board on why it's necessary if a consultant is needed in the future.

Assistant General Manager Mike Huot (Mr. Huot) explained that there are many steps in a CEQA process, and in an effort to ensure that all criteria was met, it was beneficial to have a consultant that was familiar with the process.

President Locke suggested to present a future CEQA to the Facilities and Operations Committee.

President Locke closed the Public Hearing.

**Items for Discussion and/or Action**

7. **Adoption of an Initial Study/Mitigated Negative Declaration for Well 79 Verner/Panorama Production Well and Pumping Station**

Mr. Dean presented the staff report.

President Locke suggested to review the downhole valve for failure percentage.

Director Jones suggested to review the location for previous vandalism issues and to assess the need for a sound wall.

Director Thomas inquired about iron manganese exposure.

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

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

8. **Communications Site Lease Agreement – Auburn Yard**

Mr. Dean presented the staff report.

Legal Counsel Josh Horowitz (Mr. Horowitz) provided an update to the contract.

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

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

9. **2018 Employee Compensation Study**

Dan Bills (Mr. Bills) presented the staff report.

Mr. Bills introduced Doug Johnson (Mr. Johnson) with Ralph Andersen and Associates, who presented the PowerPoint presentation.

Mr. Johnson clarified the changes from the original presentation at the October 15, 2018, regular Board meeting.

Mr. Johnson explained that there are 17 employees on PEPRA plan, 13 employees on the Classic plan and 37 employees on the 3% at 60 plan.

Director Wichert expressed that the District should get credit for the fact that 8% of the retirement is paid. He explained that it encourages the employees that are in the non-PEPRA tiers to stay with the District because that percent of their retirement is paid every month.

Mr. Bills expressed that the other surrounding agencies have increased salaries to offset the 8% EPMC for Tier 1 retirement plan employees.

Mr. Bills explained the net pay effect for employees in each retirement tier.

Director Wichert inquired if staff could come up with a way to move the subsidy of the Tier 1 plan (3% at 60 plan) into salary and spread it across all staff in an equitable manner.

Mr. Bills expressed that staff could review the options again.

Mr. Huot expressed that it was very difficult to make it equitable, and that the best way is to have things phase out over time.

Discussion ensued regarding the inequity between PEPRA and Classic plans.

Mr. Johnson and Mr. Bills explained different employee contribution scenarios. Mr. Bills expressed that the salary band decision is a gross pay issue while retirement is a net pay issue and the two issues are separate.

President Locke expressed that he was in favor of the 75<sup>th</sup> percentile to attract the best employees, but that he was also in favor of it being equitable for all employees.

Mr. Bills inquired if the Board wanted to bring in equity discussion as part of the compensation study, and if so, he would need to model it.

Discussion ensued regarding multiple salary bands depending on retirement benefits and it was determined that was not an option to review.

President Locke was in favor of reviewing employee contribution options.

Director Jones expressed that they were two different topics and should be discussed separately. He expressed that raising employee salaries to pay their retirement benefit could make things equitable, but that he would need more information about it.

Director Wichert pointed out that if they raise the salary bands by 12.8% to get to the 62.5 percentile, and require the legacy employees to pay the 8%, then the employees get a raise. He also expressed that he was only in favor of the median.

President Locke suggested for staff to present an option with a marginal pickup for legacy employees so that it's equitable, but it needs to be equitable for PEPRA as well. Possibly even one that phases out the pick up over time.

Director Thomas agreed to bring back the item with further information and options.

The Board agreed to hold a separate Special Board meeting on this item.

10. **Employee Compensation Policy (PL – HR 002)**

GM York presented the staff report noting that staff was recommending to set the policy to the middle of the third quartile based on past practices.

William Eubanks (Mr. Eubanks) withdrew his comment.

Director Thomas expressed that he was sort of in-between and that he was interested in seeing the numbers associated with the quartiles.

President Locke stated that he was comfortable with the top of the third quartile.

Director Jones expressed that he was comfortable with the midpoint of the third quartile.

Director McPherson expressed that the wording in the policy should be very specific so there is not an opportunity for misinterpretation later. She additionally expressed that she was concerned that the Board would be put in a position to have to do compensation studies at least every 5 years. She noted that she was not in favor of doing that, as once the salaries were set, they should not need to be reevaluated again.

Mr. Bills expressed that it was important to reevaluate the employee compensation position in the market from time to time to ensure it is where the Board set it.

Director McPherson expressed that the language should specify how often they would do a compensation study, and additionally include a methodology on how the compensation study would be conducted. She further expressed that she was concerned that continuing to raise our salary bands would result in the surrounding purveyors doing the same, causing constant increases.

GM York expressed that going forward, there will be a procedure for conducting a compensation study.

President Locke reminded the Board that they can change policies at any time.

Director Wichert reiterated that he was happy with the median and he was in favor of moving to the median immediately.

Director Jones moved the staff recommendation, President Locke seconded.

GM York expressed that it was his job to put the best person in each position and noted the importance of health and safety in the water industry.

Director Thomas expressed that he was concerned with constantly increasing salaries to compare with the market.

Director McPherson expressed that if this was the direction that it was going, that they use language stating somewhere between the median and the 62.5 percentile, not just the 62.5 percentile.

President Locke requested to amend the original motion to change the range to the 50 to 65<sup>th</sup> percentile; Director Jones seconded. The motion failed on a 3/2 vote.

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

Director Thomas moved to strike the language in the policy under 200. A. “the midpoint of the third quartile” and insert the language “will target a range from market median to mid-point of the third quartile;” Director Wichert seconded. The motion passed by a 4/1 vote.

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

President Locke noted that staff would provide the Board with the procedure including frequency of compensation studies.

**11. Budget 2019 – 3<sup>rd</sup> Draft**

Mr. Bills presented the staff report and PowerPoint presentation.

Director Wichert expressed that he was in favor of increasing salaries to the median as of January 1, 2019.

Clarifying questions were asked.

Director Wichert suggested to reduce the CIP projects to a level that is consistent with what is expected to be spent in 2018.

President Locke expressed that the Board previously agreed to allocate funds toward the entire cost of a CIP project, in case it happens to carry over into the next year. He further expressed that he was not in favor of Director Wichert’s suggestion.

GM York expressed that staff was working on meeting the CIP target.

Mr. Wiseman expressed that he would like to see a balanced budget where the expenses match the revenues, and he further supported reducing the CIP projects.

Director Wichert stated that he wanted to be fiscally responsible with a balanced budget and avoid needless rate increases.

The Board requested for the item to be brought back for approval after the Special Board Meeting on the compensation study.

### **General Manager's Report**

12. **General Manager's Report**

GM York presented the staff report.

a. *City of Sacramento 9,023 Acre Feet Area D Water*

GM York presented the staff report and provided an update.

b. *San Juan Water District/Sacramento Suburban Water District Water Management/Re-Organization Committee Update*

GM York presented the staff report and provided an update.

c. *Regional Water Supply/Wheeling Opportunities*

GM York presented the staff report and provided an update.

d. *Mueller Systems, LLC Contract Update*

GM York presented the staff report and provided an update.

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

13. a. Regional Water Authority (Director Wichert)

The agenda from the November 8, 2018, Meeting was provided.

Regional Water Authority Executive Committee (General Manager York)

The agenda from the October 24, 2018, Meeting was provided.

b. Sacramento Groundwater Authority (Director Thomas)

The agenda from the October 18, 2018, Meeting was provided.

c. Water Caucus Meeting (General Manager York)

None.

d. Water Forum Successor Effort (General Manager York)

None.

e. Other Reports – AB 1234

Director Jones provided an oral report on his meeting with the General Manager on October 9, 2018, and the SGA meeting that he attended on October 18, 2018.

Director McPherson provided an oral report on her meeting with the General Manager on October 10, 2018, the SGA meeting that she attended on October 18, 2018, and the Strategic Plan meeting on October 27, 2018.

Director Thomas provided an oral report on the SGA meeting that he attended on October 18, 2018, his meetings with the General Manager on October 24, 2018, October 31, 2018, November 9, 2018, the meeting he attended on Ocean Friendly Gardens on November 5, 2018, and the RWA meeting that he attended on November 8, 2018.

President Locke provided an oral report on his meeting with the General Manager on May 5, 2018, and his meeting with the Finance Director on May 11, 2018.

### **Committee Reports**

14. a. Facilities and Operations Committee (Director Jones)  
None.
- b. Finance and Audit Committee (Director Thomas)  
None.
- c. San Juan Water District/Sacramento Suburban Water District Water Management/Re-Organization Committee (Director Locke and Director Jones)  
None.

### **Information Items**

15. **Biannual Groundwater Elevations Report**  
A written report was provided.
16. **Legislative and Regulatory Update**  
A written report was provided.  
  
President Locke advised staff to keep the report updated.
17. **Upcoming Water Industry Events**  
A written report was provided.
18. **Upcoming Policy Review**  
A written report was provided.
  - a. Electronic Mail, Internet and Computer Use Policy (PL – IT 005)  
A written report was provided.

### **Department/Staff Reports**

19. **Financial Report**  
A written report was provided.

- a. *Financial Highlights – October 2018*  
A written report was provided.
- b. *Financial Statements – October 2018*  
A written report was provided.
- c. *Investments Outstanding and Activity – October 2018*  
A written report was provided.
- d. *Cash Expenditures – October 2018*  
A written report was provided.
- e. *Credit Card Expenditures – October 2018*  
A written report was provided.
- f. *District Reserve Balances – October 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.

20. **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.

21. **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**

22. **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 9:25 p.m. to discuss the following:

23. Conference with legal counsel – potential litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(4); consideration of initiating litigation involving one case.
24. 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.
25. Conference with Legal Counsel – Anticipated Litigation, Government Code sections 54954.5(c) and 54956.9(a) and (d)(2) and (3); significant exposure to litigation involving discrimination complaint filed by Brenda Davis, DFEH No. 964520-318001; EEOC No. 37A-2018-00815-C.
26. Public employee performance evaluation involving the General Manager under Government Code section 54954.5(e) and 54957

### **Return to Open Session**

The Board convened in open session at 9:45 p.m. There was no reportable action.

### **Adjournment**

President Locke adjourned the meeting at 9:46 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District

# Agenda Item: 3

## Minutes

Sacramento Suburban Water District  
**Special Board Meeting**  
Friday, December 7, 2018

### Call to Order

President Locke called the meeting to order at 9:00 a.m.

### Pledge of Allegiance

President Locke led the Pledge of Allegiance.

### Roll Call

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

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Mike Huot, Finance Director Dan Bills, Heather Hernandez-Fort, Matt Underwood, Dana Dean, Annette O’Leary, Kerry Smith, Eric Flaa, Kyle Jividen, Raul Palomar, Sarah Dains, Greg Bundesen, Cassie Crittenden, Daryl Vinavong, Rob Roscoe and Legal Counsel Josh Horowitz.

Public Present: William Eubanks and Doug Johnson.

### Public Comment

None.

- Resolution No. 18-18 A Resolution of the Board of Directors of the Sacramento Suburban Water District Amending the 2017 and 2018 Salary Band Schedules**  
Dan Bills (Mr. Bills) presented the staff report.

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

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

- 2018 Employee Compensation Study**

General Manager Dan York (GM York) presented the staff report.

Mr. Bills presented the PowerPoint presentation.

Legal Counsel Josh Horowitz (Mr. Horowitz) provided clarification on the California Rule regarding retirement, explaining that under the California Rule, the Board had very little discretion in adjusting pension benefits for current employees. He further explained that the rule was currently under consideration by the state Supreme Court with a ruling expected in the first half of 2019. The Board requested to be kept up to date on status.

Director Wichert pointed out that the Board approved a 4.3% COLA, and requested to have that reflected in the options.

Mr. Bills further explained the two options in the staff report.

Director Wichert inquired how big the salary band was.

Mr. Bills explained that there was a 30% differential for salaried employees, and a 20% differential for non-salaried employees, that is 30% or 20% below the maximum salary band limit.

Discussion ensued regarding the salary bands.

William Eubanks (Mr. Eubanks) inquired what the Board was trying to accomplish.

Director Jones expressed he wanted to be competitive in the marketplace.

GM York explained that he also would like to be competitive and expressed that his job was to place the best person in the position and to be able to retain them. He further explained that if something isn't done, we might lose valuable staff and/or not attract experienced new hires, and he explained that his goal was to make the District operate at the best level possible.

Mr. Eubanks supported GM York and further expressed that the District has overcome large obstacles in the past, and the Board just needed to decide what issue they wanted to solve and take it one step at a time. He additionally urged the Board to take care of their employees.

President Locke moved to accept Option 1, modified to provide \$510,000 plus \$24,000, for a total of \$534,000 for the General Manager to adjust the salary bands that will give the District a competitive advantages, as well as accept the compensation study and requested to bring the retirement benefits back in March 2019.

Director Wichert clarified that at last month's regular Board meeting, the Board approved to place salaries between the 50<sup>th</sup> and 62.5 percentile of market in the policy, and that the Board was currently voting on taking the 62.5 percentile for 2019.

President Locke did not agree with limiting the General Manager to the 62.5 percentile, as he believed the General Manager should have the latitude to make decisions on the positions that are more competitive to attract in the market.

Director McPherson expressed that she believed that option 1 of the staff recommendations was fair and reasonable, and noted that it took a while for the Board to fully understand the position of the staff.

Director Jones seconded President Locke’s motion.

Assistant General Manager Mike Huot (AGM Huot) clarified the motion was to approve Option 1, with the 62.5 salary bands, with a \$535,000 authority for the General Manager to adjust as he saw fit.

President Locke agreed, the motion passed by a 4/1 vote.

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

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

The Board convened in Closed Session at 9:55 a.m. to discuss the following:

3. Conference with legal counsel – potential litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(4); consideration of initiating litigation involving one case.
4. Conference with legal counsel – potential litigation; Government Code sections 54954.5(c) and 54956.9(d)(4); potential for 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 10:41a.m. There was no reportable action.

**Adjournment**

President Locke adjourned the meeting at 10:42 a.m.

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Dan York  
 General Manager/Secretary  
 Sacramento Suburban Water District



## Agenda Item: 4

**Date:** November 29, 2018

**Subject:** Resolution No. 18-19 Honoring Robert Ames on His Retirement

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

**Recommended Board Action:**

Adopt Resolution No. 18-19 Honoring Robert Ames on His Retirement.

**Discussion:**

Robert Ames has been a respected, admired, and valued employee of the Sacramento Suburban Water District for over 15 years, having been hired on July 28, 2003, following the merger of the predecessor Arcade and Northridge Water Districts. His last day of work as the Distribution Superintendent for the District was on November 26, 2018, and his retirement was effective November 27, 2018. The resolution commemorates his service. Staff has prepared a ceremonial, framed version of the resolution for presentation to Mr. Ames.

**Fiscal Impact:**

Negligible.

**Strategic Plan Alignment:**

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

This resolution benefits District customers in that it recognizes staff who provided superior customer service during their years of service to the District and increases employee morale.

**Resolution No. 18-19  
A Resolution Honoring  
Robert Ames  
On His Retirement**

Whereas, Robert “Bob” Ames completed over 15 years of service with the Sacramento Suburban Water District, having been hired on July 28, 2003; and

Whereas, Bob’s dedication to public service and expertise in utility management made the Sacramento Suburban Water District a more efficient organization with improved customer service and increased water supply reliability; and

Whereas, Bob has mentored Distribution Department staff, implemented numerous procedures improving District operations, and set an example to be followed in the future by staff who were fortunate to have had the experience of working with him; and

Whereas, Bob has set an example as a true professional in the water industry by focusing on improving service to District customers, and by being encouraging, enthusiastic, and supportive of his staff while challenging them to always improve; and

Whereas, Bob can now spend more time with family and friends, have more backyard BBQs, enjoy many more RV adventures and camping trips, play cornhole, hunt, fish, kayak, ride bikes, and root for the Pittsburg Steelers; and

Whereas, Bob’s last day of work was November 26, 2018, and his retirement from the Sacramento Suburban Water District was effective November 27, 2018.

Now therefore, be it resolved by the Board of Directors of the Sacramento Suburban Water District that:

The Board of Directors expresses its deep and sincere appreciation to Robert Ames for his years of dedicated public service to the District.

The Board of Directors wishes Bob all the best for a healthy, happy, and productive future.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on this 17<sup>th</sup> day of December 2018.

AYES:

NOES:

ABSENT:

By: \_\_\_\_\_  
Craig M. Locke  
President, Board of Directors  
Sacramento Suburban Water District

By: \_\_\_\_\_  
Daniel R. York  
General Manager/Secretary  
Sacramento Suburban Water District

(SEAL)



## Agenda Item: 5

**Date:** December 11, 2018

**Subject:** Draft Final Budget 2019

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

### Recommended Board Action:

Adopt the proposed 2019 Budget (Attachment 1) by way of the following actions:

1. With respect to the Operations and Maintenance Budget (O&M Budget):
  - a. Approve the O&M Budget for 2019, as per Attachment 1, or as amended by the Board.
  - b. Authorize the General Manager spending and delegation authority up to the total O&M budgeted amount.
  - c. Authorize the General Manager to adjust and/or reallocate various line item costs as necessary within the total O&M Budget amount.
  - d. Approve the employee position list as shown in Attachment 2.
  - e. Approve a direct labor budget of \$6,061,000 (\$9,616,000 with benefits and taxes) with no 2019 COLA or Merit increases, but including a \$535,000 2018 Compensation Survey Equity Adjustment.
  - f. Approve the Other Post-Employment Benefits (OPEB) portion of the O&M budget (\$580,000), and direct the General Manager to fully fund the Actuarial Required Contribution.
  
2. With respect to the Capital Improvement Program Budget (CIP Budget):
  - a. Approve the CIP Budget for 2019 and an inaugural budget for 2020, as per Attachment 1, or as amended by the Board.
  - b. Approve each project and project category as listed for 2019 and 2020, as per Exhibit 1.
  - c. Authorize the General Manager spending and delegation authority up to the total budgeted CIP amount.
  - d. Authorize the General Manager to adjust and/or reallocate amongst the project type cost categories as necessary during the budget year within the total CIP Budget amount.
  
3. With respect to the Operating Capital Budget (OCB Budget):
  - a. Approve the OCB Budget for 2019 as per Attachment 1 or as amended by the Board.
  - b. Approve each project and project category as listed for 2019 as per Attachment 1.

- c. Authorize the General Manager spending authority up to the total OCB budgeted amount.
  - d. Authorize the General Manager to adjust and/or reallocate amounts amongst the project type cost categories as necessary during the budget year within the total OCB Budget amount.
4. Direct the District Treasurer to make required debt service payments.
  5. Direct the General Manager to request Board approval prior to any inter-budget transfers, e.g., O&M budget to CIP budget transfers, with subsequent reporting to the Board.
  6. Direct the District Treasurer to report the Budget status at regular monthly Board meetings and to report any intra-budget reallocations as necessary.

**Discussion:**

The 2018 Water Rate Study discussion will pick up again in January 2019. As the District is about to end its fiscal year and with reserve balance funds being a critical component of 2019 rate adjustments, staff and the consultant felt it would be better to defer the discussion until staff had a draft final 2018 reserve balance amount.

The District's Budget Policy (PL Fin-012), requires a balanced Budget. The proposed 2019 Budget does not balance (expenses exceed projected revenues) to the tune of \$1.8 million. The Budget proposes that the difference be taken from operating reserves. No rate increase has been assumed for 2019 as the Water Rate Study is currently in process.

Discussions on the Budget to-date have included a presentation to the full Board on September 10<sup>th</sup> and a subsequent update included in the October meeting packet that due to time was not discussed. Another full presentation occurred at the November Board meeting. Board direction and requests received from individual Directors have been incorporated into this final draft, which at the Board's request is being presented for adoption.

The 2018 Budget includes \$23.2 million for O&M expenses and presumes water production of 33,000 Acre-Feet, 2,000 of which is to be wholesaled to a neighboring water purveyor. Total water production estimates also presume the purchase of 12,150 acre-feet of surface water in the North Service Area and 1,000 acre-feet in the South Service Area. Staffing levels are requested to increase by 3 in 2019. While no COLA increase or merit increase is requested for 2019, the Budget assumes an equity adjustment of \$535,000 based on the median results of the 2018 Compensation Survey (Survey) effective January 1, 2019. Salary Band increases are set at the middle of the third quartile based on the Survey. See Attachment 3, slides 22 – 31 for more detail.

The 2019 Budget includes \$18.3 million for CIP projects. Major projects are listed on Exhibit 1 and Attachment 3, slides 34 – 46.



The 2019 Budget includes \$1.0 million for OCB projects. OCB projects comprise fleet purchases, computer hardware/software purchases, building maintenance and operating equipment purchases. All OCB projects are listed on Exhibit A and Attachment 3, slides 48 – 53.

District debt service payments are forecast to be \$7.4 million in 2019. See Attachment 3, slide 55.

The 2019 Budget and 2020 CIP Forecast are presented in the following order in the attached PowerPoint presentation (Attachment 3):

1. District Goals and Budget Process
2. 2019 Key Assumptions
3. Total Revenue, Expense and Reserve Balance Analysis
4. Operation & Maintenance (O&M) Budget
5. Capital Improvement Program (CIP) Budget
6. Operating Capital Budget (OCB)
7. Debt Service Forecast

**Fiscal Impact:**

If adopted as presented, the 2019 O&M budget would be \$23.2 million, including funding other post-employment benefits of \$0.58 million; the 2019 CIP budget would be \$18.3 million; the 2019 OCB budget would be \$1.0 million, and the 2019 debt service forecast would be \$7.4 million. The total of all four budgets would be \$49.9 million. Revenues are projected to be \$48.1 million resulting in a planned drawdown of reserves of \$1.8 million. Projected reserve level at the end of 2019 is expected to be \$41.2 million.

**Strategic Plan Alignment:**

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

District customers benefit by ensuring that planned expenditures of ratepayer funds is open, transparent, and responsive to customer needs.

# ATTACHMENT 1

## 2019 Budget

<b>Operations and Maintenance Budget</b>	<b>2019 Budget</b>
Water Costs	\$5,722,000
Salaries	6,061,000
Employee Benefits	2,995,000
Employer Taxes and Insurance	560,000
OPEB	580,000
Engineering and Construction Services	2,552,000
Public Outreach & Conservation	530,000
Other	4,241,000
<b>Total</b>	<b>\$23,241,000</b>

<b>Capital Improvement Program Budget</b>	<b>2019 Budget</b>
Production (Source of Supply)	\$3,870,000
Transmission	50,000
Storage	735,000
Distribution	13,500,000
Special Projects	105,000
<b>Total</b>	<b>\$18,260,000</b>

<b>Operating Capital Budget</b>	<b>2019 Budget</b>
Information Technology	\$296,000
Maintenance	164,000
Operations	131,000
Vehicles and Fleet	319,000
Office Furniture and Equipment	40,000
<b>Total</b>	<b>\$950,000</b>

<b>Debt Service Forecast</b>	<b>\$7,420,000</b>
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<b>Total 2019 Budget</b>	<b>\$49,871,000</b>
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<b>Capital Improvement Program Budget</b>	<b>2020 Inaugural Budget</b>
Production (Source of Supply)	\$2,000,000
Distribution	1,800,000
<b>Total 2020 CIP Inaugural Budget</b>	<b>\$3,800,000</b>

## ATTACHMENT 1 (continued)

<b>Capital Improvement Program (CIP) Projects for 2019 &amp; 2020</b>
Edison Meadows Distribution Main Project
Jonas Distribution Main Project
Thor Distribution Project
Arcade Creek Crossing
Well 78, 69-1, 79 and N6A – Treatment, Drilling and Pump Stations
Meters – 1,327 in 2019 and 1,424 in 2020
Special Projects – Buy Parcels for Future Well Sites; Easement Acquisitions
<b>CIP Projects - Recurring Maintenance, Failures or Improvements</b>
Production Projects – Well Rehabilitation; SCADA Terminals/RTUs; Electrical Improvements; and Engine Generator Compliance Projects
Transmission Projects – Corrosion Control; Pipeline Connections
Storage Projects– Tank/Well Corrosion Control; Tank Inspection/Repairs
Distribution Projects – Small Projects – e.g., Utility Conflicts; McClellan Surveying Work; Lowering/Raising Valve Boxes; Meter Replacement/Repair

<b>Operating Capital Projects for 2019</b>
Various Well Site Asphalt & Sealing
Fence Replacement – 3 Well Sites
UCMR 4 Monitoring
Office Furniture New staff and replacements
Trailer Replacements
Vehicle Replacement/Right Size - Truck #3, 6, 12, 21, 45 and 51
Vehicles for Safety Officer and Production Foreman
Remove Antelope Garden
HVAC/Roof/Building Repairs
Well Site and Building Structures Maintenance
Computer Hardware Refresh Program Purchases
Software Enhancements/Modules & Engineering Software
Server Room – Walnut, Complete Marconi
Board Room Monitors and Director Laptops
Computers/Phones/Licenses for 3 New Employees

## ATTACHMENT 2

## SSWD Position List

1/1/2019

Position	Number of Employees
Customer Service Representative I	1 Flex Position
Administrative Assistant I	0 Flex Position
Distribution Operator I	5 Flex Position
Water Conservation Technician I	0 Flex Position
Production Operator I	3 Flex Position
Customer Service Representative II	4 Flex Position
Engineering Technician II Drafter	1 Flex Position
Administrative Assistant II	1 Flex Position
Distribution Operator II	12 Flex Position
Water Conservation Technician II	1 Flex Position
Facilities & Fleet Specialist	1
Production Operator II	4 Flex Position
Purchasing Specialist	1
Accountant	1
Cross Connection Control Specialist	1
Environmental Compliance Technician	1 Vacant
Field Operations Coordinator	1
Engineering Project Coordinator	1
GIS/IT Technician	1
Senior Inspector	1
Instrumentation & Electrical Technician	1
Foreman	4
<b>Foreman - Production</b>	1
GIS Coordinator	1
Assistant Engineer	1 Flex Position
<b>Assistant Engineer</b>	1 Flex Position
Environmental Compliance Supervisor	1
Executive Assistant to the GM	1
Human Resources Coordinator	1 Vacant
Water Conservation Supervisor	1
Customer (Administrative) Services Manager	1
Superintendent	3
Controller Financial Analyst	1
<b>Safety/Risk Officer Admin Analyst I</b>	1
<b>Information Technology Analyst</b>	1
Information Technology Manager	1
Project Manager	0 Flex Position
Associate Engineer Registered	Flex Position
Senior Project Manager	1 Flex Position
Senior Engineer	2
Operations Manager	1
Engineering Manager	1
Director of Finance and Administration	1
Assistant General Manager	1
General Manager	1

ATTACHMENT 3

# 2019 Budget Draft Final

Board Meeting  
December 17, 2018



# Mission Statement

- *To deliver a high quality, reliable supply of water and superior customer service at the lowest responsible price.*

# CHANGES FROM NOVEMBER

<b>O &amp; M Costs</b>	<b>Prior 2019 Budget</b>	<b>Current 2019 Budget</b>	<b>Changes</b>
WATER COSTS	\$ 5,722,000	\$ 5,722,000	\$ -
SALARIES <sup>1</sup>	6,036,000	6,061,000	25,000
EMPLOYEE BENEFITS <sup>2</sup>	2,990,000	2,995,000	5,000
EMPLOYER TAXES & INSURANCE <sup>2</sup>	558,000	560,000	2,000
OPEB	580,000	580,000	-
ENGINEERING & CONSTRUCTION SERVICES	2,552,000	2,552,000	-
PUBLIC OUTREACH & CONSERVATION	530,000	530,000	-
OTHER	4,241,000	4,241,000	-
	<u>\$ 23,209,000</u>	<u>\$ 23,241,000</u>	<u>\$ 32,000</u>

1. Based on December 7, 2018 Board Action on Compensation Study.
2. Based on \$25k salary increase - Pension, FICA, Workers Comp Insurance.

# CHANGES FROM NOVEMBER

CIP Projects	Prior Budget 2019	Current Budget 2019	Change
Other Capitalized Projects <sup>1</sup>	\$ 275,000	\$ 225,000	\$ (50,000)
Other Re-Occurring Annual Capital Costs <sup>2</sup>	870,000	1,010,000	140,000
From 2009 Water System Master Plan	-	-	-
SCADA AMP	60,000	60,000	-
Buildings and Structures AMP	-	-	-
Reservoir and Booster P.S. AMP	735,000	735,000	-
Transmission Main AMP	50,000	50,000	-
Well Replacement AMP	2,800,000	2,800,000	-
Dist. Main Replacement AMP <sup>3</sup>	12,180,000	10,780,000	(1,400,000)
Meter Replacement & Repair AMP	100,000	100,000	-
Meter Retrofit AMP	2,500,000	2,500,000	-
<b>Total CIP</b>	<b>\$ 19,570,000</b>	<b>\$ 18,260,000</b>	<b>\$ (1,310,000)</b>

1. Removed double counting of the Antelope Garden Destruction Project.
2. Well destruction costs deferred from 2018.
3. Based on final bids received for the Jonas Distribution Main Project, costs reduced by \$1.4 million.



# 2019 Budget Development Process

- June Board Meeting – 06/18/18, 6:00 pm
  - Budget Preparation Timeline Approved
- Finance and Audit Committee – 07/10/18, 4:00 pm
  - Consider Budget Assumptions; Provide Direction to Staff
- July Board Meeting – 07/16/18, 6:00 pm
  - Approve Budget Assumptions; Provide Direction to Staff
- August Board Meeting – 08/20/18, 6:00 pm
  - Status Report; Provide Direction to Staff
- Board Workshop – 09/10/18, 6:00 pm
  - First Draft Presentation; Provide Direction to Staff
- September Board Meeting – 09/17/18, 6:00 pm
  - Updates from Board Workshop; Provide Additional Direction to Staff
- October Board Meeting – 10/15/18, 6:00 pm
  - Provide Additional Direction to Staff
- November Board Meeting – 11/19/18, 6:00 pm
  - Budget Approval or Provide Additional Direction to Staff
- December Board Meeting – 12/17/18, 6:00 pm
  - Budget Approval

# Budget Periods

- O&M and OCB Budget
  - Projects and Budget Adopted for One Year
  
- CIP Budget
  - Projects Approved for Two Year Period
  - Budget Adopted for one Year Plus Encumbrances for Second Year

# 2019 Budget Assumptions

Key Assumptions	2017		2018		2019	
1 Rate Increase	4.00%	\$1,700,000	4.00%	\$1,800,000	In Process (D)	
2 No Change in SSWD Service Boundaries						
3 New Service Connections (Growth)	Increase	0.52%	Increase	0.52%	Increase	0.52%
4 Water Production: (A)	<u>Cost/AF</u>	<u>AF</u>	<u>Cost/AF</u>	<u>AF</u>	<u>Cost/AF</u>	<u>AF</u>
a. Water Supply Forecast Based on 5 Year Average						
b. SSA Surface Water (City)	\$ 559.00	1,000 AF	\$ 483.50	1,000 AF	\$ 507.68	1,000 AF
c. SSA Groundwater (City)						3,800 AF
d. SSA Groundwater (Variable costs)	\$ 110.65	15,000 AF	\$ 121.43	13,000 AF	\$ 136.51	9,200 AF
e. NSA Surface Water (PCWA)	\$ 35.00	12,000 AF	\$ 36.65	12,000 AF	\$ 38.48	12,000 AF
f. NSA Surface Water (Bureau)	\$ 30.68	12,000 AF	\$ 21.26	12,000 AF	\$ 22.32	12,000 AF
g. NSA Surface Water (SJWD Treatment)	\$ 161.92	12,150 AF	\$ 176.49	12,150 AF	\$ 192.37	12,150 AF
h. NSA Groundwater (Variable costs)	\$ 97.33	6,850 AF	\$ 112.30	6,850 AF	\$ 117.12	6,850 AF
i. NSA Bureau 215 Water	\$ 74.55	150 AF	\$ 78.28	150 AF	\$ 80.26	150 AF
j. NSA Wheel Water to Cal-AM, RLEVWD (Revenue)	\$ (337.05)	1,935 AF	\$ (356.14)	2,000 AF	\$ (366.71)	2,000 AF
5 Anticipated Outside Water Sales, Net		None	\$ 900,000	4,000 AF	None	None
6 Investment Yield		2.00%		2.00%		2.00%
7 Variable Debt Interest Rate		3.86%		3.86%		3.86%
8 Electrical Cost Increase		2.50%		2.50%		2.00%
9 COLA (As of May 31)		0.70%		3.00%		0.00%
10 Merit Program		3.00%		3.00%		0.00%
11 2018 Compensation Study		0.00%		0.00%		\$ 535,000
12 Construction Inflation (B)		2.80%		3.00%		8.00%
13 Health Care Cost (C)		-2.00%		2.33%		2.00%
14 Tier 1 Pension Cost (% of Salaries)	\$373,000	21.50%	\$ 470,000	22.37%	\$ 582,000	23.00%
15 Tier 2 Pension Cost (% of Salaries)	\$ 7,500	16.10%	\$ 12,500	16.64%	\$ 18,000	17.10%
16 Tier 3 Pension Cost (% of Salaries)	\$ 200	6.90%	\$ 500	7.30%	\$ 900	7.30%
17 New Hires		4		-		3
18 Funding of Post Retirement Benefits		\$ 472,200		\$ 560,000		\$ 580,000
19 2018 Compensation Study is currently in process						
<b>Footnotes:</b>						
(A) SSA = South Service Area; NSA = North Service Area						
(B) 20 Cities CCI Index, Source: ENR						
(C) From UnitedHealthcare to HealthNet Smart Care HMO						
(D) 2018 Rate Study is currently in process						

# 2018 Projected Actual and Highlights

	Approved 2018 Budget \$ Millions	Projected 2018 Actual \$ Millions	Projected Unspent %
Operations & Maintenance Budget	\$21.9	\$21.0	(4.1)
Capital Improvement Program Budget	19.1	18.2	(4.7)
Operating Capital Program Budget	1.2	1.1	(8.3)
Debt Service Budget	<u>7.7</u>	<u>7.6</u>	<u>(1.3)</u>
Total	<u>\$49.9</u>	<u>\$47.9</u>	<u>(4.0)</u>

## 2018 Projected Results:

- Water Deliveries of 32,850 AF
  - Comprised of 30,850 AF to Customers and Wheeled Water Deliveries of 2,000 AF
- Select critical/necessary projects from asset management plans that included:
  - For 2018 expect to replace 4.3 miles of Distribution Main Lines, including approximately 670 Meters
  - Install an additional 1,955 Water Meters – (1,270 Meter Retrofit Program, 15 Voluntary and 670 as part of main replacement projects)
  - Replace 1,200 Old Water Meters that have outlived their useful life (estimated at 20 Years)
  - Continue Work on Palm Avenue Well – Site Work and Pumping Facilities
  - Continue Work on Design and Construction of Butano, Palm and Verner Wells
  - Began Multi-Year Process to Acquire Future Well Sites

# 2019 Goals

## Budget Will Allow the District to Accomplish the Following:

- Water Deliveries of 33,000 AF
  - 31,000 AF to Customers
  - 2,000 AF Wheeled to Cal-American
- Follow modified asset management plans for replacing water infrastructure assets, to include:
  - For 2019, replace up to 4.3 miles of Distribution Main Lines, including approximately 312 Meters
  - Install an Additional 1,000 Water Meter Retrofits plus 15 Voluntary
  - Complete Palm Well – Pumping Facility Construction
  - Continue Work on Butano Well – Pumping Facility Design & Construction
  - Continue Work on Verner Well – Pumping Facility Design
  - Rehab River College Well and Northrop Well
  - Destroy 3 - 5 Abandoned Well Sites

