

Agenda

Sacramento Suburban Water District Regular Board Meeting

3701 Marconi Avenue, Suite 100
Sacramento, California 95821

Monday, January 28, 2019
6:00 p.m.

Where appropriate or deemed necessary, the Board may take action on any item listed on the agenda, including items listed as information items. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The President will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 916.679.3972. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Call to Order

Pledge of Allegiance

Roll Call

Announcements

Public Comment

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

Consent Items

The Board will be asked to approve all Consent Items at one time without discussion. Consent Items are expected to be routine and non-controversial. If any Board member, staff or interested person requests that an item be removed from the Consent Items, it will be considered with the Items for Discussion and/or Action.

1. Minutes of the December 17, 2018 Regular Board Meeting
Recommendation: Approve subject minutes.

2. Employee Recognition and Retention Expense Policy (PL – Adm 008)
Recommendation: Approve subject policy.
3. Resolution No. 18–19 Honoring Robert Ames on His Retirement
Recommendation: Approve subject resolution.
4. Resolution No. 19–01 Honoring John Seltzer on His Retirement
Recommendation: Approve subject resolution.

Items for Discussion and/or Action

5. 2019 Water Transfer Program
Recommendation: Approve 2019 Water Transfer Program.
6. Mueller Systems, LLC Contract
Recommendation: Receive written staff report and direct staff as appropriate.

General Manager’s Report

7. General Manager’s Report
 - a. Strategic Plan Update
 - b. Regional Water Supply/Wheeling Opportunities
 - c. City of Sacramento Wholesale Water Rate Update
 - d. McClellan Business Park Successor Agreement Update
 - e. Regional Water Authority – Executive Director Retirement

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

8.
 - a. Regional Water Authority (Director Jones)
Agenda from the January 10, 2019 Meeting.

Regional Water Authority Executive Committee (General Manager York)
Agenda from the January 24, 2019 Meeting.
 - b. Sacramento Groundwater Authority (Director Thomas)
None.
 - c. Water Caucus Meeting (General Manager York)
None.

- d. Water Forum Successor Effort (General Manager York)
None.
- e. Other Reports – AB 1234

Committee Reports

- 9. a. Facilities and Operations Committee (Director Jones)
None.
- b. Finance and Audit Committee (Director Wichert)
Agenda for the February 1, 2019 Meeting.
- c. San Juan Water District/Sacramento Suburban Water District Water
Management/Re-Organization Committee (Director Locke and Director Jones)
Draft notes from the December 10, 2018 Meeting.

Information Items

- 10. Water Fluoridation – South Service Area
- 11. ACWA/JPIA President’s Special Recognition Award
- 12. 2018 Budget Reallocations
- 13. 2018 Annual Environmental Compliance Activity Report
- 14. Human Resources and Succession Plan Biannual Report
- 15. Legislative and Regulatory Update
- 16. Upcoming Water Industry Events
- 17. Upcoming Policy Review
 - a. Catastrophic Leave Policy (PL – HR 008)

Department/Staff Reports

- 18. Financial Report
 - a. Draft Financial Highlights – December 2018
 - b. Draft Financial Statements – December 2018

- c. Investments Outstanding and Activity – December 2018
 - d. Cash Expenditures – December 2018
 - e. Credit Card Expenditures – December 2018
 - f. Directors Compensation and Expense Accounting
 - g. Draft District Reserve Balances – December 2018
 - h. Information Required by LOC Agreement
 - i. 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 Program (CIP) Projects
 - b. Asset Management Plans
 - c. 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.
- 24. Conference to provide District’s labor negotiator(s), Dave Jones and Craig Locke, with direction concerning changes to General Manager’s compensation and benefits; Government Code sections 54954.5(f) and 54957.6.

Adjournment

Upcoming Meetings

- Friday, February 1, 2019 at 2:00 p.m., Finance and Audit Committee Meeting
- Monday, February 11, 2019 at 2:00 p.m., Strategic Plan Workshop
- Monday, February 25, 2019 at 6:00 p.m., Regular Board Meeting

I certify that the foregoing agenda for the January 28, 2019 meeting of the Sacramento Suburban Water District Board of Directors was posted by January 24, 2019 in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was freely available to the public.

Dan York
General Manager/Secretary
Sacramento Suburban Water District

AGENDA ITEM: 1

Minutes

Sacramento Suburban Water District
Regular Board Meeting
 Monday, December 17, 2018

Swearing in Newly Elected Directors

District General Manager/Secretary Dan York administered the oath of office to Kathleen McPherson, Robert Wichert, Craig Locke and Kevin Thomas.

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, Director of Finance and Administration Dan Bills, Assistant General Manager Mike Huot, Heather Hernandez-Fort, Dana Dean, Matt Underwood, Jim Arenz, Cassie Crittenden, Annette O’Leary, David Espinoza, Greg Bundesen, Hector Segoviano, Bob Ames, Cody Scott, Shawn Chaney, Wayne Scherffius, Mark Taylor, David Morrow, Joe Crockett, Todd Artrip, Shawn Shedenhelm, Tom Fox and Mitchell McCarthy.

Public Present: William Eubanks, Avery Wiseman, Norma Ames and Shelley Artrip.

Election of District Officers

1. **Election of District Officers**

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

President Locke nominated Director Jones for 2019 Presidency; Director Thomas seconded. The motion passed by unanimous vote.

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

President Jones presided over the remainder of the meeting.

Director Wichert nominated Director Thomas as Vice President; Director McPherson seconded. The motion passed by unanimous vote.

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

Announcements

GM York announced:

- New Human Resources Coordinator, Cassie Crittenden;
- The photo of the Board of Directors signing the Long Term Warren Act Contract on the cover of the Carmichael Times Newspaper, located at the dais;
- Happy Holidays to all.

Public Comment

Greg Bundesen expressed his gratitude and appreciation for the Board’s efforts on finalizing the 2018 Compensation Study on behalf of the staff at the District. He further stated staff recognized the challenges that both the Board and the Management team overcame during the process, and understood the degree of difficulty of ensuring that both staff, as well as the ratepayers, were considered fairly. He expressed that staff appreciated the Board’s time, deliberation and thoughtful review in ensuring a thorough evaluation in reaching a balanced result for all.

Director Thomas expressed his appreciation for staff’s patience during the process.

President Jones stated he didn’t think that any Board would ever regret investing in their staff, and that he believed it should continue.