# 2019 Budget

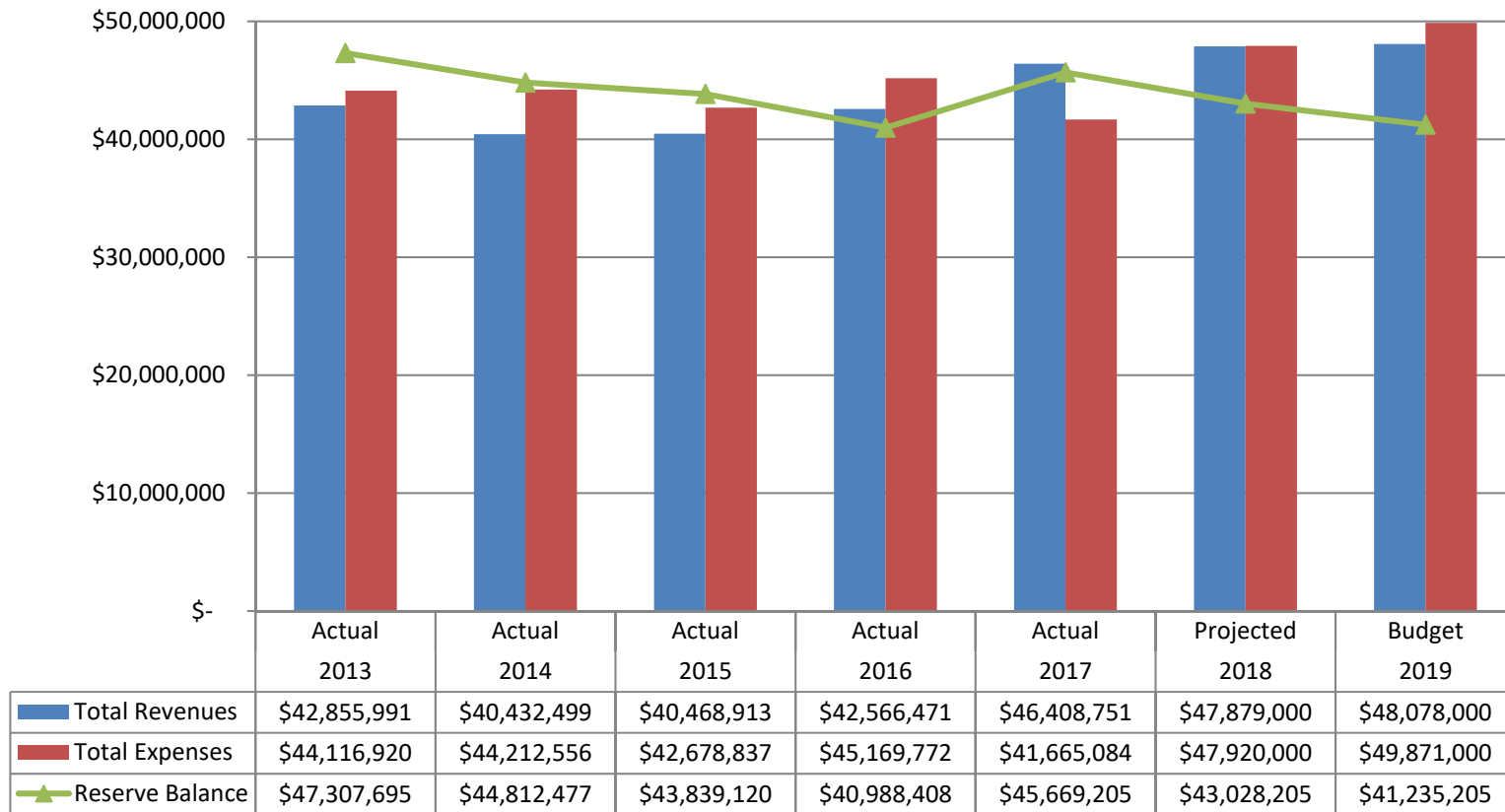
	<u>2017 Actual</u>	<u>2017 Amended Budget</u>	<u>Actual As Of 10/31/18</u>	<u>2018 Projected</u>	<u>2018 Approved Budget</u>	<u>2019 Proposed Budget</u>
Water Sales Charge	\$ 12,543,644	\$ 11,952,000	\$ 11,233,049	\$ 13,235,000	\$ 12,489,000	\$ 13,304,000
Water Service Charge	6,365,984	7,146,000	5,280,170	6,458,000	6,752,000	6,492,000
Capital Facilities/Debt Repayment	23,498,931	22,977,000	20,067,221	24,444,000	24,557,000	24,571,000
Wheeling Water Charge	675,830	633,000	329,835	530,000	175,000	730,000
Other Charges for Services	1,077,174	1,018,000	867,415	1,068,000	1,047,000	1,074,000
Income From Customers	44,161,563	43,726,000	37,777,690	45,735,000	45,020,000	46,171,000
Water Transfers	-	1,992,000	-	900,000	-	-
Interest Income	571,716	820,000	288,066	494,000	899,000	932,000
Other Income (Leases, Cells, Etc.)	452,653	250,000	371,203	450,000	266,000	400,000
Facility Development Charges	135,073	500,000	116,284	300,000	300,000	300,000
Grant Income	1,087,746	210,000	17,053	-	-	275,000
Total Other Income	2,247,188	3,772,000	792,606	2,144,000	1,465,000	1,907,000
<b>Total Revenue</b>	<b>\$ 46,408,751</b>	<b>\$ 47,498,000</b>	<b>\$ 38,570,296</b>	<b>\$ 47,879,000</b>	<b>\$ 46,485,000</b>	<b>\$ 48,078,000</b>
<b>Budgets:</b>						
<b>Operations and Maintenance</b>	19,424,311	21,311,000	16,204,588	21,024,000	21,860,000	<b>23,241,000</b>
<b>Capital Improvement Program</b>	13,585,527	16,975,000	11,856,016	18,170,000	19,160,000	<b>18,260,000</b>
<b>Operating Capital Program</b>	1,135,278	1,166,000	631,617	1,161,000	1,161,000	<b>950,000</b>
<b>Debt Service (Forecast)</b>	7,519,968	7,770,000	2,625,864	7,565,000	7,700,000	<b>7,420,000</b>
<b>McClellan BP Settlement</b>				2,600,000		
<b>Total Costs</b>	<b>41,665,084</b>	<b>47,222,000</b>	<b>31,318,085</b>	<b>50,520,000</b>	<b>49,881,000</b>	<b>49,871,000</b>
Change in Reserve Balance	4,743,667	276,000	7,252,211	(2,641,000)	(3,396,000)	(1,793,000)
Reserve (Cash) Balance	\$ 45,669,205	\$ 41,264,408	\$ 48,452,890	\$ 46,576,375	\$ 41,566,409	\$ 41,235,205
Refunding 2009B			\$ (3,548,170)	\$ (3,548,170)		
	<b>\$ 45,669,205</b>	<b>\$ 41,264,408</b>	<b>\$ 44,904,720</b>	<b>\$ 43,028,205</b>	<b>\$ 41,566,409</b>	<b>\$ 41,235,205</b>

Note: Bolded lines are the Budgets – O&M, CIP, OCB, and Debt Service Forecast

# 2019 Budget Changes

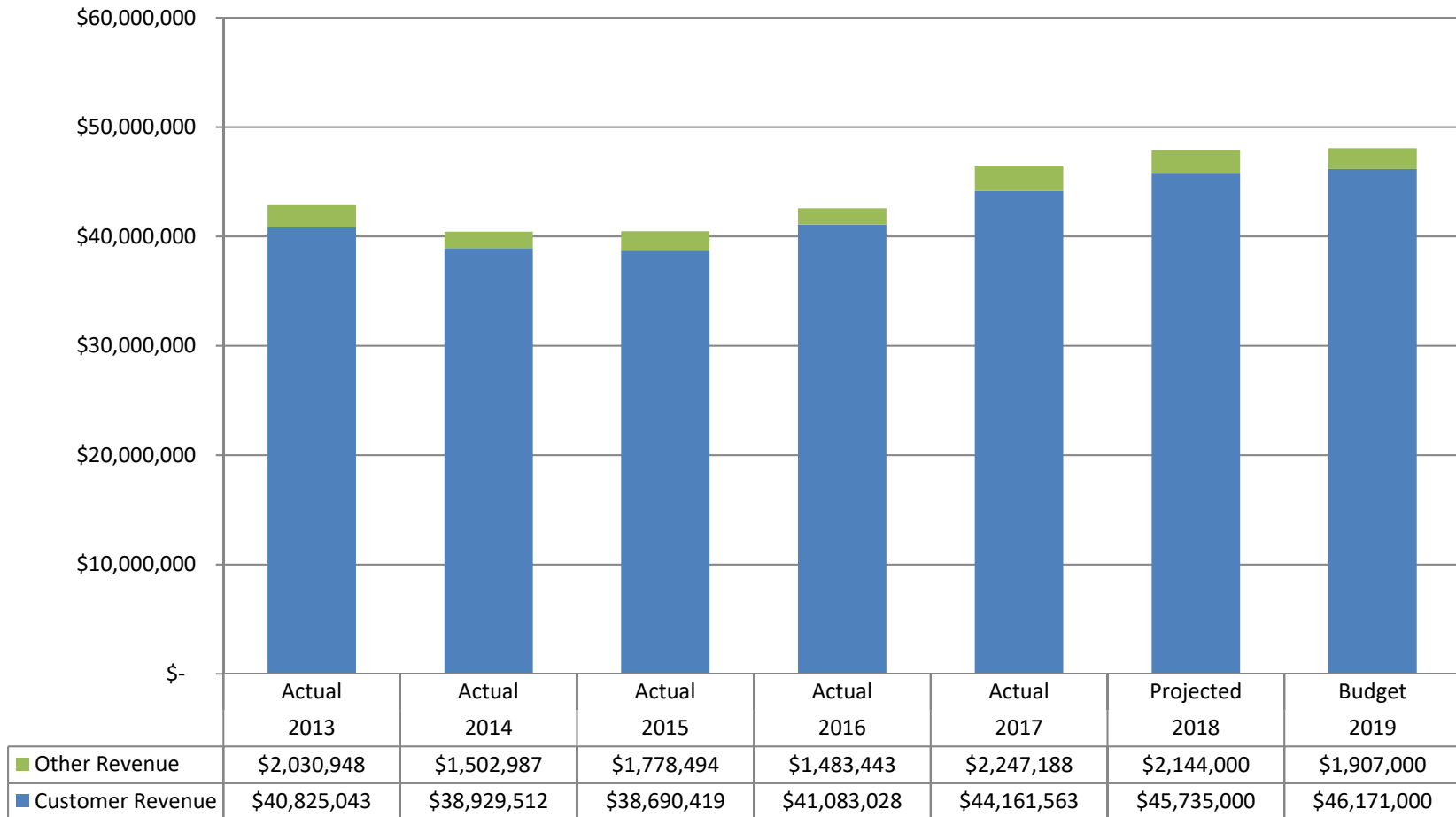
- Operations and Maintenance – Increasing by \$2.2 Million
  - NSA Surface Water Treatment Costs increasing by \$19/AF (\$228,000)
  - SSA Surface Water Cost increasing by \$22/AF (\$220,000)
  - Groundwater electrical and chemicals reduced by (\$300,000)
  - Salaries: Increasing to Median based on Comp Study – 9.8% (\$535,000); 3 New Positions – (\$243,000); Less Former GM Salary (-\$215,000)
  - Employee Benefits - Increase of \$375,000 – Primarily Pension (\$220,000) and 3 New Positions (\$88,000)
  - Reclass Small Meters from CIP Budget to O&M Budget (\$250,000)
- Capital Improvement Program - Increasing by \$0.1 Million
  - Increase of \$0.4 Million compared to 2018 Budget; \$0.1 Million Compared to Projected 2018
  - Increase is primarily due to painting the Antelope Reservoir (\$0.7 million)
- Operating Capital Budget - Decreasing by \$0.2 Million
  - Decrease due to reduced office remodeling
- Debt Service Forecast - Decreasing by \$0.2 Million
  - Decreasing by \$150,000 due to Refunding the 2009B COP in 2018

# Total Revenues Vs Total Expenditures 2013 to 2019



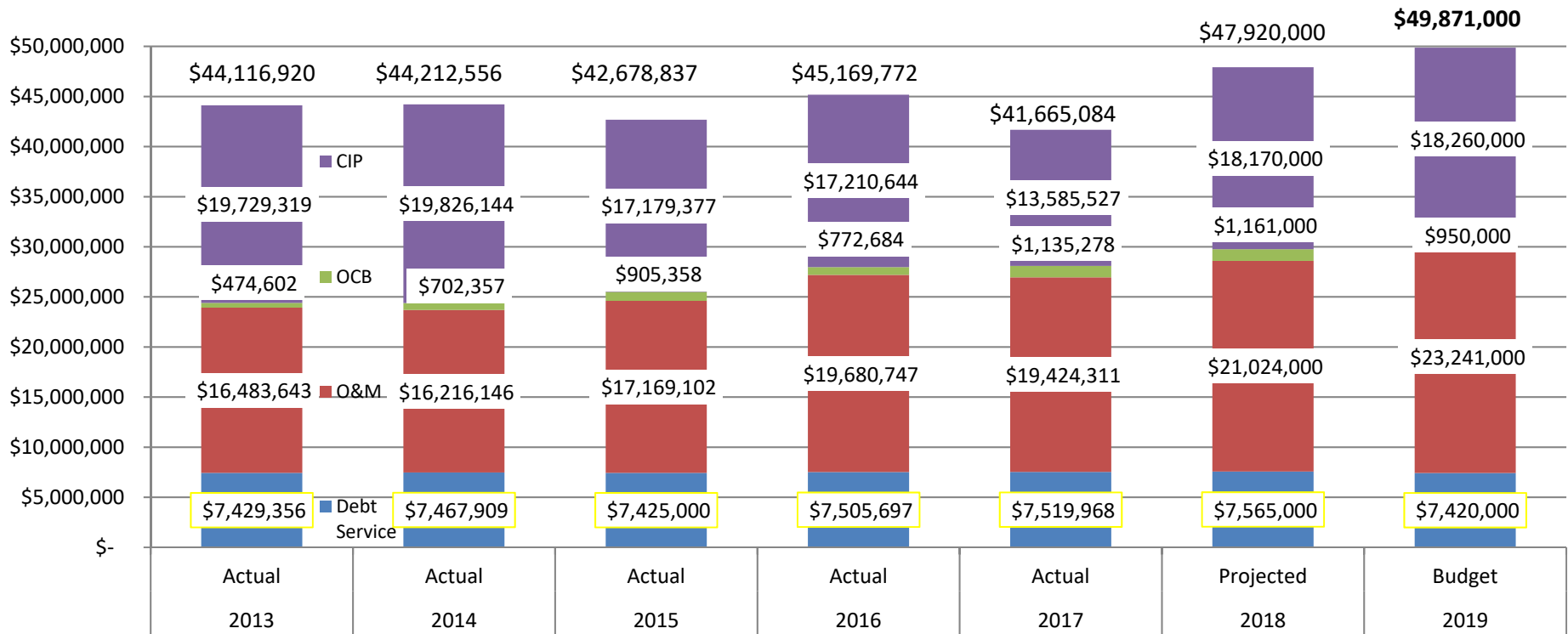


# Total Revenues 2013 to 2019



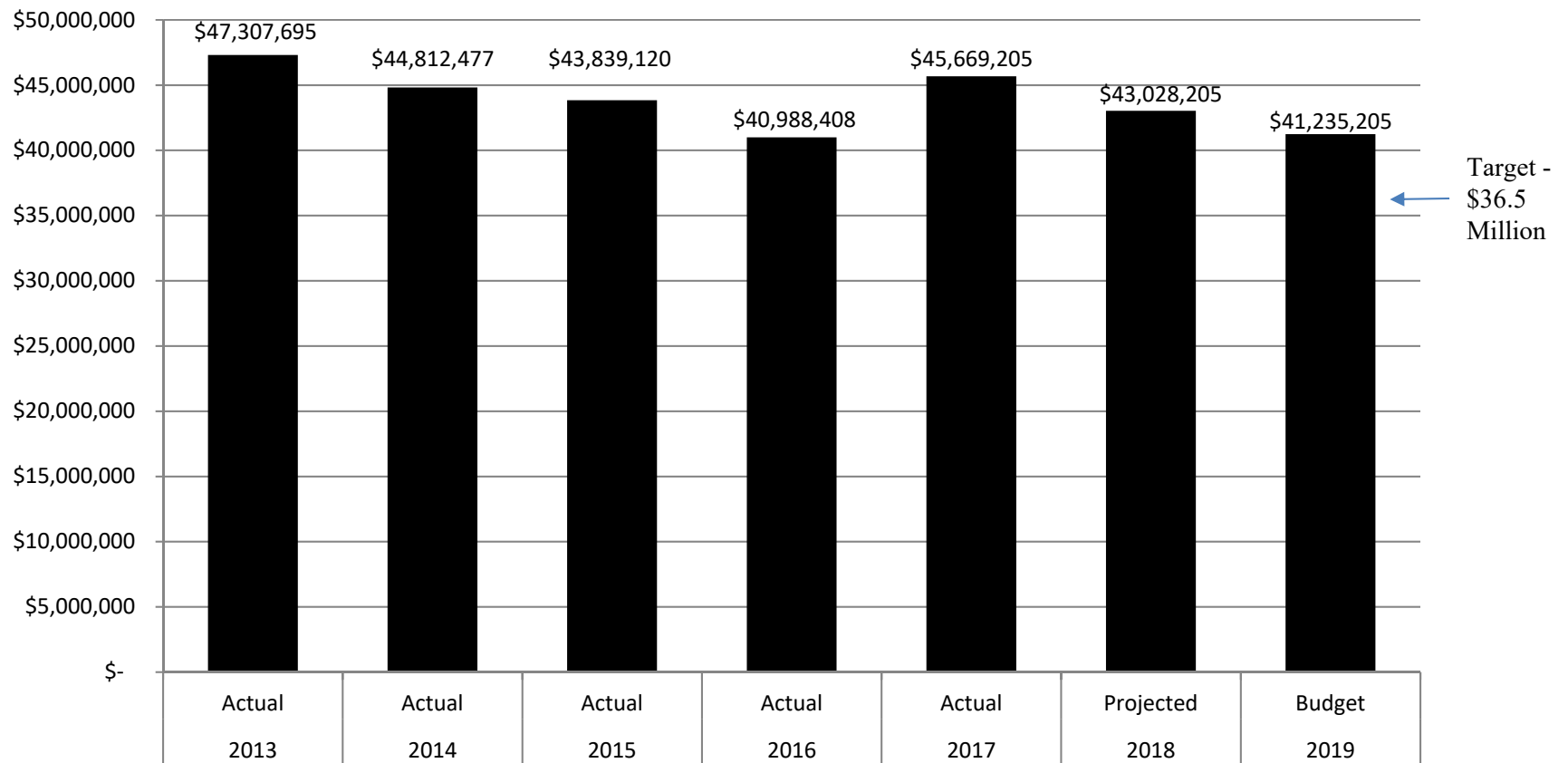
The 2018 Rate Study is in process. No rate changes assumed for 2019.

# Total Expenditures 2013 to 2019



The increase in 2018 is due primarily to two 2017 deferred CIP Projects - \$3.69 million.  
The increase in 2019 is due primarily to a \$2.2 million O&M increase.

# Reserve Balance 2013 to 2019



From a high of \$57.7 million at the end of 2009, the Board has strategically lowered the reserve balance to roughly \$40 million. With the pay-off of the 2009B COP in 2018, the Debt Service Reserve Fund of \$3.5 million was liquidated. The reserve balance target was changed to \$36.5 million.

# Reserve Balance Detail

## 2013 to 2019

	Actual <u>12/31/2013</u>	Actual <u>12/31/2014</u>	Actual <u>12/31/2015</u>	Actual <u>12/31/2016</u>	Actual <u>12/31/2017</u>	Projected <u>12/31/2018</u>	<b>Budget</b> <u>12/31/2019</u>
Debt Service Reserve	\$ 3,520,472	\$ 3,540,082	\$ 3,523,427	\$ 3,540,038	\$ 3,548,170	\$ 12,531	\$ -
Facilities Reimbursement	42,968	21,873	21,873	-	-	-	-
Emergency/Contingency	10,317,750	10,758,000	10,758,000	10,387,000	10,931,500	11,255,000	<b>11,542,750</b>
Operating	6,466,000	6,468,857	6,468,857	6,490,750	7,270,250	7,390,000	<b>7,665,250</b>
Rate Stabilization	5,525,000	5,870,000	5,870,000	5,630,000	5,976,000	5,044,500	<b>4,859,000</b>
Interest Rate Risk	-	-	-	-	-	-	-
Grant	3,832,000	654,000	654,000	1,068,000	210,000	-	-
Capital Asset	17,603,505	17,499,665	16,542,963	13,872,620	17,733,285	19,326,174	<b>17,168,205</b>
<b>TOTAL</b>	<u>\$ 47,307,695</u>	<u>\$ 44,812,477</u>	<u>\$ 43,839,120</u>	<u>\$ 40,988,408</u>	<u>\$ 45,669,205</u>	<u>\$ 43,028,205</u>	<u>\$ 41,235,205</u>

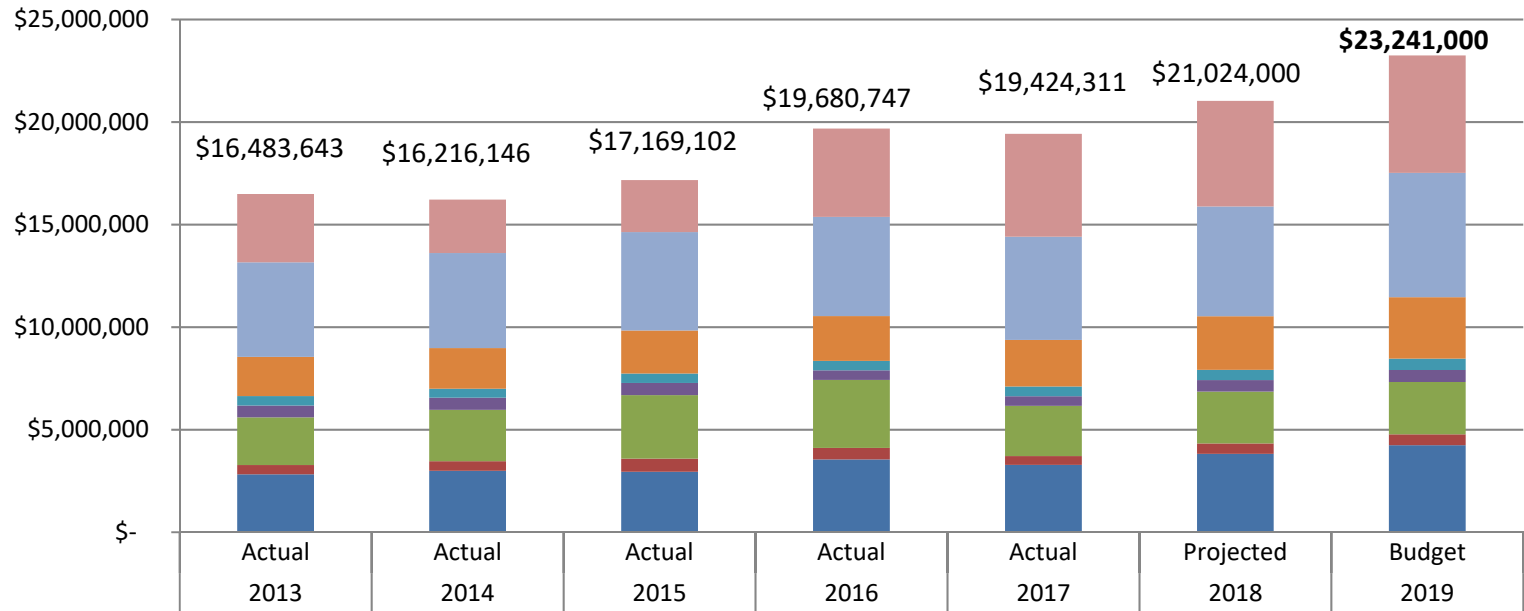
Projected \$1.8 million reduction is primarily due to O&M increases. Therefore, Rate Stabilization Reserve Fund utilized. Individual reserve account changes based on approved 2019 budget.

Actual fluctuations (2013 to 2017) are due to changes in CIP expenditures and/or Consumption Revenues.

Reduction in 2018 due to pay-off of 2009B COP and liquidation of DSRF ~ \$3.5 million.

# O&M Budget

# O&M Expenses 2013 to 2019

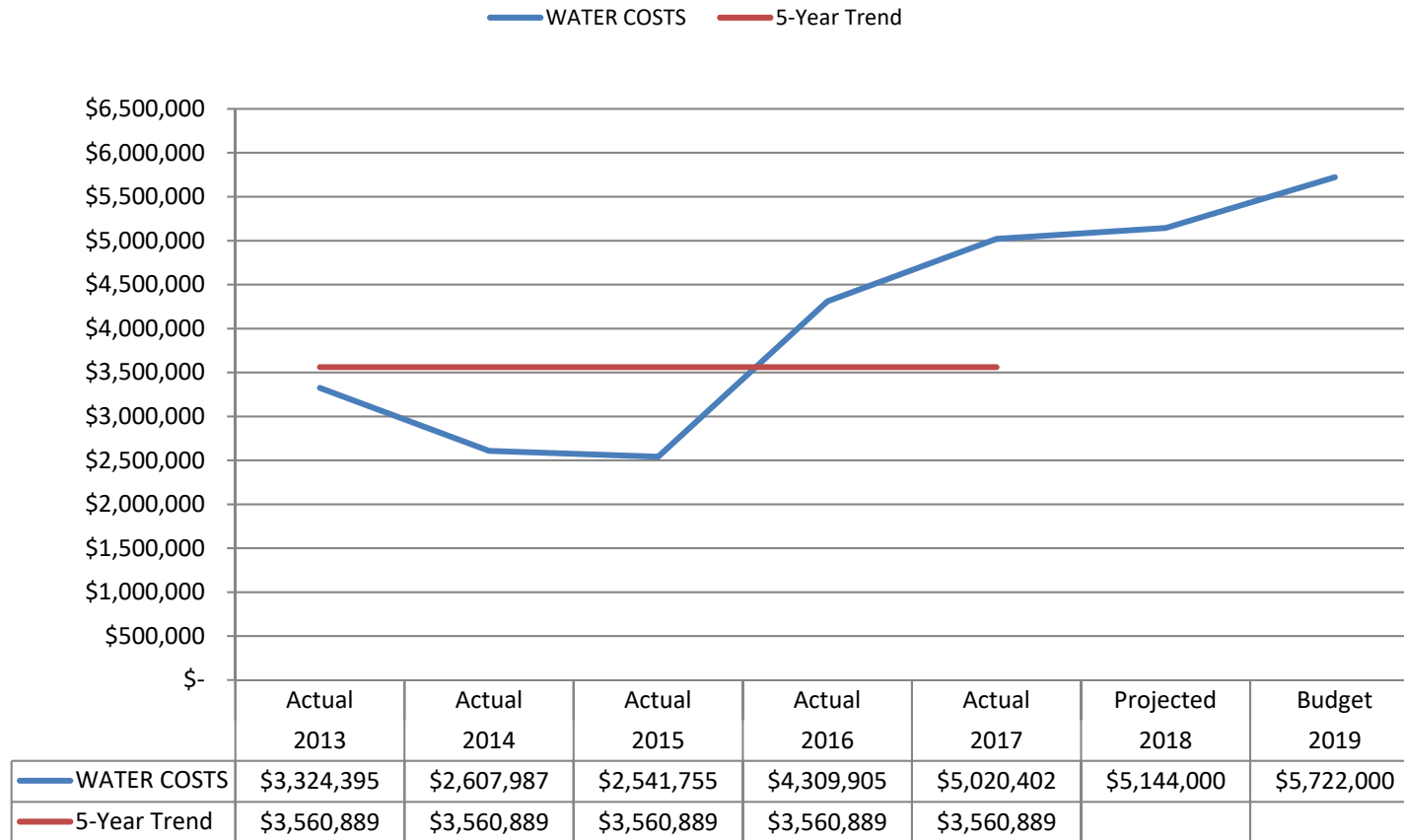


	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Projected 2018	Budget 2019
<b>WATER COSTS</b>	\$3,324,395	\$2,607,987	\$2,541,755	\$4,309,905	\$5,020,402	\$5,144,000	\$5,722,000
<b>SALARIES</b>	\$4,610,564	\$4,633,287	\$4,794,117	\$4,833,627	\$5,031,276	\$5,352,000	\$6,061,000
<b>EMPLOYEE BENEFITS</b>	\$1,915,889	\$1,980,390	\$2,096,685	\$2,187,134	\$2,267,113	\$2,614,000	\$2,995,000
<b>EMPLOYER TAXES &amp; INSURANCE</b>	\$457,888	\$439,159	\$460,746	\$458,614	\$476,780	\$500,000	\$560,000
<b>OPEB</b>	\$576,300	\$592,700	\$591,000	\$470,000	\$472,200	\$560,000	\$580,000
<b>ENGINEERING &amp; CONSTRUCTION SERVICES</b>	\$2,323,246	\$2,501,575	\$3,102,132	\$3,314,420	\$2,449,179	\$2,526,000	\$2,552,000
<b>PUBLIC OUTREACH &amp; CONSERVATION</b>	\$452,250	\$469,571	\$641,111	\$565,157	\$427,633	\$506,990	\$530,000
<b>OTHER</b>	\$2,823,111	\$2,991,477	\$2,941,556	\$3,541,890	\$3,279,728	\$3,821,010	\$4,241,000

Discussion of individual line items variances appear on subsequent pages.

# O&M Expense Detail

## Water Costs

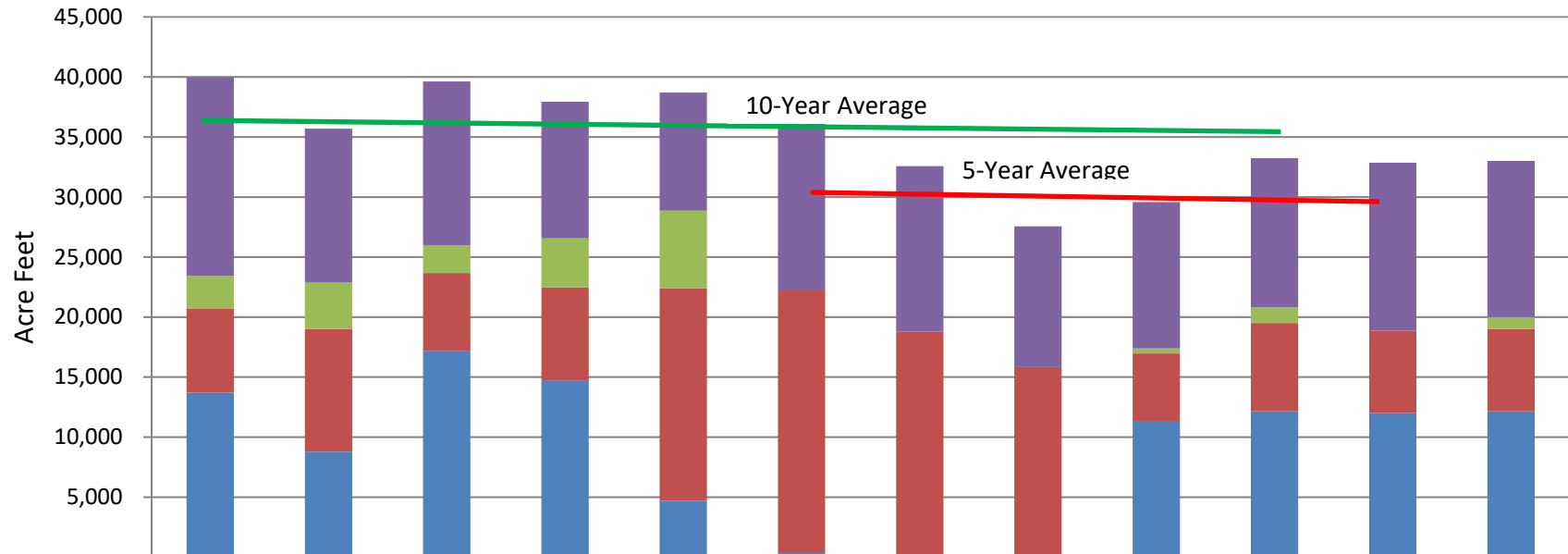


Water deliveries and costs fluctuate based on hydrological conditions. Due to the conditions in 2013 - 2015, SW was largely unavailable. 2019 assumes the purchase of 13,150 AF of SW (SSA - 1,000 AF and NSA 12,150 AF). GW pumping is expected to produce 19,850 AF, (SSA - 13,000\* AF and NSA – 6,850 AF).  
 \* Due to 2018 water transfer, in 2019, 3,875 AF of 13,000AF (SSA) GW will be supplied by City at no cost.  
 SW = Surface Water; GW = Ground Water

# O&M Expense Detail

## Water Production

■ NSA Surface Water ■ NSA Ground Water ■ SSA Surface Water ■ SSA Ground Water



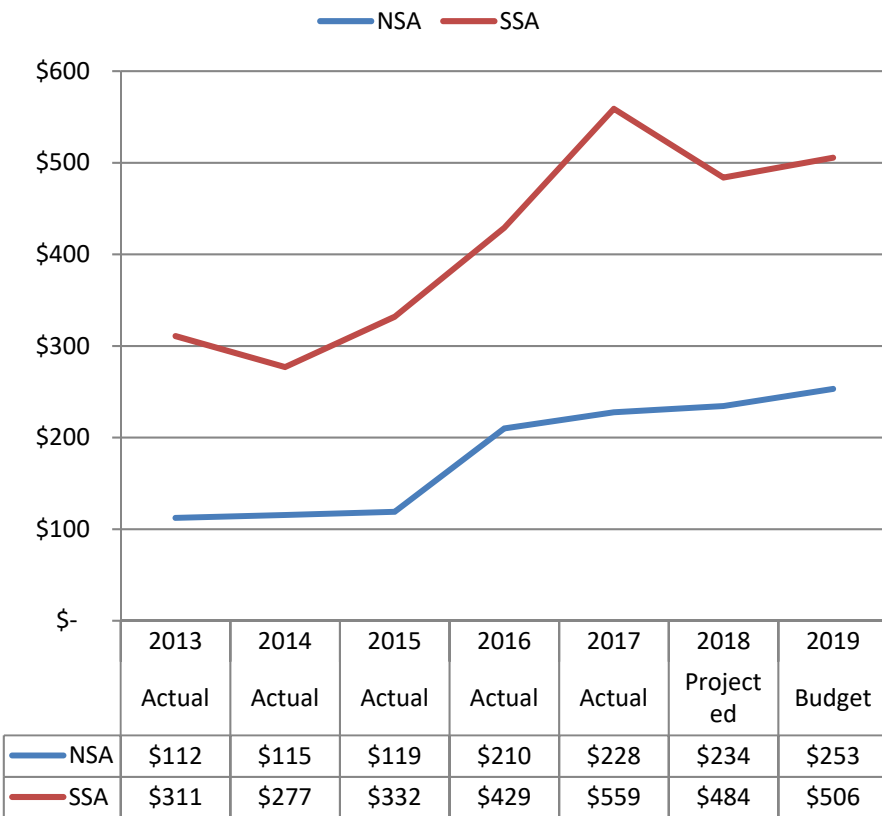
	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Projected	2019 Proposed
■ SSA Ground Water	16,531	12,818	13,656	11,380	9,833	16,607	13,771	11,719	12,185	12,427	14,000	13,000
■ SSA Surface Water	2,743	3,872	2,289	4,084	6,463	-	-	-	423	1,301	-	1,000
■ NSA Ground Water	6,985	10,203	6,522	7,741	17,697	21,886	18,790	15,702	5,678	7,364	6,850	6,850
■ NSA Surface Water	13,697	8,799	17,150	14,729	4,705	409	11	131	11,289	12,146	12,000	12,150

Production amounts for 2018 – Per Budget - 33,000 AF; Projected Actual – 32,850 AF.  
 Production estimate for 2019 – 33,000 AF.

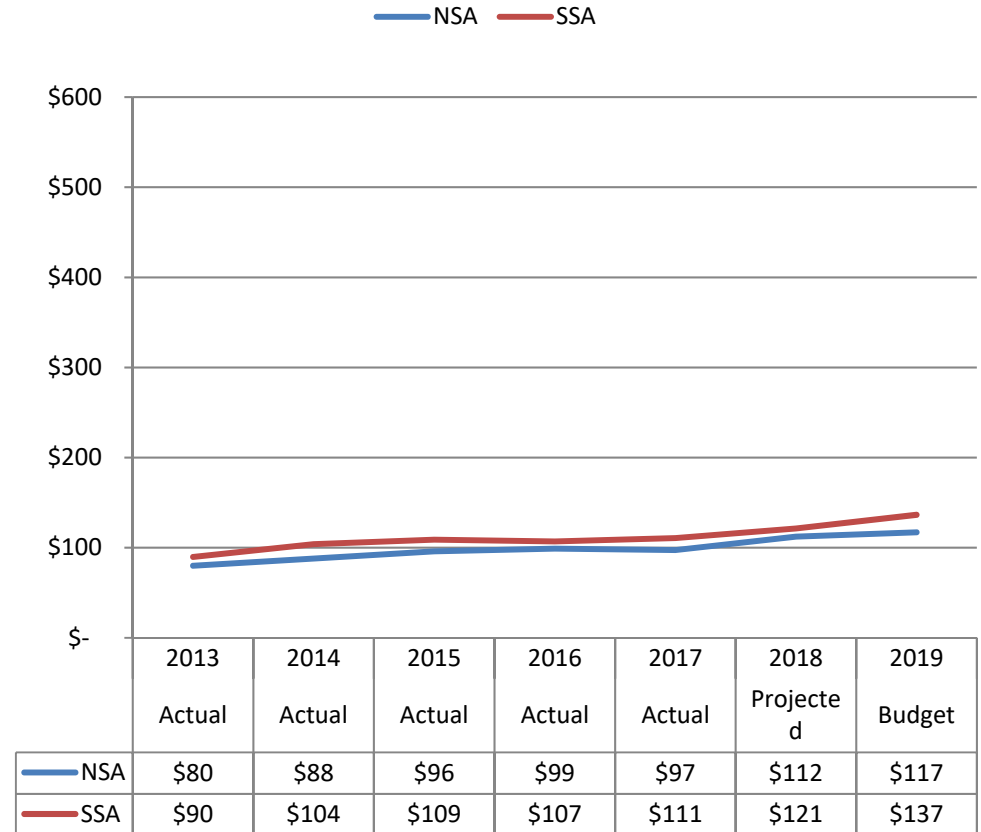


# Surface Water vs Ground Water Costs

## Variable Surface Water Costs



## Variable Ground Water Costs



SSA - SW cost will be \$506 per AF in 2019.

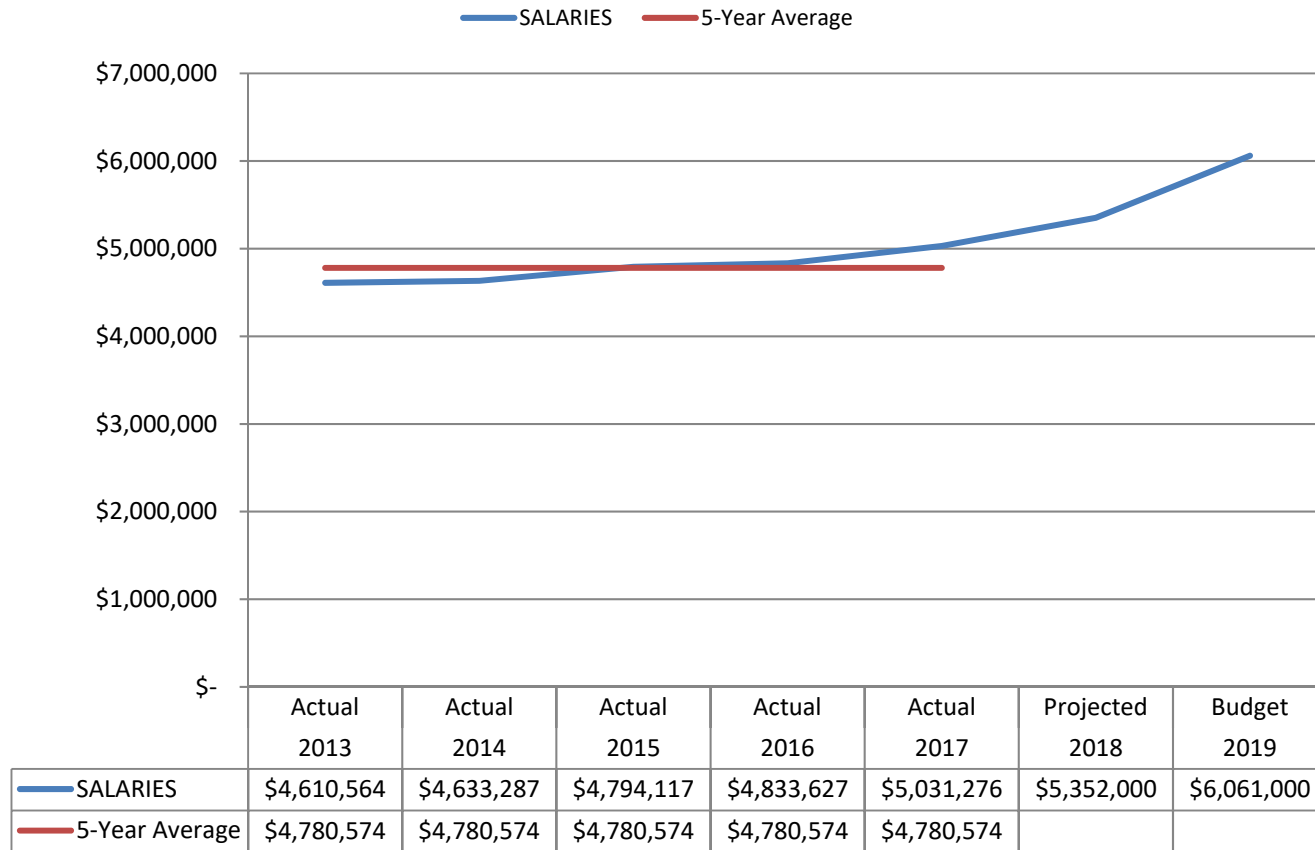
NSA –SW cost will be \$253/AF in 2019, compared to \$234/AF in 2018.

SSA/NSA - GW costs increasing due to - 1.0% electricity and 3.0% chemical cost increases.

SW = Surface Water; GW = Ground Water

# O&M Expense Detail

## Salaries



2019 increase due to - 3 new positions (\$243,000), 2018 Comp Study equity adjustment (\$535,000); ½ year AGM’s salary (\$75,000); 8 Promotions (\$100,000); net of the reduction in former GM’s salary of \$215,000.

# O&M Expense Detail

## New Position Requests

➤ New Position Requests:

1. Information Technology Analyst
2. Production Foreman
3. Assistant Engineer

➤ New Positions Cost:

	<u>Annual Cost</u>
Salaries	\$ 243,000
Employer Taxes	24,000
Employer Benefits	88,000
Annual Cost of New Positions	<u><u>\$ 355,000</u></u>

# NEW POSITION SUPPORT

## ➤ Information Technology Analyst

➤ To Replace IT Consultant (Consulting costs savings of ~ \$80k/annum)

### ➤ Duties To Perform Include:

➤ Data Analysis and Cleanup

➤ SQL Queries and Programming

➤ System Integration

➤ System Security – Hardware, Software and Recovery

➤ Implementation and Maintenance of Apps and Programs

➤ SCADA Software Management

➤ Database and Software Updates

➤ Resolves System Problems

# NEW POSITION SUPPORT

## ➤ Production Foreman

- The current Production Foreman has seven direct reports. The Instrumentation/Electrician Technician is reporting directly to the Production Superintendent as the Production Foreman is in excess of the number of desired direct reports to be effective and efficient. Additionally, Production Department staffing is projected to increase adding to the number of current direct reports. This addition will allow each Production Foreman the bandwidth to develop staff properly and efficiently by having 4 direct reports each. Production staff performed a comprehensive 10 week task audit of the current Production Foreman. The current Production Foreman is only able to spend 4% of time mentoring and training staff. This has resulted in poorly trained staff in vital areas (e.g., automated control valves, SCADA, etc.)
- Since 2014 overtime hours/annum for this position have increased from 72 to 307 in 2017.
- Benefits from this position include better communication and staff training plus an improved balance in workload.

# NEW POSITION SUPPORT

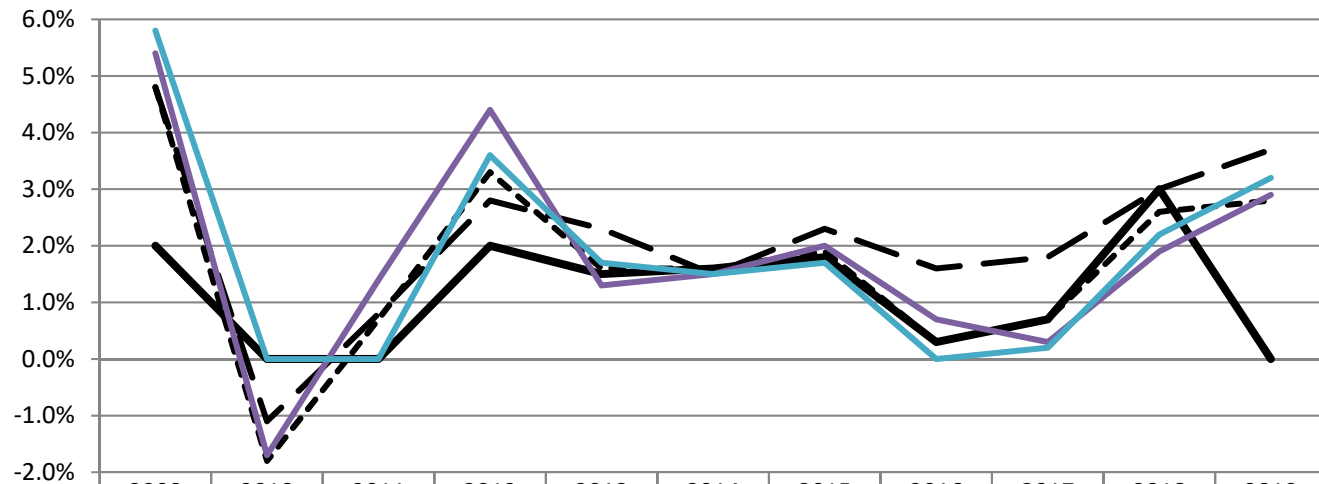
## ➤ Assistant Engineer

- Needed for demands of planning, design and construction of District structures and facilities, improvements to groundwater wells and water production and storage, and distribution facilities
- Full-Time Attention for Many Recurring Tasks Currently Performed By Interns
- 3 Engineering Intern Positions eliminated. Salary cost of savings of ~ \$45k/annum

# O&M Expense Detail

## COLA

— SSWD   
 - - - •Western Cities - A   
 - - - Western Cities - B/C   
 — U.S. Cities   
 — Social Security

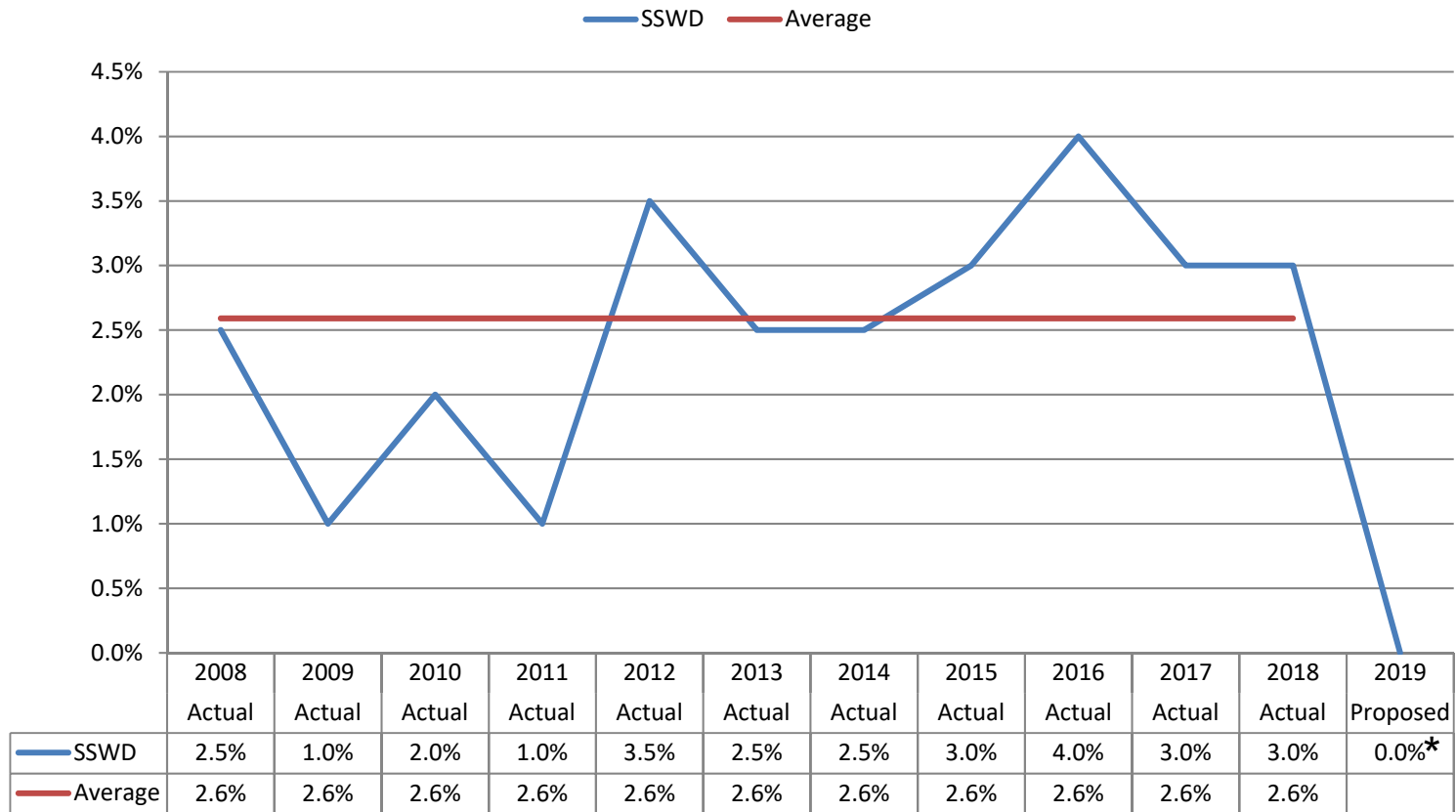


	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Proposed
<span style="color: black;">—</span> SSWD	2.0%	0.0%	0.0%	2.0%	1.5%	1.6%	1.8%	0.3%	0.7%	3.0%	0.0%*
<span style="color: black;">- - -</span> •Western Cities - A	4.8%	-1.1%	0.8%	2.8%	2.3%	1.5%	2.3%	1.6%	1.8%	3.0%	3.7%
<span style="color: black;">- - -</span> Western Cities - B/C	4.8%	-1.8%	0.7%	3.3%	1.6%	1.6%	1.9%	0.3%	0.7%	2.6%	2.8%
<span style="color: purple;">—</span> U.S. Cities	5.4%	-1.7%	1.4%	4.4%	1.3%	1.5%	2.0%	0.7%	0.3%	1.9%	2.9%
<span style="color: cyan;">—</span> Social Security	5.8%	0.0%	0.0%	3.6%	1.7%	1.5%	1.7%	0.0%	0.2%	2.2%	3.2%

\* Typically SSWD's COLA is equal to the Western Cities – A Index as published by the US Bureau of Labor Statistics. If the 2018 Compensation Study is approved as recommended, staff recommends no COLA for 2019.

# O&M Expense Detail

## Merit

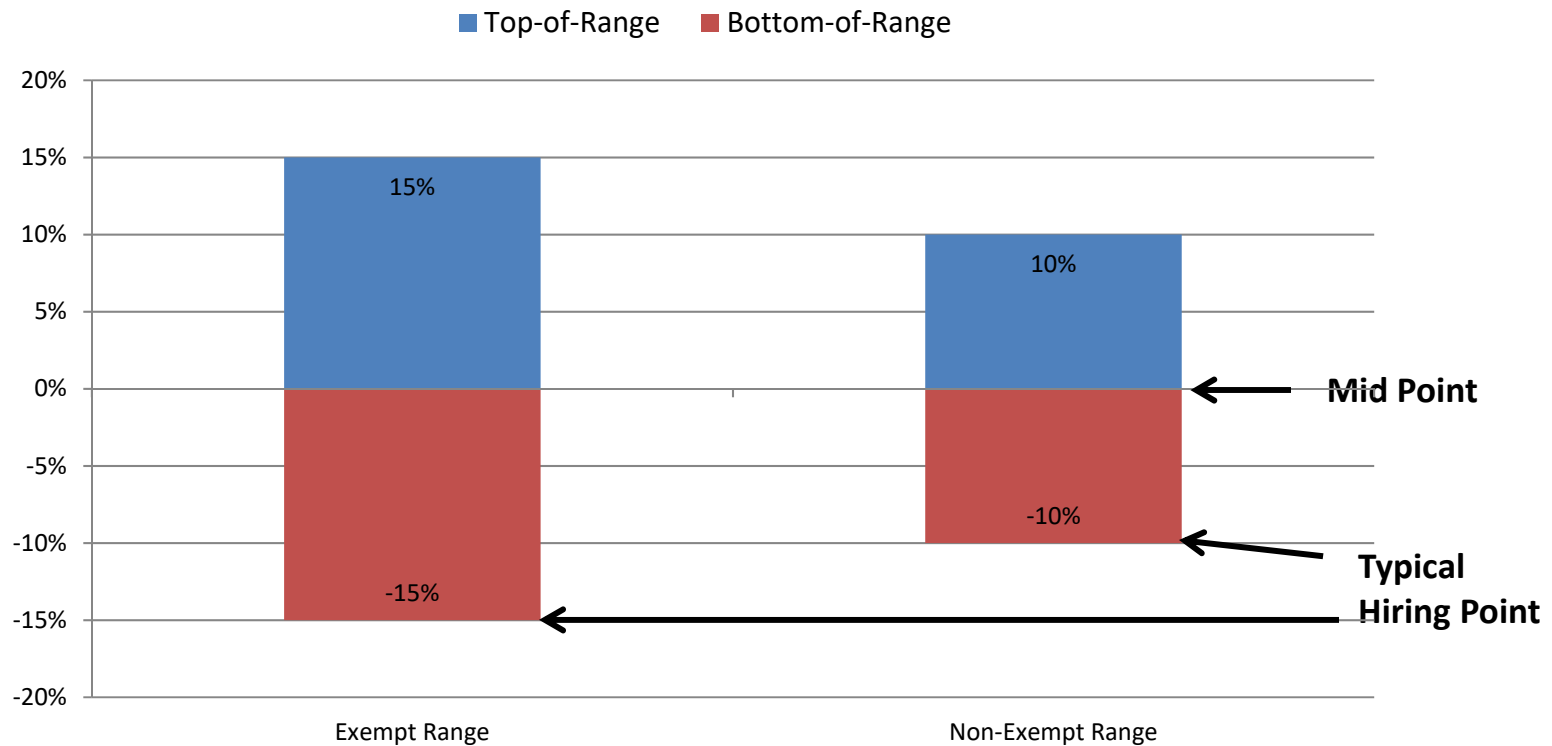


\* Typically SSWD's Merit should be set in the 4% to 5% range. If the 2018 Compensation Study is approved as recommended, staff recommends no Merit increase for 2019.



# O&M Expense Detail

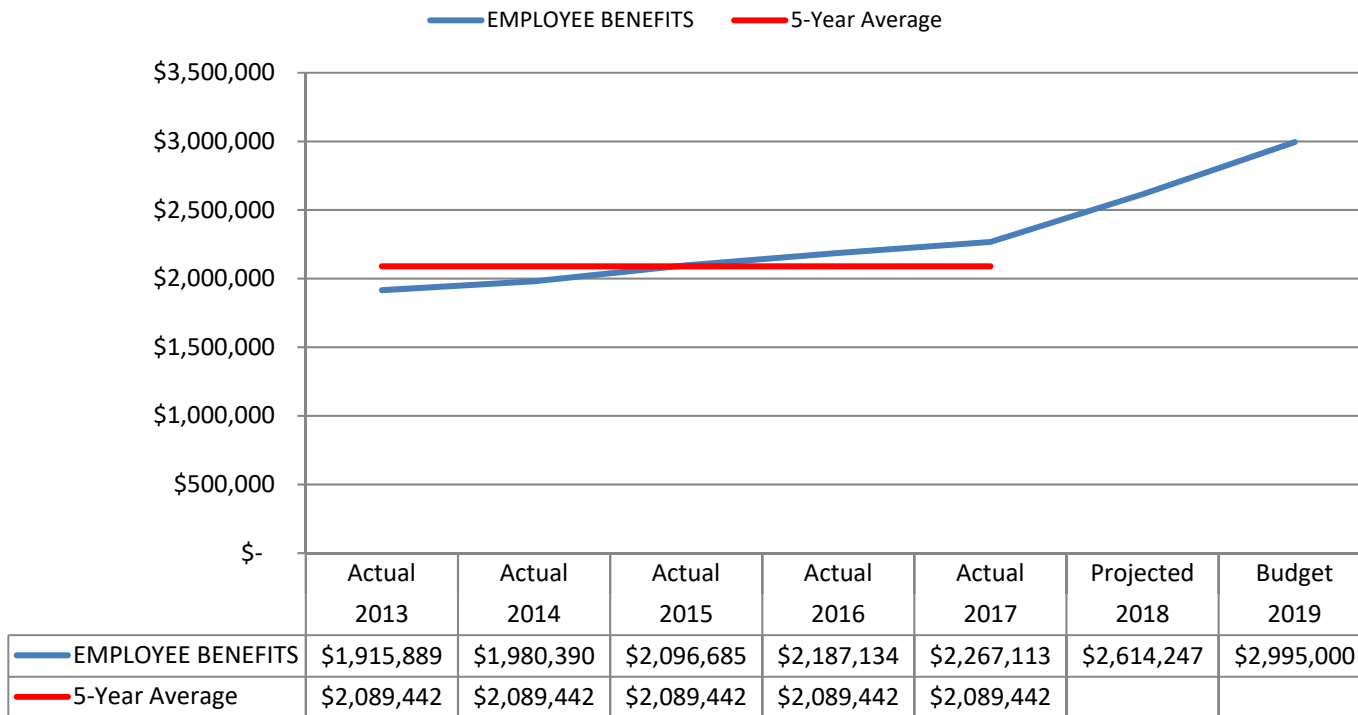
## Salary Bands



New employees typically hired at or near bottom of salary range. Based on performance, an average merit increase of 5.0% will move a good performing non-exempt employee through their salary range in 4 years and an exempt employee in 6 years.

# O&M Expense Detail

## Employee Benefits



2019 increase due primarily to increased pension costs (\$230,000), and 3 new positions (\$88,000).

# O&M Expense Detail

## Employee Benefits

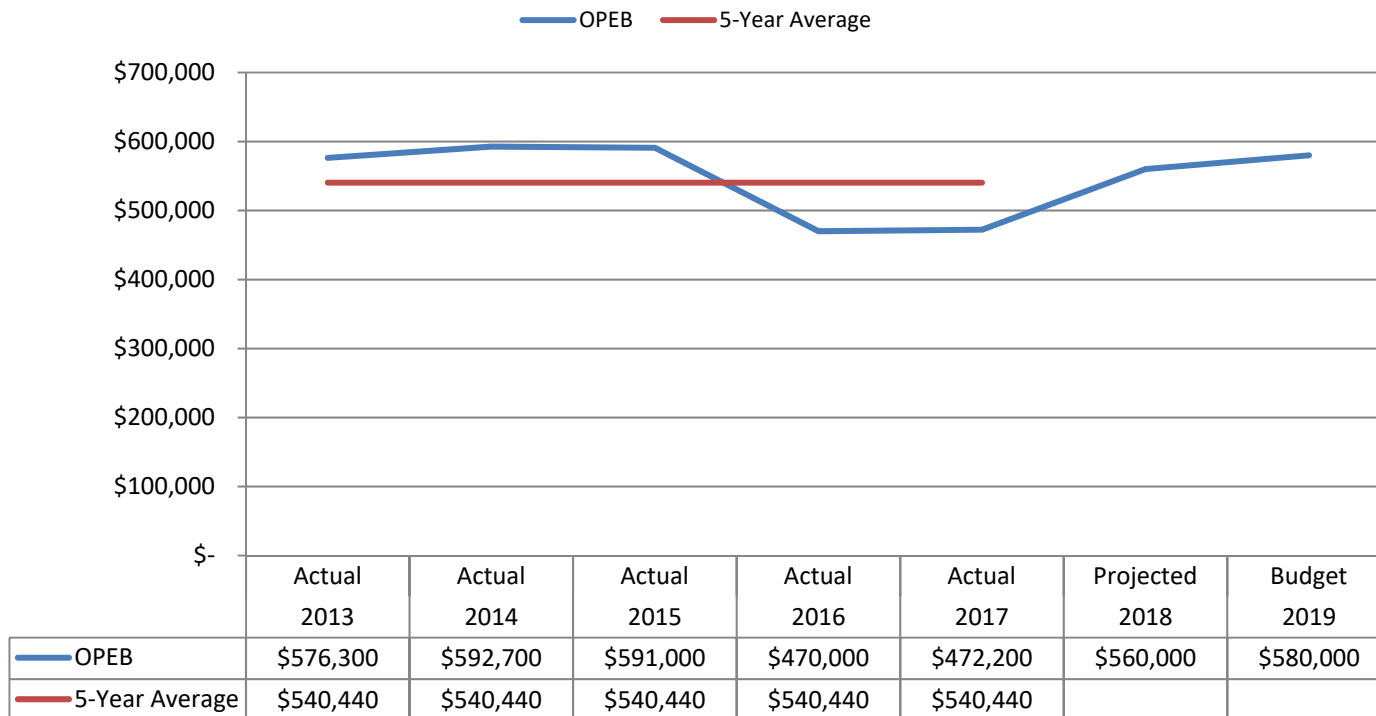
	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Projected	2019 Budget
<b>EMPLOYEE BENEFITS</b>	\$ 1,915,889	\$ 1,980,390	\$ 2,096,685	\$ 2,187,134	\$ 2,267,113	\$ 2,614,000	\$ 2,995,000
Medical Insurance	\$ 797,192	\$ 846,251	\$ 905,832	\$ 922,772	\$ 968,600	\$ 1,074,700	\$ 1,161,000
Dental Insurance	82,640	96,894	102,555	94,682	100,119	120,437	132,000
Vision Insurance	16,304	15,065	13,845	14,083	8,167	16,320	17,000
Life Insurance	16,648	17,090	17,731	17,708	20,266	22,472	26,000
LTD Insurance	23,147	22,050	22,966	22,970	26,050	29,696	34,000
CalPERS Pension	940,005	944,510	1,007,417	1,081,615	1,099,669	1,289,844	1,567,000
Miscellaneous *	39,953	38,530	26,339	33,304	44,242	60,778	58,000
<b>Total Employee Benefits</b>	<u>\$ 1,915,889</u>	<u>\$ 1,980,390</u>	<u>\$ 2,096,685</u>	<u>\$ 2,187,134</u>	<u>\$ 2,267,113</u>	<u>\$ 2,614,247</u>	<u>\$ 2,995,000</u>

Primary increase in Benefit Costs are pension (\$281k) and medical (\$77k).

\* Miscellaneous includes - Unemployment costs (\$15k), CalPERS Admin Fees (\$6k), LT Care for Former GM/Spouse (\$11k), Employee Morale (19k), EAP Program (\$2k), Education Assistance (\$3k), OT Meals (\$3k).

# O&M Expense Detail

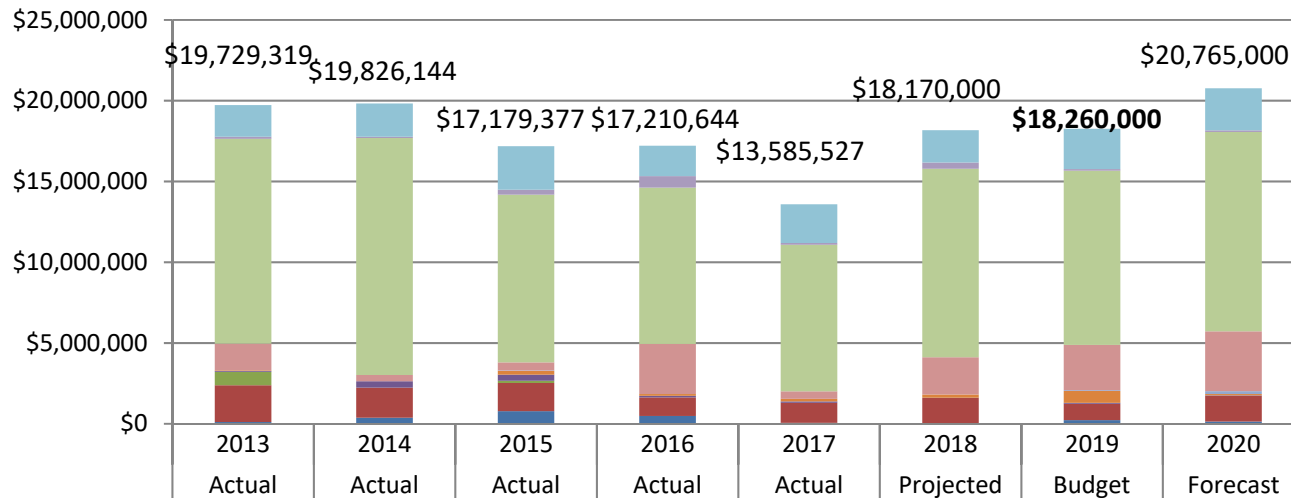
## OPEB



2016 - 2017 reduction due to a combination of – reduced projected liability and higher earnings inception-to-date; offset by a reduced UAAL amortization from 22 years down to 10 years. 2018 and 2019 increase due to a reduced discount rate (7.0% in 2015, 6.5% in 2017, 2018 and 2019); increased health care costs; increased participants, and a change in demographic assumptions.

# CIP Budget

# CIP Project Costs 2013 to 2020

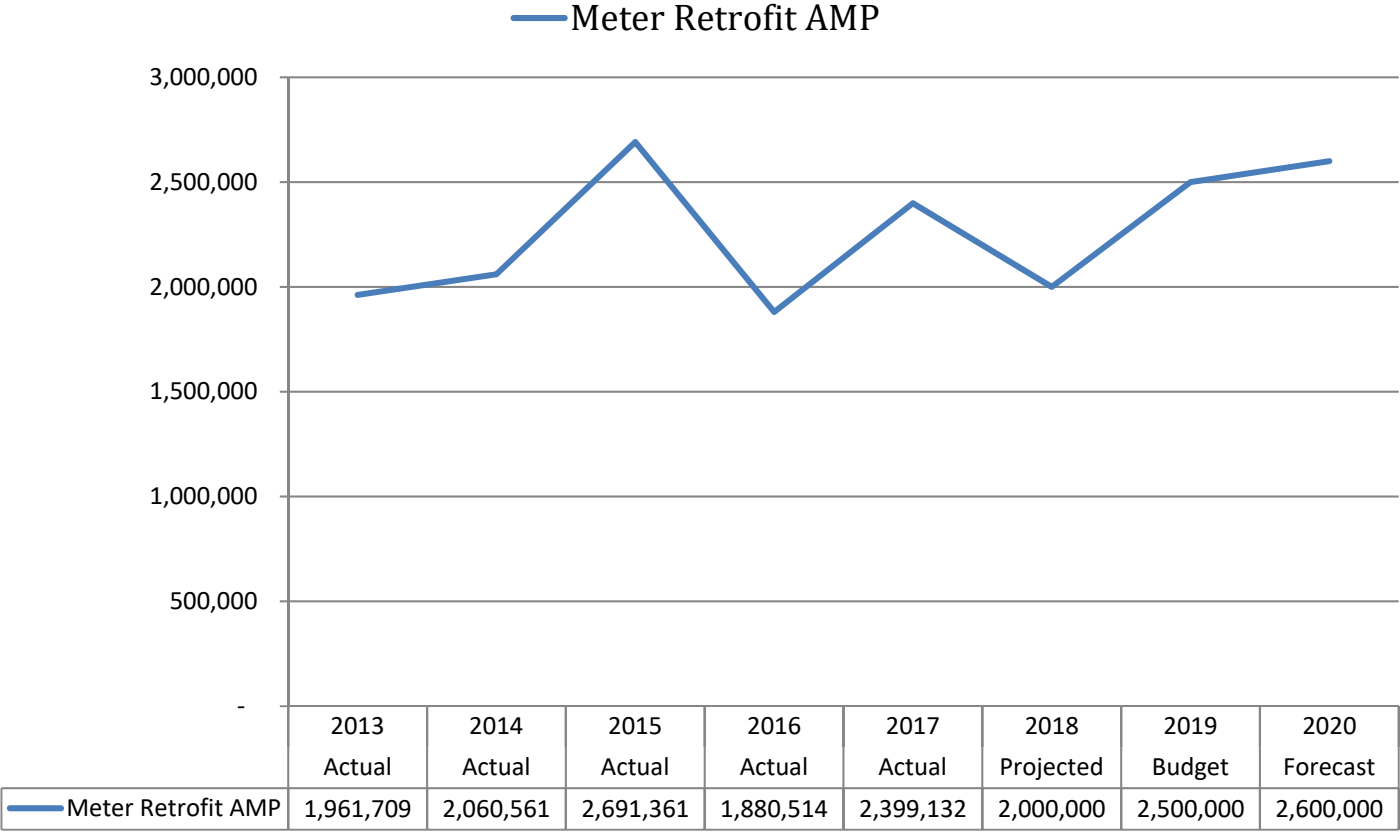


	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Projected	2019 Budget	2020 Forecast
Meter Retrofit AMP	1,961,709	2,060,561	2,691,361	1,880,514	2,399,132	2,000,000	2,500,000	2,600,000
Meter Replacement & Repair AMP	132,922	80,975	307,870	715,337	107,278	390,000	100,000	100,000
Dist. Main Replacement AMP	12,674,933	14,672,460	10,381,851	9,674,096	9,077,465	11,660,000	10,780,000	12,345,000
Well Replacement AMP	1,655,646	377,974	507,393	3,099,875	460,816	2,310,000	2,800,000	3,700,000
Transmission Main AMP	-	-	31,866	-	-	-	50,000	180,000
Reservoir and Booster P.S. AMP	36,373	-	221,300	116,901	160,494	200,000	735,000	85,000
Buildings and Structures AMP	-	-	-	-	-	-	-	-
SCADA AMP	54,245	404,802	378,687	94,243	85,495	10,000	60,000	20,000
From 2009 Water System Master Plan	833,148	-	133,676	-	-	-	-	-
Other Re-Occurring Annual Capital Costs	2,274,474	1,859,724	1,745,028	1,149,924	1,241,934	1,567,000	1,010,000	1,600,000
Other Capitalized Projects	105,869	369,648	780,345	479,754	52,913	33,000	225,000	135,000

Discussion of individual line items appears on subsequent pages.

# CIP Budget

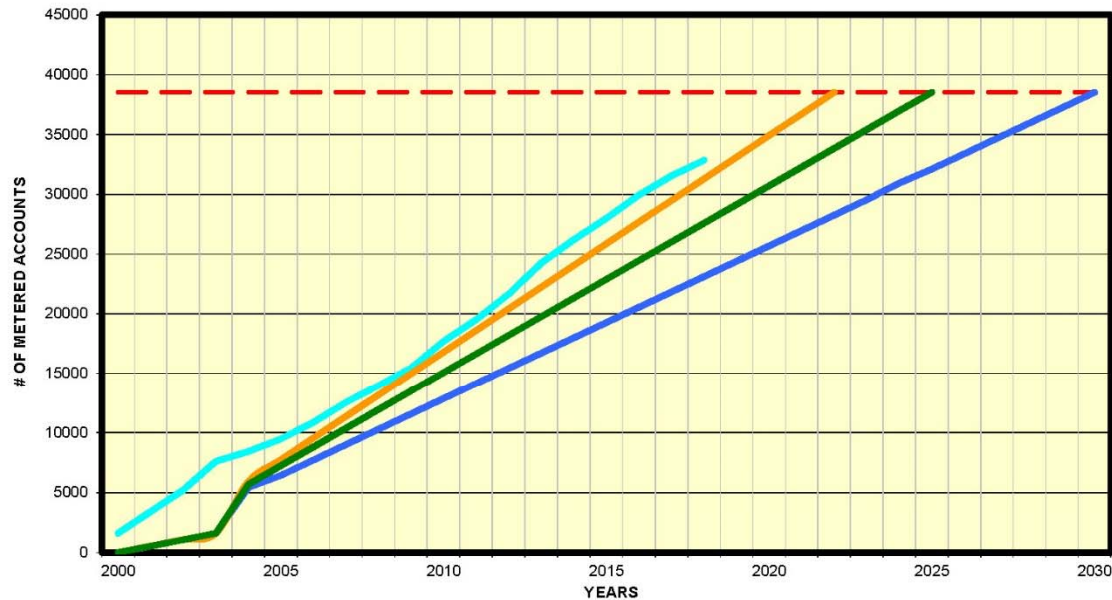
## Water Meter Retrofit Program



Meters installed in 2018 are expected to be 1,285. Meters expected to be installed in 2019 and 2020 is 1,015 each year.

# Water Meter Retrofit Program

## SSWD 30 YEAR METERING PLAN (RESIDENTIAL)



2018 Meters added – 1,955; 1,270 meter retrofit program, 15 voluntary and 670 main replacement project.  
 2019 Meters added – 1,327; 1,000 meter retrofit program, 15 voluntary and 312 main replacement project.  
 2020 Meters added – 1,424; 1,000 meter retrofit program, 15 voluntary and 409 main replacement project.



# CIP Project Detail

## Meter Replacement & Repair Costs

5-Year Low	5-Year High	5-Year Average	AMP 2019	Budget 2019	Forecast 2020
\$ 80,975	\$ 715,337	\$ 268,900	\$ 404,926	\$ 100,000	\$ 100,000

### 2019/20 Projects

Replace obsolete large meters (>3")	100,000	100,000
	\$ 100,000	\$ 100,000

Per Water Meter Asset Management Plan, beginning in 2016 a new program to replace large water meters (>3") installed as far back as the 1990's began.