Consent Items

2. **Minutes of the November 19, 2018 Regular Board Meeting**
3. **Minutes of the December 7, 2018 Special Board Meeting**

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

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

Items for Discussion and/or Action

4. **Resolution No. 18–19 Honoring Robert Ames on His Retirement**
GM York presented the resolution to Robert Ames (Mr. Ames).

Mr. Ames expressed his appreciation to staff and the Board for the many years of effort and hard work.

President Jones expressed that Mr. Ames was a mentor and a team player to all, and that he was proud to have worked with him.

GM York stated he assisted with the hiring of Mr. Ames 15 years ago, and that it was a very good decision, as Mr. Ames has a lot of integrity and an incredible work ethic.

5. **Draft Final Budget 2019**

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

Mr. Bills reviewed the changes staff had made since the prior draft. Clarifying questions were asked.

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

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

6. **Evaluation of the Finance and Audit Committee**

Mr. Bills presented the staff report.

Discussion ensued regarding the different options.

William Eubanks (Mr. Eubanks) expressed his dissatisfaction with District committees, pointing out that staff typically provides a full presentation to a committee and then needing to re-present the same material to the Board. He suggested for the committee members to present a condensed version of the material to the full Board, including the committee's recommendation.

The Board agreed to have the Chairperson of each committee present material that was discussed at the committee level, with the exception of more lengthy items where staff would assist with presenting.

Mr. Bills expressed that the existing charter would not need to be edited.

The Board decided not to alter the existing charter, but to have the Finance and Audit Committee operate under the charter as it now exists.

7. **Evaluation of the Facilities and Operations Committee**

Assistant General Manager Mike Huot (AGM Huot) presented the staff report.

Director Thomas moved to approve option 2 in the staff report; “modify the Facilities and Operations Committee to act in an Advisory Role, with significant edits to the Charter.”

President Jones noted that option 2 would remove the present authority allowing the General Manager to resolve issues or disputes up to \$50,000.

President Jones moved to approve Option 1 “Status Quo, with minor updates to the Charter; Director Wichert seconded. The motion passed by unanimous vote.

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

8. Committee and Liaison Appointments for 2019

President Jones made the following appointments for 2019:

Committees

- Facilities and Operations Committee Dave Jones, Chair
 Craig Locke
 Staff Contact: Dan York
- Finance and Audit Committee..... Bob Wichert, Chair
 Kathleen McPherson
 Staff Contact: Dan Bills
- SJWD/SSWD Water Management/Re-organization Committee Dave Jones, Chair
 Craig Locke

Liaison Assignments

- ACWA/JPIA..... Kathleen McPherson
 Staff Position: Dan York
- ACWA General Election Voting Delegate Craig Locke
- ACWA Groundwater Committee Dave Jones
 Kevin Thomas
 Craig Locke
 Kathleen McPherson
 Dan York
- ACWA Water Quality Committee Kathleen McPherson
 Dave Jones
- ACWA Energy Committee Kevin Thomas

ACWA Communications Committee..... Kevin Thomas

ACWA Legal Affairs Committee..... Ryan Bezerra

California Special Districts Association..... Kathleen McPherson
..... Dave Jones

CSDA Transparency and Formation Expert Feedback Teams..... Kevin Thomas

CSDA Fiscal and Education Committees Dave Jones

LAFCo Special District Advisory Committee Kathleen McPherson

Regional Water Authority Dave Jones
..... Dan York

Regional Water Authority Executive Committee Staff Rep: Dan York

Sacramento Groundwater Authority Kevin Thomas, Board Rep.
..... Dan York, Staff Rep.
..... Bob Wichert, Alternate
..... Craig Locke, Alternate
..... Dave Jones, Alternate
..... K. McPherson, Alternate

Sacramento Water Forum Successor Effort Staff Rep: Dan York
..... Kevin Thomas
..... Craig Locke, Alternate
..... Bob Wichert, Alternate
..... Dave Jones, Alternate

9. **Distribution Main Replacement Program - Master Service Contract for Main Lines**

David Espinoza (Mr. Espinoza) presented the staff report.

President Jones asked clarifying questions.

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

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

General Manager's Report

10. General Manager's Report

GM York presented the staff report.

a. *Strategic Plan Update*

AGM Huot presented the staff report and provided an update.

Director McPherson requested to be updated on the outcome of the staff workshop.

b. *McClellan Business Park*

GM York presented the staff report.

Legal Counsel Josh Horowitz confirmed that staff and legal counsel were still working on a resolution with the County of Sacramento.

c. *Billing Error Update*

GM York presented the staff report.

Annette O'Leary explained the details of the billing error, noting that it was an isolated situation.

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)

The agenda from the December 13, 2018 Meeting was provided.

c. Water Caucus Meeting (General Manager York)

None.

d. Water Forum Successor Effort (General Manager York)

The agenda from the December 13, 2018 Meeting was provided.

e. Other Reports – AB 1234

Director Locke provided an oral report on his meetings with the General Manager on June 28 and July 6, 2018.

President Jones provided an oral report on the meeting he had with the consultant Ellen Cross on November 1, 2018, his meeting with the General Manger on November 5, 2018 and the SAWWA meeting he attended on November 14, 2018.

Director Thomas provided an oral report on the meetings he had with the General Manager on November 21, and December 5, 2018, and the Aerojet CAG meeting he attended on November 28, 2018.

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)
The agenda from the December 10, 2018 Meeting was provided.

President Jones provided an oral report of the meeting.

Information Items

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

Department/Staff Reports

18. **Financial Report**
A written report was provided.
 - a. *Financial Highlights – November 2018*
A written report was provided.

- b. *Financial Statements – November 2018*
A written report was provided.
- c. *Investments Outstanding and Activity – November 2018*
A written report was provided.
- d. *Cash Expenditures – November 2018*
A written report was provided.
- e. *Credit Card Expenditures – November 2018*
A written report was provided.
- f. *District Reserve Balances – November 2018*
A written report was provided.
- g. *Information Required by LOC Agreement*
A written report was provided.
- h. *Financial Markets Report*
A written report was provided.

19. **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.

20. **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

21. **Correspondence received by the District 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 7:38 p.m. to discuss the following:

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.

Return to Open Session

The Board convened in open session at 8:13 p.m. There was no reportable action.

Adjournment

President Jones adjourned the meeting at 8:14 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 2

Date: January 9, 2018

Subject: Employee Recognition and Retention Expense Policy (PL – Adm 008)

Staff Contact: Mike Huot, Assistant General Manager

Recommended Board Action:

Adopt the updated Employee Recognition and Retention Expense Policy (PL – Adm 008).

Background:

On October 15, 2018, the Employee Recognition and Retention Expense Policy Update was brought to the Board for review. Comments from Directors were requested by October 29, 2018. No comments were received.

Discussion:

Staff recommends adopting the updated Employee Recognition and Retention Expense Policy. Both, a redline version (Attachment 1) and final version (Attachment 2) are included for your reference. In summary, edits were made to the following sections:

Section 100.00 - Staff recommends removing significant events of employee's lives from being recognized monetarily. The intention of the employee recognition and retention policy is to recognize job related accomplishments. Significant employee life events will be acknowledged and congratulated during recognition events or other venues, such as all hands meetings, but will not be rewarded monetarily nor the main purpose for the event. There are additional minor wording changes to provide more clarity but do not change the intent of the policy.

Section 200.00 – Staff recommends removing retirements, birth of an employee's child, and bereavement acknowledgments for the death of an employee or their immediate family member from this policy to be consistent with modifications to Section 100.00. The list for types of expenses authorized was removed since it is more procedural.

The policy was originally adopted in September 2003 and last reviewed in December 2016.

Fiscal Impact:

Adopting the policy updates does not have a fiscal impact.

Strategic Plan Alignment:

Customer Service – 3.B. Attract and retain a well-qualified staff with adequate compensation, effective training, and professional development.

Employee Recognition and Retention Expense Policy (PL – Adm 008)

January 9, 2019

Page 2 of 2

District customers benefit from increased employee morale, efficiency, initiative, and retention.

Attachments: 1 –Redlined Employee Recognition and Retention Expense Policy
2 – Final Employee Recognition and Retention Expense Policy

Sacramento Suburban Water District

Employee Recognition and Retention Expense Policy

Adopted: September 15, 2003

Revised: ~~December 15, 2008, April 18, 2011; May 20, 2013; December 19, 2016~~ Approved with Changes: January 28, 2019

100.00 Purpose of the Policy

The purpose of this policy is to promote employee morale, efficiency, initiative, and retention. In the normal course of District operations, the Board of Directors recognizes that District employees accomplish various achievements and other job related successes for which recognition is both desirable and warranted. ~~Also, significant events may occur in the lives of employees during their term of employment with the District that would warrant District recognition.~~

~~The recognition of such accomplishments and milestones can improve employee safety, morale and job performance.~~ encourages job satisfaction, long-term employment, and improves promote employee morale, teamwork, and a positive working relationenvironment. Because the District is a direct beneficiary of increased employee safety, morale, and job performance, the Board of Directors has established a policy for discretionary employee recognition and retention-related expenses.

200.00 Policy

The Board of Directors authorizes the General Manager to spend monies, not to exceed \$250.00 per full-time employee equivalent (FTE) per annum, for the following purposes:

1. Employee job-related achievement or superior performance recognition.
2. Employee exemplary safety record.
3. Employee superior customer service, outstanding teamwork, ~~and/or~~ exceptional efforts to display and exemplify the District's Mission Statement, ~~and~~ Values, and its Strategic Plan Goals.
4. Employment anniversary dates, ~~and~~ retirements, ~~birth of an employee's child, and bereavement acknowledgments for the death of an employee or his/her immediate family member.~~
5. ~~Other similar employee milestones, successes, achievements, and/or events as deemed appropriate by the General Manager and in accordance with applicable law.~~

~~Types of expenses authorized under this policy are for items such as: plaques, flowers, cards, refreshments, or other minor items.~~

300.00 Policy Review

This policy is consistent with State law and will be reviewed at least biennially. Further, this policy will be utilized in the District's annual budgeting process.

Sacramento Suburban Water District

Employee Recognition and Retention Expense Policy

Adopted: September 15, 2003
Approved with Changes on January 28, 2019

100.00 Purpose of the Policy

The purpose of this policy is to promote employee morale, efficiency, initiative, and retention. In the normal course of District operations, the Board of Directors recognizes that District employees accomplish various achievements and other job related successes for which recognition is both desirable and warranted.

The recognition of such accomplishments and milestones encourages job satisfaction, long-term employment, and improves employee morale, teamwork, and a positive working environment. Because the District is a direct beneficiary of increased employee safety, morale, and job performance, the Board of Directors has established a policy for discretionary employee recognition and retention-related expenses.

200.00 Policy

The Board of Directors authorizes the General Manager to spend monies, not to exceed \$250.00 per full-time employee equivalent (FTE) per annum, for the following purposes:

1. Employee job-related achievement or superior performance recognition.
2. Employee exemplary safety record.
3. Employee superior customer service, outstanding teamwork, and exceptional efforts to display and exemplify the District's Mission Statement, Values, and Strategic Plan Goals.
4. Employment anniversary dates.
5. Other employee milestones, successes, achievements, or events as deemed appropriate by the General Manager in accordance with applicable law.

300.00 Policy Review

This policy is consistent with State law and will be reviewed at least biennially. Further, this policy will be utilized in the District's annual budgeting process.



Agenda Item: 3

Date: January 11, 2019

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:

At the December 17, 2018 regular Board meeting, Resolution No. 18-19 was presented to Robert Ames, however, following comments from Mr. Ames and the public, the Board did not vote to approve the Resolution. Staff is requesting the Board now approve Resolution No. 18-19.

Mr. 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.

Fiscal Impact:

Negligible.

Strategic Plan Alignment:

Customer Service – 3.B. B. Attract and retain a well-qualified staff with adequate compensation, effective training, and professional development.

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 28th day of January 2019.

AYES:

NOES:

ABSENT:

By: _____
Dave Jones
President, Board of Directors
Sacramento Suburban Water District

(SEAL)

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



Agenda Item: 4

Date: January 14, 2019

Subject: Resolution No. 19-01 Honoring John Seltzer on His Retirement

Staff Contact: Dan York, General Manager

Recommended Board Action:

Adopt Resolution No. 19-01 Honoring John Seltzer on His Retirement.

Discussion:

John Seltzer has been a respected, admired, and valued employee of the Sacramento Suburban Water District for over 21 years, having been hired on December 29, 1997, by the former Arcade Water District. He will be retiring from his position as Production Operator II effective January 25, 2019. The resolution commemorates his service. Staff has prepared a ceremonial, framed version of the resolution to be presented to Mr. Seltzer. Mr. Seltzer is unable to attend the Board meeting.