# CIP Project Detail

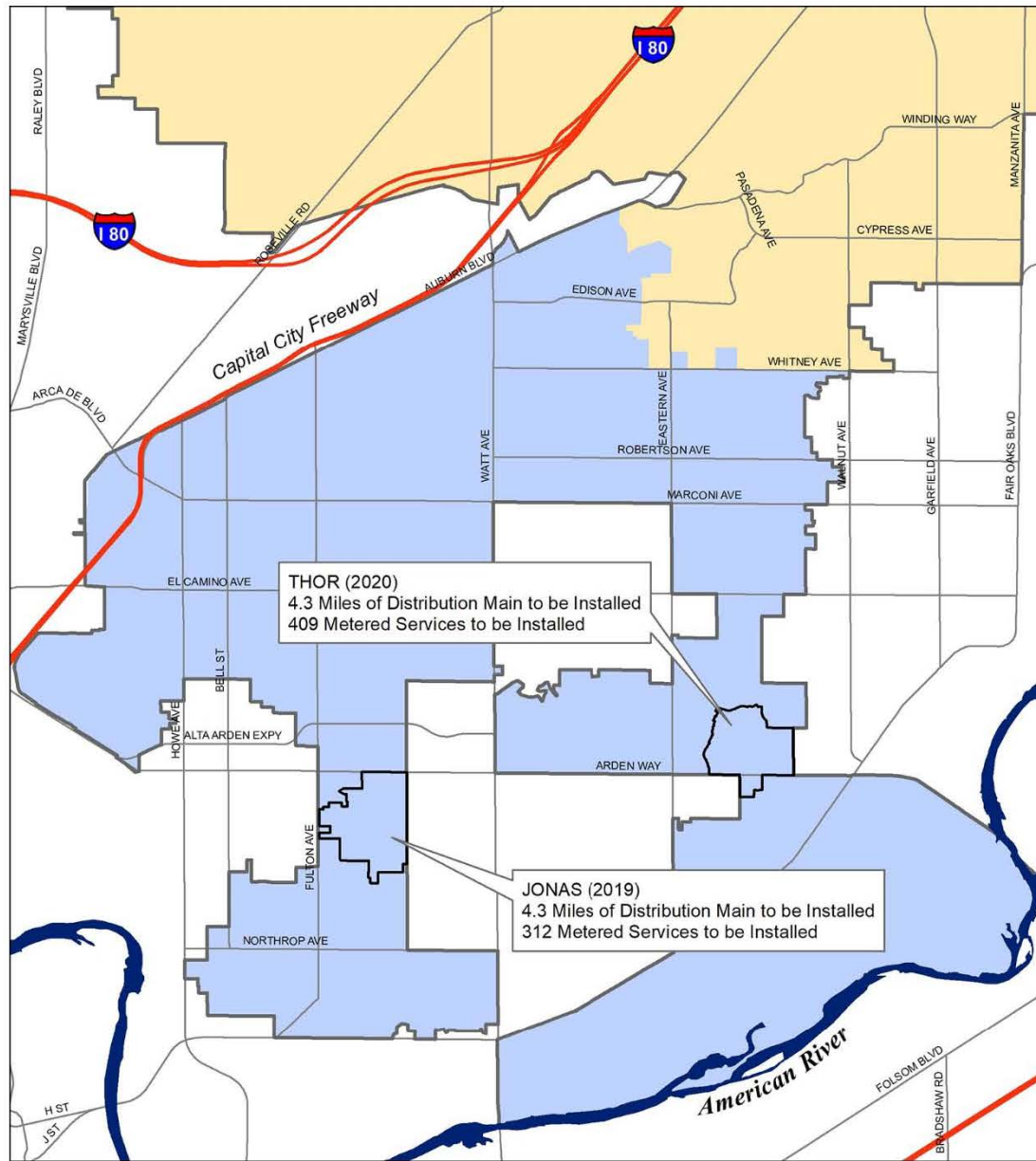
## Distribution Main Replacement Costs

5-Year Low	5-Year High	5-Year Average	AMP 2019	Budget 2019	Forecast 2020
\$ 9,077,465	\$ 14,672,460	\$ 11,296,200	\$ 13,402,435	\$ <b>10,780,000</b>	\$ 12,345,000

### 2019/20 Projects

Edison Meadows	\$ 255,000	\$ -
Jonas (Area 48)	<b>8,745,000</b>	
Arcade Creek Crossing	<b>600,000</b>	-
Thor (Area 90B/C/D)	<b>300,000</b>	11,370,000
New Area		330,000
Consulting, Material, Construction Costs on Miscellaneous Projects	<b>800,000</b>	500,000
McClellan Surveying work for easements	<b>80,000</b>	145,000
	<b>\$ 10,780,000</b>	<b>\$ 12,345,000</b>

See next slide for further details



**THOR (2020)**  
 4.3 Miles of Distribution Main to be Installed  
 409 Metered Services to be Installed

**JONAS (2019)**  
 4.3 Miles of Distribution Main to be Installed  
 312 Metered Services to be Installed

**Legend**

-  Distribution Main Replacement Areas
-  North Service Area
-  South Service Area



**Proposed 2019-2020  
 Distribution Main Projects**

Prepared by: JWS, SSWD  
 Sacramento, CA - September 5, 2018  
 Main Replacements-2019-2020.mxd

# CIP Project Detail

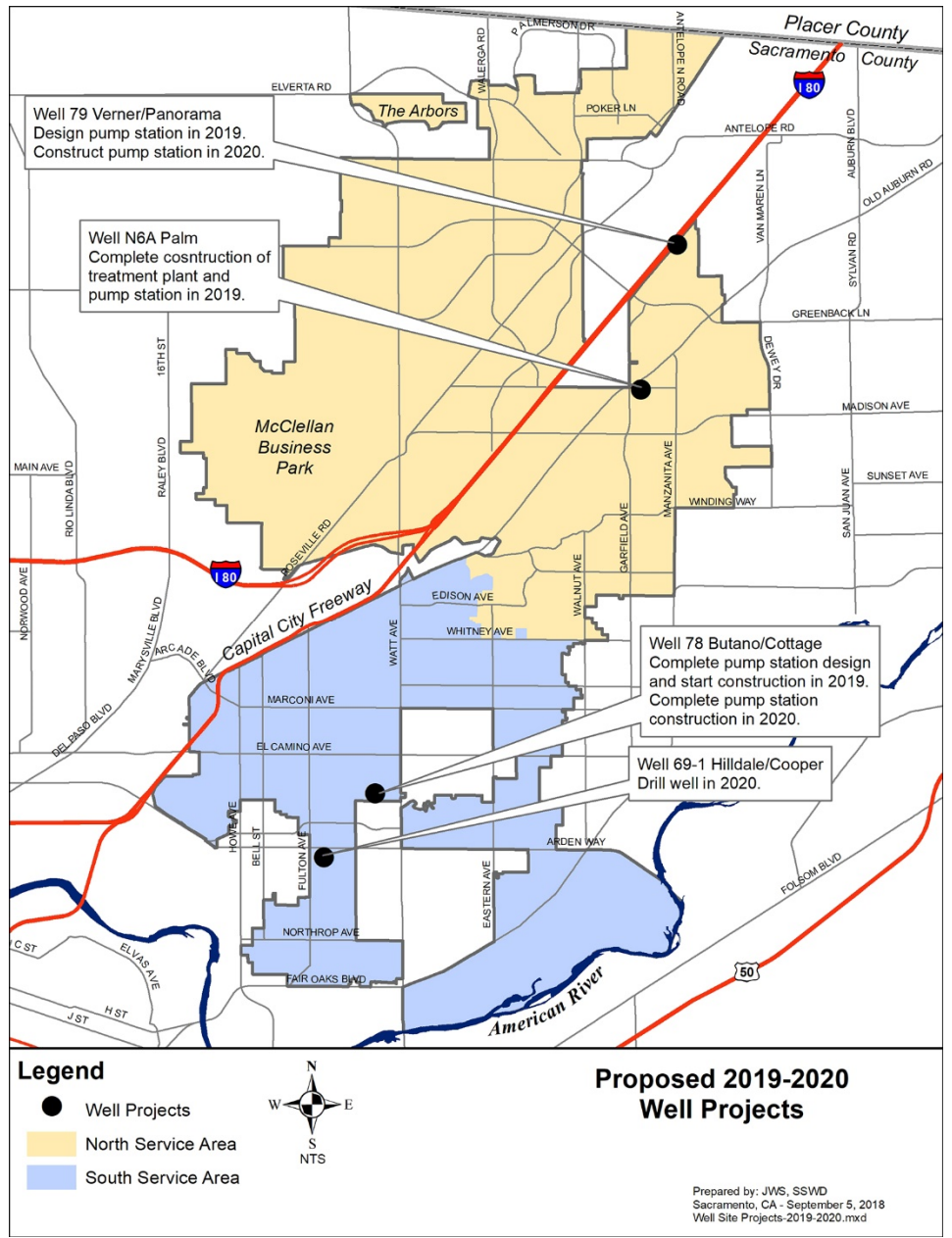
## Well Replacement Costs

5-Year Low	5-Year High	5-Year Average	AMP 2019	Budget 2019	Forecast 2020
\$ 377,974	\$ 3,099,875	\$ 1,220,300	\$ 3,716,129	\$ <b>2,800,000</b>	\$ 3,700,000

### 2019/20 Projects

Well #N6A - Palm	\$ <b>770,000</b>	\$ -
Well #78 - Butano/Cottage	<b>1,230,000</b>	1,090,000
Well #79 - Verner/Panorama	<b>300,000</b>	2,040,000
Well #69-1 - Hilldale/Cooper	.	550,000
Property Acquisition (TBD)	<b>500,000</b>	20,000
	<b>\$ 2,800,000</b>	<b>\$ 3,700,000</b>

See next slide for further details



Well Design and Construction Planned for 2019 and 2020 are shown in the Map above.

# CIP Project Detail

## Transmission Main Costs

5-Year Low	5-Year High	5-Year Average	AMP 2019	Budget 2019	Forecast 2020
\$ -	\$ 31,866	\$ 6,400	\$ 182,760	\$ <b>50,000</b>	\$ 180,000

### 2019/20 Projects

Corrosion Control-Variou Protection and/or Cathodic Protection for existing transmission mains

	\$	<b>50,000</b>	\$	180,000
	<b>\$</b>	<b>50,000</b>	<b>\$</b>	<b>180,000</b>

Corrosion Control on Transmission Mains is comprised of planning activities in 2019 and construction in 2020.

# CIP Project Detail

## SCADA System Costs

5-Year Low	5-Year High	5-Year Average	AMP 2019	Budget 2019	Forecast 2020
\$ 54,245	\$ 404,802	\$ 203,500	-	\$ 60,000	\$ 20,000

### 2019/20 Projects

SCADA Radio Evaluation

\$ 60,000	\$ 20,000
<b>\$ 60,000</b>	<b>\$ 20,000</b>

Projects include SCADA Radio Evaluation (2019 – SSA, 2020 – NSA).

# CIP Project Detail

## Reservoir and Booster P.S. Costs

5-Year Low	5-Year High	5-Year Average	AMP 2019	Budget 2019	Forecast 2020
\$ -	\$ 221,300	\$ 107,000	\$ -	\$ <b>735,000</b>	\$ 85,000

### 2019/20 Projects

Tank Inspections and Repairs - Inspect Walnut Tank, Tank 216, Caphart Tank and Enterprise Reservoir and repairs/modify to storage facilities as needed	\$	50,000		\$	50,000
Antelope Reservoir Exterior and Interior Coating		<b>650,000</b>			-
Hydropneumatic Tanks Interior Coating		<b>35,000</b>			35,000
	<b>\$</b>	<b>735,000</b>		<b>\$</b>	<b>85,000</b>



# CIP Project Detail

## Other Re-Occurring Capital Costs

5-Year Low	5-Year High	5-Year Average	Estimate 2019	<b>Budget 2019</b>	Forecast 2020
\$ 1,149,924	\$ 2,274,474	\$ 1,654,200	\$ 3,825,785	<b>\$ 1,010,000</b>	\$ 1,600,000

### 2019/20 Projects

Well Rehabilitation - Combination of heavy and light rehabs, Natural gas engine generator removal, Well destructions and consulting

**\$ 790,000**    \$ 1,350,000

Lowering/Raising Valve Boxes (Based on County provided information)

**220,000**    250,000

**\$ 1,010,000**    **\$ 1,600,000**

# CIP Project Detail

## Other Capitalized Project Costs

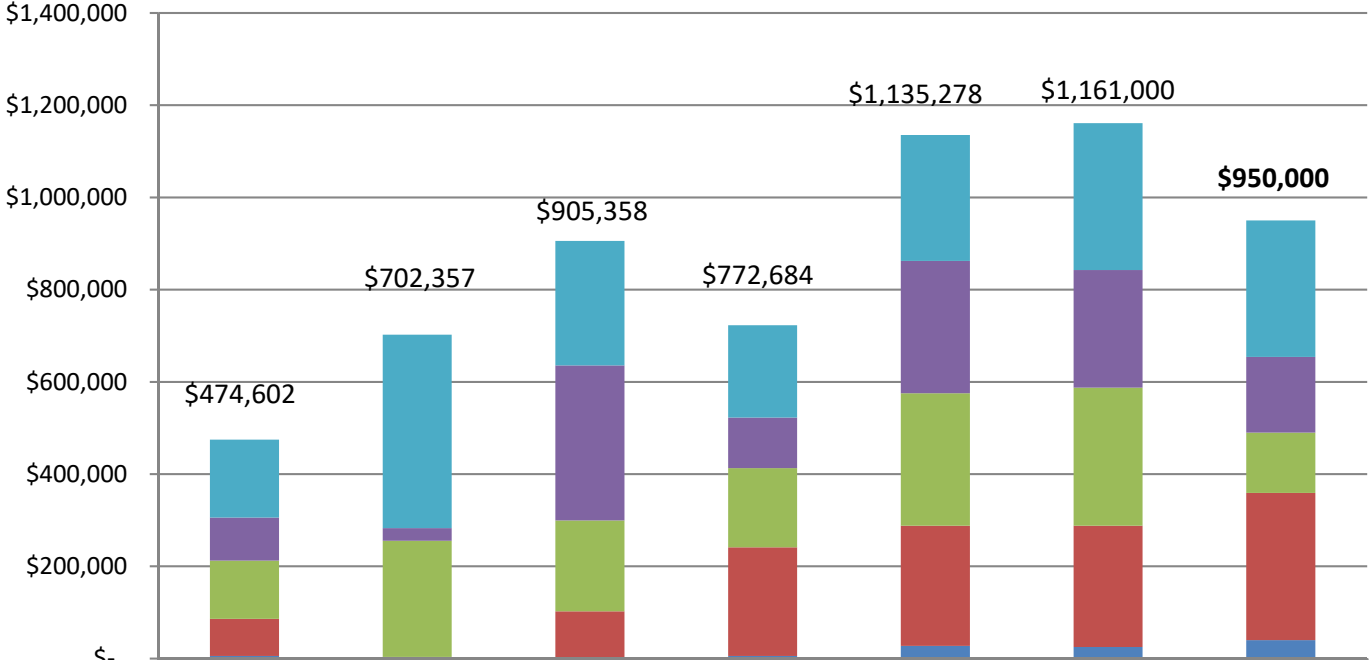
5-Year Low	5-Year High	5-Year Average	Estimate 2019	Budget 2019	Forecast 2020
\$ 52,913	\$ 780,345	\$ 357,700	-	\$ <b>225,000</b>	\$ 135,000

### 2019/20 Projects

Electrical Improvements at Marconi facility	\$ 220,000	\$ 130,000
Right of way/easement acquisitions	5,000	5,000
	<b>\$ 225,000</b>	<b>\$ 135,000</b>

# OCB Budget

# OCB Project Costs 2013 to 2019



	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Projected	2019 Budget
Information Technology	\$168,850	\$419,552	\$269,607	\$200,060	\$273,286	\$318,500	\$296,000
Maintenance	\$93,321	\$27,660	\$336,293	\$109,647	\$286,800	\$255,000	\$164,000
Operations	\$126,581	\$251,745	\$197,310	\$171,914	\$287,120	\$299,500	\$131,000
Vehicles/Fleet	\$80,500	\$-	\$99,729	\$235,576	\$260,890	\$263,000	\$319,000
Office Furniture/Equipment	\$5,350	\$3,400	\$2,419	\$5,487	\$27,182	\$25,000	\$40,000

Discussion of individual line items appear on subsequent pages.

# OCB Project Detail

## Information Technology Costs

5-Year Low	5-Year High	5-Year Average	Budget 2019
\$ 168,850	\$ 419,552	\$ 266,300	\$ 296,000
<u>2019 Projects</u>			
Hardware Refresh Program			\$ 107,000
Software Enhancements/Modules			55,000
Board Laptops			5,000
Board Room Monitors			35,000
Server Rooms - Walnut, Complete Marconi			42,000
Rewire and Move Switch for Walnut Facility			30,000
Computers/Phones/Licenses for new Employee			9,000
Project and PDF Software for Engineering Department			13,000
			\$ 296,000

2018 budget was \$318,500

# OCB Project Detail Maintenance

5-Year Low	5-Year High	5-Year Average	Budget 2019
\$ 27,660	\$ 336,293	\$ 170,700	\$ 164,000

2019 Projects

Well Site and Building Structures Maintenance	\$ 60,000
HVAC/Roof/Building Repairs	50,000
Removing Antelope Garden	54,000
	\$ 164,000

2018 Budget was \$255,000.

# OCB Project Detail

## Operations Project Costs

5-Year Low	5-Year High	5-Year Average	Budget 2019
\$ 126,581	\$ 287,120	\$ 206,900	\$ <b>131,000</b>

### 2019 Projects

Fence Replacement - 3 Well Sites	\$ 21,000
UCMR 4 Monitoring	70,000
Well Site Paving	40,000
	<b>\$ 131,000</b>

2018 budget was \$299,500

# OCB Project Detail

## Vehicles/Fleet

5-Year Low	5-Year High	5-Year Average	Budget 2019
\$ -	\$ 260,890	\$ 135,300	\$ 319,000
 <u>2019 Projects</u>			
Trailer Replacement/Upgrade/Addition			\$ 30,000
Vehicle Replacement - Truck #3			30,000
Vehicle Replacement - Truck 21			34,000
Vehicle Replacement - Truck # 12			31,000
Vehicle Replacement - Truck # 45			31,000
Vehicle Replacement - Truck # 51			45,000
Vehicle Replacement - Truck # 6			42,000
Vehicle Addition - Production Foreman			45,000
Vehicle Addition - Safety Officer			31,000
			\$ 319,000

2018 budget was \$263,000 – Replaced four Trucks and two trailers.



# OCB Project Detail

## Office Furniture & Equipment

5-Year Low	5-Year High	5-Year Average	Budget 2019
\$ 2,419	\$ 27,182	\$ 8,800	\$ 40,000

2019 Projects

Office Furniture/Workstations	\$ 40,000
	\$ 40,000

2019 budget is for Walnut Facility remodel and 3 new staff.

# Debt Service Forecast

# Debt Service Forecast

5-Year Low	5-Year High	5-Year Average	Budget 2019
\$ 7,425,000	\$ 7,509,550	\$ 7,467,502	<b>\$ 7,420,000</b>

	2013	2014	2015	2016	2017	2018	2019
Principal	\$ 3,580,000	\$ 3,675,000	\$ 3,795,000	\$ 3,945,000	\$ 4,060,000	\$ 4,425,000	<b>\$ 4,570,000</b>
Interest	3,849,356	3,792,909	3,630,000	3,560,697	3,459,968	3,140,000	<b>2,850,000</b>
Total Debt Service	<u>\$ 7,429,356</u>	<u>\$ 7,467,909</u>	<u>\$ 7,425,000</u>	<u>\$ 7,505,697</u>	<u>\$ 7,519,968</u>	<u>\$ 7,565,000</u>	<u><b>\$ 7,420,000</b></u>

2019 forecast assumes a variable interest rate of 3.86%.

2018 to 2020 reflect the refunding of the 2009B COP and the issuance of the 2018A Bond.

# 2019 Budget Summary

	2017 Actual	2017 Amended Budget	Actual As Of 10/31/18	2018 Projected	2018 Approved Budget	2019 Proposed Budget
Income From Customers	\$ 44,161,563	\$ 43,726,000	\$ 37,777,690	\$ 45,735,000	\$ 45,020,000	\$ 46,171,000
Water Transfers	-	1,992,000	-	900,000	-	-
Total Other Income	2,247,188	1,780,000	792,606	1,244,000	1,465,000	1,907,000
Total Revenue	<u>\$ 46,408,751</u>	<u>\$ 47,498,000</u>	<u>\$ 38,570,296</u>	<u>\$ 47,879,000</u>	<u>\$ 46,485,000</u>	<u>\$ 48,078,000</u>
<b>Budgets:</b>						
<b>Operations and Maintenance</b>	19,424,311	21,311,000	16,204,588	21,024,000	21,860,000	<b>23,241,000</b>
<b>Capital Improvement Program</b>	13,585,527	16,975,000	11,856,016	18,170,000	19,160,000	<b>18,260,000</b>
<b>Operating Capital Program</b>	1,135,278	1,166,000	631,617	1,161,000	1,161,000	<b>950,000</b>
<b>Debt Service (Forecast)</b>	7,519,968	7,770,000	2,625,864	7,565,000	7,700,000	<b>7,420,000</b>
<b>McClellan BP Settlement</b>				2,600,000		
<b>Total Costs</b>	<u>41,665,084</u>	<u>47,222,000</u>	<u>31,318,085</u>	<u>50,520,000</u>	<u>49,881,000</u>	<b><u>49,871,000</u></b>
Change in Reserve Balance	4,743,667	276,000	7,252,211	(2,641,000)	(3,396,000)	(1,793,000)
Reserve (Cash) Balance	<u>\$ 45,669,205</u>	<u>\$ 41,264,408</u>	<u>\$ 48,452,890</u>	<u>\$ 46,576,375</u>	<u>\$ 41,566,409</u>	<u>\$ 41,235,205</u>
Refunding 2009B			\$ (3,548,170)	\$ (3,548,170)		
	<u>\$ 45,669,205</u>	<u>\$ 41,264,408</u>	<u>\$ 44,904,720</u>	<u>\$ 43,028,205</u>	<u>\$ 41,566,409</u>	<u>\$ 41,235,205</u>



## Agenda Item: 6

**Date:** November 27, 2018

**Subject:** Evaluation of the Finance and Audit Committee

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

### Recommended Board Action:

Dissolve the Finance and Audit (F&A) Committee of the Board of Directors as currently constituted and the Finance and Audit Committee Mission Statement and Charter.

Establish an Audit Committee of the Board of Directors by adopting the Audit Committee Mission Statement and Charter as attached.

### Discussion

Over the past five years, 37 items requiring action were brought to the F&A Committee by staff. In 35% (13) of the cases the Committee made no decision, instead deferring to the full Board. In all cases, the deferrals were on Finance matters not Audit matters. In addition, in its May 2016 Committee meeting, the F&A Committee unanimously approved taking the annual District Budget “to the full for Board for consideration as opposed to the F&A Committee,” (see F&A Committee Minutes, Item 2, last paragraph, approved by the full Board on June 20, 2016.)

While Auditing Standards do not require the establishment of an Audit Committee, Government Finance Officers Association (GFOA) Best Practices recommends the establishment of an Audit Committee as follows:

“Three main groups are responsible for the quality of financial reporting: the governing body, financial management, and the independent auditors. Of these three, the governing body must be seen as “first among equals” because of its unique position as the ultimate monitor of the financial reporting process. An audit committee is a practical means for a governing body to provide much needed independent review and oversight of the government’s financial reporting processes, internal controls, and independent auditors. An audit committee also provides a forum separate from management in which auditors and other interested parties can candidly discuss concerns. By effectively carrying out its functions and responsibilities, an audit committee helps to ensure that management properly develops and adheres to a sound system of internal controls, that procedures are in place to objectively assess management’s practices, and that the independent auditors, through their own review, objectively assess the government’s financial reporting practices.

Recommendation. GFOA makes the following recommendations regarding the establishment of audit committees by state and local governments:

- The governing body of every state and local government should establish an audit committee or its equivalent; ..." (GFOA Best Practices Audit Committees).

### **Committee Structure and Responsibilities**

The F&A Committee was originally formed to address accounting and financial planning issues facing the District. This standing committee has had a Mission Statement and Charter to provide guidance and document the levels of authority assigned to it by the Board since August 2003. Over time the Committee has evolved into an annual budget, debt refinancing and audit committee. In May 2016, the Committee chose to dissolve itself of budget responsibilities (see above). Therefore, with the exception of occasional debt refinancings, the Committee has been acting as pretty much as an "Audit Committee."

Staff prefers to bring financial issues to Directors once for a decision. Therefore, staff is recommending the Committee reorganize itself as an Audit Committee where its guidance is needed. As noted in the attached revised Charter, the Committee would continue to recommend and approve independent auditors, manage the annual audit, recommend changes and enhancements to internal controls and so forth (see Attachment 1). All finance and debt issuance matters will be brought directly to the full Board for discussion and action.

### **Fiscal Impact:**

There is no fiscal impact resulting from the dissolution of the F&A Committee and the establishment of an Audit Committee with its Mission Statement and Charter.

### **Strategic Plan Alignment:**

Finance – 4.A,B,E. The F&A Committee provides input and guidance to District staff to utilize internal controls, planning tools, procedures and cash and investment oversight and administer prudent financial practices in order to meet the District's needs and maintain reserves within District policies.

The F&A Committee Mission Statement and Charter is a benefit to the District's customers due to the ability of the F&A Committee to assist staff in recommending solutions to the Board regarding financial and auditing needs and issues.

ATTACHMENT 1

Sacramento Suburban Water District

**Finance & Audit Committee  
Mission Statement & Charter**

Effective: ~~August 18, 2003~~ January 1, 2019  
Revised: ~~May 15, 2006; August 20, 2007; April 17, 2017~~

**Status:** Standing Committee  
**Meeting Times:** Varies, as required  
**Staff Contact:** Dan Bills, District Treasurer

**100.00 Mission Statement:**

**100.10 Finance**

~~To provide an oversight function and an avenue of communication between District finance staff and the Board of Directors regarding all District financial matters.~~

~~To review and recommend policies and procedures covering District capital structure, debt financing, cash management, investments, capital assets, reserve position, and financial risk management.~~

~~To submit an annual capital and operating budget to the Board of Directors for consideration and approval.~~

~~To review and recommend policies and procedures covering directors', officers', and employee expense accounts, perquisites, and use of District assets.~~

~~To monitor and recommend changes to the District Ethics Policy covering all Directors and District personnel.~~

**100.20 Audit**

To provide an open avenue of communication among the District finance staff, auditors, and Board of Directors.

To recommend the engagement of outside independent auditors and internal auditors.

To review external audit reports and periodic financial statements.

To review legal, regulatory and other matters that may have a material effect on the District's financial position, compliance policies and/or programs and to recommend actions concerning these matters to the full Board.

## **200.00 Charter**

### **200.10 Purpose and Authority**

The Finance and Audit Committee (Committee) is established to assist the Board of Directors in fulfilling its oversight responsibilities in all areas of District financial responsibilities including capital structure, debt financing, capital expenditures, cash management, banking activities and relationships, investments, annual budgets, integrity of the District's financial reporting process, system of internal controls over financial reporting, audit process and process for monitoring compliance with financially-related laws and regulations, and the District's Ethics Policy. The Committee provides an open avenue of communication between District financial management, internal auditors (if any), external auditors and the Board.

Any action taken by the Committee pursuant to the power and authority conferred under this Charter will for all purposes constitute an action taken by the Board of Directors and may be certified as such by the District Secretary. Notwithstanding the power and authority of the Committee to act on behalf of the Board of Directors with respect to such matters, the Committee, in its discretion, may submit any such matter, along with its recommendation with respect thereto, to the full Board of Directors for consideration and approval.

In its discretion and at any time, the full Board of Directors may direct the Committee to bring certain matters delegated to the Committee to the full Board for consideration and approval. The full Board also may abrogate any power or duty delegated to the Committee under this Charter or delegate any new power or duty.

### **200.20 Composition**

The Committee will consist of at least two members of the Board of Directors. Committee members are appointed by and serve at the discretion of the President of the Board of Directors.

### **200.30 Meetings**

The Committee will meet as required, with special meetings as the Committee Chair or President of the Board of Directors may direct. The Committee may invite members of management, auditors or others to attend meetings and provide pertinent information. The Committee may hold closed sessions in accordance with the requirements of the Brown Act.

### **200.40 Responsibilities**



The Committee will formulate policy and procedures, review with District staff and recommend for approval existing or proposed policies and actions to the full Board of Directors, any and all strategies, plans, policies and actions related to District audits and financial reporting management ~~finance~~. The matters within the scope of the Committee's authority will include but are not limited to the following:

~~200.40.10~~ Financial

- ~~1. Recommending policies and actions concerning District capital structure, debt financings, capital expenditures, reserve balances and requirements, investments, and cash management, including the establishment and maintenance of bank, investment and brokerage accounts.~~
- ~~2. Reviewing an annual capital and operating budget and providing feedback to staff.~~
- ~~3. Considering and recommending methods of acquiring or holding interests in District property, fixed assets or contributed capital. Inquiry will be sought into any unusual methods of acquiring title to or holding such property.~~

200.40.20 External Audit

1. Reviewing the annual audited financial statements with the external auditors and management, including inquiring about major issues regarding accounting and auditing principles and practices, and the adequacy of internal controls that could significantly affect the District's financial statements. All external audit reports shall be presented to the full Board of Directors.
2. Reviewing critical accounting policies and any major changes to accounting policies.
3. Reviewing with management, and the external auditors if necessary, any District newsletter or press release regarding District financial information before such materials are filed.
4. Reviewing with management and/or the external auditors the effect of regulatory and accounting initiatives, as well as reviewing and approving any off-balance sheet structures on the District's financial statements.
5. Reviewing with management and the external auditors significant financial reporting issues and judgments made in connection with the District's financial statements, including the effect of alternative GAAP methods on the District's financial statements.

200.40.30 Internal Controls

1. Considering and reviewing with management and the external auditors the effectiveness of the District's internal controls over annual and interim financial

reporting, including information technology security and control. These controls will provide reasonable assurance of the integrity of the financial information and assurance that the District's reported financial results are presented fairly in conformity with GAAP.

2. Understanding the scope of the external auditors' review of internal controls over financial reporting and obtaining reports on significant findings and recommendations together with management's responses.

#### 200.40.40 Internal Auditors

1. Recommending to the full Board the appointment of an internal auditor, and reviewing the auditor's performance and recommending the replacement or dismissal of the internal auditor.
2. Reviewing significant internal audit findings reported during the period and their respective impact on internal controls, the control environment and the overall effectiveness and efficiency of the District's operations.

#### 200.40.50 External Auditors

1. Reviewing the external auditors' proposed audit scope and approach, including coordination of external audit effort with internal audit.
2. Recommending to the full Board the appointment or discharge of external auditors.
3. Reviewing the experience and qualifications of the primary partners and staff on the external audit team and the quality control procedures of the firm.
4. Reviewing the external auditors' Management Letter, recommendations, and management's response.
5. With direction from the Board, reviewing and approving the annual budget for all audit and non-audit services from the external auditor, and approving in advance any other fees for non-audit services provided by the external auditor.
6. Reviewing and confirming the independence of the external auditors, including obtaining statements from the external auditor regarding its independence. Discussing relationships between the external auditors and the District with the auditors and considering whether the provision of non-audit services is compatible with maintaining the external auditor's independence.
7. Reviewing and concurring with the General Manager's hiring as an employee or engagement as a contractor any employee of an external auditor who was engaged on the District account in the most recent two years.

#### 200.40.60 Ethics Policy

- ~~1. District staff will monitor compliance with the District Ethics Policy to which all Directors and employees will attest. At least annually, the Committee will receive a report from District staff indicating compliance with the District Ethics Policy.~~

#### -200.40.70 Compliance

1. Reviewing the effectiveness of the accounting system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
2. Reviewing with management and the external auditors any correspondence with regulators or governmental agencies and any employee complaints or published reports, which raise material issues regarding the District's financial statements, accounting policies or internal controls, and making recommendations concerning these matters to the full Board.
3. Reviewing the process for communicating the District's Ethics Policy with District staff, for reporting incidents and for monitoring compliance annually.
4. Obtaining regular updates from management and the District's legal counsel regarding legal matters which may have a material impact on the financial statements, including any related-party transactions, and any material reports or inquiries received from regulators or governmental agencies.
5. Conducting or authorizing investigations into any matters within the Committee's charter. With the full Board's concurrence, the Committee is empowered to: (i) retain outside counsel, accountants, or others to advise or assist the Committee in the conduct of an investigation; (ii) seek any information it requires from external parties or employees, all of whom are directed to cooperate with the Committee's requests; (iii) meet with management, external auditors, or outside counsel, as necessary; and (iv) meet with the District's financial advisors, if any.

### **300.00 Reporting**

The Committee's reporting responsibilities will include oral and written reports to the Board of Directors regarding Committee activities, issues and related recommendations and actions. At each regularly scheduled meeting of the Board of Directors, the Chair of the Committee will provide the Board of Directors with a report of the Committee's activities and proceedings.

### **400.00 Committee Charter**

The Committee also will perform other activities related to this Charter, including: (i) a review and assessment of the adequacy of the charter at least biennially and request Board approval of any proposed changes; (ii) annual confirmation that the responsibilities outlined in this charter have been carried out; and (iii) ensuring that this charter is posted on the District's website.



## Agenda Item: 7

**Date:** December 5, 2018

**Subject:** Evaluation of the Facilities and Operations Committee

**Staff Contact:** Mike Huot, Assistant General Manager

### Recommended Board Action:

Staff recommends the Board select one of the following Options for the Facilities and Operations Committee:

- Option 1 – Status Quo, with minor updates to the Charter
- Option 2 - Modify the F&O Committee to Act in an Advisory Role, with significant edits to the Charter
- Option 3 – Discontinue the F&O Committee

### Background:

On December 6, 2004, the Capital Improvement and the Service Area Committees were consolidated into the Facilities and Operations (F&O) Committee. The F&O Committee was tasked with planning, evaluating, and recommending facility improvements and to review, resolve, or recommend solutions to the Board of Directors (Board) regarding physical asset planning needs and customer service related issues. The F&O Committee is a standing committee conducted in accordance with the Ralph M. Brown Act governing transparency in SSWD decision making, and the first F&O Committee meeting occurred on April 14, 2005.

On April, 17, 2017, the F&O Committee Mission Statement and Charter was revised. Key changes were grammatical and reducing the threshold of the F&O Committee to authorize the General Manager to resolve issues or disputes from \$100,000 to \$50,000.

### Discussion:

As new Board members are assigned to the F&O Committee, it has been customary to review the Mission Statement and Charter for both orientation of the new Committee members and to provide the opportunity for the Committee to recommend changes from the Board. Based on public comment, and the requirement in the Charter to review and assess the adequacy of the Charter.

Staff reviewed F&O Committee items since January, 2017 (Attachment 1). Since January, 2017, 41 items were brought to the F&O Committee and 2 items were approved at the F&O committee level. 23 items were brought to the full Board - 4 as consent items, 6 as discussion or action items, and 13 as informational items. The remaining 16 items were tabled or requested to be on future F&O meeting agenda's or informational with no direction needed.

Staff prepared Options for the Board to consider for the future of the F&O Committee.

- Option 1: *Status Quo* – Continue the F&O Committee with the current bylaws. The Mission and Purpose of the F&O Committee is to provide oversight responsibilities and provide recommendations to the full Board (Attachment 2). Generally, Facility and Operation topics go to the F&O Committee before going to the Board. In some cases, items go to the F&O Committee and get resolved without going to the Board. If the Board elects to continue with the Status Quo, then some of the language in the existing bylaws will need updated. For example, the requirement of coordinating with the Water Quality Committee would be deleted since the Water Quality Committee has been discontinued.
- Option 2: *Modify the F&O Committee to Act in an Advisory Role* – The F&O Committee would be requested to help review and provide advice for projects when Staff, the Board President, or the Committee chair requests assistance. It will not be a decision making forum but will help shape discussions and topics that go to the Board. Included is a redlined version (Attachment 3) and a clean version (Attachment 4) of the F&O Committee Mission Statement and Charter to establish the F&O Committee in an Advisory Role.
- Option 3: *Discontinue the F&O Committee* – This option would dissolve the F&O Committee. Staff would coordinate decision making or informational items directly with the Board. If the Board or Staff choose to discuss topics with a Board subcommittee, then ad-hoc committees could be formed when requested to provide input and feedback. The Board and Staff would ensure the sub-committee remains transparent and complies with the Ralph M. Brown Act.

Staff requests the Board to review the Options and direct staff to implement the preferred Option.

**Fiscal Impact:**

None.

**Strategic Plan Alignment:**

Facilities and Operations – 2. A The District will utilize appropriate planning tools, identify financial resources necessary, and prioritize system requirements to protect and maintain District assets and attain water resource objectives incorporating resource sustainability and lifecycle cost analysis into the framework.

Reviewing the Options for the F&O Committee is a benefit to SSWD’s customers to ensure SSWD maintains an efficient and effective decision making process.

**Attachments:**

- 1 - F&O Committee Evaluation Results – January, 2017 – December, 2018
- 2 - Sacramento Suburban Water District Facilities and Operations Committee Mission Statement & Charter – April 17, 2017 (Existing)
- 3 - Sacramento Suburban Water District Facilities and Operations Committee Mission Statement & Charter – December 17, 2018 (Option 2 Redline)
- 4 - Sacramento Suburban Water District Facilities and Operations Committee Mission Statement & Charter – December 17, 2018 (Option 2 Clean)

## F&O Committee Evaluation Results - January, 2017 - December, 2018

F&O Committee Meeting Date	Items presented at F&O Committee Meeting	Approved by F&O Committee	Moved to Board			No Action	
		Items approved at F&O Committee Meeting	Items moved to Board as Information	Items moved to Board as Consent	Items moved to Board As Discussion or Action	Items tabled or requested for future F&O Committee Meetings	Items that were informational and no direction needed
1/20/2017	5	1	2	0	0	1	1
2/16/2017	5	0	1	0	2	0	2
4/27/2017	4	0	2	0	0	1	1
7/27/2017	6	0	2	0	0	1	3
10/4/2017	4	0	3	0	1	0	0
2/12/2018	5	0	2	2	0	0	1
3/6/2018	1	0	0	1	0	0	0
5/30/2018	4	0	1	0	2	1	0
8/1/2018	3	0	0	1	0	2	0
9/13/2018	4	1	0	0	1	2	0
<b>Total</b>	<b>41</b>	<b>2</b>	<b>13</b>	<b>4</b>	<b>6</b>	<b>8</b>	<b>8</b>

**Sacramento Suburban Water District  
Facilities and Operations Committee  
Mission Statement & Charter**

(Effective: May 16, 2005)

Revised: April 17, 2017

**Status:** Standing Committee

**Meeting Times:** Varies, as required.

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

**I. Mission Statement:**

- A. To evaluate and recommend to the Board of Directors the following:
- Investment in water facilities and system improvements that will improve the District's ability to reliably deliver high quality water at a reasonable price;
  - The prioritization of current and future water facility and system improvement needs;
  - Project planning for necessary long term water facility and system improvements well in advance of their need;
  - Financial Planning for revenue determination and allocation as needed to fund District activities;
  - Coordination with Finance and Audit Committee and Water Quality Committee as necessary.
- B. To review, comment and provide potential resolutions regarding water service issues as they occur, prior to the item being brought before the Board for consideration.

**II. Charter**

**A. Purpose and Authority**

The Facilities and Operations Committee (Committee) is established to assist the Board of Directors in fulfilling its oversight responsibilities in all areas of District's facility and operations planning, including capital improvement needs and prioritization, capital expenditures and budgets, capital improvement program reporting process, and potential resolutions regarding water service issues. The

Committee provides an open avenue of communication between District staff, outside consultants, customers, and the Board of Directors.

The Committee also serves in an advisory capacity, assisting staff in the resolution of service issues. The Committee may act in the following manner:

- Without prior approval of the Board, may authorize the General Manager to resolve service area issues and/or disputes at a cost to the District that does not exceed \$50,000.00 per incident, when the resolution complies with District policy, and funds are available for that purpose in the approved budget.
- Act in the capacity of a hearing board for customer appeals of staff decisions on service issues. Where changes in Board adopted policies are involved, the Committee will make appropriate recommendations to the full Board.

#### **B. Composition**

The Committee will consist of no more than two members of the Board of Directors. Committee members are appointed by and serve at the discretion of the President of the Board of Directors.

#### **C. Meetings**

The Committee will conduct meetings on an as-needed basis, as the Committee Chair or President of the Board of Directors may direct. The Committee may invite members of management, consultants or others to attend meetings and provide pertinent information. The Committee may hold closed sessions in accordance with the requirements of the Brown Act.