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. 19-01
A Resolution Honoring
John H. Seltzer
On His Retirement**

Whereas, John Seltzer has completed over 21 years of service with the Sacramento Suburban Water District, having been hired on December 29, 1997, by the former Arcade Water District; and

Whereas, John’s dedication to public service and expertise in water well and facility maintenance has helped ensure the longevity and continued reliable operation of said assets; and

Whereas, John has earned the respect and admiration of District staff, management, and especially his peers in Field Operations; and

Whereas, John is known for his ability to sing the lyrics from any classic rock song; and

Whereas, John will be remembered by his peers for the legacy of his many “one-liners” such as “times may change, but standards must remain!”, “a half, a whole, a probe, and a scope”, “gently down the stream”, “ my boys, my boys”, and “three lefts and a right”; and

Whereas, John will now have more time to spend with family and root for the Raiders; and

Whereas, John’s last day of work was January 25, 2019, and his retirement from the Sacramento Suburban Water District was effective January 28, 2019.

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 John H. Seltzer for his years of dedicated public service to the District.

The Board of Directors wishes John 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 28th day of January 2019.

AYES:

NOES:

ABSENT:

By: _____
David A. Jones
President, Board of Directors
Sacramento Suburban Water District

(SEAL)

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



Agenda Item: 5

Date: January 14, 2019

Subject: 2019 Water Transfer Program

Staff Contact: Mike Huot, Assistant General Manager

Recommended Board Action:

Authorize the General Manager to execute and sign agreements necessary to implement the District's 2019 Water Transfer Program at a minimum of \$200 per Acre-Foot statewide, subject to approval by District legal counsel of any non-substantive changes to such agreements.

Background:

On March 19, 2018, the Sacramento Suburban Water District Board authorized the General Manager to execute and sign all agreements necessary to implement the District's 2018 Water Transfer Program, at a minimum of \$300 per Acre-Feet, subject to approval by District legal counsel of any non-substantive changes to such agreements.

In 2018, the District participated in a regional water transfer initiative involving San Juan Water District, Fair Oaks Water District, Carmichael Water District, Citrus Heights Water District, and the City of Sacramento (City). The Regional Water Authority and a water transfer consultant, Tully and Young, helped administer the transfers.

SSWD and the City engaged in a direct water transfer where SSWD provided the City 3,874 Acre-Feet (AF) of groundwater. SSWD received \$872,280 for this transfer and will be receiving an administrative reimbursement after the final report is complete. Additionally, as part of the water transfer agreement, the City will return the amount of water transferred in the form of surface water in 2019, at no cost to SSWD. The total amount of surface water SSWD will receive is 4,027 AF, which includes the amount of water transferred as part of the water transfer from July – September (3,874 AF), plus an amount transferred to the City in May 2018 for operational issues (152.877 AF).

Discussion:

The same water agencies that participated in the regional water transfers in 2018 are interested in looking for viable opportunities in 2019. There is potential for more agencies to participate in 2019. It is unknown who will be administering the water transfers at this time, and it is unknown if there will be a market for water this year. The administration support will depend on the number of agencies participating and their experience. The water market becomes more clear by late February 2019, which will be the time when the water agencies will know if there is a viable project and how the project will be managed.

Regionally, there has been a request for water agencies to make their parameters for a water sale known. Such as limitations on where the water can be transferred and the minimum price of a water transfer (\$/AF). This will play a role on whether SSWD can participate in water transfers. Understanding regional water agency limitations will help expedite assembling water transfer proposals and bidding on water transfer opportunities in a timely manner.

Staff recommends authorizing the General Manager to enter water transfer agreements with a minimum of \$200/AF statewide, with a preference for Northern California. See Attachment 1 for a map of the water transfer areas in California that the District has participated in 2009, 2010, 2013 and 2018.

Fiscal Impact:

The revenue potential is unknown at this time.

Strategic Plan Alignment

Finance – 4.C. Combine sound and efficient business procedures with regular and simple reporting, ensuring proper handling and reporting of all District financial processes.

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

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

Attachments:

- 1 – Map of Water Transfer Locations

ATTACHMENT 1

Water Transfer Locations

2009

- 1 Avenal State Prison
- 2 Desert Water Agency
- 3 Kern County Water Agency
- 4 The Metropolitan Water District of Southern California
- 5 San Bernardino Valley Municipal Water District
- 6 San Luis & Delta Mendota Water Authority
- 7 Santa Clara Valley Water District
- 8 Veterans San Joaquin Valley National Cemetary

2010

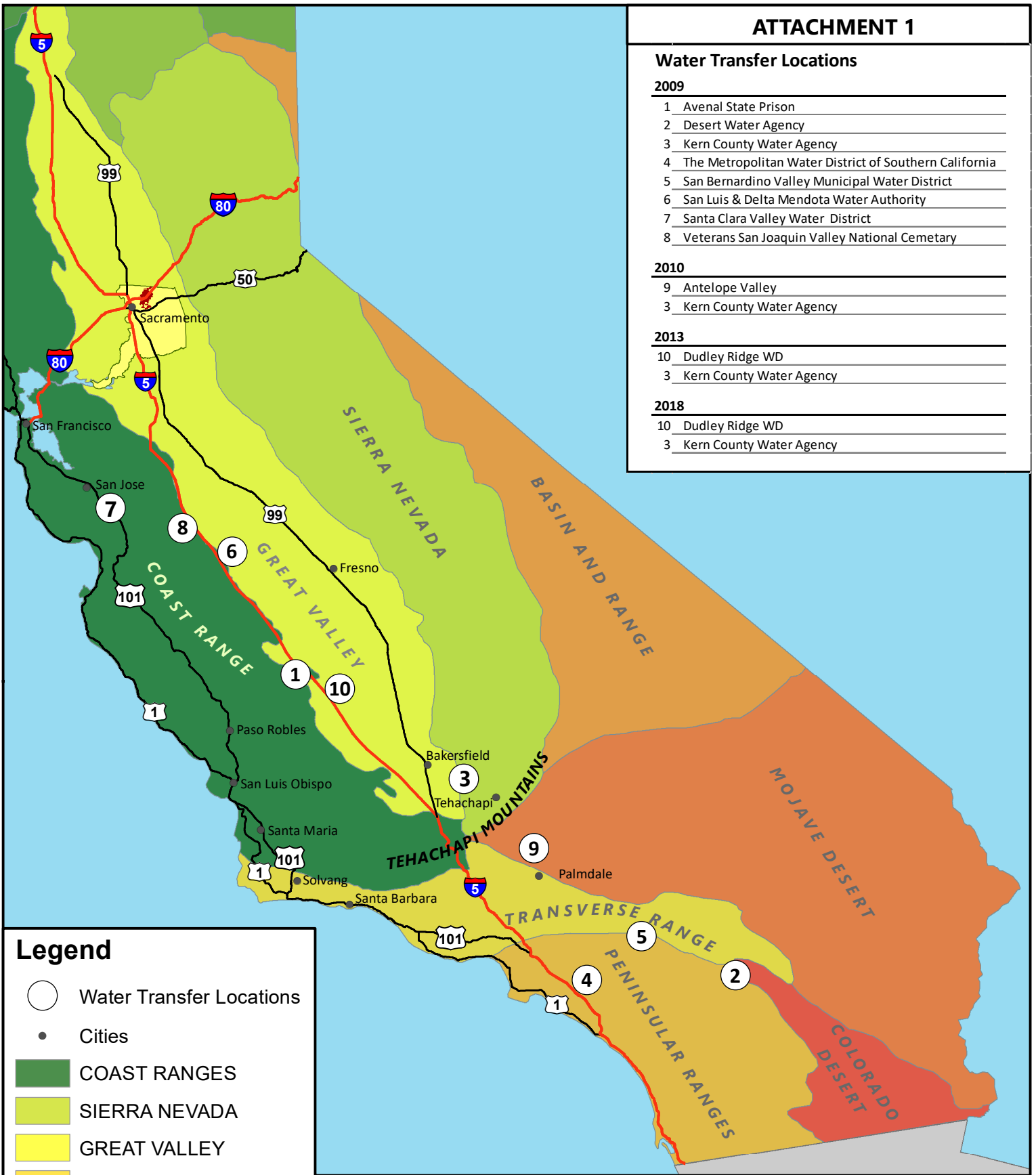
- 9 Antelope Valley
- 3 Kern County Water Agency

2013

- 10 Dudley Ridge WD
- 3 Kern County Water Agency

2018

- 10 Dudley Ridge WD
- 3 Kern County Water Agency



Legend

- Water Transfer Locations
- Cities
- COAST RANGES
- SIERRA NEVADA
- GREAT VALLEY
- TRANSVERSE RANGE
- PENINSULAR RANGES
- BASIN AND RANGE
- MOJAVE DESERT
- COLORADO DESERT



Water Transfer Locations

Drawn By: MJM - SSWD
 Date: 1/16/2019
 File: California Water.mxd



Agenda Item: 6

Date: January 24, 2019

Subject: Mueller Systems, LLC Contract Update

Staff Contact: Mike Huot, Assistant General Manager
Matt Underwood, Operations Manager

Background:

On February 25, 2010, the District entered into a contract with Delta Engineering (Delta) to purchase KP Electronics (KP) Advanced Meter Infrastructure (AMI) system, Meganet. In 2010, Delta was KP's exclusive Meganet distributor. Delta was responsible for all sales and KP provided all technical support up to and including system deployment, software integration, and service. In early 2012, Delta and KP ended their business relationship and KP assumed all sales, service and support responsibilities. KP continued to honor all agreements set forth in Delta's original contract with the District. In addition, on January 30, 2014, the District entered into an annual services agreement with KP.

In February 2017, the District received a letter from KP stating the Meganet technology had been acquired by Mueller Systems (Mueller). Also in February 2017, the District received a letter from Mueller announcing the acquisition of KP's Meganet technology. In September 2017, Mueller assumed all Meganet activities with the District including sales, service, and support.

As reported in October 2017, November 2017, and June 2018 at the regular Board meetings, and at the February and May 2018 Facilities and Operations Committee meetings, the District's AMI fixed network meter reading system is experiencing significant problems.

Discussion:

In January 2018, Mueller identified infrastructure coverage issues that they determined are contributing to the poor performance of the system. As per the original contract with Delta, any improvements required for full coverage of SSWD's service area will be at no cost to the District. When the District requested that Mueller honor KP's agreement, which includes Delta's terms, Mueller stated they do not feel obligated to honor the conditions listed in the KP agreement and refused to make those improvements at their cost. In addition, Mueller does not feel obligated to honor the terms set forth in the annual service agreement entered into with KP.

The District believes Mueller is obligated to honor all past agreements and staff has been seeking a resolution with Mueller since February 2018. In October 2018, when negotiations between District staff and Mueller representatives failed to find a resolution, staff forwarded the original

construction contract and annual services agreement to the District's legal counsel for further review. On November 7, 2018, the District's legal counsel drafted a letter that was sent by then-Board President Craig Locke (see Attachment 1) to Mueller requesting Mueller meet the obligations outlined in the District's original contract with Delta.

In January 2018, Mueller sent a response letter (see Attachment 2) from their legal counsel. In summary, the letter states Mueller acquired certain technology from KP but did not "acquire KP" and is not KP's successor under California law; therefore, Mueller is not obligated to any commitments made prior to February 2017. The letter goes on to state that SSWD should contact Delta or KP for obligations and liabilities under the Distributor Agreement. Mueller issued the District a deadline of January 31, 2019, to enter into Mueller's standard Master Services Agreement (MSA) or they will cease to support the SSWD system. Annual cost of Mueller's MSA is \$70,000.00.

If Mueller ceases to support the system, there are two Mueller services the District will need to address. Below are the two services and recommended resolution:

- 1) Due to the high volume of endpoint failures, Mueller has retained a contractor who performs warranty replacements. This is a full time job for one person who works 40 per week replacing failed units.

To resolve these issues:

The District would hire a contractor to replace failed endpoints with cellular endpoints until a replacement system is installed. Historical Meganet endpoint failures have averaged approximately 4,000 per year. The labor cost to have a contractor replace 4,000 endpoints is approximately \$88,000.

- 2) Mueller monitors the system infrastructure and notifies District staff if problems arise with collectors. Staff then investigates and resolves collector issues and Mueller is able to provide technical support via a phone conversation. Mueller also monitors the operating systems and makes adjustments remotely as needed.

To resolve these issues:

Maintaining the infrastructure is of concern; a catastrophic failure would result in non-reads for 27,000 meters. Staff is researching the best course of action to minimize the impact.

Staff has continued to seek out a system to replace Meganet and a solution has been found. Staff has completed cost negotiations with the vendor and is currently reviewing the contract before submitting the proposal package to General Manager for approval. The cost to install the new system network infrastructure and software integration is estimated at \$500,000 and would be completed in 2019. Staff will monitor the budget and bring it back to the Board if necessary. Once

complete, new endpoints will be able to be installed in the field to replace failed Meganet units. Full installation of 27,000 endpoints is estimated to be a 3-5 year project.

Staff will continue to keep the Board apprised as conditions change.