#### **D. Responsibilities**

The Committee may review all aspects of District facilities, operations planning and revenue determination/allocation with staff, provide input as appropriate, and make recommendations on such matters to the Board of Directors. The responsibilities within the scope of the Committee's jurisdiction will include but are not limited to the following:

1. Reviewing and assessing the need for water facilities and system improvements based on information provided by staff and consultants that takes into account current assets, the condition of the facility to be replaced, and an assessment of future needs. Future water facilities and system improvement needs will be driven by many factors including the need to replace aging facilities, compliance with newly adopted laws and regulations, water quality, and water conservation.
2. Reviewing the prioritization of water facilities and system improvement needs as determined by staff and consultants to ensure that the ranking is consistent with general policies adopted by the Board of Directors.



3. Reviewing and assessing the District's ability to pay for the identified improvements by taking into account historical and projected trends in revenues, expenditures, and indebtedness.
4. Reviewing and assessing District revenue determination and allocation policies necessary to fund improvement projects and other District costs.
5. Reviewing any potential conflict regarding service issues, applications, or District requirements for service.

**E. Reporting**

The Committee's reporting responsibilities will include oral and written reports to the Board of Directors regarding Committee activities, issues and related recommendations, findings, and actions. At each regularly scheduled meeting of the Board of Directors, the Chair of the Committee will provide the Board of Directors with a report of the Committee's activities.

**F. Committee Charter**

The Committee also will perform other activities related to this Charter, including: (i) a review and assessment of the adequacy of the charter at least annually and request Board approval of any proposed changes; (ii) annual confirmation that the responsibilities outlined in this charter have been carried out; and (iii) ensuring that this charter is posted for public review on the District's website.

**Sacramento Suburban Water District  
Facilities and Operations Committee  
Mission Statement & Charter**

(Effective: May 16, 2005)

Revised: ~~April 17, 2017~~ December 17, 2018

**Status:** Standing Committee

**Meeting Times:** Varies, as required.

**Staff Contact:** ~~Dan York~~ Mike Huot, Assistant General Manager

**I. Mission Statement:**

A. ~~To evaluate~~ review and recommend ~~provide feedback to the Board of Directors the following staff in an advisory capacity on the following:~~

- ~~Investing~~ ment in water facilities and system improvements that will improve the ~~District~~ SSWD's ability to reliably deliver high quality water at a reasonable price;
- Prioritizing ~~The prioritization of~~ current and future water facility and system improvement needs;
- Project planning for ~~necessary~~ long term water facility and system improvements well in advance of their need;
- Financial Planning to determine revenue and allocations needed ~~for revenue determination and allocation as needed~~ to fund ~~District~~ SSWD activities;
- Coordinating ~~ion~~ with Finance and Audit Committee and ~~Water Quality Committee as necessary;~~
- Resolving customer service issues that occur; and;
- Other operational or maintenance issues that may warrant input.

B. ~~To review, comment and provide potential resolutions regarding water service issues as they occur, prior to the item being brought before the Board for consideration.~~

**II. Charter**

**A. Purpose and Authority**

The Facilities and Operations Committee (Committee) is established to assist SSWDthe Board of Directors when needed in fulfilling its oversight responsibilitiesmission in all areas of District's SSWD's facility and operations planning, including capital improvement needs and prioritization, capital expenditures and budgets, capital improvement program reporting process, and potential resolutions regarding water servicecustomer service issues. The Committee provides an open avenue of communication between District SSWD staff, outside consultants, customers, and the Board of Directors members of the Board.

~~The Committee also serves in an advisory capacity, assisting staff in the resolution of service issues. The Committee may act in the following manner:~~

- ~~▪ Without prior approval of the Board, may authorize the General Manager to resolve service area issues and/or disputes at a cost to the DistrictSSWD that does not exceed \$50,000.00 per incident, when the resolution complies with DistrictSSWD policy, and funds are available for that purpose in the approved budget.~~
- ~~▪ Act in the capacity of a hearing board for customer appeals of staff decisions on service issues. Where changes in Board adopted policies are involved, the Committee will make appropriate recommendations to the full Board.~~

## **B. Composition**

The Committee will consist of no more than two members of the Board of Directors. Committee members are appointed by and serve at the discretion of the President of the Board of Directors.

## **C. Meetings**

The Committee will conduct meetings on an as-needed basis as requested by staff, as the Committee Chair, or President of the Board of Directors, ~~may direct.~~ The Committee may invite members of management, consultants, or others to attend meetings and provide pertinent information. The Committee may hold closed sessions in accordance with the requirements of the Brown Act.

## **D. Responsibilities**

The Committee may review all aspects of DistrictSSWD facilities, operations planning, and revenue determination/allocation with staff, and provide input as appropriate, and make recommendations on such matters to the Board of Directors. When requested by the Chair of the Committee, the President of the Board of Directors, or staff, ~~the~~ responsibilities within the scope of the Committee's jurisdiction will include but are not limited to the following:

1. Reviewing and assessing the need for water facilities and system improvements based on information provided by staff and consultants that takes into account current assets, the condition of the facility to be replaced, and an assessment of future needs. Future water facilities and system

improvement needs will be driven by many factors including the need to replace aging facilities, compliance with newly adopted laws and regulations, water quality, and water conservation.

2. Reviewing the prioritization of water facilities and system improvement needs as determined by staff and consultants to ensure that the ranking is consistent with general policies adopted by the Board of Directors.
3. Reviewing and assessing the ~~District~~SSWD's ability to pay for the identified improvements by taking into account historical and projected trends in revenues, expenditures, and indebtedness.
4. Reviewing and assessing ~~District~~SSWD revenue determination and allocation policies necessary to fund improvement projects and other ~~District~~SSWD costs.
5. Reviewing any potential conflict regarding service issues, applications, or ~~District~~SSWD requirements for service.

#### **E. Reporting**

The Committee's reporting responsibilities will include oral and written reports to the Board of Directors regarding Committee activities, issues, and related recommendations, findings, and actions. ~~At each regularly scheduled meeting of the Board of Directors, the Chair of the Committee will provide the Board of Directors with a report of the Committee's activities.~~

#### **F. Committee Charter**

The Committee ~~also~~ will perform other activities related to this Charter, including: (i) a review and assessment of the adequacy of the charter at least annually and request Board approval of any proposed changes; (ii) annual confirmation that the responsibilities outlined in this charter have been carried out; and (iii) ensuring that this charter is posted for public review on the ~~District~~SSWD's website.

**Sacramento Suburban Water District  
Facilities and Operations Committee  
Mission Statement & Charter**

(Effective: May 16, 2005)  
Revised: December 17, 2018

**Status:** Standing Committee  
**Meeting Times:** Varies, as required.  
**Staff Contact:** Mike Huot, Assistant General Manager

**I. Mission Statement:**

- A. To review and provide feedback to staff in an advisory capacity on the following:
- Investing in water facilities and system improvements that will improve SSWD's ability to reliably deliver high quality water at a reasonable price;
  - Prioritizing current and future water facility and system improvement needs;
  - Project planning for long term water facility and system improvements well in advance of their need;
  - Financial Planning to determine revenue and allocations needed to fund SSWD activities;
  - Coordinating with Finance and Audit Committee as necessary;
  - Resolving customer service issues that occur, and
  - Other operational or maintenance issues that may warrant input.

**II. Charter**

**A. Purpose and Authority**

The Facilities and Operations Committee (Committee) is established to assist SSWD when needed in fulfilling its mission in all areas of SSWD's facility and operations planning, including capital improvement needs and prioritization, capital expenditures and budgets, capital improvement program reporting process, and potential resolutions regarding customer service issues. The Committee provides an open

avenue of communication between SSWD staff, outside consultants, customers, and members of the Board.

**B. Composition**

The Committee will consist of no more than two members of the Board of Directors. Committee members are appointed by and serve at the discretion of the President of the Board of Directors.

**C. Meetings**

The Committee will conduct meetings on an as-needed basis as requested by staff, Committee Chair, or President of the Board of Directors. The Committee may invite members of management, consultants, or others to attend meetings and provide pertinent information. The Committee may hold closed sessions in accordance with the requirements of the Brown Act.

**D. Responsibilities**

The Committee may review all aspects of SSWD facilities, operations planning, revenue determination/allocation with staff, and provide input as appropriate. When requested by the Chair of the Committee, the President of the Board of Directors, or staff, the responsibilities within the scope of the Committee's jurisdiction will include but are not limited to the following:

1. Reviewing and assessing the need for water facilities and system improvements based on information provided by staff and consultants that takes into account current assets, the condition of the facility to be replaced, and an assessment of future needs. Future water facilities and system improvement needs will be driven by many factors including the need to replace aging facilities, compliance with newly adopted laws and regulations, water quality, and water conservation.
2. Reviewing the prioritization of water facilities and system improvement needs as determined by staff and consultants to ensure that the ranking is consistent with general policies adopted by the Board of Directors.
3. Reviewing and assessing SSWD's ability to pay for the identified improvements by taking into account historical and projected trends in revenues, expenditures, and indebtedness.
4. Reviewing and assessing SSWD revenue determination and allocation policies necessary to fund improvement projects and other SSWD costs.
5. Reviewing any potential conflict regarding service issues, applications, or SSWD requirements for service.

**E. Reporting**

The Committee's reporting responsibilities will include oral and written reports to the Board of Directors regarding Committee activities, issues, and related findings.

**F. Committee Charter**

The Committee will perform other activities related to this Charter, including: (i) a review and assessment of the adequacy of the charter at least annually and request Board approval of any proposed changes; (ii) annual confirmation that the responsibilities outlined in this charter have been carried out; and (iii) ensuring that this charter is posted for public review on the SSWD's website.



## Agenda Item: 8

**Date:** December 6, 2019

**Subject:** Committee and Liaison Appointments for 2019

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

**Recommended Board Action:**

The Board President makes appointments to Board standing and ad hoc committees and assigns Board member liaisons to outside organizations.

**Discussion:**

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

Included with this report is the most recent list of the 2018 Committee and Liaison Assignments indicating the appointments for the past year (Attachment 1).

Note that some assignments are to establish the District’s voting representative with outside entities and others are to assign liaison interests for the purposes of establishing compensable attendance per District policies on Director Compensation.

**Fiscal Impact:**

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

**Strategic Plan Alignment:**

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

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



**Sacramento Suburban Water District  
2018 Committee and Liaison Assignments**

**Committees** (date of last appointment)

Facilities and Operations Committee (01/22/18)..... Dave Jones, Chair  
(Standing: no regularly assigned meeting time) ..... Bob Wichert  
..... Staff Contact: Dan York

Finance and Audit Committee (06/18/18) ..... Kevin Thomas, Chair  
(Standing: no regularly assigned meeting time) ..... Kathleen McPherson  
..... Staff Contact: Dan Bills

SJWD/SSWD Water Management/Re-organization Committee (06/18/18).. Craig Locke  
(Standing: no regularly assigned meeting time) ..... Dave Jones

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

ACWA/JPIA (01/22/18) ..... Director Position: Vacant  
..... Staff Position: Dan York

ACWA General Election Voting Delegate (01/22/18) ..... Craig Locke

ACWA Groundwater Committee (01/22/18)..... Dave Jones  
..... Kevin Thomas  
..... Craig Locke  
..... Dan York  
..... Robert Roscoe

ACWA Water Quality Committee (01/22/18)..... Bob Wichert  
..... Dave Jones

ACWA Energy Committee (01/22/18) ..... Kevin Thomas

ACWA Communications Committee (01/22/18) ..... Kevin Thomas

ACWA Legal Affairs Committee (01/22/18) ..... Ryan Bezerra

California Special Districts Association (01/22/18) ..... Kevin Thomas  
..... Dave Jones

CSDA Transparency and Formation Expert Feedback Teams (01/22/18) ..... Kevin Thomas

CSDA Fiscal and Education Committees (01/22/18) ..... Dave Jones

LAFCo Special District Advisory Committee (01/22/18) ..... None

Regional Water Authority (01/22/18)..... Bob Wichert  
..... Dan York

Attachment 1

Regional Water Authority Executive Committee (01/22/18) ..... Staff Rep: Dan York

Sacramento Groundwater Authority (06/18/18) ..... Kevin Thomas, Board Rep.  
..... Dan York, Staff Rep.  
..... Bob Wichert, Alternate  
..... Craig Locke, Alternate  
..... Dave Jones, Alternate  
..... Kathleen McPherson, Alternte

Sacramento Water Forum Successor Effort (01/22/18) ..... Staff Rep: Dan York  
..... Kevin Thomas  
..... Craig Locke, Alternate  
..... Bob Wichert, Alternate  
..... Dave Jones, Alternate



## Agenda Item: 9

**Date:** December 12, 2018

**Subject:** Distribution Main Replacement Program – Master Service Contract for Main Lines

**Staff Contact:** David Espinoza, P.E., Senior Engineer

### Recommended Board Action:

Approve the award of a multi-year Master Service Contract to Doug Veerkamp General Engineering, Inc. (Veerkamp), and authorize the General Manager to execute this and any subsequent contracts with Veerkamp (and the number two ranked contractor – Flowline Contractors, Inc.) on behalf of the District, subject to legal counsel review.

### Background:

Historically, from 2003 to 2005, the District had difficulty implementing a cost-effective and customer-friendly waterline replacement program. During 2006 the District opted to use a long-term Master Services Contract (MSC) as the preferred contracting mechanism for Distribution Main Replacement Program projects. The District has split the work into two parts, each with its own MSC: one each for *main line* and *service lines*.

This MSC approach was selected in order to achieve predictability and stability for a core function of the District in order to lower total project costs for District rate payers. The District was provided competitive bids and the contractor was assured of controlled increases to labor and materials provided under terms of this contract. Additionally, the District is able to ensure competitiveness by ready comparisons to other work being performed in similar services. Moreover, the customer response and evaluation of this disruptive work in their neighborhoods has been overwhelmingly favorable.

In the fall of 2016, the Board directed staff to extend Veerkamp’s contract for one additional Distribution Main Replacement Program project (Parkland Estates Phase II) and then again in 2017 (Edison Meadows). The Board then directed staff to begin the process to award the next 3-5 year MSC. In December 2017, the Board approved awarding a 3 to 5 year MSC for the service line component of the Distribution Main Replacement Program to Flowline Contractors, Inc. (Flowline).

The MSC approach has been very successful, and the District has now completed 13 years of MSC contracts for the construction and installation of water mains and services for our Distribution Main Replacement Program. Using the MSC and the team at Veerkamp, the District has completed 5 to 7 miles of annually of distribution mainline replacements and accompanying services.

**Discussion:**

The most recent MSC for main line installation of the Distribution Main Replacement Program has expired. The MSC is intended to be responsible for the bulk of the main replacement work for the next 3 to 5 years. The first project under the new main line MSC will be the Jonas Water Main Replacement project. This project includes the installation of approximately 23,300 feet of mains, 360 services, and appurtenances.

To continue the MSC program, staff, with the assistance of the District's consultant, Domenichelli and Associates (D&A), prepared and placed out for bid a 3 to 5 year MSC for main line installations. Bid documents were provided to the following list of 14 local and experienced utility contractors:

- Cal Sierra Construction, Inc.
- Doug Veerkamp General Engineering, Inc.
- Florez Paving
- Flowline Contractors, Inc.
- Garney Construction
- Hal Hayes Construction
- Lund Construction
- Martin General Engineering Inc.
- Marques Pipeline, Inc.
- Navajo Pipeline Construction
- Performance Piping
- Rawles Engineering
- Syblon Reid Contractors
- Unlimited Communications

Bids:

The engineer's estimate of probable cost is \$6.28 million. Bids were due and opened on November 29, 2018, shortly after 10:00 am. Three bids were received and the results are shown below:

<u>Contractor</u>	<u>Bid Amount</u>
Flowline Contractors, Inc.	\$6,244,454.00
Doug Veerkamp General Engineering, Inc.	\$5,673,629.68
Rawles Engineering	\$10,633,490.00

Staff and D&A carefully reviewed the bids and recommend that the MSC for main line installation be awarded to Veerkamp as the lowest responsible and responsive bidder. Staff and D&A further recommend that Flowline (ranked number two), be considered for possible future negotiations should the District not be able to negotiate future contract(s) with Veerkamp. However, staff does not recommend Rawles Engineering be considered for possible future negotiations due to their relatively very high bid.

There will be a competitively-bid main extension or replacement project on occasion to: 1) ensure the District is obtaining competitive pricing when the MSC project prices are negotiated for each project; and 2) to complete work beyond Veerkamp's availability.

**Fiscal Impact:**

Approximately \$9 million is included in the District's proposed Calendar Year 2019 Capital Improvement Program budget for distribution main replacement projects.

**Strategic Plan Alignment:**

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

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

Facilities and Operations – 2.A. The District will utilize appropriate planning tools, identify financial resources necessary, and prioritize system requirements to protect and maintain District assets and attain water resource objectives.

These distribution main replacement projects align with these goals to replace water lines that will improve both water quality and water system reliability. These projects will also contribute to increase the system's capacity as well as facilitate the District's compliance with State requirements to meter all services by 2025.



## Agenda Item: 10

**Date:** December 12, 2018

**Subject:** General Manager's Report

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

### a. Strategic Plan Update

As reported at the October 2018 regular Board meeting, the District is in the process of reviewing/updating its Strategic Plan. The District has contracted with Ellen Cross, with Strategy Driver, to facilitate/moderate the process of reviewing/updating the District's Strategic Plan.

Ms. Cross has conducted several meetings with supervisory/management staff to survey their input and suggestions, as well as meeting with four of the District's five Directors. The process of reviewing/updating the District's Strategic Plan is moving forward as planned.

Below is a status of the proposed schedule to achieve the goal of reviewing the District's Strategic Plan:

- October 2018: Consultant to meet with management staff (Completed)
- October 2018: Staff input (Completed)
- October 17-31: Consultant interviews Directors individually (Completed)
- November 2018: Survey – Staff and stakeholders (Completed)
- December 2018: Staff workshop (To be conducted on December 19<sup>th</sup>)
- January 2019: Board workshop
- March 2019: Board approval

### b. McClellan Business Park

The Board has authorized the General Manager to settle with McClellan Business Park (MBP) for the remaining items necessary to complete obligations of "Exhibit C" and "Other Improvements" required by the 1999 Agreement between the County of Sacramento and the former Northridge Water District for the Conveyance of the McClellan Water Distribution System.

In addition, District and MBP staff have been developing and finalizing a list of parcels and service line credits within MBP that will be included as an exhibit to the final Successor Agreement between the District and MBP. District staff is planning to bring forth the final draft Successor Agreement to the full Board at the January 28, 2019 regular Board meeting. If approved, the new Successor Agreement with MBP will supersede the 1999 Agreement between the District and County of Sacramento.

**c. Billing Error Update**

At the November 19, 2018 regular Board meeting a District customer, Mr. Avery Wiseman, brought to attention that his most current billing statement calculated the usage charge incorrectly. Instead of billing Mr. Wiseman for 10 units of water, the system incorrectly billed him for 21 units of water.

Staff reviewed Mr. Wiseman's account and found that an earlier read, obtained from a Service Order generated by staff, was posted after a later read. This caused the system to double post the usage resulting in the double billing. Below is the sequence for the respective meter reads:

November 7<sup>th</sup> read was posted on November 14<sup>th</sup>

November 12<sup>th</sup> read was posted on November 13<sup>th</sup>

Staff contacted its utility billing provider and they added a rule in the system that would stop this error from occurring in the future. In addition, the utility billing provider queried the District's system and determine that this was an isolated incident.

## Agenda Item: 11. b.

### **SACRAMENTO GROUNDWATER AUTHORITY REGULAR MEETING OF THE BOARD OF DIRECTORS**

**Thursday, December 13, 2018; 9:00 a.m.**

5620 Birdcage Street, Suite 110

Citrus Heights, CA 95610

(916) 967-7692

### **Agenda**

The Board will discuss all items on this agenda, and may take action on any of those items, including information items and continued items. The Board may also discuss other items that do not appear on this agenda, but will not act on those items unless action is urgent, and a resolution is passed by a two-thirds (2/3) vote declaring that the need for action arose after posting of this 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 Board may do so at this time. Please keep your comments to less than three minutes.
- 3. CONSENT CALENDAR**  
Minutes of October 18, 2018 meeting  
**Action: Approve October 18, 2018 meeting minutes**
- 4. 2018 AUDIT REPORT**  
Information Presentation: Peggy Vande Vooren, Gilbert Associates, Inc.  
**Action: Accept 2018 Financial Audit report**
- 5. ELECTION OF 2019 SGA OFFICERS**  
Information Update: SGA Nominating Committee update and recommendations  
**Action: Elect 2019 SGA Chair and Vice Chair**
- 6. SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) UPDATE**  
Information Update: John Woodling, Executive Director
- 7. GROUNDWATER MANAGEMENT PROGRAM UPDATE**  
Information Update: Rob Swartz, Manager of Technical Services
- 8. EXECUTIVE DIRECTOR'S REPORT**
- 9. DIRECTORS' COMMENTS**

**ADJOURNMENT**



**Next SGA Board of Director's Meeting** – February 14, 2019, 9:00 a.m., RWA/SGA office, 5620 Birdcage Street, Ste. 110, Citrus Heights.

Notification will be emailed when the SGA electronic packet is complete and posted on the SGA website at <http://www.sgah2o.org/meetings/board-meetings/>.

Agenda Item: 11. d.

**WATER FORUM SUCCESSOR EFFORT**

Thursday, December 13, 2018

5:30 PM – 7:45 PM

**WATER FORUM**  
1330 21<sup>st</sup> Street, Ste. 103  
Sacramento, CA 95811

Agenda

5:30 DINNER

5:45 INTRODUCTIONS

6:00 DISCLOSURES/ REPORT BACKS / ANNOUNCEMENTS

6:15 PRESENTATION                      Flow Management Standard and Bay-Delta Plan  
- Tom Gohring

7:00 PRESENTATION                      FISH Plan  
- Lilly Allen

7:20 UPDATES                              Flow Management Standard – Tom Gohring  
River and Water Supply Conditions – Lilly Allen  
Habitat Management – Lilly Allen  
Groundwater Facilitation – John Lowrie

7:45 ADJOURN

**Water Forum office:** located on the corner of 21<sup>st</sup> and N streets in midtown Sacramento.

Agenda Item: 12. c.

**AGENDA**  
**December 10, 2018**  
**4:30 p.m.**

**Sacramento Suburban Water District and  
San Juan Water District**

**2x2 Water Management / Re-Organization  
Committee Meeting**

**Location:**

San Juan Water District  
9935 Auburn Folsom Road  
Granite Bay, CA 95746

1. Public Comment
2. Update from GM Discussions
3. Next Steps



## Agenda Item: 13

**Date:** December 12, 2018

**Subject:** Moody's Annual Issuer Comment Report

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

**Discussion:**

On December 10, 2018, Moody's Investor Services released an update to their assessment of the District's economic profile for the investment community, see Attachment 1. The report addresses the District's stand-alone credit rating and does not include the dual-rating of SMBC on the 2009A variable issuance. The District's stand-alone rating remains at Aa2 (highest score is Aaa). Their analysis states in part "Overall, the financial position of the water utility is solid and is favorable in comparison to its Aa2 rating..." Such an assessment reflects very favorably on the District and is an independent view of how the District is viewed from an investment perspective (i.e., purchasing SSWD debt.)



## ISSUER COMMENT

10 December 2018

### RATING

#### Revenue <sup>1</sup>

Aa2 No Outlook

### Contacts

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Senior Vice President/Manager  
eric.hoffmann@moodys.com

### CLIENT SERVICES

Americas 1-212-553-1653  
Asia Pacific 852-3551-3077  
Japan 81-3-5408-4100  
EMEA 44-20-7772-5454

# Sacramento Suburban Water District

## Annual Comment on Sacramento Suburban WD

### Issuer Profile

Sacramento Suburban WD provides water service to parts of Sacramento County, California. The county as a whole has a population of 1,479,300 and a high population density of 1,532 people per square mile. The county's median family income is \$67,305 (2nd quartile) and the September 2018 unemployment rate was 3.6% (3rd quartile) <sup>2</sup>. The District sources groundwater from a series of active wells and imports surface water from supply sources, treats it at two treatment plants and distributes to customers via a series of pipelines.

### Credit Overview

The credit position for Sacramento Suburban WD is very good. Its Aa2 rating is level with the US water systems median of Aa2. Key credit factors include a sizeable system with a moderate income service area, strong debt service coverage, a manageable debt profile and strong liquidity.

**System Characteristics:** The water utility has a healthy system profile that is aligned with the assigned rating of Aa2. The median family income equals 99.2% of the US level. Additionally, Sacramento Suburban WD'S system size, measured as operating and maintenance expenses (\$20.2 million), is favorably above the US median.

**Financial Strength:** Overall, the financial position of the water utility is solid and is favorable in comparison to its Aa2 rating. The coverage of the annual debt service by net revenues (3.4x) is excellent and greatly exceeds the US median, and it remained steady from 2013 to 2017. Additionally, the days cash on hand (760 days) is robust and well above the US median. Furthermore, the debt to operating revenues (1.8x) is on par with other Moody's-rated water systems nationwide.

**Legal Provisions:** Legal provisions include a rate covenant requiring a minimum of 1.15x coverage of debt service and are adequate for this sector.

### Sector Trends - California Water

Water and sewer systems in California tend to be slightly newer than the national average, though maintenance and expansion needs can be substantial. Financial metrics are generally in line with US medians. Median debt service coverage (2.0 times) is on par with the national median, and median liquidity remains stable and quite healthy at 486 days cash, which is about 15% higher than the national figure. Median debt to operating revenues (2.7 times) is about 18% above the national average. Water supplies in California are highly variable and concentrated in the state's north, while demand is concentrated in the Central Valley and the urban south. Rate-setting autonomy supports stability in finances.

## EXHIBIT 1

Key Indicators <sup>3 4</sup> Sacramento Suburban WD

Credit Metrics	2013	2014	2015	2016	2017	US Median	Credit Trend
Annual Debt Service Coverage (x)	3.43x	3.39x	3.11x	3.10x	3.40x	2.10x	Stable
Days Cash on Hand (Days)	977	942	851	691	760	382	Weakened
Debt to Operating Revenues (x)	2.5x	2.6x	2.5x	2.0x	1.8x	2.0x	Improved
Median Family Income (% of US Median)	99%	99%	99%	99%	99%	100%	Stable
Remaining Useful Life of Capital Assets (Years)	25	25	25	24	24	31	Stable

Debt and Financial Data (\$000s)	2013	2014	2015	2016	2017	US Median
Net Funded Debt	\$104,328	\$100,000	\$95,581	\$82,084	\$78,015	\$28,434
Total Revenues	\$42,036	\$41,354	\$40,425	\$42,948	\$45,654	\$14,932
Operating and Maintenance Expenses	\$16,367	\$15,994	\$17,301	\$19,701	\$20,152	\$8,349
Net Revenues	\$25,670	\$25,360	\$23,124	\$23,247	\$25,503	\$6,953
Debt Service	\$7,494	\$7,477	\$7,428	\$7,506	\$7,510	\$2,835

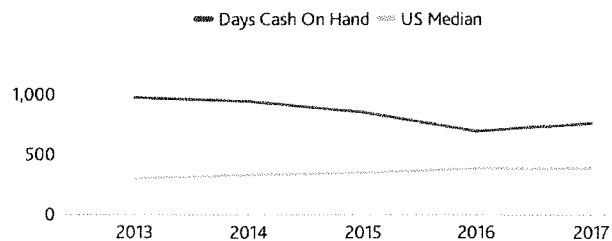
  

Governance/Legal Provisions	Score
Rate Management	A
Regulatory Compliance and Capital Planning	Aa
Rate Covenant	A
Debt Service Reserve Requirement	Baa and Below

Source: Moody's Investors Service

## EXHIBIT 2

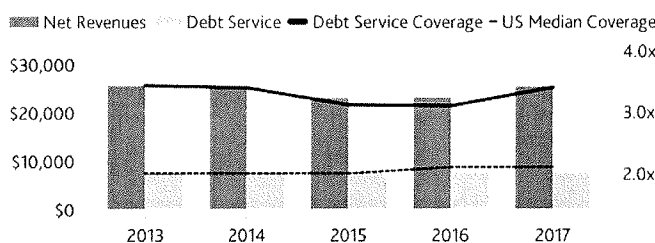
## Days cash on hand has decreased from 2013 to 2017



Source: Moody's Investors Service

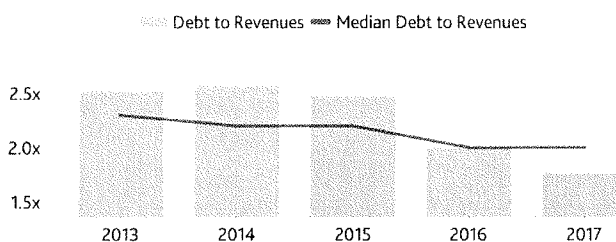
This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moody.com](http://www.moody.com) for the most updated credit rating action information and rating history.

EXHIBIT 3  
Debt service coverage decreased from 2013 to 2017



Source: Moody's Investors Service

EXHIBIT 4  
Debt to operating revenues decreased from 2013 to 2017



Source: Moody's Investors Service

**Endnotes**

- 1 The rating referenced in this report is the rating of the senior most lien on the relevant pledged revenues. Some utilities have bonds separately secured by distinct revenue sources. For these utilities, the rating referenced in this report is the senior most rating only on the relevant revenue pledge (e.g., water); the utility could have a higher rating on a different type of revenue bond (e.g., sewer).
- 2 The demographic data presented, including population, population density, per capita personal income and unemployment rate are derived from the most recently available US government databases. Population, population density and per capita personal income come from the American Community Survey while the unemployment rate comes from the Bureau of Labor Statistics.  
  
The largest industry sectors are derived from the Bureau of Economic Analysis. Moody's allocated the per capita personal income data and unemployment data for all counties in the US census into quartiles. The quartiles are ordered from strongest-to-weakest from a credit perspective: the highest per capita personal income quartile is first quartile, and the lowest unemployment rate is first quartile.
- 3 Moody's calculations of various statistics can be different than calculations reported in audited financial statements or offering documents. Moody's makes standard adjustments to reported financial data, to facilitate comparisons across issuers. For definitions of the metrics in the Key Indicators Table, see our [US Municipal Utility Revenue Debt](#) methodology.
- 4 The medians come from our most recently published report, [Medians - Solid financial metrics, ability to raise rates underpin stable sector](#).

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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454



## Agenda Item: 14

**Date:** December 3, 2018

**Subject:** Supplemental Language for 2018 Consumer Confidence Report

**Staff Contact:** Matt Underwood, Operations Manager

### Background:

At the July 16, 2018, Regular Board meeting, a Director requested that the topic of reviewing the 2017 Consumer Confidence Report (CCR) be added to the agenda for discussion at the August 1, 2018, Facilities and Operations (F&O) Committee meeting. At the August 1, 2018, F&O Committee meeting a discussion ensued and staff was directed to draft a letter to the State Water Resources Control Board, Division of Drinking Water (DDW) requesting approval to supplement required language in the 2018 Consumer Confidence Report and bring it back to a future F&O Committee meeting.

At the September 13, 2018, F&O Committee meeting, staff presented a draft letter to DDW requesting approval to supplement required language in the 2018 CCR. A discussion ensued and staff was directed to make requested modifications to the draft language and then send the letter to DDW. The letter was sent on October 15, 2018 (see Attachment 1).

DDW responded in a letter dated, November 21, 2018 (see Attachment 2). In the letter, DDW stated no exception to the additional text regarding Nitrate, and no exception to the additional text regarding educational language. With respect to the additional text regarding lead, DDW stated that results from monitoring that was performed in accordance with USEPA's lead and copper monitoring requirements would not be conclusive evidence to support a statement that the drinking water provided in the water system overall would not facilitate the dissolving of lead in materials and components associated with service lines and home plumbing. For the aforementioned reasons, DDW stated they found the first sentence of the additional text with respect to lead and water quality to be over reaching and not completely accurate.

In an email sent to DDW on November 29, 2018, District staff proposed the following alternate text for consideration:

“No reportable lead was detected in the regulatory compliance result from samples collected during SSWD’s most recent lead and copper monitoring. However, due to the variety of materials used in some customer’s plumbing systems (including home water treatment units), lead results may vary. If you are concerned about the potential impact the internal plumbing system in your home or business may have on lead levels in your drinking water, SSWD will refer you to a laboratory that will test your water.”

DDW sent a response email dated November 29, 2018, stating that they take no exception regarding the alternate text outlined above. They clarified that this is only with respect to the SSWD 2018 CCR content and would not be applicable for any other CCR. Therefore, SSWD will need to request approval for supplemental language in future CCRs if desired. DDW further clarified that all additional text should be either before or after the mandatory text and should also be clearly identified as informational text in the SSWD 2018 CCR.

**Attachments:**

- 1 – Letter from Sacramento Suburban Water District (10/15/18): Request to Supplement Mandatory Language in the Sacramento Suburban Water District 2018 Consumer Confidence Report
- 2 – Letter from State Water Resource Control Board (11/21/18): Sacramento Suburban Water District Public Water System (PWS No. 3410001) – 2018 Consumer Confidence Report

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

October 15, 2018

Mr. Bruce Berger  
 Sanitary Engineer  
 Division of Drinking Water  
 Sacramento District Office  
 1001 I Street, 17th Floor  
 Sacramento, CA 95814

**SUBJECT: REQUEST TO SUPPLEMENT MANDATORY LANGUAGE IN THE  
 SACRAMENTO SUBURBAN WATER DISTRICT 2018 CONSUMER  
 CONFIDENCE REPORT**

Dear Mr. Berger:

Every year Sacramento Suburban Water District (District) receives calls from concerned customers about some of the mandatory language in the Consumer Confidence Report (CCR) and our Board is questioning it as well. In an effort to alleviate some of those concerns, the District would like to include some informational text before or after the mandatory text in the 2018 CCR. The District believes inclusion of the additional information would provide customers with more comfort about their drinking water.

Nitrate – the mandatory text for nitrate over one-half of the maximum contaminant level (MCL) below is followed by information that the District proposes to include in the 2018 CCR:

*Nitrate in drinking water at levels above 10 mg/L is a health risk for infants of less than six months of age. Such nitrate levels in drinking water can interfere with the capacity of the infant's blood to carry oxygen, resulting in a serious illness; symptoms include shortness of breath and blueness of the skin. Nitrate levels above 10 mg/L may also affect the ability of the blood to carry oxygen in other individuals, such as pregnant women and those with certain specific enzyme deficiencies. If you are caring for an infant, or you are pregnant, you should ask advice from your health care provider.*

Nitrate levels in water supplied by the District are below 10 mg/L. Nitrate monitoring is performed at least annually and, in many cases, quarterly. If there is an indication that the nitrate level in a well may reach the 10 mg/L regulatory threshold, it is immediately removed from service.

Lead – the mandatory text for lead below is followed by information that the District proposes to include in the 2018 CCR:

*If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. The District is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components.*

*When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline, or at: [www.epa.gov/lead](http://www.epa.gov/lead).*

Monitoring that was performed in accordance with USEPA's lead and copper monitoring requirements show that drinking water provided by the District overall does not facilitate the dissolving of lead in materials and components associated with service lines and home plumbing. However, due to the variety of materials used in some customer's plumbing systems (including home water treatment units) lead results may vary. If you are concerned about the potential impact the internal plumbing system in your home or business may have on lead levels in your drinking water, SSWD will refer you to a laboratory that you can utilize to test your water.

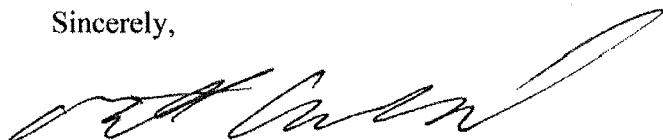
Overview of Drinking Water - the District proposes to include the information below before the mandatory text concerning sources of drinking water as follows:

The United States Environmental Protection Agency and the State Water Resources Control Board, Division of Drinking Water (DDW) require the educational language below to be included in all public water system's CCRs. For a complete list of detected contaminants and their potential sources, please see the tables in the section titled, "Summary of Detected Constituents."

*The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity."*

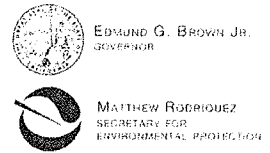
The District believes that including this information makes the mandatory text more relevant to the water that the District provides its customers. Please confirm that DDW has no concerns or objections with the District providing the additional suggested (or similar) information. If you have any questions or concerns regarding this request, please feel free to contact me at (916) 679-2887, or via email at [munderwood@sswd.org](mailto:munderwood@sswd.org).

Sincerely,



Matt Underwood  
Operations Manager

Copy: Dan York, General Manager  
Mike Huot, Assistant General Manager  
David Armand, Environmental Compliance Supervisor



**State Water Resources Control Board**

November 21, 2018

PWS No. 3410001

Matt Underwood  
Operations manager  
Sacramento Suburban Water District  
3701 Marconi Avenue, Suite 100  
Sacramento, CA 95821

**SACRAMENTO SUBURBAN WATER DISTRICT PUBLIC WATER SYSTEM (PWS No. 3410001) – 2018 CONSUMER CONFIDENCE REPORT**

On October 15, 2018, the California State Water Resources Control Board, Division of Drinking Water received an email from the Sacramento Suburban Water District (SSWD) regarding supplement language to the 2018 Consumer Confidence Report (CCR) for the SSWD public water system (PWS No. 3410001).

Three issues were the focus of the abovementioned letter. This letter was reviewed by staff from this office in accordance to requirements of Article 20, Chapter 15, Division 4, Title 22, California Code of Regulations. The review comments are:

- A. With respect to the additional text regarding Nitrate in the SSWD drinking water, this office notes no exception to the proposed additional text.
- B. With respect to the additional text regarding lead in the SSWD drinking water, the first sentence of the proposed additional language states:

“Monitoring that was performed in accordance with USPEA’s lead and copper monitoring requirements show that drinking water provided by the District overall does not facilitate the dissolving of lead in materials and components associated with service lines and home plumbing. ...”