Attachments:

- 1 – Letter from SSWD to Mueller Systems
- 2 – Letter from Mueller Systems to SSWD

Daniel R. York



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

November 7, 2018

Mr. Keith L. Belknap, CEO
Mueller Systems, LLC
1200 Abernathy Road, NE, Suite 1200
Atlanta, GA 30328

Re: Contract with Sacramento Suburban Water District, Sacramento, CA

Mr. Belknap:

I write on behalf of Sacramento Suburban Water SSWD (SSWD) to object to Mueller Systems, LLC's (Mueller) refusal to honor and comply with the terms of a contract SSWD entered into in 2010 for the Mega-Net Advanced Metering Infrastructure (AMI) meter reading system. Mueller acquired SSWD's vendor, KP Electronics, Inc. (KP), in 2017 and succeeded to KP's rights and obligations under its contract with SSWD. That contract included an obligation to install additional collectors as needed and at no cost to SSWD. To date, Mueller has failed and refused to meet its obligation to install additional collectors while trying to use its own failure as leverage to negotiate a new Annual Services Agreement (ASA) with SSWD. On behalf of SSWD, we demand Mueller meet its obligations under the contract and provide the fully functioning system for which SSWD paid.

In February 2010, SSWD entered into a contract with a KP distributor for the installation of a Mega-Net system. A copy of the contract is enclosed. The system was installed in May 2010. The contract and incorporated scope of work obligated KP to install 11 collectors and any additional collectors that were required for coverage of SSWD's then-current service area. On at least 10 occasions after installation, KP performed that obligation and ultimately installed 16 additional collectors at no cost to SSWD. However, coverage in SSWD's service area is still insufficient and it is estimated SSWD needs 3 additional collectors on property it currently owns and 2 additional collectors on property it plans to acquire rights to in the future.

In 2017, Mueller sent SSWD a letter stating it had acquired KP and would be SSWD's service provider in the future. In July 2018, Mueller sent SSWD another letter transmitting its form ASA and offering to install the remaining five collectors. However, SSWD learned in subsequent discussions with Mueller that, contrary to SSWD's contract with KP for no cost collectors, the offer to install the remaining collectors was contingent upon SSWD signing a new Mueller ASA, which voids SSWD's current agreement, or paying for the collectors and their installation.

Mueller's refusal to meet its contract obligations is inconsistent with the terms of SSWD's contract and California law. As an inducement for SSWD to contract with KP, KP promised to install additional repeaters as needed and at no cost to SSWD. It upheld that bargain until Mueller

Contract with Sacramento Suburban Water District, Sacramento, CA

November 7, 2018

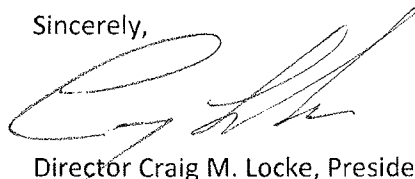
Page 2

acquired it. Section 41 of SSWD's contract expressly states KP's obligations to SSWD are binding on its successors. This is consistent with California law. California courts will apply considerations of fairness and equity and hold successor corporations liable for the obligations of their predecessors. (*Cleveland v. Johnson* (2012) 209 Cal.App.4th 1315, 1330.) This includes situations where, as here, the successor corporation acquires the predecessor corporation and agrees to assume its customer contracts and obligations. (See *Ray v. Alad Corp.* (1977) 19 Cal.3d 22, 28.) In such situations, it would be unfair and inequitable to release KP's successor from its contractual obligations and leave public agency customers like SSWD without a remedy against the successor.

SSWD has expended more than 3.9 million dollars in public money in exchange for a fully functional, AMI system. As KP's successor, Mueller is obliged to make good on KP's promises to SSWD, including its promise to install the additional collectors necessary to give SSWD a fully functioning system. SSWD hopes to enjoy a positive working relationship with Mueller for the continued operation, and potential future replacement, of its AMI system. I do not see how that can occur if Mueller refuses to perform its obligations in this instance.

SSWD looks forward to Mueller responding as soon as possible and installing the additional collectors by December 31, 2018. Nothing in this letter shall be construed to waive any right or claim by SSWD.

Sincerely,



Director Craig M. Locke, President
Sacramento Suburban Water District

Enclosure: Construction Contract

Copy: Dan York, General Manager
Mike Huot, Assistant General Manager
Joshua Horowitz, General Counsel
Lowell Rust, Vice President Professional Services
Mike Lindgren, Vice President of Sales

COPY

PUBLIC WORKS CONSTRUCTION CONTRACT

THIS CONTRACT is made this February 25, 2010, by and between Sacramento Suburban Water District ("District") and Delta Engineering Sales, LLC, who agree as follows:

1. **Scope of Work.** The following documents constitute the contract between the parties. This Public Works Contract including all exhibits, collectively the "Contract". For purposes of this Contract, the "Work" shall mean the scope of work as described on Exhibit I, attached hereto and incorporated herein.

2. **Time of Completion.** Contractor shall perform the Work diligently and as expeditiously as possible consistent with good and safe construction practices and the orderly progress of the Work. The parties agree that time is of the essence for the performance of this Contract.

3. **Contractor's Performance.** Contractor shall construct, install, perform and do the Work, and shall furnish, provide and pay for all labor, equipment, materials, tools, supplies, transportation, permits, sales and taxes, and shop drawings necessary or appropriate to complete the Work. Contractor, subcontractors, and suppliers are required to comply with all applicable American Recovery and Reinvestment Act Requirements for all endpoint installations. Contractor shall perform in the Work in a good and workmanlike manner, and such Work shall be done to the approval and satisfaction of District.

4. **Contract Price and Payments.**

(a) If Contractor performs the Work in accordance with this Contract and to the satisfaction of District, District shall pay Contractor in the amount and manner as set forth on Exhibit II, attached hereto and incorporated herein.

However, the total Contract price shall not exceed the sum of \$115,000, unless otherwise agreed to in writing by District. No payment, including all progress payments and the final payment, shall be made to Contractor in excess of 90% of the percentage of Work actually completed plus a like percentage of the value of material delivered on the ground or stored subject to, or under the control of, District. The 10% not paid shall be withheld by District until final completion and acceptance of the Work. However, in lieu of withholding of money, and in accordance with the provisions of California Public Contract Code section 22300, Contractor may substitute securities to ensure performance under the Contract.

(b) If payment is to be made by progress payments, then, in accordance with California Public Contract Code section 20104.50, a written payment request from Contractor shall be reviewed by District as soon as practicable in order to determine whether it is proper. If District determines it not to be a proper payment request suitable for payment, then District shall return it to Contractor with a written explanation of the deficiencies as soon as practicable, but not later than 7 days after receipt of the payment request. If District determines the payment request to be properly submitted and undisputed, the District shall make the payment to Contractor within 30 days after receipt of the payment request. If District does not pay a properly submitted and undisputed payment request within this 30-day period, then District shall pay interest on the overdue amount to Contractor at the legal rate set forth at California Code of Civil Procedure section 685.010. This subsection shall not apply if District funds are not available for payment of the payment request or if payment is delayed due to an audit inquiry by the financial officer of District.

(c) No progress or final payment shall be considered or construed to be an approval or acceptance of any Work, materials or equipment, or a waiver of any breach or default. Estimated amounts and values of Work done and materials and equipment incorporated into the Work will be conformed with actual

amounts and values as they become available in subsequent progress payments and the final payment. All payments will be subject to correction in subsequent progress payments and the final payment.

5. Compliance with Laws. Contractor shall comply with all federal, state and local laws, statutes, regulations and ordinances applicable to the performance of the Work, including applicable Cal-OSHA worker safety regulations.

6. Permits and Licenses. Permits, licenses, and easements necessary for the performance of the Work shall be obtained and paid for by Contractor.

7. Authority of Owner's Representative. Dan York ("Owner's Representative") is the representative of District for purposes of this Contract and has full authority to interpret the Contract, to conduct the construction review and inspection of Contractor's performance, and to decide questions which arise during the course of the Work; and his/her decisions on these matters shall be final and conclusive. The Owner's Representative has the authority to reject all Work and materials which do not conform to the Contract, and has the authority to stop the Work whenever such stoppage may be necessary to ensure the proper execution of the Contract. The Owner's Representative's right and authority is limited to rejection of unsatisfactory Work or methods. District and the Owner's Representative do not bear any responsibility for Contractor's safety practices or procedures. Any order given by the Owner's Representative, not otherwise required by the Contract to be in writing shall, on request of Contractor, be given or confirmed by the Owner's Representative in writing. Whenever Work, methods of procedure, or any other matters are made subject to direction or approval of District, such direction or approval will be given by the Owner's Representative.

8. Contractor's Understanding. Contractor acknowledges that it has, by careful investigation and inspection, satisfied itself as to the nature and location of the job site; the ground, character, quality and quantity of the materials and conditions to be encountered, including subsoil conditions, if applicable; the character and amount of labor, equipment, supplies and materials needed preliminary to and during the performance of the Work; and all other matters which can in any way affect the Work under this Contract. Contractor further acknowledges that neither District nor the Owner's Representative have made any representations whatsoever concerning job site conditions, except for such representations that may have been made in writing in the Contract.

9. Changes in the Work. District may, at any time, by written change order make changes in the Work, or extend the time to complete the Work, as deemed necessary by District. If such changes cause an increase or decrease in Contractor's cost of, or time required for, performance of the Contract, there shall be an equitable adjustment in the Contract price. The price adjustment shall be determined by one of the following methods in the order of precedence listed:

(a) Based on the unit prices contained in section 4, if applicable.

(b) Mutually agreed-upon lump sum or unit price adjustment.

(c) Contractor's actual cost of labor (wages and benefits), materials (actual purchase price, sales tax, freight & delivery) and equipment/tools (at actual or fair/prevaling rental rates) directly engaged in the performance of the extra work plus 15% mark up for overhead and profit. For price adjustments under this section, Contractor shall provide to District an itemized breakdown of the quantities and prices used in the extra work, and it shall make available all source documents, including payroll records, invoices, purchase orders, contracts and lease agreements.

10. Guarantee.

(a) Contractor unconditionally guarantees all materials and workmanship furnished under this Contract, and agrees to replace at its sole cost and expense, and to the satisfaction of District, any and all materials which may be defective or improperly installed. Contractor shall repair or replace to the satisfaction of District any or all such Work that may prove defective in workmanship or materials, ordinary wear and tear excepted, together with any other Work which may be damaged or displaced in so doing. This guarantee shall remain in effect for one year from the date of District's acceptance of the Work. This guarantee does not excuse Contractor for any other liability related to defective Work discovered after the guarantee period. Contractor shall transfer to District all manufacturer and supplier warranties relating to the Work, if any, upon completion of the Work and prior to final payment. Any products/completed operations insurance coverage shall be maintained after completion of the project for the full guarantee period.

(b) In the event of failure to comply with the above stated conditions within a reasonable time, District may have the defect repaired and made good at the expense of Contractor who will pay the costs and charges for such repair immediately upon demand, including any reasonable management and administrative costs, and engineering, legal and other consultant fees incurred by District in enforcing this guarantee.

11. Suspension of Work. District may suspend the Work wholly or in part, for such period as District may deem necessary, due to unsuitable weather or to any other conditions District considers unfavorable for the suitable performance of the Work, including the improper performance of the Work by Contractor. Contractor shall immediately comply with such written order of District to suspend the Work wholly or in part and shall be paid for the Work performed to the date of suspension, except for improperly performed Work. The suspended Work shall be resumed only when ordered by District.

12. Termination.

(a) This Contract may be terminated at any time by District by giving 10 days advance written notice to Contractor. In the event of such termination, Contractor shall be compensated for actual Work performed to the date of termination as calculated by District based on the Contract price and payment provisions above.

(b) If District terminates the Contract because of Contractor's failure to do the Work with such diligence as will ensure the completion of the Work within the time specified in the Contract, then District may take over the Work and pursue the same to completion by using another contractor or any other method District deems expedient. In this event, District may also take possession and control of, and utilize in completing the Work, any and all materials, supplies, tools and equipment delivered to the site of the Work by Contractor or by its suppliers or subcontractors. The materials, supplies, tools and equipment remaining after completion of the Work shall be returned to Contractor.

13. Labor Discrimination. Attention is directed to California Labor Code section 1735, which is applicable to the work under this Contract and which reads as follows: "A contractor shall not discriminate in the employment of persons upon public works on any basis listed in subdivision (a) of Section 12940 of the Government Code, as those bases are defined in Sections 12926 and 12926.1 of the Government Code, except as otherwise provided in Section 12940 of the Government Code. Every contractor for public works who violates this section is subject to all the penalties imposed for a violation of this chapter."