Lead and Copper Rule monitoring is a survey of the distribution system water quality at customers’ taps, which were selected based on building occupancy and construction date (i.e., Tier1, Tier2, Tier 3, etc.). If the distribution system monitoring has not shown presence of lead in water samples collected from customer taps to be above the lead Action Level (0.015 mg/L) set by the USEPA, that would not necessarily be conclusive evidence to support a statement that the drinking water provided by the water system overall would not facilitate the dissolving of lead in materials and components associated with service lines and home plumbing.

If a distribution system study of water quality parameters were completed and a report was submitted for review, then such statement may be more suitable.

FELICIA MARCUS, CHAIR | EILEEN SOBECK, EXECUTIVE DIRECTOR

Matt Underwood  
Operations Manager, SSWD

- 2 -

November 21, 2018  
PWS No. 3410001

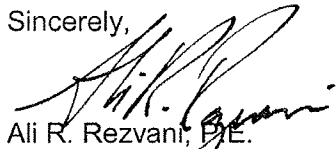
For the aforementioned reasons, this office finds the first sentence of the additional text with respect to lead and water quality to be over reaching and not completely accurate. With respect to the second and third sentences, this office notes no exception to the proposed additional text.

- C. With respect to the additional text regarding the educational language, this office notes no exception to the proposed additional text.

As stated in the abovementioned letter, the additional text should be either before or after the mandatory text, they should also be clearly identified as informational text in the SSWD 2018 CCR.

If you have any questions, or if we can be of any assistance, please contact Bruce Berger at (916) 449-5666, or by email at: [Bruce.berger@waterboards.ca.gov](mailto:Bruce.berger@waterboards.ca.gov).

Sincerely,



Ali R. Rezvani, P.E.  
Sacramento District Engineer  
Division of Drinking Water  
STATE WATER RESOURCES CONTROL BOARD

cc. Bruce Berger, P. E. – Associate Sanitary Engineer, DDW, SWRCB



## Agenda Item: 15

**Date:** December 10, 2018

**Subject:** 2018 Budget Reallocations

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

### **Discussion:**

As required by Board actions taken upon adoption of the 2018 Budget, staff is reporting the following Budget actions taken by the General Manager:

#### CIP Budget Reallocations

At budget adoption, the Board authorizes “the General Manager to adjust and/or reallocate amongst the project type cost categories as necessary within the total CIP Budget amount.” Over the past few months, the General Manager authorized transfers between various projects as described in Attachment 1. The total amended CIP budget of \$19,160,000 is unchanged.

#### OCB Budget Reallocations

Similar to the CIP budget, the Board authorizes “the General Manager to adjust and/or reallocate amounts amongst the project type cost categories as necessary during the budget year within the total OCB Budget amount.” Necessary reallocations related to various projects are described in Attachment 2. The total amended OCB budget of \$1,161,000 is unchanged.



## Attachment 1 - CY2018 CIP Budget Transfers

Project Number	Project Name	Amended or Reallocated Budget Estimate	Reallocated Amount	Current Budget Estimate	Reason for Transfer
SC18-042	Meter Replacement and Repair	\$350,000	(\$100,000)	\$250,000	Funds are available as material costs are lower than budgeted.
SC18-012	Well Replacement	\$3,300,000	(\$500,000)	\$2,800,000	Funds are available as some of construction work for Well N6A and Well 79 are slower than anticipated and will not be completed until early 2019.
SC18-018	Distribution Main Replacement	\$10,470,000	\$370,000	\$10,840,000	Both material and construction costs exceeded budget estimate.
SC18-019	Distribution Main Improvement	\$540,000	\$230,000	\$770,000	Funds are needed due to work for small main improvement projects came in higher than budgeted.
SC18-024	Meter Replacement and Repair	\$2,160,000	(\$50,000)	\$2,110,000	Funds are available as both material and construction costs came in lower than budget estimate.
SC18-009	Well Rehabilitation and Pump Station Improvements	\$969,000	(\$61,000)	\$908,000	Funds are available as a portion of this budget is allotted each year as a contingency for unplanned well rehab projects.
SC18-048	Right of Way/Easement	\$50,000	(\$50,000)	\$-0-	Funds are available as this project is budgeted each year as a contingency for Right of Way acquisition projects on an as-needed basis.
SC18-022	Water Related Street Improvements	\$200,000	\$161,000	\$361,000	Costs came in higher than budgeted due to unexpected Street Improvement Project from County.
Total		<b>\$18,039,000</b>	<b>\$0</b>	<b>\$18,039,000</b>	

## Attachment 2 – 2018 OCB Budget Transfers

<b>Project Number</b>	<b>Project Category</b>	<b>Amended Budget Estimate</b>	<b>Reallocated Amount</b>	<b>Amended Budget Estimate</b>	<b>Reason for Transfer</b>
SF18-432	Gazebo/Bathroom/Kitchen at Antelope	\$70,000	(\$38,000)	\$32,000	As budgeted project for repair of Antelope Garden needs further consideration and was deferred to 2019, funds are available for reallocation.
SF18-451	Security @ Enterprise Reservoir Facility	\$-0-	\$38,000	\$38,000	Funds are needed to add security at the Enterprise Reservoir Facility.
SF18-449	Software Upgrades/ Modules/Enhancement	\$110,000	(\$34,251)	\$75,749	Due to losing the District's software consultant to CHWD, the Board Packet Creation Software project was deferred to 2019.
SF18-448	Hardware Refresh Program	\$108,500	\$34,251	\$142,751	Additional Equipment and costs are needed for the new server room.
<b>Total</b>		<b>\$288,500</b>	<b>\$0</b>	<b>\$288,500</b>	



## Agenda Item: 16

**Date:** December 2, 2018

**Subject:** Legislative and Regulatory Update

**Staff Contact:** Greg Bundesen, Water Conservation Supervisor

### RWA Government Affairs Committee

The California Legislature will reconvene on January 7, 2019. Table 1 shows the upcoming 2019 legislative calendar listing important dates. Table 2 shows only one active federal bill still being considered by Congress.

RWA has hired a new Legislative and Regulatory Affairs Manager, Ryan Ojakian. Mr. Ojakian will lead RWA’s Advocacy Program as the Lobbyist Subscription Program transitions from a subscription to a Core RWA Program. The District will continue to participate in the Advocacy Program to ensure both regional and District legislative and regulatory goals are promoted in the legislature.

**Table 1: 2019 Legislative Calendar**

<b>January 7, 2019</b>	Legislature reconvenes
<b>January 25, 2019</b>	Last day to submit bill requests
<b>February 22, 2019</b>	Last day for bills to be introduced
<b>April 11, 2019</b>	Spring recess
<b>April 22, 2019</b>	Legislature reconvenes
<b>May 28-31, 2019</b>	Floor session
<b>May 31, 2019</b>	Last day for each house to pass bills introduced by that house
<b>June 15, 2019</b>	Budget bills must be passed by midnight
<b>July 12, 2019</b>	Summer recess begins
<b>August 12, 2019</b>	Legislature reconvenes
<b>August 30, 2019</b>	Last day for fiscal committees to meet
<b>September 3-13, 2019</b>	Floor Session
<b>September 6, 2019</b>	Last day to amend on floor
<b>September 13, 2019</b>	Last day for any bill to be passed - Interim recess begins
<b>October 13, 2019</b>	Last day for the Governor to sign or veto bills passed

**Table 2: 2018 Updates Regarding Previously Reported Legislation**

Bill Number	Name	House Location	Date	Action	Position	Results
H.R. 434	New WATER Act	U.S. Congress	7/27/18	Referred to Sub. Comm. On Water, Power and Oceans	Supported	

H.R. 434 - The New WATER Act, authorizes the Department of the Interior, for 15 years after the bill’s enactment, to provide financial assistance, such as secured loans or loan guarantees, to entities that contract under federal reclamation law, to carry out water projects within the 17 western states served by the Bureau of Reclamation, and other states where the Bureau is authorized to provide project assistance, e.g., Alaska and Hawaii.

Projects eligible for assistance include:

- Non-federal water infrastructure projects that would contribute to a safe, adequate water supply for domestic, agricultural, environmental, or municipal and industrial use;
- Projects for enhanced energy efficiency in the operation of a water system;
- Projects for accelerated repair and replacement of aging water distribution facilities;
- Brackish or sea water desalination projects; and
- The acquisition of real property or an interest therein for water storage, reclaimed or recycled water, or wastewater that is integral to such a project.

On September 28, 2018, SB 998 was signed and chaptered into California State Law. SB 998 *“requires an urban water community water system, defined as a public water system that supplies water to more than 200 service connections, to have a written policy on discontinuation of water service to certain types of residences for nonpayment available in prescribed languages. The bill would require the policy to include certain components, be available on the system’s Internet Web site, and be provided to customers in writing, upon request. The bill would provide for enforcement of these provisions, including making a violation of these provisions punishable by a civil penalty issued by the board in an amount not to exceed \$1,000 for each day in which the violation occurs, and would require the enforcement moneys collected by the board to be deposited in the Safe Drinking Water Account. The bill would prohibit an urban and community water system from discontinuing residential service for nonpayment until a payment by a customer has been delinquent for at least 60 days. The bill would require an urban and community water system to contact the customer named on the account and provide the customer with the urban and community water system’s policy on discontinuation of residential service for nonpayment no less than 7 business days before discontinuation of residential service, as prescribed.”* Compliance for an urban water supplier not regulated by the Public Utilities Commission shall comply with SB 998 by February 1, 2020. District staff are in the process of developing an implementation plan through regional collaboration.

Legislative and Regulatory Update

December 3, 2018

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On August 31, 2018 SB 845, the Safe and Affordable Drinking Water Fund (Water Tax) was not passed by the California Legislature. At this time, there is no additional information regarding a similar bill being introduced at the beginning of the 2019-2020 Legislative Session, though staff anticipates such a bill being introduced. Should a similar bill be introduced in the 2019-2020 Legislative session, staff will work with the RWA to recommend a stance on the bill.



## Agenda Item: 17

**Date:** December 6, 2018

**Subject:** Upcoming Water Industry Events

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

Note that the Board adopted Policy governing Director compensation and expense reimbursement section 200.20(g) states that Directors may receive a meeting stipend (currently \$100.00) for “meetings, water industry events or office visits of a substantial duration concerning substantive District business as requested and approved for payment by the General Manager or the Board President...” Just because information is presented on upcoming water industry events, or regularly scheduled meetings of other water districts, does not necessarily imply that approval for a compensable meeting or reimbursement of expenses are triggered.

Below is a list of upcoming water industry events:

### Upcoming Events

1. RWA Board Meeting  
January 10, 2019  
RWA Office  
<http://rwah2o.org/>
2. CSDA – Is the Brown Act Making You Blue Webinar  
January 15, 2019  
Webinar  
[https://members.csda.net/iMIS1/CSDA2/Shared\\_Content/Higher\\_Logic](https://members.csda.net/iMIS1/CSDA2/Shared_Content/Higher_Logic)
3. RWA Executive Committee Meeting  
January 23, 2019  
RWA Office  
<http://rwah2o.org/>
4. Water Caucus  
February 13, 2019  
RWA Office

Upcoming Water Industry Events

December 6, 2018

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5. SGA Board Meeting  
February 14, 2019  
SGA Office  
<http://www.sgah2o.org/meetings/board-meetings/>
  
6. RWA Executive Committee Meeting  
February 27, 2019  
RWA Office  
<http://rwah2o.org/>
  
7. CSDA Spring Education Day  
March 26, 2019  
Sacramento, CA  
[https://members.csda.net/iMIS1/CSDA2/Shared\\_Content/Higher\\_Logic/HLEvents\\_Calendar.aspx](https://members.csda.net/iMIS1/CSDA2/Shared_Content/Higher_Logic/HLEvents_Calendar.aspx)
  
8. CSDA Special District Leadership Academy  
April 7, 2019  
San Diego, CA  
[https://members.csda.net/iMIS1/CSDA2/Shared\\_Content/Higher\\_Logic/HLEvents\\_Calendar.aspx](https://members.csda.net/iMIS1/CSDA2/Shared_Content/Higher_Logic/HLEvents_Calendar.aspx)
  
9. Capitol – to – Capitol  
May 4 – 8, 2019  
Washington DC  
<http://business.metrochamber.org/events/details/49th-annual-capitol-to-capitol-22322>
  
10. ACWA 2019 Spring Conference  
May 7, 2019  
Monterey, CA  
<https://www.acwa.com/events/>

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

- Carmichael Water District: <http://carmichaelwd.org/> - Every 3<sup>rd</sup> Monday of the month
- Citrus Heights Water District: <http://chwd.org/> - Every 2<sup>nd</sup> Tuesday of the month
- Del Paso Manor Water District: (916)487-0419 - Every 1<sup>st</sup> Monday of the month
- El Dorado County Water Agency - <http://www.edlafco.us/> - Every 2<sup>nd</sup> Wednesday of the month
- El Dorado Irrigation District - <http://www.eid.org/> - Every 2<sup>nd</sup> and 4<sup>th</sup> Monday's of the month
- Fair Oaks Water District: <http://www.fowd.com/> - Every 2<sup>nd</sup> Monday of the month
- Natomas Mutual Water Company - <http://natomaswater.com/> - Every 2<sup>nd</sup> Tuesday of the month

Upcoming Water Industry Events

December 6, 2018

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- Orangevale Water Company - <https://orangevalewater.com/> - Every 1<sup>st</sup> Tuesday of the month
- Placer County Water Agency: <https://pcwa.net/> - Every 1<sup>st</sup> and 3<sup>rd</sup> Thursdays of the month
- Rio Linda/Elverta Community WD: <http://www.rlecwd.com/> - Every 3<sup>rd</sup> Monday of the month
- San Juan Water District: <http://www.sjwd.org/> - Every 4<sup>th</sup> Wednesday of the month





## Agenda Item: 18

**Date:** December 7, 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 – November 2018
- Financial Statements – November 2018
- Investments Outstanding and Activity – November 2018
- Cash Expenditures – November 2018
- Credit Card Expenditures – November 2018
- District Reserve Balances – November 2018
- Information Required by LOC Agreement
- Financial Markets Report – November 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's cash balance is \$0.4 million lower than its prior year balance at the same date; investments, however, are \$1.1 million more than on November 30, 2017; liabilities have decreased by \$8.4 million due to the refunding of the 2009B COP in May 2018 and the payment of scheduled bond principal in October 2018; and net position has increased by \$11.2 million in the last 12 months as the District continues to replace capital infrastructure without incurring additional 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 \$9.5 million as of November 30, 2018, up from \$6.1 million at December 31, 2017. Cash held in the District's bank accounts (\$3.1 million as of November 30) 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 \$0.9 million to a total of \$34.9 million, reflecting the reinvestment of interest received off-set by unrealized market value losses and \$1.5 million transferred to the money market account. Investment portfolio balances and activity are reported on subsequent pages.

Capital assets grew \$14.6 million to \$473.1 million as of November 30, 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 \$256.3 million as of November 30, 2018, compared to \$245.4 million at December 31, 2017 for an increase of \$10.9 million.

Statements of Revenues, Expenses and Changes in Net Position:

The net position increase of \$10.9 million in 2018 is the same as the eleven months ended November 30, 2017. Net changes are comprised of:

1. Water Consumption Sales Revenue increased by \$0.5 million (4.0 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 29,324 acre-feet was delivered in 2018 compared to 29,795 acre-feet in 2017.
2. Capital Facility Charge Revenue increased by \$0.8 million in line with the 4.0 percent rate increase referred to above.
3. Operating expenses increased by \$0.3 from the same period in 2017 due to the net effect of – 1) a decrease of \$0.3 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; 2) an increase of \$0.6 million in groundwater pumping costs; 3) a decrease of \$0.1 million in transmission and distribution costs; and 4) an increase of \$0.2 million in administrative and general costs.
4. Interest expense and debt related costs decreased \$0.3 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 \$2.2 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 cost of surface water in the South Service Area and the shutdown of the ATP and water availability in the north service area. 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 November were \$0.7 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, \$13.6 million has been spent, while \$3.9 million is under contract. Expenditures continue to be primarily in distribution system replacements, well improvements and meter retrofit projects.

### **Debt – November 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 \$22,065,000, and 5.0% Fixed Rate was defeased through the issuance of the series 2018A, 3.4% Fixed-Rate Revenue Refunding Bond in the amount of \$19,615,000.

This report also shows district activity in repaying its long-term debt obligations. Scheduled 2018 principal payments of \$4.4 million were made at the end of October. Total principal outstanding as of November 30, 2018 is now \$74.7 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 ten months ended November 30, 2018, the District has incurred interest expense of \$2,286,739 versus a forecast of \$3,171,667 or a \$884,928 positive variance. This is primarily due to: 1) expected Federal Reserve interest rate increases not occurring as anticipated, and 2) savings from refunding the Series 2009B COP to a lower interest rate through the issuance of the 2018A Revenue Bond.

### **Investments Outstanding and Activity – November 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, asset-backed securities, collateralized mortgage obligations 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, analytics and proposes strategies for the District. The market portfolio is currently earning a rate of 2.20% per annum, while LAIF is earning 2.2% 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 November, the District purchased one US Treasury Note for \$0.8 million (par) and one Asset-Backed Security Obligations for \$0.3 million (par). The District sold one US Treasury Note for \$0.25 million (par) and one Corporate Note for \$0.25 million (par). The District received principal paydowns on four Federal Agency Collateralized Mortgage Obligations of \$79,131 (par) and nine Asset-Backed Security Obligations of \$92,962 (par). Two Certificates of

Deposits matured for \$1.5 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 – November 2018**

During the month of November, the District made cash payments totaling \$4.4 million. The primary expenditures were – \$0.1 million for debt service, \$2.0 million for 2018 capital improvement projects, \$1.3 million for water costs including pumping and chemical costs, \$0.1 million for customer billing, printing and postage and \$0.7 million for payroll, pension and health benefits.

#### **Purchasing Card Expenditures – November 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 \$9,528 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 November 30, 2018 are \$44,667,498 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  
November 30, 2018**

Sacramento Suburban Water District  
Financial Highlights  
Period Ended

STATEMENTS OF NET POSITION

	<u>Year-To-Date</u> <u>11/30/2018</u>	<u>Year-To-Date</u> <u>11/30/2017</u>
<b>LIQUIDITY</b>		
Cash and cash equivalents	\$9,546,413.13	\$9,994,856.24
<b>INVESTMENT</b>		
Investments	34,931,937.42	33,792,244.58
<b>CAPITAL ASSETS</b>		
Property, plant and equipment	473,077,851.13	456,209,427.05
Accumulated depreciation	<u>(179,646,191.92)</u>	<u>(170,130,639.52)</u>
	<b>293,431,659.21</b>	<b>286,078,787.53</b>
<b>LIABILITIES</b>		
Long Term Debt	<b>(81,477,454.65)</b>	<b>(89,843,107.58)</b>
<b>NET POSITION</b>		
Net Position	<u><b>256,322,192.55</b></u>	<u><b>244,733,379.80</b></u>

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	<u>Month</u> <u>11/30/2018</u>	<u>Year-To-Date</u> <u>11/30/2018</u>	<u>Month</u> <u>11/30/2017</u>	<u>Year-To-Date</u> <u>11/30/2017</u>
<b>NET INCOME</b>				
Operating Revenue	\$3,789,347.48	\$41,567,038.63	\$3,616,793.48	\$40,053,557.57
Operating Expense	(1,552,075.37)	(17,766,692.94)	(1,605,877.07)	(17,407,830.08)
Other, Net	<u>(1,072,532.57)</u>	<u>(12,909,605.44)</u>	<u>(1,254,019.35)</u>	<u>(11,772,803.93)</u>
<b>Change in Net Position</b>	<u><b>\$1,164,739.54</b></u>	<u><b>\$10,890,740.25</b></u>	<u><b>\$756,897.06</b></u>	<u><b>\$10,872,923.56</b></u>

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

	<i>As Of</i>	<u>Month End</u>	<u>Year End</u>
		<u>11/30/2018</u>	<u>12/31/17</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		\$9,538,598.99	\$6,084,811.39
Restricted Cash and cash equivalents		7,814.14	12,504.34
Accounts receivable, net of allowance for uncollectible accounts		2,442,957.60	3,220,813.91
Interest receivable		189,147.71	175,718.91
Restricted Interest receivable			7,982.27
Grants receivables		0.01	135,446.55
Other receivables			139,520.00
Inventory		666,736.64	687,361.49
Prepaid expenses and other assets		906,107.87	596,878.92
<b>TOTAL CURRENT ASSETS</b>		<u>13,751,362.96</u>	<u>11,061,037.78</u>
<b>NONCURRENT ASSETS</b>			
Investments		34,931,937.42	35,860,505.32
Restricted Investments			3,527,683.79
Fair value of interest rate swaps		487,057.00	487,057.00
<b>TOTAL NONCURRENT ASSETS</b>		<u>35,418,994.42</u>	<u>39,875,246.11</u>
Property, plant and equipment		473,077,851.13	458,488,252.58
Accumulated depreciation		<u>(179,646,191.92)</u>	<u>(168,222,020.00)</u>
<b>TOTAL CAPITAL ASSETS</b>		<u>293,431,659.21</u>	<u>290,266,232.58</u>
<b>TOTAL ASSETS</b>		<u><b>342,602,016.59</b></u>	<u><b>341,202,516.47</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on long-term debt refunding		6,079,286.15	6,678,090.23
Pension contribution subsequent to measurement date		2,623,682.00	2,807,227.00
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		<u><b>351,304,984.74</b></u>	<u><b>350,687,833.70</b></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Current portion of long-term debt and capital leases			4,240,000.00
Accounts payable		884,421.44	1,799,258.35
Accrued interest		102,787.43	426,439.43
Deferred revenue and other liabilities		1,087,819.76	895,650.62
Accrued expenses		378,773.75	1,194,890.42
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,453,802.38</u>	<u>8,556,238.82</u>
<b>NONCURRENT LIABILITIES</b>			
Long-term debt		81,477,454.65	85,548,384.48
Compensated absences		919,557.16	1,019,780.10
Net pension liability		8,997,648.00	8,997,648.00
<b>TOTAL NONCURRENT LIABILITIES</b>		<u>91,394,659.81</u>	<u>95,565,812.58</u>
<b>TOTAL LIABILITIES</b>		<u><b>93,848,462.19</b></u>	<u><b>104,122,051.40</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred intflow of effective swaps		487,057.00	487,057.00
Employee pensions		647,273.00	647,273.00
<b>NET POSITION</b>			
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		45,618,083.82	34,727,343.57
<b>TOTAL NET POSITION</b>		<u><b>256,322,192.55</b></u>	<u><b>245,431,452.30</b></u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>		<u><b>351,304,984.74</b></u>	<u><b>350,687,833.70</b></u>

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

*Period Ended*

	<u>Month</u> <u>11/30/2018</u>	<u>Year-To-Date</u> <u>11/30/2018</u>	<u>Month</u> <u>11/30/2017</u>	<u>Year-To-Date</u> <u>11/30/2017</u>
<b>OPERATING REVENUES</b>				
Water consumption sales	\$1,098,033.07	\$12,331,082.28	\$1,041,113.73	\$11,854,200.28
Water service charge	520,944.72	5,801,114.58	516,576.55	5,809,876.35
Capital facilities charge	2,025,376.62	22,092,598.07	1,959,408.31	21,248,176.96
Wheeling water charge	57,932.98	387,768.28	476.84	167,662.66
Other charges for services	87,060.09	954,475.42	99,218.05	973,641.32
<b>TOTAL OPERATING REVENUES</b>	<b>3,789,347.48</b>	<b>41,567,038.63</b>	<b>3,616,793.48</b>	<b>40,053,557.57</b>
<b>OPERATING EXPENSES</b>				
Source of supply	213,380.12	2,622,426.29	241,416.64	2,937,477.65
Pumping	366,566.64	4,108,463.64	391,637.15	3,543,740.07
Transmission and distribution	270,720.76	3,255,016.92	254,674.31	3,376,754.71
Water conservation	29,416.13	368,987.80	28,833.99	395,140.15
Customer accounts	107,097.56	1,129,027.86	107,289.70	1,123,906.29
Administrative and general	564,894.19	6,273,145.70	582,025.29	6,031,930.86
<b>TOTAL OPERATING EXPENSES</b>	<b>1,552,075.40</b>	<b>17,757,068.21</b>	<b>1,605,877.08</b>	<b>17,408,949.73</b>
Operating income before depreciation	2,237,272.08	23,809,970.42	2,010,916.40	22,644,607.84
Depreciation and amortization	(1,036,444.18)	(11,424,171.92)	(1,011,499.00)	(11,170,783.37)
<b>OPERATING INCOME</b>	<b>1,200,827.90</b>	<b>12,385,798.50</b>	<b>999,417.40</b>	<b>11,473,824.47</b>
<b>NON-OPERATING REV. (EXP.)</b>				
Rental income	23,595.93	224,054.59	21,205.72	237,394.72
Interest and investment income	140,238.64	428,304.93	(68,471.00)	482,783.78
Interest expense and debt related costs	(207,778.54)	(2,833,642.58)	(270,007.36)	(3,169,608.92)
Other non-operating revenues		155,805.18	8,048.30	187,957.40
Grant revenue pass-through to sub recipients	20,248.76	20,248.76		389,100.55
Other non-operating expenses	10.00	12,104.63		3,667.07
Sub recipient grant expenses	(20,248.76)	(20,248.76)		(389,100.55)
Gain(loss) on disposal of capital assets		27,030.00	27,545.00	27,545.00
<b>NON-OPERATING REV. (EXP.)</b>	<b>(43,933.97)</b>	<b>(1,986,343.25)</b>	<b>(281,679.34)</b>	<b>(2,230,260.95)</b>
<b>NET INCOME (LOSS) BEFORE CAPITAL</b>	<b>1,156,893.93</b>	<b>10,399,455.25</b>	<b>717,738.06</b>	<b>9,243,563.52</b>
<b>CAPITAL CONTRIBUTIONS</b>				
Facility development charges		116,284.00	39,159.00	130,256.00
Developer contributions		350,101.99		413,977.00
Federal, state and local capital grants	7,845.61	24,899.01		1,085,127.04
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<b>7,845.61</b>	<b>491,285.00</b>	<b>39,159.00</b>	<b>1,629,360.04</b>
<b>CHANGE IN NET POSITION</b>	<b>1,164,739.54</b>	<b>10,890,740.25</b>	<b>756,897.06</b>	<b>10,872,923.56</b>
Net position at beginning of period	255,157,453.01	245,431,452.30	243,976,482.74	233,860,456.24
<b>NET POSITION AT END OF PERIOD</b>	<b><u>256,322,192.55</u></b>	<b><u>256,322,192.55</u></b>	<b><u>244,733,379.80</u></b>	<b><u>244,733,379.80</u></b>



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

	<i>Month Of November</i>			<i>2018 YTD</i>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>BUDGETED OPERATING EXPENSES</b>						
Board of Directors	\$4,625.72	\$2,853.07	<i>(\$1,772.65)</i>	\$33,923.08	\$53,383.77	<i>\$19,460.69</i>
Administrative	196,529.55	210,882.08	<i>14,352.53</i>	1,999,878.25	2,322,742.88	<i>322,864.63</i>
Finance	74,179.89	79,394.09	<i>5,214.20</i>	796,180.13	923,334.99	<i>127,154.86</i>
Customer Services	107,097.56	109,129.47	<i>2,031.91</i>	1,129,027.86	1,200,464.17	<i>71,436.31</i>
Field Operations	35,200.54	67,147.78	<i>31,947.24</i>	508,261.75	717,125.58	<i>208,863.83</i>
Production	579,946.76	704,049.54	<i>124,102.78</i>	6,730,889.93	7,526,670.94	<i>795,781.01</i>
Distribution	109,406.84	190,377.02	<i>80,970.18</i>	1,705,406.07	1,974,147.22	<i>268,741.15</i>
Field Services	161,313.92	186,539.24	<i>25,225.32</i>	1,547,952.40	1,466,311.88	<i>(81,640.52)</i>
Maintenance	54,813.46	56,159.34	<i>1,345.88</i>	563,270.35	617,752.14	<i>54,481.79</i>
Water Conservation	29,416.13	41,170.26	<i>11,754.13</i>	368,987.80	453,087.86	<i>84,100.06</i>
Engineering	101,232.82	113,613.15	<i>12,380.33</i>	1,141,904.07	1,259,522.65	<i>117,618.58</i>
GIS/CAD	21,492.61	33,714.97	<i>12,222.36</i>	301,339.76	379,368.67	<i>78,028.91</i>
Human Resources	5,141.76	19,709.32	<i>14,567.56</i>	156,448.03	232,944.52	<i>76,496.49</i>
Information Technology	71,677.84	71,437.21	<i>(240.63)</i>	773,598.73	825,809.31	<i>52,210.58</i>
<b>TOTAL OPERATING EXPENSES</b>	<u><b>1,552,075.40</b></u>	<u><b>1,886,176.54</b></u>	<u><b>334,101.14</b></u>	<u><b>17,757,068.21</b></u>	<u><b>19,952,666.58</b></u>	<u><b>2,195,598.37</b></u>

SACRAMENTO SUBURBAN WATER DISTRICT  
OPERATING CAPITAL AMENDED BUDGET  
11/30/2018

Project Number	Project Name	Original Budget	Amendments	Amended Budget	Current Month Expenditures	Expenditures Year-To-Date	Committed Year-To-Date	Remaining Balance
SF18-427	3 FOREMAN OFF FURNITURE/STATIO	\$ 12,000.00		\$ 12,000.00 ##		\$ 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 ##	12,300.00	82,858.25	-	\$ 12,141.75
SF18-430	HVAC/ROOFS/BUILDING REPAIRS	\$ 30,000.00		30,000.00 ##	3,989.00	11,489.00	8,140.00	\$ 10,371.00
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	(38,000.00) <sup>3</sup>	32,000.00 <sup>3</sup>	15,631.00	17,368.00	-	\$ 14,632.00
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	(9,900.00) <sup>2</sup>	2,100.00 <sup>2</sup>		590.00	-	\$ 1,510.00
SF18-436	REPLACE TRAILERS 168 & 169	\$ 20,000.00		20,000.00 ##		-	12,369.00	\$ 7,631.00
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 ##		30,935.00	-	\$ 2,065.00
SF18-439	VEH REPL-RIGHT SIZE/TRUCK#14	\$ 45,000.00		45,000.00 ##		39,216.00	1,123.00	\$ 4,661.00
SF18-440	VEH REPL-RIGHT SIZE/TRUCK#47	\$ 45,000.00		45,000.00 ##		39,216.00	1.00	\$ 5,783.00
SF18-441	VEH REPL-RIGHT SIZE/TRUCK#48	\$ 45,000.00		45,000.00 ##		39,216.00	1.00	\$ 5,783.00
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 ##	15,825.00	26,925.00	6,210.00	\$ (1,135.00)
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	9,900.00 <sup>2</sup>	37,900.00 <sup>2</sup>		7,317.00	30,570.00	\$ 13.00
SF18-446	PERISTALTIC CHEM DOSING PUMPS	\$ 27,500.00		27,500.00 ##		21,727.00	-	\$ 5,773.00
SF18-447	UCMR 4 MONITORING	\$ 120,000.00		120,000.00 ##		-	-	\$ 120,000.00
SF18-448	HARDWARE REFESH PROGRAM	\$ 108,500.00	34,251.00 <sup>4</sup>	142,751.00 <sup>4</sup>	1,390.00	91,147.25	56,025.00	\$ (4,421.25)
SF18-449	SOFTWARE ENHANCEMENTS/MODULES	\$ 160,000.00	(84,251.00) <sup>1,4</sup>	75,749.00 <sup>1,4</sup>		72,929.00	2,820.00	\$ -
SF18-450	SERVER ROOM	\$ 50,000.00	50,000.00 <sup>1</sup>	100,000.00 <sup>1</sup>		1,488.00	50,942.00	\$ 47,570.00
SF18-451	SECURITY @ ENTERPRISE RESERVOIR FACIL	\$ -	38,000.00 <sup>3</sup>	38,000.00 <sup>3</sup>	17,198.00	17,198.00	20,112.00	\$ 690.00
<b>TOTAL</b>		<b>\$ 1,161,000.00</b>	<b>\$ -</b>	<b>\$ 1,161,000.00</b>	<b>\$ 66,333.00</b>	<b>\$ 697,950.04</b>	<b>\$ 188,313.00</b>	<b>\$ 274,736.96</b>

**Sacramento Suburban Water District  
Capital Improvement Project Amended Budget  
11/30/2018**

Project No.	Project Name	Original Budget	Changes	Amended Budget	Current Month Expenditures	Expenditures Year-To-Date	Committed Year-To-Date	Remaining Balance
			2., 4.					
SC18-009	WELL REHAB/PUMP ST IMPROVEMENT	\$ 1,000,000.00	(\$92,000.00) <sup>5</sup>	\$908,000.00	\$ 14,609.00	\$ 467,119.00	\$167,688.00	\$ 273,193.00
SC18-010	SCADA RTU/COMMUN IMPROVEMENT	\$ 60,000.00		60,000.00	-	-	-	\$ 60,000.00
SC18-011	WELLHEAD TREATMENT/CHEM FEED	\$ 150,000.00	31,000.00 <sup>2,4</sup>	181,000.00	16,346.00	175,426.00	576.00	\$ 4,998.00
SC18-012	WELL REPLACEMENTS	\$ 3,300,000.00	(500,000.00) <sup>5,6</sup>	2,800,000.00	136,212.00	1,304,089.41	1,451,334.00	\$ 44,576.59
SC18-013	ELECTRICAL IMPROV @WELL SITES	\$ 200,000.00	(100,000.00) <sup>3</sup>	100,000.00	-	15,425.50	31,923.00	\$ 52,651.50
SC18-018	DISTRIBUTION MAIN REPLACEMENTS	\$ 10,470,000.00	370,000.00 <sup>6</sup>	10,840,000.00	930,681.00	8,999,002.02	1,191,627.00	\$ 649,370.98
SC18-019	DIST MAIN IMPRV/EXT/INTERTIES	\$ 600,000.00	170,000.00 <sup>1,5,6</sup>	770,000.00	40,794.00	340,548.79	196,797.00	\$ 232,654.21
SC18-020	MCCLELLAN LINE REPL	\$ 50,000.00		50,000.00	-	11,575.00	34,996.00	\$ 3,429.00
SC18-022	WTR RELATED STREET IMPRV	\$ 200,000.00	161,000.00 <sup>5</sup>	361,000.00	3,423.00	364,116.00	-	\$ (3,116.00)
SC18-024	METER RETROFIT PROGRAM	\$ 2,100,000.00	10,000.00 <sup>1,5</sup>	2,110,000.00	405,596.00	1,437,187.69	666,231.00	\$ 6,581.31
SC18-034	RESERVIOR/TANK IMPROVMENT	\$ 100,000.00		100,000.00	7,215.00	20,700.00	5,150.00	\$ 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	32,300.00	59,641.00	59,421.00	\$ 20,938.00
SC18-040	ENGINE GENERATOR COMPLIANCE	\$ 240,000.00	100,000.00 <sup>3</sup>	340,000.00	-	226,518.00	69,295.00	\$ 44,187.00
SC18-042	METER REPLACE/REPAIR - WMP	\$ 350,000.00	(100,000.00) <sup>6</sup>	250,000.00	122,430.00	135,424.00	13,150.00	\$ 101,426.00
SC18-046	TANK INSPECTION & REPAIRS	\$ 100,000.00		100,000.00	1,100.00	9,950.00	31,816.00	\$ 58,234.00
SC18-048	RIGHT OF WAY/EASEMENT ACQUISTI	\$ 50,000.00	(50,000.00) <sup>5</sup>	-	-	-	-	\$ -
		<b>\$ 19,160,000.00</b>	<b>\$ -</b>	<b>\$ 19,160,000.00</b>	<b>\$ 1,710,706.00</b>	<b>\$ 13,566,722.41</b>	<b>\$ 3,939,204.00</b>	<b>\$ 1,654,073.59</b>

**Sacramento Suburban Water District  
Debt  
11/30/2018**

**Principal Current Month**

	Series 2009A COP	Series 2009B COP	Series 2012A	Series 2018A	Total
Beginning Balance	\$ 42,000,000	\$ -	\$ 15,385,000	\$ 17,295,000	\$ 74,680,000
Additions:					-
Reductions: Payment	-	-			
Ending Balance	<u>\$ 42,000,000</u>	<u>\$ -</u>	<u>\$ 15,385,000</u>	<u>\$ 17,295,000</u>	<u>\$ 74,680,000</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)	(2,105,000)	(2,320,000)	(26,490,000)
Ending Balance	<u>\$ 42,000,000</u>	<u>\$ -</u>	<u>\$ 15,385,000</u>	<u>\$ 17,295,000</u>	<u>\$ 74,680,000</u>

**Interest Expense**

	Current Month Actual	Actual	Year-To-Date Budget	Variance
Interest Expense	<u>\$ 172,689</u>	<u>\$ 2,286,739</u>	<u>\$ 3,171,667</u>	<u>\$ 884,928</u>

**Investments Outstanding and Activity  
November 2018**



**Managed Account Detail of Securities Held**

For the Month Ending **November 30, 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
<b>U.S. Treasury Bond / Note</b>											
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	381.22	76,792.33	73,661.10
US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828Q78	175,000.00	AA+	Aaa	01/03/17	01/05/17	171,527.34	1.86	206.06	173,025.08	169,121.05
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	3.78	98,431.77	96,511.70
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	16.48	305,754.81	294,011.70
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	2,795.58	561,712.07	537,968.75
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	3,049.72	602,939.89	586,875.00
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	4,574.59	903,666.35	880,312.50
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	5,337.02	1,051,849.30	1,027,031.25
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	7,116.02	1,410,173.83	1,369,375.00
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	294.37	271,336.84	262,893.68
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	508.46	467,015.51	454,089.08
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	1,284.53	1,186,622.41	1,147,172.40
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	722.55	446,337.80	435,849.75
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	802.83	494,939.88	484,277.50



**Managed Account Detail of Securities Held**

For the Month Ending **November 30, 2018**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

<b>Security Type/Description</b>	<b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>U.S. Treasury Bond / Note</b>												
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	1,525.38	923,773.26	920,127.25
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	1,685.95	1,022,139.54	1,016,982.75
US TREASURY NOTES	DTD 08/15/2012 1.625% 08/15/2022	912828TJ9	1,150,000.00	AA+	Aaa	09/05/18	09/07/18	1,101,753.91	2.76	5,484.38	1,104,453.69	1,100,361.40
US TREASURY NOTES	DTD 12/31/2015 2.125% 12/31/2022	912828N30	800,000.00	AA+	Aaa	11/02/18	11/06/18	772,718.75	3.00	7,114.13	773,145.10	777,500.00
<b>Security Type Sub-Total</b>			<b>12,000,000.00</b>					<b>11,874,361.33</b>	<b>2.10</b>	<b>42,903.05</b>	<b>11,874,109.46</b>	<b>11,634,121.86</b>
<b>Supra-National Agency Bond / Note</b>												
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	3,082.98	898,696.70	878,516.10
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	909.03	704,128.13	689,585.40
INTER-AMERICAN DEVELOPMENT BANK	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	689.06	224,603.62	223,495.20
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	7,218.75	748,442.52	746,561.25
<b>Security Type Sub-Total</b>			<b>2,575,000.00</b>					<b>2,577,078.37</b>	<b>2.13</b>	<b>11,899.82</b>	<b>2,575,870.97</b>	<b>2,538,157.95</b>
<b>Municipal Bond / Note</b>												
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	958.49	230,048.52	229,206.50
<b>Security Type Sub-Total</b>			<b>230,000.00</b>					<b>230,646.30</b>	<b>1.90</b>	<b>958.49</b>	<b>230,048.52</b>	<b>229,206.50</b>



**Managed Account Detail of Securities Held**

For the Month Ending **November 30, 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
<b>Federal Agency Collateralized Mortgage Obligation</b>											
FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AOSW1	7,937.39	AA+	Aaa	11/06/15	11/30/15	8,016.76	1.20	12.55	7,937.39	7,914.90
FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AODO0	26,015.77	AA+	Aaa	10/07/15	10/30/15	26,276.29	1.08	35.68	26,038.41	25,832.70
FNMA SERIES 2015-M12 FA DTD 09/01/2015 2.588% 04/01/2020	3136AP3Z3	46,076.64	AA+	Aaa	09/10/15	09/30/15	46,060.06	0.54	99.37	46,076.64	46,038.81
FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	215,682.38	AA+	Aaa	04/11/18	04/30/18	219,972.52	2.27	639.86	219,273.04	216,657.37
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	201,415.18	198,896.82
<b>Security Type Sub-Total</b>		<b>495,712.18</b>					<b>502,028.76</b>	<b>2.17</b>	<b>1,302.46</b>	<b>500,740.66</b>	<b>495,340.60</b>
<b>Federal Agency Bond / Note</b>											
FHLB GLOBAL NOTE DTD 07/14/2016 1.125% 07/14/2021	3130A8QS5	975,000.00	AA+	Aaa	07/14/16	07/15/16	969,071.03	1.25	4,174.22	971,846.49	933,623.93
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	469.44	129,754.98	124,623.07
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	1,516.67	419,062.74	402,628.38
<b>Security Type Sub-Total</b>		<b>1,525,000.00</b>					<b>1,516,925.30</b>	<b>1.28</b>	<b>6,160.33</b>	<b>1,520,664.21</b>	<b>1,460,875.38</b>
<b>Corporate Note</b>											
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	100.00	49,980.98	49,791.10
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	650.00	324,971.55	323,642.15





**Managed Account Detail of Securities Held**

For the Month Ending **November 30, 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
<b>Corporate Note</b>											
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	1,436.71	144,986.64	144,201.49
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	3,838.33	399,939.54	395,754.40
JPMORGAN CHASE & CO (CALLABLE) DTD 01/23/2015 2.250% 01/23/2020	46625HKA7	500,000.00	A-	A2	10/01/15	10/06/15	496,400.00	2.43	4,000.00	499,007.28	493,971.50
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	2,890.56	400,677.44	394,709.60
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	1,156.22	214,904.65	211,938.83
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	1,179.51	250,594.07	247,010.50
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	655.42	274,941.00	271,059.25
HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020	437076BQ4	175,000.00	A	A2	05/24/17	06/05/17	174,898.50	1.82	1,540.00	174,948.19	171,583.13
JP MORGAN CHASE & CO CORP NT (CALLABLE) DTD 06/23/2015 2.750% 06/23/2020	46625HLW8	300,000.00	A-	A2	09/01/15	09/04/15	301,491.00	2.64	3,620.83	300,491.37	297,177.60
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	3,493.75	375,737.23	369,096.00
CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	14913O2A6	275,000.00	A	A3	09/05/17	09/07/17	274,769.00	1.88	1,229.48	274,862.60	268,412.65
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	400.00	399,779.32	392,118.00
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	3,285.42	374,642.22	366,381.00



**Managed Account Detail of Securities Held**

For the Month Ending **November 30, 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
<b>Corporate Note</b>											
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	2,787.36	350,682.29	342,606.95
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	537.50	74,976.11	72,961.95
IBM 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	3,415.56	399,855.96	393,526.80
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	2,365.89	374,803.90	371,585.25
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	918.33	149,872.70	148,403.85
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	1,377.50	224,246.60	222,605.78
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	575.00	224,969.08	219,169.58
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	1,197.92	379,195.94	367,778.25
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	107.19	35,189.50	34,268.78
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	972.22	350,792.41	340,337.20
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	365.63	224,736.42	218,186.33
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	239.17	199,933.81	193,494.00
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	206.67	149,915.38	149,842.95



**Managed Account Detail of Securities Held**

For the Month Ending **November 30, 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
<b>Corporate Note</b>											
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	71.50	109,762.90	106,194.66
CHARLES SCHWAB 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	225.69	249,993.62	249,700.75
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	931.20	240,000.00	234,215.28
AMERICAN HONDA FINANCE CORP NOTES DTD 10/10/2018 3.375% 12/10/2021	02665WCP4	375,000.00	A+	A2	10/03/18	10/10/18	374,820.00	3.39	1,792.97	374,820.00	374,536.50
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	122.47	90,000.00	89,523.09
<b>Security Type Sub-Total</b>		<b>8,660,000.00</b>					<b>8,670,811.35</b>	<b>2.38</b>	<b>47,686.00</b>	<b>8,664,210.70</b>	<b>8,525,785.15</b>
<b>Commercial Paper</b>											
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	742,718.33	741,996.75
BNP PARIBAS NY BRANCH COMM PAPER DTD 10/19/2018 0.000% 04/17/2019	09659CRH3	750,000.00	A-1	P-1	10/19/18	10/19/18	739,875.00	2.74	0.00	742,293.75	742,140.00
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	494,722.92	494,541.50
<b>Security Type Sub-Total</b>		<b>2,000,000.00</b>					<b>1,966,104.17</b>	<b>2.66</b>	<b>0.00</b>	<b>1,979,735.00</b>	<b>1,978,678.25</b>
<b>Certificate of Deposit</b>											
SVENSKA HANDELSBANKEN NY 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	5,670.00	750,000.00	749,592.00
BANK OF NOVA SCOTIA HOUSTON 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	1,134.06	375,000.00	373,888.88
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	4,329.11	699,908.50	695,892.40



**Managed Account Detail of Securities Held**

For the Month Ending **November 30, 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
<b>Certificate of Deposit</b>											
MUFG BANK LTD/NY CERT DEPOS DTD 09/27/2017 2.070% 09/25/2019	06539RGM3	350,000.00	A-1	P-1	09/25/17	09/27/17	350,000.00	2.07	1,348.38	350,000.00	347,338.95
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	8,149.06	375,000.00	374,049.00
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	2,835.56	400,000.00	399,944.40
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	5,582.50	374,890.88	375,768.75
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	4,057.29	625,000.00	615,318.13
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	7,124.33	670,000.00	667,382.98
SUMITOMO MITSUI BANK NY CERT DEPOS DTD 10/18/2018 3.390% 10/16/2020	86565BPC9	380,000.00	A	A1	10/16/18	10/18/18	379,483.20	3.46	1,538.68	379,513.25	382,206.28
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	662.08	700,000.00	685,109.60
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	10,120.50	650,000.00	650,783.25
<b>Security Type Sub-Total</b>		<b>6,350,000.00</b>					<b>6,349,067.70</b>	<b>2.52</b>	<b>52,551.55</b>	<b>6,349,312.63</b>	<b>6,317,274.62</b>
<b>Asset-Backed Security / Collateralized Mortgage Obligation</b>											
NISSAN ABS 2015-B A3 DTD 07/22/2015 1.340% 03/15/2020	65475WAD0	21,767.98	NR	Aaa	07/15/15	07/22/15	21,766.25	1.34	12.96	21,767.59	21,731.73
JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	35,013.27	NR	Aaa	07/19/16	07/27/16	35,010.48	1.25	19.45	35,012.33	34,835.93
ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	36,974.40	AAA	Aaa	05/24/16	05/31/16	36,970.81	1.44	23.66	36,973.07	36,831.70
HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	32,091.26	AAA	Aaa	03/22/16	03/30/16	32,085.04	1.57	22.25	32,089.08	31,963.63



**Managed Account Detail of Securities Held**

For the Month Ending **November 30, 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
<b>Asset-Backed Security / Collateralized Mortgage Obligation</b>											
FORD ABS 2016-B A3 DTD 04/26/2016 1.330% 10/15/2020	34532EAD7	34,093.85	AAA	NR	04/19/16	04/26/16	34,090.62	1.33	20.15	34,093.01	33,924.09
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	3,562.17	550,000.00	549,263.00
HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	164,667.53	AAA	Aaa	09/14/16	09/21/16	164,645.37	1.30	94.41	164,657.06	163,002.38
ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	124,229.64	NR	Aaa	01/24/17	01/31/17	124,218.79	1.70	93.86	124,223.59	123,285.38
FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	468,335.91	NR	Aaa	01/18/17	01/25/17	468,334.17	1.67	347.61	468,335.06	464,067.12
ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	487,554.33	NR	Aaa	03/21/17	03/29/17	487,496.85	1.79	385.71	487,519.93	483,951.50
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	324,995.77	324,252.01
HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	325,000.00	AAA	Aaa	11/20/18	11/28/18	324,951.41	3.17	85.58	324,951.49	324,976.18
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	399,975.22	399,185.72
CCCT 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	6,795.63	749,914.08	739,904.93
<b>Security Type Sub-Total</b>		<b>3,754,728.17</b>					<b>3,754,328.47</b>	<b>2.24</b>	<b>12,424.33</b>	<b>3,754,507.28</b>	<b>3,731,175.30</b>
<b>Managed Account Sub-Total</b>		<b>37,590,440.35</b>					<b>37,441,351.75</b>	<b>2.25</b>	<b>175,886.03</b>	<b>37,449,199.43</b>	<b>36,910,615.61</b>
<b>Securities Sub-Total</b>		<b>\$37,590,440.35</b>					<b>\$37,441,351.75</b>	<b>2.25%</b>	<b>\$175,886.03</b>	<b>\$37,449,199.43</b>	<b>\$36,910,615.61</b>
<b>Accrued Interest</b>											<b>\$175,886.03</b>
<b>Total Investments</b>											<b>\$37,086,501.64</b>

**Investment Activity  
November 2018**



**Managed Account Security Transactions & Interest**

For the Month Ending November 30, 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
<b>BUY</b>											
11/02/18	11/06/18		US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	800,000.00	(772,718.75)	(5,959.24)	(778,677.99)			
11/20/18	11/28/18		HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	325,000.00	(324,951.41)	0.00	(324,951.41)			

Transaction Type Sub-Total **1,125,000.00 (1,097,670.16) (5,959.24) (1,103,629.40)**

<b>INTEREST</b>											
11/01/18	11/01/18		MONEY MARKET FUND	MONEY0002	0.00	0.00	451.23	451.23			
11/01/18	11/25/18		FHLMC MULTIFAMILY STRUCTURED P POOL DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	200,000.00	0.00	515.00	515.00			
11/01/18	11/25/18		FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	225,273.75	0.00	693.67	693.67			
11/01/18	11/25/18		FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AOSW1	9,571.88	0.00	15.14	15.14			
11/01/18	11/25/18		FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AODO0	41,274.23	0.00	56.61	56.61			
11/01/18	11/25/18		FNMA SERIES 2015-M12 FA DTD 09/01/2015 2.588% 04/01/2020	3136AP3Z3	98,723.47	0.00	212.91	212.91			
11/05/18	11/05/18		AMERICAN EXPRESS CREDIT (CALLABLE) NOTES DTD 05/05/2016 2.250% 05/05/2021	0258M0EB1	225,000.00	0.00	2,531.25	2,531.25			
11/09/18	11/09/18		INTER-AMERICAN DEVELOPMENT BANK DTD 11/08/2013 2.125% 11/09/2020	4581X0CD8	700,000.00	0.00	7,437.50	7,437.50			
11/10/18	11/10/18		BRANCH BANKING & TRUST (CALLABLE) NOTE DTD 05/10/2016 2.050% 05/10/2021	05531FAV5	200,000.00	0.00	2,050.00	2,050.00			
11/13/18	11/13/18		APPLE INC DTD 11/13/2017 2.000% 11/13/2020	037833DJ6	400,000.00	0.00	4,000.00	4,000.00			
11/15/18	11/15/18		FORD ABS 2016-B A3 DTD 04/26/2016 1.330% 10/15/2020	34532EAD7	39,160.01	0.00	43.40	43.40			
11/15/18	11/15/18		HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	36,909.83	0.00	47.98	47.98			



Managed Account Security Transactions & Interest

For the Month Ending November 30, 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
<b>INTEREST</b>											
	11/15/18	11/15/18	ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	43,610.79	0.00	52.33	52.33			
	11/15/18	11/15/18	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	475,000.00	0.00	661.04	661.04			
	11/15/18	11/15/18	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	40,982.99	0.00	42.69	42.69			
	11/15/18	11/15/18	TAOT 2018-B A3 DTD 05/16/2018 2.960% 09/15/2022	89238TAD5	325,000.00	0.00	801.67	801.67			
	11/15/18	11/15/18	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	134,148.75	0.00	190.04	190.04			
	11/15/18	11/15/18	NISSAN ABS 2015-B A3 DTD 07/22/2015 1.340% 03/15/2020	65475WAD0	30,012.05	0.00	33.51	33.51			
	11/15/18	11/15/18	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	520,000.00	0.00	771.33	771.33			
	11/15/18	11/15/18	HERSHEY COMPANY CORP NOTES DTD 05/10/2018 3.100% 05/15/2021	427866BA5	150,000.00	0.00	2,389.58	2,389.58			
	11/15/18	11/15/18	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	177,865.69	0.00	191.21	191.21			
	11/15/18	11/15/18	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			
	11/16/18	11/16/18	SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	700,000.00	0.00	8,121.56	8,121.56			
	11/17/18	11/17/18	BANK OF AMERICA CORP NOTES DTD 05/17/2018 3.499% 05/17/2022	06051GHH5	90,000.00	0.00	1,574.55	1,574.55			
	11/19/18	11/19/18	STATE STREET CORP NOTES DTD 05/19/2016 1.950% 05/19/2021	857477AV5	110,000.00	0.00	1,072.50	1,072.50			
	11/21/18	11/21/18	CHARLES SCHWAB CORP NOTES DTD 05/22/2018 3.250% 05/21/2021	808513AW5	250,000.00	0.00	4,039.93	4,039.93			
	11/30/18	11/30/18	US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	300,000.00	0.00	3,000.00	3,000.00			
	11/30/18	11/30/18	CANADIAN IMPERIAL BANK NY CD DTD 12/05/2016 1.760% 11/30/2018	13606A5Z7	725,000.00	0.00	6,380.00	6,380.00			
	11/30/18	11/30/18	NORDEA BANK FINLAND NY CD DTD 12/05/2016 1.760% 11/30/2018	65558LWA6	725,000.00	0.00	6,521.78	6,521.78			





Managed Account Security Transactions & Interest

For the Month Ending November 30, 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	Safe Method
<b>INTEREST</b>											
11/30/18	11/30/18		US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	100,000.00	0.00	687.50	687.50			
Transaction Type Sub-Total					7,472,533.44	0.00	55,585.91	55,585.91			
<b>MATURITY</b>											
11/30/18	11/30/18		NORDEA BANK FINLAND NY CD DTD 12/05/2016 1.760% 11/30/2018	65558LWA6	725,000.00	725,000.00	0.00	725,000.00	0.00	0.00	
11/30/18	11/30/18		CANADIAN IMPERIAL BANK NY CD DTD 12/05/2016 1.760% 11/30/2018	13606A5Z7	725,000.00	725,000.00	0.00	725,000.00	565.50	0.00	
Transaction Type Sub-Total					1,450,000.00	1,450,000.00	0.00	1,450,000.00	565.50	0.00	
<b>PAYDOWNS</b>											
11/01/18	11/25/18		FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	9,591.37	9,591.37	0.00	9,591.37	(190.78)	0.00	
11/01/18	11/25/18		FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AOD00	15,258.46	15,258.46	0.00	15,258.46	(152.80)	0.00	
11/01/18	11/25/18		FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AOSW1	1,634.49	1,634.49	0.00	1,634.49	(16.35)	0.00	
11/01/18	11/25/18		FNMA SERIES 2015-M12 FA DTD 09/01/2015 2.588% 04/01/2020	3136AP3Z3	52,646.83	52,646.83	0.00	52,646.83	18.95	0.00	
11/15/18	11/15/18		HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	13,198.16	13,198.16	0.00	13,198.16	1.78	0.00	
11/15/18	11/15/18		FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	6,664.09	6,664.09	0.00	6,664.09	0.02	0.00	
11/15/18	11/15/18		FORD ABS 2016-B A3 DTD 04/26/2016 1.330% 10/15/2020	34532EAD7	5,066.16	5,066.16	0.00	5,066.16	0.48	0.00	
11/15/18	11/15/18		NISSAN ABS 2015-B A3 DTD 07/22/2015 1.340% 03/15/2020	65475WAD0	8,244.07	8,244.07	0.00	8,244.07	0.65	0.00	
11/15/18	11/15/18		HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	4,818.57	4,818.57	0.00	4,818.57	0.93	0.00	
11/15/18	11/15/18		JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	5,969.72	5,969.72	0.00	5,969.72	0.48	0.00	



**Managed Account Security Transactions & Interest**

For the Month Ending November 30, 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
<b>PAYDOWNS</b>											
	11/15/18	11/15/18	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	32,445.67	32,445.67	0.00	32,445.67	3.83	0.00	
	11/15/18	11/15/18	ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	6,636.39	6,636.39	0.00	6,636.39	0.64	0.00	
	11/15/18	11/15/18	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	9,919.11	9,919.11	0.00	9,919.11	0.87	0.00	
Transaction Type Sub-Total					<b>172,093.09</b>	<b>172,093.09</b>	<b>0.00</b>	<b>172,093.09</b>	<b>(331.30)</b>	<b>0.00</b>	
<b>SELL</b>											
	11/02/18	11/06/18	US TREASURY NOTES DTD 08/31/2015 1.375% 08/31/2020	912828L32	250,000.00	243,388.67	636.22	244,024.89	(3,134.77)	(4,267.69)	FIFO
	11/21/18	11/28/18	BURLINGTON NRTH CORP DTD 09/24/2009 4.700% 10/01/2019	12189TBC7	200,000.00	202,456.00	1,488.33	203,944.33	(18,324.00)	(2,916.53)	FIFO
Transaction Type Sub-Total					<b>450,000.00</b>	<b>445,844.67</b>	<b>2,124.55</b>	<b>447,969.22</b>	<b>(21,458.77)</b>	<b>(7,184.22)</b>	
Managed Account Sub-Total						<b>970,267.60</b>	<b>51,751.22</b>	<b>1,022,018.82</b>	<b>(21,224.57)</b>	<b>(7,184.22)</b>	
Total Security Transactions						<b>\$970,267.60</b>	<b>\$51,751.22</b>	<b>\$1,022,018.82</b>	<b>(\$21,224.57)</b>	<b>(\$7,184.22)</b>	

**Cash Expenditures  
November 2018**

## AP Warrant List from 11/1/2018 to 11/30/2018

Vendor	Amount	Description
ACWA JPIA INSURANCE/EAP - Invoices:1	\$152.75	Miscellaneous Employee Benefits
AFLAC - Invoices:1	\$846.96	Supplemental Insurance
AMERITAS (VISION) - Invoices:1	\$1,916.88	Employee Benefit - Vision Insurance
BASIC PACIFIC - Invoices:1	\$34.00	Miscellaneous Employee Benefits
CIGNA GROUP INS LIFE/LTD - Invoices:1	\$4,162.10	Employee Benefit - LTD Insurance
EMPLOYMENT DEVELOPMENT - Invoices:1	\$339.13	Miscellaneous Employee Benefits
Payroll November 2018 - 2	\$502,099.24	Payroll
PERS HEALTH - Invoices:1	\$94,666.45	Miscellaneous Employee Benefits
PERS PENSION - Invoices:6	\$71,693.07	Employee Benefit - PERS Retirement--
WIENHOFF DRUG TESTING - Invoices:1	\$770.00	Miscellaneous Employee Benefits
AFFINITY ENGINEERING INC - Invoices:3	\$17,855.00	Construction In Progress
AREA WEST ENGINEERS - Invoices:2	\$7,008.00	Construction In Progress
ARMORCAST PRODUCTS COMPANY - Invoices:2	\$27,290.64	Construction In Progress
AVILES SIGN AND LIGHTING REPAIR -	\$15,630.68	Construction In Progress
BUD'S TRI COUNTY TREE SERVICE - Invoices:1	\$5,695.00	Construction In Progress
CDWG - Invoices:4	\$9,124.60	Construction In Progress
COUNTY OF SAC ENVIRO MGT DEPT -	\$7,889.50	Construction In Progress
COUNTY OF SAC PUBLIC WORKS - Invoices:4	\$4,573.50	Construction In Progress
DOMENCHELLI & ASSOCIATES - Invoices:3	\$59,623.75	Construction In Progress
DOUG VEERKAMP GENERAL ENGR - Invoices:2	\$567,860.75	Construction In Progress
E. ROZAKIS RESTORATION - Invoices:1	\$4,200.00	Construction In Progress
ERC CONTRACTING - Invoices:1	\$15,900.00	Construction In Progress
FERGUSON WATERWORKS - Invoices:9	\$15,366.38	Construction In Progress
FLOWLINE CONTRACTORS INC - Invoices:6	\$533,622.90	Construction In Progress
GEOCON CONSULTANTS INC - Invoices:6	\$15,925.00	Construction In Progress
GM CONSTRUCTION & DEVELOPERS -	\$49,421.14	Construction In Progress
LOPREST WATER TREATMENT CO - Invoices:1	\$1,746.21	Construction In Progress
LUHDORFF & SCALMANINI - Invoices:1	\$14,288.21	Construction In Progress
MBP MASTER ASSOCIATION INC - Invoices:1	\$250.00	Construction In Progress
NATIONAL METER AND AUTOMATION INC -	\$407,995.76	Construction In Progress
PACE SUPPLY CORP - Invoices:2	\$3,502.12	Construction In Progress
RIVER CITY PAINTING - Invoices:2	\$22,700.00	Construction In Progress
ROADRUNNER DRILLING & PUMP CO -	\$81,270.00	Construction In Progress
S E AHLSTROM INSPECTION - Invoices:2	\$14,240.00	Construction In Progress
SILICON VALLEY SHELVING AND EQUIP -	\$2,431.77	Construction In Progress
SONITROL - Invoices:3	\$19,019.29	Building Service Expense - Office &
TANK INDUSTRY CONSULTANTS - Invoices:1	\$850.00	Construction In Progress
VANS CARPETS - Invoices:1	\$1,557.00	Construction In Progress
VAULT ACCESS SOLUTIONS - Invoices:2	\$15,825.00	Construction In Progress
WOOD RODGERS ENGINEERING - Invoices:2	\$42,434.50	Construction In Progress
SUMITOMO MITSUI BANKING CORPORATION -	\$52,122.88	2009A COP Interest Expense
WELLS FARGO SWAP - Invoices:1	\$41,827.73	2009A COP Interest Expense
ADP, INC - Invoices:4	\$3,059.24	Financial Services
BRINKS - Invoices:2	\$655.88	Financial Services
PFM ASSET MANAGEMENT LLC - Invoices:2	\$7,365.22	Financial Services
WESTAMERICA BANK ANALYSIS FEES -	\$6,647.90	Financial Services
WESTAMERICA CARD PROCESSING STMT -	\$7,215.68	Financial Services
WORLDPAY INTEGRATED PAYMENTS -	\$558.00	Financial Services
IPMA SACRAMENTO MOTHER LODGE CHAPTER -	\$50.00	Job Ad
A & A STEPPING STONE MFG., INC - Invoices:2	\$120.41	Operating Supplies
A1 FABRICATION & WELDING - Invoices:1	\$420.00	Construction Services
ABA DABA RENTAL - Invoices:1	\$77.80	Operating Supplies
ABEL RAMIREZ - Invoices:1	\$232.95	Uniforms
ACWA JPIA INSURANCE AUTHORITY -	\$23,249.62	Workers Compensation
AIRGAS USA LLC - Invoices:1	\$67.02	Operating Supplies
ALL PRO BACKFLOW - Invoices:3	\$3,903.00	Backflow Services

ANNETTE O'LEARY - Invoices:1	\$493.29 Other Training
ANSWERNET - Invoices:1	\$397.13 Communication
AT&T CALNET 3 - Invoices:5	\$4,653.58 Communication
ATLAS DISPOSAL - Invoices:2	\$366.43 Building Service Expense - Office &
ATLAS FENCE - Invoices:2	\$560.00 Contract Services
AWWA - Invoices:2	\$8,155.00 Licenses, Permits & Fees
BACKFLOW DISTRIBUTORS INC - Invoices:2	\$415.73 Operating Supplies
BADGER METER INC - Invoices:1	\$22.25 Communication
BARTKIEWICZ KRONICK & SHANAHAN -	\$17,549.52 Legal Services
BAY ALARM COMPANY - Invoices:1	\$116.55 Building Service Expense - Office &
BRIAN HENSON - Invoices:1	\$1,416.00 Backflow Services
BROADRIDGE MAIL LLC - Invoices:13	\$44,791.35 Contract Services
BROWER MECHANICAL - Invoices:4	\$1,751.00 Building Maintenance - Office & Yard
BRYCE CONSULTING INC - Invoices:1	\$1,105.00 Consulting Services
BURTON ROB /BURT'S LAWN & GARDEN	\$9,405.00 Contract Services
CAPITAL RUBBER CO LTD - Invoices:1	\$229.53 Operating Supplies
CELL ENERGY INC - Invoices:2	\$364.93 Equipment Maintenance Services
CHAD JIVIDEN - Invoices:1	\$215.95 Uniforms
CINTAS - Invoices:16	\$3,457.19 Building Maintenance - Office & Yard
CITY OF SACRAMENTO DEPT OF UTILITIES -	\$43.16 Utilities
CLEAR VISION WINDOW CLEANING - Invoices:1	\$225.00 Building Service Expense - Office &
COMCAST - Invoices:1	\$50.17 Communication
CONSOLIDATED COMMUNICATIONS -	\$409.99 Communication
COREY GOODSTEIN - Invoices:1	\$75.00 BMP Rebates
CORIX WATER PRODUCTS US INC. - Invoices:8	\$20,614.79 Operating Supplies
COUGHRAN MECHANICAL SERVICE - Invoices:1	\$889.00 Contract Services
COUNTY OF SAC UTILITIES - Invoices:4	\$724.14 Utilities
COUNTY OF SACRAMENTO WEB - Invoices:1	\$4,522.50 Licenses, Permits & Fees
CRAIG LOCKE - Invoices:1	\$1,999.73 Travel Conferences
CROWN DISTRIBUTING - Invoices:1	\$562.36 Building Maintenance - Office & Yard
CULLIGAN - Invoices:1	\$69.75 Building Maintenance - Office & Yard
Customer Refunds: 63	\$7,579.75 Refund Clearing Account
DAN YORK - Invoices:1	\$155.87 Local Travel Cost
DIRECT TV - Invoices:1	\$5.00 Communication
DITCH WITCH EQUIPMENT CO - Invoices:1	\$270.99 Equipment Maintenance Services
DOUG CATER - Invoices:1	\$236.59 Uniforms
E&M ELECTRIC AND	\$3,031.00 Licenses, Permits & Fees
ELEVATOR TECHNOLOGY INC - Invoices:2	\$190.00 Building Service Expense - Office &
ELLEN M CROSS/STRATEGY DRIVER INC -	\$2,500.00 Consulting Services
EMCOR SERVICES - Invoices:7	\$8,308.59 Contract Services
EMIGH ACE HARDWARE - Invoices:4	\$90.26 Operating Supplies
EMPLOYEE RELATIONS NETWORK - Invoices:1	\$166.35 Employment Cost
EUROFINS EATON ANALYTICAL - Invoices:2	\$3,781.00 Inspection & Testing
FASTENAL COMPANY - Invoices:5	\$1,355.58 Operating Supplies
FEDERAL EXPRESS CORPORATION - Invoices:1	\$29.53 Postage/Shipping/UPS/Fed Ex
GEOSPACE TECHNOLOGIES - Invoices:1	\$11,325.00 Operating Supplies
GOLDEN STATE TOWING LLC - Invoices:1	\$55.00 Claims & Insurance Reimb.
GRAINGER - Invoices:4	\$299.73 Operating Supplies
GRAYBAR ELECTRIC CO - Invoices:1	\$137.36 Operating Supplies
GREG BUNDESEN - Invoices:2	\$109.49 Local Travel Cost
H2H PROPERTIES - Invoices:1	\$1,245.00 H&D WALNUT PARKING LOT LEASE
HACH COMPANY - Invoices:1	\$156.78 Operating Supplies
HARRINGTON PLASTICS - Invoices:1	\$1,438.92 Operating Supplies
HARROLD FORD - Invoices:5	\$558.34 Vehicle Maintenance Services
HD Supply/WHITE CAP - Invoices:3	\$1,493.35 Operating Supplies
HECTOR SEGOVIANO - Invoices:2	\$394.88 Travel Conferences
IBM CORPORATION - Invoices:1	\$3,900.00 Licenses, Permits & Fees
IN COMMUNICATIONS - Invoices:2	\$13,645.37 Public Relations
IRON MOUNTAIN OFF SITE DATA PROTECTION	\$437.97 Equipment Maintenance Services
J&J LOCKSMITH - Invoices:1	\$258.60 Contract Services
JEANETTE L MARKLEY - Invoices:1	\$150.00 BMP Rebates
JEFFREY HANSEN - Invoices:1	\$150.00 BMP Rebates
JOAN LEFORESTIER - Invoices:2	\$419.00 BMP Rebates

JOSH TAYLOR - Invoices:1	\$226.23 Uniforms
KATHRYN J WILLIAMS REVOCABLE TRUST -	\$150.00 BMP Rebates
KERRY SMITH - Invoices:2	\$396.17 Other Training
LEICA GEOSYSTEMS INC - Invoices:1	\$6,912.00 Licenses, Permits & Fees
LES SCHWAB TIRE CENTER/MADISON -	\$6,108.10 Equipment Maintenance Services
LIFEGUARD FIRST AID - Invoices:2	\$209.90 Building Service Expense - Office &
LILIAN CUA PEREZ - Invoices:1	\$75.00 BMP Rebates
LOEWEN PUMP MAINTENANCE - Invoices:2	\$6,270.00 Contract Services
MAYNARD THOMAS FOX - Invoices:1	\$250.00 Uniforms
MICHAEL PHILLIPS LANDSCAPE CORP -	\$6,460.00 Building Service Expense - Office &
MICHAEL W LANGFORD - Invoices:1	\$642.00 BMP Rebates
MIKE HUOT - Invoices:1	\$44.80 Local Travel Cost
MIKE JENNER - Invoices:1	\$193.92 Uniforms
MITCHELL MCCARTHY - Invoices:1	\$386.09 Other Training
OFFICE DEPOT INC - Invoices:10	\$2,581.19 Office Supplies
ONE STOP TRUCK SHOP - Invoices:4	\$2,977.75 Vehicle Maintenance Services
PACIFIC COPY & PRINT - Invoices:1	\$109.33 Printing
PALADIN PRIVATE SECURITY - Invoices:1	\$674.16 Building Service Expense - Office &
PAUL JOHNSON - Invoices:1	\$100.00 Required Training
PAUL S LEGACKI - Invoices:1	\$477.00 BMP Rebates
PEOPLEREADY - Invoices:8	\$6,432.04 Temporary Help
PEST PROS - Invoices:3	\$255.00 Building Service Expense - Office &
PG&E - Invoices:3	\$501.56 Utilities
PLACER COUNTY WATER AGENCY - Invoices:1	\$6,695.91 Consulting Services
POLLARD WATER - Invoices:1	\$174.96 Operating Supplies
RAFTELIS - Invoices:2	\$26,697.21 Consulting Services
RAY MORGAN CO - Invoices:2	\$973.08 Equipment Maintenance Services
RED STAR AUTO WORKS INC - Invoices:2	\$4,783.49 Claims & Insurance Reimb.
REGIONAL WATER AUTHORITY - Invoices:3	\$594.12 Local Travel Cost
ROBERT D AMES - Invoices:1	\$193.92 Uniforms
RUE EQUIPMENT INC - Invoices:7	\$2,849.34 Equipment Maintenance Services
SACRAMENTO SUBURBAN WATER DISTRICT -	\$396.21 Office Supplies
SAWWA - Invoices:1	\$1,000.00 Membership & Dues
SHAWN CHANEY - Invoices:1	\$220.95 Uniforms
SHRED-IT - Invoices:1	\$70.25 Contract Services
SIGNS IN 1 DAY - Invoices:1	\$759.64 Operating Supplies
SOPHOS SOLUTIONS - Invoices:2	\$8,560.00 Consulting Services
STATE WATER RESOURCE - Invoices:1	\$484.00 Licenses, Permits & Fees
SVELTLANA PHELPS - Invoices:1	\$150.00 BMP Rebates
TEE JANITORIAL & MAINTENANCE - Invoices:1	\$3,223.50 Building Service Expense - Office &
TESCO - Invoices:1	\$375.00 Contract Services
TINA LYNN DESIGN - Invoices:2	\$325.00 Contract Services
TOM DICKINSON - Invoices:1	\$190.95 Uniforms
TULLY & YOUNG - Invoices:1	\$220.00 Consulting Services
ULINE SHIPPING SUPPLY SPECIALISTS -	\$232.21 Operating Supplies
US BANK CORPORATE PAYMENT SYSTEM -	\$9,527.67 Vehicle Maintenance Services
VALLEY POWER SYSTEMS - Invoices:1	\$268.53 Contract Services
VALLEY REDWOOD & YARD SUPPLY -	\$132.54 Operating Supplies
VERIZON WIRELESS/DALLAS TX - Invoices:3	\$6,470.66 Communication
VIVAX/METROTECH - Invoices:1	\$125.17 Equipment Maintenance Services
VOYAGER FLEET SYSTEMS - Invoices:1	\$10,589.13 Operating Supplies
WASTE MANAGEMENT - Invoices:3	\$926.87 Building Service Expense - Office &
WATER EDUCATION FOUNDATION - Invoices:1	\$35.00 Other Training
WATERWISE CONSULTING, INC. - Invoices:2	\$3,975.00 Consulting Services
WEST YOST & ASSOCIATES - Invoices:1	\$15,672.00 Consulting Services
CITY OF SACRAMENTO WATER - Invoices:1	\$455.17 Purchased Water-City of Sacramento
SAN JUAN WATER DISTRICT - Invoices:3	\$1,066,781.74 Grant Expenses Other-Pass Through
SIERRA CHEMICAL COMPANY - Invoices:4	\$24,927.88 HFA, Chemical & Delivery
SMUD - Invoices:3	\$165,426.21 Electrical Charges
	<u>\$4,405,792.48</u>

**Credit Card Expenditures  
November 2018**

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

Vendor Name	Description	Amount	Proj/GLAcct
ASHWORTH COLLEGE	DARYL VINAVONG AUTOCAD CERTIFICATION TRAINING	\$699.00	16-51406
MICHAELS STORES	POSTER FRAMES FOR MISSION VALUES & ENGINEERING	\$177.72	02-52108
LAND PARK FLORIST	FLOWERS FOR LYNN PHAN'S FATHER'S MEMORIAL SERVICE	\$91.96	02-51403
SAMS CLUB	10/16/18 OPEN HOUSE FOOD	\$75.84	04-53001
PAYPAL WATER EDUCATION	MICHEL MCCARTHY MATERIAL FROM PFAS WORKSHOP	\$30.00	15-51407
SACTACO	RETIREMENT BREAKFAST FOOD FOR ALL STAFF	\$466.25	02-51403
RALEY'S	SEPTEMBER BIRTHDAYS	\$31.97	02-51403
SOUTHWEST	DAN YORK FLIGHT TO SAN DIEGO FOR ACWA CONFERENCE	\$311.96	02-55001
ACWA	DAN YORK REGISTRATION FOR ACWA REG 2 AND 4 EVENT	\$35.00	02-55001
AMAZON	WATER DRINK CONTAINER	\$32.02	03-52108
NOTHING BUNDT CAKES	OCTOBER BIRTHDAYS FOR OFFICE	\$33.00	02-51403
RALEY'S	ALL HANDS MEETING - SPECIAL MEETING REFRESHMENTS	\$124.82	02-51403
RALEY'S	WATER PROFESSIONALS WEEK DESSERTS	\$25.05	02-51403
HANNIBALS CATERING	WATER PROFESSIONALS WEEK LUNCHEON	\$1,480.13	02-51403
BATH AND BODY WORKS	SOAP FOR OFFICE - OFFICE SUPPLIES	\$49.80	03-52108
RALEY'S	OPEN HOUSE COOKIES	\$64.04	04-53001
RALEY'S	ALL HANDS MEETING REFRESHMENTS	\$28.47	02-51403
NOAHS' BAGELS	ALL HANDS MEETING REFRESHMENTS	\$77.50	02-51403
EVENTBRITE	* MISTAKE CHARGE * SUBARU KIDS OBSTACLE	\$5.00	
PARTY CITY	OFFICE SUPPLIES	\$129.73	03-52108
THE HOME DEPOT	DEADBLOW SYNTHETIC HAMMER TO INSTALL ESD TILES IN SERVER ROOM	\$49.53	12-52101
FLOOR CITY	4" COVER BASE FOR THE SERVER ROOM AT WALNUT	\$130.85	12-54008
NATIONAL PRODUCT, INC.	10 EACH RAM UNIVERSAL LAPTOP TRAY SIDE KEEPERS	\$52.73	12-54005
PAYPAL.COM - SEAVEY & ASSOC	MICHELLE HIRT TO ATTEND PUBLIC FLEET SUMMIT	\$249.00	05-55001
HAMPTON INN & SUITES	MICHELLE HIRT TO ATTEND PUBLIC FLEET SUMMIT IN SAN JOSE	\$495.62	05-55001
NATIONAL PRODUCTS, INC.	10 SETS OF UMVSL LAPTOP TRAY SIDE KEEPERS	\$144.90	12-54005
NUANCE	5 USER LICENSE FOR UPGRADED ECOPY	\$499.95	18-54509
NUANCE	5 USER LICENSE FOR UPGRADED ECOPY	\$499.95	18-54509
AMAZON	MICROSOFT ARC MOUSE FOR DAN BILLS	\$127.02	18-52101
NUANCE	5 USER LICENSE FOR UPGRADED ECOPY	\$499.95	18-54509
SKILL PATH	LEADERSHIP DEVELOPMENT & TEAM BUILDING CONFERENCE- TOM FOX	\$149.00	07-51406
PEP BOYS	SSWD BBQ COVER	\$37.70	05-52101
PEP BOYS	WAREHOUSE SUPPLIES (TIRE FOAM, ARMORALL, ETC)	\$39.70	05-52101
BATTERIES & BULBS	SUPPLIES FOR PRODUCTION MODEL (OPEN HOUSE)	\$168.71	06-52101
FOUR POINTS HOTEL	HOTEL (BADGER METER CONFERENCE) - HECTOR SEGOVIANO	\$376.37	08-55001



HOME DEPOT	WAREHOUSE SUPPLIES (GRASS SEED, LOPPERS, TIEDOWNS, ETC)	\$161.74	05-52101
LOWES	REPLACEMENT 9/16" WRENCH - SHAWN CHANEY	\$8.59	07-52101
SMART & FINAL	SUPPLIES FOR PRODUCTION MODEL (OPEN HOUSE)	\$2.68	06-52101
GLOBAL KNOWLEDGE	MICROSOFT EXCEL TRAINING - RODNEY LEE	\$295.00	05-51406
INTERNATIONAL E-Z-UP	EZ UP COVER, TABLE SKIRT & SIDEWALL FOR OPEN HOUSE	\$1,102.46	13-53001
SOUTHWEST AIRLINES	AIRFARE (4TH QTR CALWEP BOARD MEETING)- GREG BUNDENSEN	\$425.96	13-55001
AMAZON	WAREHOUSE SUPPLIES (HAND LOTION)	\$41.00	05-52101
	Totals:	<u>\$9,527.67</u>	

**District Reserve Balances  
November 30, 2018**

**Sacramento Suburban Water District  
Reserve Fund Balance**

	<u>November 30, 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	19,777,998	17,753,771
<b>TOTAL</b>	<b>\$ 44,667,498</b>	<b>\$ 45,669,205</b>

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

	<u>November 30, 2018</u>	<u>December 31, 2017</u>
Cash and Cash Equivalents	\$ 9,538,599	\$ 6,084,811
Investments	34,931,937	35,860,505
Interest Receivable	189,148	175,719
Restricted Cash	7,814	12,504
Restricted Investments	-	3,527,684
Restricted Interest Receivable	-	7,982
<b>TOTAL</b>	<b>\$ 44,667,498</b>	<b>\$ 45,669,205</b>

## **Information Required by Bond Agreement**

Sacramento Suburban Water District  
6 - Months Debt Service Schedule  
11/30/2018

Month	Total SSWD Debt Service					Debt Service
	Principal	Interest Adjustable/Fixed/Swap	Facility Fee	Remarketing		
Dec-18	\$ -	\$ 94,755.78	\$ 50,400.00	\$ 13,125.00		\$ 158,280.78
Jan-19	-	94,755.78	-	-		94,755.78
Feb-19	-	94,755.78	-	-		94,755.78
Mar-19	-	94,755.78	50,400.00	13,125.00		158,280.78
Apr-19	-	47,505.78	-	-		47,505.78
May-19	-	664,230.86	-	-		664,230.86

Month	Series 2012A Fixed Rate Bonds (\$23,440,000.00)					Debt Service
	Principal	Interest - Fixed 4.25%				
Dec-18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Jan-19	-	-	-	-	-	-
Feb-19	-	-	-	-	-	-
Mar-19	-	-	-	-	-	-
Apr-19	-	-	-	-	-	-
May-19	-	339,013.00	-	-	-	339,013.00

Month	Series 2009A Adjustable Rate COPs (\$42,000,000.00)					Debt Service
	Principal	Interest, Adjustable 1.35%	Facility Fee 0.480%	Remarketing 0.125%		
Dec-18	\$ -	\$ 47,250.00	\$ 50,400.00	\$ 13,125.00		\$ 110,775.00
Jan-19	-	47,250.00	-	-		47,250.00
Feb-19	-	47,250.00	-	-		47,250.00
Mar-19	-	47,250.00	50,400.00	13,125.00		110,775.00
Apr-19	-	47,250.00	-	-		47,250.00
May-19	-	47,250.00	-	-		47,250.00

Month	Series 2018A Fixed Rate COPs (\$27,915,000)					Debt Service
	Principal	Interest - Fixed 3.45%				
Dec-18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Jan-19	-	-	-	-	-	-
Feb-19	-	-	-	-	-	-
Mar-19	-	-	-	-	-	-
Apr-19	-	-	-	-	-	-
May-19	-	277,712.08	-	-	-	277,712.08

Month	2012 SWAP Interest, Net (\$33,000,000.00)					Debt Service
	Principal	Interest, Swap Net (3.283-1.39108-.18)%				
Dec-18		\$ 47,505.78	-	-		47,505.78
Jan-19		\$ 47,505.78	-	-		47,505.78
Feb-19		\$ 47,505.78	-	-		47,505.78
Mar-19		\$ 47,505.78	-	-		47,505.78
Apr-19		\$ 47,505.78	-	-		47,505.78
May-19		\$ 47,505.78	-	-		47,505.78

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

*As Of*

	<i>Actual Year-To-Date 11/30/2018</i>	<i>Budget Year-To-Date 11/30/2018</i>
<b>REVENUES</b>		
Water sales charges	\$19,474,440.56	\$18,757,747.00
Capital facilities charge	22,092,598.07	22,510,584.00
Facility development charges	116,284.00	275,000.00
Interest and investment income	428,304.93	824,084.00
Rental & other income	406,889.77	243,834.00
<b>TOTAL REVENUES</b>	<b>42,518,517.33</b>	<b>42,611,249.00</b>
<b>EXPENSES</b>		
Source of supply	2,622,426.29	3,203,941.37
Pumping	4,108,463.64	4,322,729.57
Transmission and distribution	3,255,016.92	3,509,209.10
Water conservation	368,987.80	453,087.86
Customer accounts	1,129,027.86	1,200,464.17
Administrative and general	6,261,041.07	7,263,234.51
<b>TOTAL EXPENSES</b>	<b>17,744,963.58</b>	<b>19,952,666.58</b>
<b>NET REVENUE</b>	<b>24,773,553.75</b>	<b>22,658,582.42</b>

## Financial Markets Report

## Financial Markets Report December 7, 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	\$ 15,385,000	Fixed Rate Revenue Bond		11/1/2027
2018A	\$ 19,615,000	\$ 17,295,000	Fixed Rate Revenue Bond		11/1/2028
	<u>\$ 90,105,000</u>	<u>\$ 74,680,000</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	1.96%
	Notional Amount	Counterparty	FMV	Receive Rate	Fixed Rate
Swap	\$33,300,000	Wells Fargo Bank, N.A.	(\$4,555,972)	1.571%	3.283%

### Current Status of District's Investment Portfolio (November 30, 2018):

Fair Market Value	Security Type	Yield
\$ 1,574,151.63	Money Market	1.90%
3,233,422.40	LAIF	2.21%
1,978,678.25	commercial paper	2.66%
3,731,175.30	Asset-Backed Securities/CMOs	2.24%
6,317,274.62	Certificates of Deposit	2.52%
8,525,785.15	Corporate Notes	2.38%
1,460,875.38	Federal Agency Collateralized Mortgage Obligation	1.28%
495,340.60	Federal Agency Securities Bonds/Notes	2.17%
229,206.50	Municipal Bonds	1.90%
2,538,157.95	Supra-National Agency Bond	2.13%
11,634,121.86	Treasury Bonds/Notes	2.10%
<b>\$ 41,718,189.64</b>		<b>2.23%</b>



**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 rose in early October to new highs for this phase of the cycle, with 10-year and two-year yields reaching their highest levels since 2011 and 2008, respectively. But, the sell-off in equity markets triggered a brief rally that left yields higher for the month, though off their highs. The 30-year Treasury led rate increases, rising by 20 basis points (bps) (0.20%) during the month.
- The five- to 30-year part of the Treasury yield curve steepened during October, partially reversing the strong flattening trend of the past several years.
- Fixed-income returns were mixed for the month. For example, one and five-year Treasuries returned 0.20% and 0.10%, respectively. Meanwhile, 10- and 30-year maturities returned -0.60% and -3.64%, respectively.

**PFM Outlook**

- A myriad of recent speeches and post-FOMC meeting statements seemed to affirm the Fed's commitment to continue the current tightening cycle. This affirmation, in combination with a solid domestic economic backdrop and the possibility of additional rate hikes in coming quarters, leads us to continue positioning portfolios with a defensive interest rate risk profile – durations will remain short of benchmarks.
- Federal agency yield spreads relative to U.S. Treasuries remain very tight. Light issuance from government-sponsored enterprises (GSEs) through the balance of the year should be modestly supportive of performance in the sector over the near term.
- Supranational issuers are nearing the end of their fiscal year, and new issuance is expected to be quiet over the next couple of months. We will minimize new purchases in an effort to gear up for seasonal supply upticks early next year.
- Corporate debt faced a tough October as credit spreads widened with the equity market sell-off and volatility spiked. Headwinds facing the sector, such as higher rates and perhaps peak earnings, have begun to impact our views on future return prospects. As a result, we will continue to be more selective when evaluating corporate debt offering. We will also continue to reduce holdings of issues where yield spreads have tightened to expensive levels.
- MBS returns continue to lag. And, with Fed balance sheet holdings in MBS set for more significant reduction over the next quarter, new purchases will be limited and selective.
- AAA-rated asset-backed securities (ABS) continue to generate positive excess returns. The sector offers a defensive bias to credit allocations, and we will continue to overweight ABS.

- With the effective federal funds rate at over 2%, money market funds and ultra-short-term fixed-income investments have been among the best performers year-to-date (YTD). A seasonal rise in issuance of Treasury bills may present an attractive risk-free alternative as we move into the new year.

(Source: PFMAM November 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:** December 5, 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 – Attachment 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 – Attachment 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 – Attachment WO-3

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

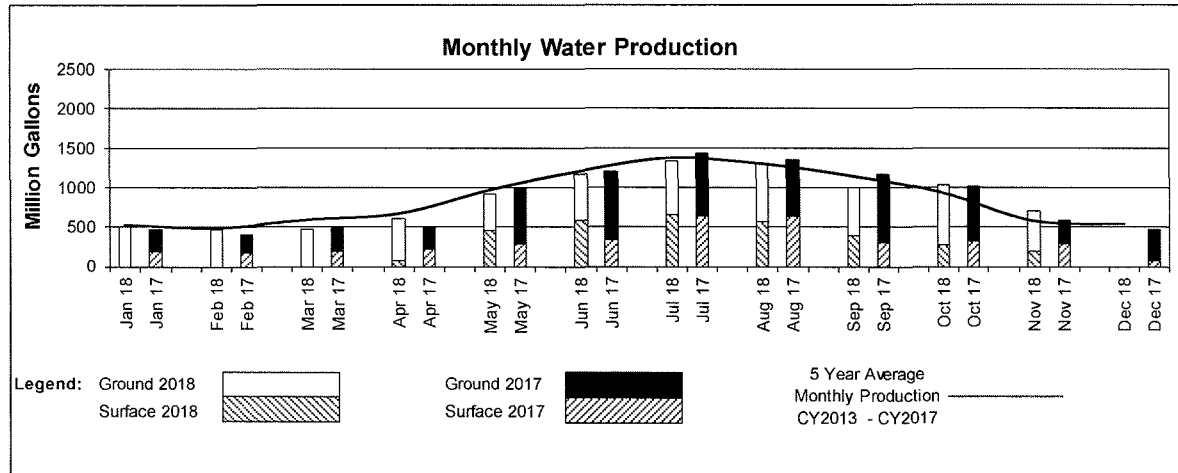
#### iv. Claims Update – Attachment WO-4

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

## Attachment WO-1

Month	North Service Area *			South Service Area **			Total North & South Service Areas (MG)	Average MG/Day	% Of Total Year to Date Production
	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	5.357
Feb	0.000	271.513	271.513	0.000	203.539	203.539	475.052	16.966	4.972
Mar	0.000	282.333	282.333	0.000	192.666	192.666	474.999	15.323	4.971
Apr	82.525	277.599	360.124	0.000	253.253	253.253	613.377	20.446	6.419
May	459.997	68.243	528.240	0.000	399.628	399.628	927.868	29.931	9.710
Jun	590.922	66.521	657.443	0.000	511.774	511.774	1,169.217	37.717	12.236
July	652.821	111.735	764.556	0.000	567.176	567.176	1,331.732	42.959	13.937
Aug	567.414	150.643	718.057	0.000	585.543	585.543	1,303.600	42.052	13.643
Sep	398.291	186.727	585.018	0.000	416.185	416.185	1,001.203	32.297	10.478
Oct	270.532	287.286	557.818	0.000	487.542	487.542	1,045.360	33.721	10.940
Nov	194.004	196.865	390.869	0.000	310.171	310.171	701.040	23.368	7.337
Dec									
<b>MG</b>	<b>3216.506</b>	<b>2198.901</b>	<b>5,415.407</b>	<b>0.000</b>	<b>4139.944</b>	<b>4,139.944</b>	<b>9555.351</b>	<b>28.609</b>	
<b>AF</b>	<b>9,871.094</b>	<b>6,748.179</b>	<b>16,619.274</b>	<b>0.000</b>	<b>12,705.022</b>	<b>12,705.022</b>	<b>29,324.295</b>		



\* 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.

Mo/Yr	Million Gallons (MG)			
	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	398.291	602.912	1,001.203	-173.662
Sep 17	314.565	860.300	1,174.865	
Oct 18	270.532	774.828	1,045.360	15.958
Oct 17	324.859	704.543	1,029.402	
Nov 18	194.004	507.036	701.040	112.135
Nov 17	293.807	295.098	588.905	
Dec 18				
Dec 17	82.322	392.959	475.281	

**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	1,488.55	485.047	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
September	242.289	78.950	0.000	0.000	1,478.47	481.762	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
October	249.068	81.159	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
November	270.832	88.251	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
December														
YTD	<b>1,442.162</b>	<b>469.930</b>	-	-	<b>4,027.516</b>	<b>1,312.370</b>	-	-	-	-	-	-	-	-

Note: Water wheeled to other purveyors includes water sold.

**Water Operations Activity**

	<u>November</u>	<u>Monthly Avg</u>	<u>Total</u>	<u>Goal</u>	<u>% of Goal Completed in</u>
	<u>2018</u>	<u>CY 2018</u>	<u>CY 2018</u>	<u>CY 2018</u>	<u>CY 2018</u>
<b><u>Production Department</u></b>					
<b><u>Service Orders</u></b>					
<b><u>Water Quality</u></b>					
Complaints	0	1	14		
Inquiries	7	14	155		
Taste & Odor Complaints	0	0	0		
Taste & Odor Inquiries	2	4	44		
<b><u>Distribution Department</u></b>					
<b><u>Service Orders</u></b>					
Main Leaks	2	4	39		
Service Line Leaks	7	6	68		
<b><u>Water Main Shutdown</u></b>					
-- Emergency	2	1	16		
-- Scheduled	0	1	9		
<b><u>Preventive Maintenance Program</u></b>					
Fire Hydrants Inspected	16	18	195		
Fire Hydrant Valves Inspected	16	21	230		
Fire Hydrant Valves Exercised	16	21	229		
Mainline Valves Inspected	148	155	1703		
Mainline Valves Exercised	110	136	1492		
<b><u>After Hours Activity (On-Call Technician)</u></b>					
Calls Received	28	42	465		
Calls Responded	16	29	314		
Overtime Hours	36	52	577		
<b><u>Field Services Department</u></b>					
<b><u>Meters</u></b>					
PM - Meters Tested (3 - 10 inch)	3	10	110	130	84.6%
PM - Meters Replaced ( <sup>5</sup> / <sub>8</sub> - 1 inch)	306	56	615	1,000	61.5%
PM - Meter Re-Builds (1 <sup>1</sup> / <sub>2</sub> - 2 inch)	0	22	244	244	100.0%
Customer Pressure Inquiries	6	11	117		
<b><u>Field Operations Department</u></b>					
Service Requests Generated	1,408	1,570	17,267		
Work Orders Generated	872	1,231	13,542		

**Attachment WO-4**

**Date:** December 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, as well as any pending claims or litigation that are under review/investigation by JPIA:

**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.

## **b. Water Quality Report**

See Agenda Item 14. (Supplemental Language for 2018 Consumer Confidence Report)

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

### **i. Program Overview for November 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. Regulation No. 15 is the District's Water Shortage Contingency Plan and outlines the prohibitions of water use for the Water Conservation Stage adopted by the Board of Directors. The District has declared Normal Water Supply conditions for 2018. 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 November 2018.

- a. On April 23, 2018, the District's Board of Directors declared Normal Water Supply conditions, but called on District customers to continue using water as efficiently as possible. The District set an overall water conservation goal of 10%. The District used 5% more water in November 2018 (when compared to November 2013), missing the District's 10% monthly goal. Since the Emergency Drought Regulations were enacted<sup>1</sup> in November 2015, the District has maintained a cumulative water use reduction of 23% when compared to 2013.
- b. Customer Leak Notifications – Through the District's Advanced Metering Infrastructure, staff sent out 1,398 leak notification post cards to customers regarding 72-hour continuous flow events in November 2018. Staff conducted 6 customer leak investigations as a result of the post cards.
- c. Public Outreach – The District utilized various info graphics for public outreach in November 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 344 clicks and left 171,137 impressions. The District's primary focus for November 2018 was weather-based irrigation controller rebates.

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

District staff continues to promote water conservation. During the month of November 2018, District staff and the District's contract company performed 19 Single Family

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



Residential, 1 Multi-Family, 1 Commercial, and 1 Large Landscape Water-Wise House Calls (WWHC).

Staff received 12 calls and 5 reports via the District's website regarding water waste. Staff observed 27 water waste events during routine activities. Staff issued 15 Information Only Water Waste Notices, 27 Notices of Violation (NOV), and 2 Warning NOVs.

The District issued rebates for 11 toilets, 1 Weather Based Irrigation Controller, 1 Irrigation Efficiency Upgrades, and 2 clothes washers in November 2018.

**iii. Leak Detection Project**

On Monday, November 26, 2018, Utility Services Associates (USA) began inspecting 61 miles of distribution mains for leaks as part of the District's 2018 Leak Detection Project (Project). The Project is scheduled to take 10 business days to complete.

**iv. Upcoming Events**

None.

**d. Customer Service Report**

**i. Customer Service Monthly Activity - Attachment CS-1**

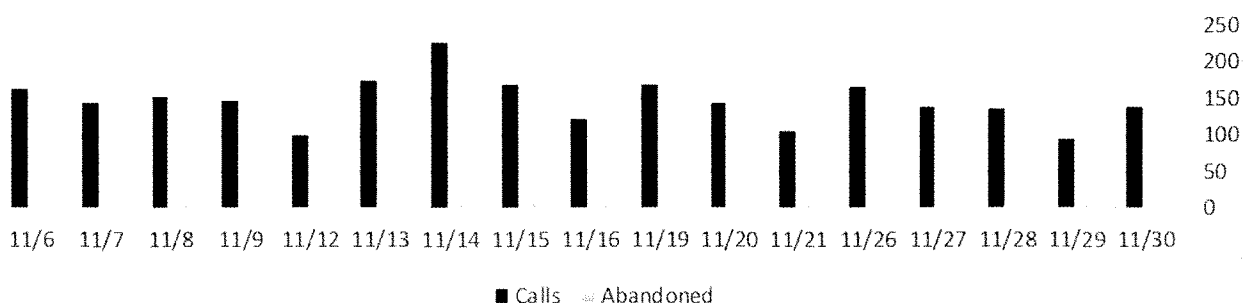
- Customer Service Activity Report shows Customer Service activity for the month of November 2018.

## Attachment CS-1

	<u>November 2018</u>		<u>Calendar Year 2018</u>	
<b>Billing</b>				
Connections-Total Active	46,244			
E-billing	4,091			
<b>Payments</b>				
Cash/Check	1,197	3.3%	13,529	3.1%
Credit Card	814	2.2%	8,357	1.9%
Web	4,846	13.4%	57,258	13.1%
Auto-Pay (Checking)	3,112	8.6%	46,877	10.7%
Auto-Pay (Credit Card)	4,020	11.1%	43,596	9.9%
IVR (Auto Phone)	1,575	4.3%	17,693	4.0%
Online Banking	10,588	29.2%	120,732	27.5%
LockBox	10,114	27.9%	130,700	29.8%

### Monthly Calls

Date	Total Calls	Calls Abandoned	% of Calls Abandoned	Avg Wait On Queue	Max Wait on Queue	Avg Talk Time
11/1/2018	129	2	1.55%	24s	4m, 50s	2m, 52s
11/2/2018	147	5	3.40%	29s	4m, 47s	3m, 4s
11/5/2018	158	2	1.27%	32s	5m, 26s	2m, 56s
11/6/2018	163	2	1.23%	44s	5m, 27s	3m, 26s
11/7/2018	144	0	0.00%	36s	7m, 40s	2m, 54s
11/8/2018	151	4	2.65%	37s	6m, 29s	3m, 8s
11/9/2018	148	0	0.00%	31s	3m, 57s	2m, 37s
11/12/2018	99	3	3.03%	14s	2m, 8s	2m, 35s
11/13/2018	173	4	2.31%	49s	6m, 51s	3m, 23s
11/14/2018	227	5	2.20%	41s	7m, 22s	2m, 54s
11/15/2018	170	7	4.12%	53s	7m, 16s	3m, 24s
11/16/2018	123	5	4.07%	25s	6m, 8s	3m, 25s
11/19/2018	170	0	0.00%	41s	5m, 16s	3m, 13s
11/20/2018	145	1	0.69%	46s	6m, 11s	3m, 0s
11/21/2018	106	4	3.77%	21s	3m, 17s	3m, 22s
11/26/2018	167	4	2.40%	42s	8m, 43s	3m, 15s
11/27/2018	139	3	2.16%	29s	3m, 51s	2m, 51s
11/28/2018	135	4	2.96%	34s	6m, 43s	3m, 54s
11/29/2018	94	3	3.19%	15s	2m, 7s	2m, 45s
11/30/2018	138	3	2.17%	34s	7m, 12s	2m, 39s
<b>Group Total</b>	<b>2926</b>	<b>61</b>	<b>2.08%</b>	<b>34s</b>	<b>5m, 39s</b>	<b>3m, 26s</b>



**e. Community Outreach Report**

**i. January Bill Insert**

The January bill insert will begin on December 23, 2018, and continue until January 27, 2019. A sample of the bill insert has been included with this report.

**ii. January Envelope Message**

The January envelope informs customers that the 2019 calendar magnets are now available. The envelope will begin on December 23, 2018, and continue until January 27, 2019.

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

January 2019



SSWD Water Conservation Supervisor Greg Bundesen, EPA Office of Wastewater Management's Raffael Stein and SSWD General Manager Dan York accept the award.

## SSWD Receives National WaterSense Award

The U.S. Environmental Protection Agency honored SSWD this past October with its national 2018 WaterSense Excellence in Education and Outreach Award for our work educating customers about using water efficiently and promoting WaterSense.

WaterSense is a voluntary partnership program developed by the Environmental Protection Agency. The WaterSense label is given to products that have been independently certified to be at least 20 percent more efficient than standard models and to perform just as well or better. Since 2006, WaterSense labeled products have helped consumers save more than 2.7 trillion gallons of water, or more than the amount used by all U.S. households for nearly 100 days.

SSWD General Manager Dan York accepted the award at the WaterSmart Innovations Conference in Las Vegas.

"Receiving such a prestigious award is truly an honor," he said. "We're pleased to be promoting WaterSense products in our outreach – WaterSense products deliver savings every time they are used and provide an important foundation for building sustained water savings over the long-term."

## Antelope Gardens | Closed Permanently as of December

Over the past few years, the District Board of Directors has been reviewing the diminishing attendance levels and increasing costs of maintaining the Antelope Water Efficient Landscape Gardens. The garden and its facilities,

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## Customers Welcomed at SSWD Open House

On Wednesday, October 17th, over a hundred District customers attended our inaugural open house. They met General Manager Dan York and SSWD Board members, and chatted with staff about leak detection, water efficiency and gained a greater understanding of how we provide high-quality water 24 hours a day, seven days a week, 365 days out of the year.



SSWD customers enjoying the Open House and learning about water conservation

**sswd.org**

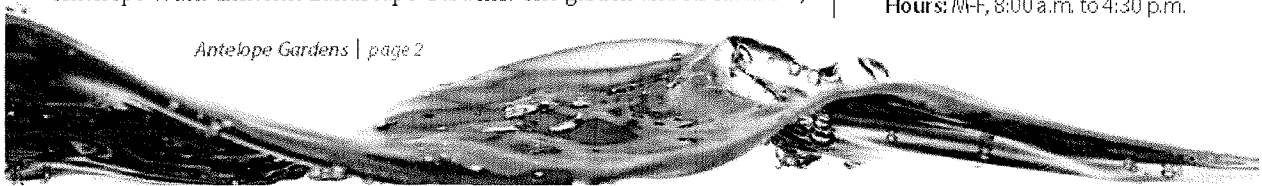
Phone: 916.972.7171

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.



## Delivering With Every Turn | Partnering to Properly Manage Groundwater

Sacramento Suburban Water District (SSWD) recently joined local leaders and water managers throughout the region to mark the 20th anniversary of the Sacramento Groundwater Authority (SGA) and two decades of progressive groundwater management.

**Delivering  
With Every  
TURN**  
Service. Reliability. Quality.

SGA was created in 1998 to manage the Sacramento region's North Area groundwater basin, which underlies our service area, as well as the communities of Sacramento, Carmichael, Fair Oaks, Citrus Heights, Orangevale and Folsom. At that time, the region's water supplies and environmental resources were on an unsustainable path as groundwater levels were declining steadily and water providers were projecting the need to tap the Lower American River more heavily to serve the needs of a growing population.

SGA became one of the first groundwater management agencies of its kind in California, where groundwater basins were largely unregulated. Over the past two decades, SSWD has partnered with other water providers through SGA to develop a management program that has allowed the over-drafted basin to recover to levels that are sustainable.

We're proud of our involvement with SGA and its progressive track record on groundwater management, which will continue to enhance our groundwater supplies to meet customer needs for decades to come.

### 2019 Calendar Magnets

Stop by the District office to pick up the new 2019 calendar magnet. You'll stay up to date on when the office will be open. And it looks great too!



*Antelope Gardens | from page 1*

established in 1998, cost the District \$35,000 a year to maintain and are in need of over \$300,000 in repairs and upgrades.

It was decided at the October 15<sup>th</sup> Board meeting Antelope Gardens would close on December 31st. The Garden on Eden demonstration garden will remain open. You can visit it all year long during the following times:

**Garden on Eden**, Open Mon.-Fri. 8:00 a.m.-4:30 p.m.  
Located at 4900 Eden Court in Carmichael.

## Water Wonderline

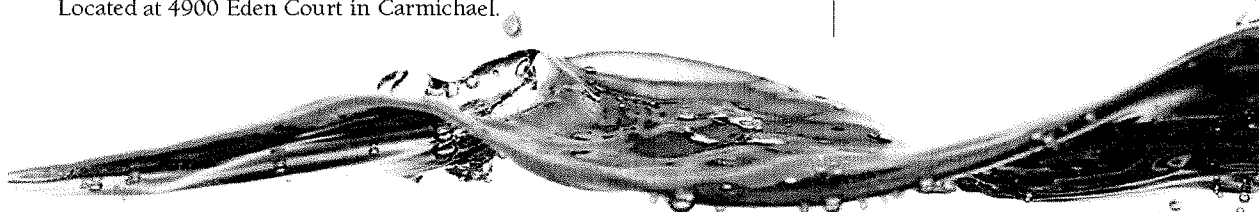
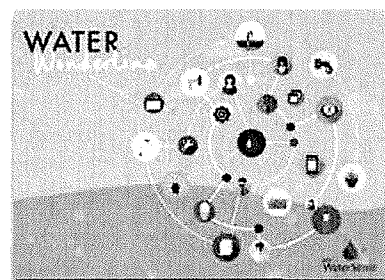
**Q:** What is the pressure of the water being delivered to my home?

**A:** In general, SSWD maintains system pressure between 40 and 60 pounds per square inch (psi), well above the regulatory minimum of 20 psi.

Individual customers that experience water pressure below the targeted range should be aware that low water pressure may result from a variety of factors including: a partially closed valve (house valve, under the sink, at the hot water tank), old encrusted pipes, or clogged screens or fixtures, such as faucet aerators, shower heads, filters, treatment systems, or backflow assemblies.

Any of the factors listed above may significantly reduce a customer's water pressure from the point of service to the point of use.

Do you have a question about water use, billing or SSWD's operations? Submit your questions via [feedback@sswd.org](mailto:feedback@sswd.org) and we'll include the answer in future bill inserts, newsletters or online.





## Agenda Item: 20

**Date:** December 4, 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 is consistent with the funding program approved by the Board of Directors.

#### 1) Supply

##### **Well N6A Palm (Replacement Well at Existing Site)**

- Pumping plant and treatment plant construction began in July 2018.
- The well is anticipated to be on line by summer 2019.

##### **Well 78 Butano / Cottage (New Well at New Site)**

- Well construction is complete.
- Pumping plant design is anticipated to be completed in late 2018 to early 2019.
- Pumping plant construction is anticipated to begin by summer 2019.
- The well is anticipated to be on line in spring 2020.

##### **Well 79 Verner / Panorama (New Well at Existing Site)**

- Well construction is anticipated to begin by early December 2018 and expected to be complete in January 2019.
- Pumping plant design is anticipated to be complete in late 2019.
- Pumping plant construction is anticipated to begin in early 2020.
- The well is anticipated to be on line in spring 2021.

#### 2) Distribution

##### **Parkland Estates Phase 2 Main Replacement Project**

This project is complete and only punch list items remain. No further reporting on this project is anticipated.

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

Construction work on the mainline is approximately 95% complete and approximately 90% of services have been installed. This project is expected to be substantially completed in December with final paving occurring in early 2019, as weather permits.

### **Jonas Main Replacement Project**

An Invitation to Bid for this project's "Main Line" portion was issued in October 2018 and bids were received in November 2018. The contract is the next Master Service Contract (MSC) for the Distribution Main Replacement Program with a term of 3 to 5 years. A separate staff report has been prepared for this contract (see Agenda Item 9).

Staff will 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.

### **Meter Retrofit Project**

#### 2018

Approximately 95% of the meters have been installed.  
This project is expected to be complete in December 2018.

#### 2019 and Beyond

As reported last month, staff plans to use the MSC contracting approach, which has been effective at containing costs in the Distribution Main Replacement Program. Staff expects this 3-5 year contract to be the final contract for the Meter Retrofit Program.

A Request for Proposal is anticipated to be issued in January 2019 and bid opening will occur in February 2019. Staff anticipates bringing bid results with a recommendation for contract award to the March Facilities and Operations Committee meeting (if a meeting is held before the March 2019 regular Board Meeting), and then to the March 18, 2019, regular Board meeting. Staff anticipates construction starting in May 2019.

#### 2019 Grant Funding

As reported last month, the District anticipates grant funding for the 2019 Meter Retrofit project via the *CalFed Water Use Efficiency Grant Program*. The grant has been awarded and is finalized for \$750,000 to be shared among three entities (City of Sacramento, Sacramento County, and the District). The District anticipates funding on the order of \$250,000; however, final funding allocations are yet to be determined.

**b. Other**

**Well Investigation or Rehabilitation Projects**

- Well 69 Hilldale / Cooper

This well is offline. The pump is pulled so the well can be inspected to determine an approach to mitigate biological contamination. It is still too early in the assessment to develop an estimated return to service period, but if an economic approach is developed the well could possibly be returned to service by late spring 2019.

- Well N36 Verner

This well remains offline and undergoing modifications to plug the lower part of the well where Manganese is suspected in the water zone. It is still too early in the project to develop an estimated return to service period, but if successful, the well could possibly be returned to service by spring 2019.

**New Engine Generator for Administration Building**

- Work related to installation of the new generator (Phase 1) is expected to be complete in December 2018.
- Work related to Phase 2 of the project, which includes permitting and coordination with SMUD for grading and construction of a new transformer pad and installation of a new transformer, new underground primary and secondary electrical conduit, electrical panel upgrades, and related new wiring, is expected to be complete between late 2019 and early 2020. This project will provide the District an electrical distribution panel compliant with NFPA 70E (*Standard for Electrical Safety in the Workplace*).

**Plover Main Replacement Project**

This project consists of approximately 1,600 feet of new distribution main to replace old and undersized backyard main. The project also includes 32 new metered services and 4 fire hydrants. Work is expected to be substantially complete in late 2018 with paving work being completed as weather permits.



**From:** [mailto:\_\_\_\_\_@yahoo.com]  
**Sent:** Monday, November 26, 2018 5:34 PM  
**To:** feedback <feedback@sswd.org>  
**Subject:** Re: SSWD Signs Long-Term Warren Act Contract

Thank you for your dedication to providing residents with safe, affordable, clean water, and protecting fish and wildlife.

On November 26, 2018, at 2:02 PM, Sacramento Suburban Water District <feedback@sswd.org> wrote:

## SSWD Signs Long-Term Warren Act Contract

*Contract Provides Access to Wet Year Water*

**Post Date:** 11/26/2018 1:30 PM

### **Sacramento Suburban Water District and Reclamation Sign 27-Year Contract Providing Access to Wet Year Water Supplies**

Sacramento Suburban Water District (SSWD) has signed an agreement with the U.S. Bureau of Reclamation that helps secure surface water supplies for the District during wet years for the next 27 years, the District has announced.

The achievement, nearly two decades and countless staff hours in the making, is a critical part of the Sacramento region's ability to manage and replenish the groundwater basin by using more surface water supplies when plentiful. The agreement is also key to fulfilling the historic Water Forum Agreement, signed by SSWD and other local water providers, which seeks to protect and nurture the Lower American River.

"The contract is a huge achievement for the District and our customers—a secure, long-term water source during average or wet years that will allow our groundwater basin to recharge—but the benefits extend far beyond that," said SSWD General Manager Dan York. "The contract is important to the SSWD's ability to use more groundwater during a drought so that surface water is available in Folsom and the American River to support fish and wildlife when they need it most."

The Long-Term Warren Act Contract signed by SSWD and Reclamation allows the District to use up to 29,000 acre feet of water purchased annually from Placer County Water Agency (PCWA) as long as sufficient supplies are available, which are defined as an estimated unimpaired inflow at Folsom Reservoir of greater than 1.6 million acre feet.

The contract is critical to the District's ability to access the purchased supply because the water must flow from PCWA's Middle Fork Project through Folsom Reservoir, which is owned and operated by Reclamation. Reclamation prepared and certified an Environmental Assessment to consider potential impacts from the contract under the National Environmental Policy Act.

"A sincere congratulations to the District and staff who have worked so long to see this contract come to fruition," said SSWD Board President Craig Locke. "This contract represents the culmination of many years of work and investment by both SSWD's predecessor—the Northridge Water District—and PCWA to create a means for delivering water to stabilize and sustain a healthy groundwater supply for our customers and the future."

The District first started discussions about securing a Warren Act Contract in 1998 and began official negotiations with Reclamation in 2004. Over the years, the District secured one- or five-year Warren Act contracts with Reclamation to access the purchased water, allowing SSWD to bank approximately 210,000 acre feet of water in the groundwater basin. Doing so has been key to the North American Basin's recovery over the past 20 years from historic lows to levels that are now stable and sustainable.