14. Eight-Hour Day Limitation.

(a) Contractor agrees that 8 hours labor shall constitute a day's work, and no worker, in the employ of the Contractor, or any subcontractor, doing or contracting to do any part of the Work under this Contract, shall be required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week; provided that subject to California Labor Code section 1815, a worker may perform work in excess of 8 hours per day or 40 hours per week at not less than one and one-half times the basic rate of pay.

(b) Except as provided above for overtime, Contractor shall forfeit as a penalty to District the sum of \$25 for each worker employed in the execution of this Contract by it or by any subcontractor under it for each calendar day during which such worker is required or permitted to Work more than 8 hours in any one day and 40 hours in any one calendar week in violation of California Labor Code sections 1810 through 1815.

15. Payroll Records. Contractor and each subcontractor shall keep an accurate payroll record showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed in connection with the Work, and shall make such payroll record available for inspection, in accordance with the requirements of California Labor Code section 1776. Contractor shall be responsible to ensure compliance with section 1776.

16. Employment of Apprentices. Contractor shall comply with, and take such actions as necessary to effectuate, the apprentice employment requirements as set forth at California Labor Code sections 1777.5, 1777.6 and 1777.7.

17. Ineligible Subcontractors. Contractor shall not utilize, or allow work by, any subcontractor who is ineligible to bid or work on, or be awarded, a public works project pursuant to California Labor Code section 1777.1 or 1777.7. (See California Public Contract Code section 6109.) The California Division of Labor Standards Enforcement publishes a list of debarred contractors and subcontractors on the Internet at www.dir.ca.gov/DLSE/debar.html

18. Superintendence. Contractor shall designate in writing before starting Work an individual as authorized representative who shall have the authority to represent and act for Contractor. This authorized representative shall be present at the Work site at all times while Work is actually in progress. When Work is not in progress and during periods of Work suspension, arrangements acceptable to the Owner's Representative shall be made for any emergency work that may be required.

19. Inspection and Testing of Work.

(a) Unless otherwise provided, all equipment, supplies, materials, and Work shall be subject to inspection and testing by the Owner's Representative. The Owner's Representative will observe the progress and quality of the Work and determine, in general, if the Work is proceeding in accordance with the Contract. The Owner's Representative shall not be required to make comprehensive or continuous inspections to check the quality of the Work, and he shall not be responsible for construction means, methods, techniques, sequences, or procedures, or for safety precautions and programs in connection with the Work. Observations, inspections or testing by the Owner's Representative shall not relieve Contractor of its obligation to conduct comprehensive inspections of the Work and to furnish proper materials, labor, equipment and tools, and perform acceptable Work, and to provide adequate safety precautions, in conformity with the Contract.

(b) Contractor shall provide access to the Owner's Representative and other agents of District, and agents of the federal, state, or local governments at all reasonable hours for inspection and testing to ascertain compliance with the Contract and applicable laws and regulations. Contractor shall cooperate in providing such access, and shall, upon request by the Owner's Representative, promptly provide safe and convenient facilities, labor and materials reasonably needed by the Owner's Representative for performing all inspection and tests.

(c) If, after any inspection or testing by the Owner's Representative, District finds any of the Work to be unacceptable, defective or nonconforming, then Contractor at its sole cost and expense shall replace or repair the Work to the satisfaction of the Owner's Representative. If any Work required to be tested or inspected was installed, covered, or buried without inspection or testing, then, upon request by the Owner's Representative, Contractor shall at its sole cost and expense remove or uncover the Work such that it may be inspected or tested, and replace the Work after completion of the inspection or testing. Upon failure of Contractor to comply with any order of the Owner's Representative made under this section, District may cause the unacceptable, defective or nonconforming Work to be remedied, removed, or replaced, and may deduct the costs therefor from any monies due or to become due Contractor.

20. Character of Worker. If any employee of Contractor or any of its subcontractors shall be incompetent or act in a disorderly or improper manner, he or she shall be removed from the project Work immediately, and such person shall not again be employed on the Work. Such discharge shall not be the basis for any claim for compensation or damages against District, or any of its officers or agents.

21. Trade Names and Alternatives. For convenience in designation in the Contract, certain articles or materials to be incorporated in the Work may be designated under a trade name or the name of a manufacturer. The use of an alternative article or material which is of equal quality and of the required characteristics for the purpose intended will be permitted, so long as Contractor shows to the satisfaction of District that the acceptable quality and suitability of the alternative(s).

22. Protection of Work and Safety.

(a) Contractor shall be responsible for the care of all Work until its completion and final acceptance by District; and it shall at its own expense replace damaged or lost materials or supplies and repair damaged parts of the Work.

(b) Contractor shall be solely and completely responsible for the conditions of the job site, including safety of all persons and property during performance of the Work. This requirement shall apply continuously and not be limited to normal working hours. Safety provisions shall conform to all applicable federal, state, and local laws, ordinances, and codes. Contractor shall carefully instruct all personnel as to potential dangers and shall provide such necessary safety equipment and instruction as may be necessary to prevent injury to personnel and damage to property. The Contractor shall provide and maintain, in accordance with California Labor Code section 6708 and Cal-OSHA requirements, adequate emergency first-aid treatment for its employees and anyone else who may be injured in connection with the work.

(c) Owner's Representative's construction review and inspection of Contractor's performance shall not include any review of the adequacy of Contractor's work methods, equipment, bracing or scaffolding or safety measures, in, on, or near the job site.

23. Protection of Person and Property.

(a) Contractor shall take all necessary or appropriate precautions to prevent damage to all existing improvements, including above ground and underground utilities, pipelines, conduits, trees, shrubbery, fences, signs, mailboxes, driveways, sidewalks, gutters, streets, parking lots or other pavement, levees or embankments, survey markers and monuments, buildings, structures, District's property, adjacent property, and any other improvements or facilities within or adjacent to the job site. If such improvements or property are damaged or destroyed by reason of Contractor's operations, they shall be replaced or restored, at Contractor's sole cost and expense, to a condition at least as good as the condition they were in prior to the start of Contractor's Work under this Contract.

(b) Contractor shall adopt all practical means to minimize interference to traffic and public inconvenience, discomfort or damage. All obstructions to traffic shall be guarded by barriers illuminated at night. For any Work on, adjacent to, or interfering with any street, the conditions and limitations applicable to such construction work shall be determined by those public agencies or other entities responsible for maintenance of the affected street. Contractor shall determine the nature and extent of all such requirements, and shall comply with all permit and other requirements. As required at any street crossing, Contractor shall provide all necessary flag persons, guardrails, barricades, signals, warning signs and lighting to provide for the safety of existing roads and detours. Immediately after the need for temporary detours ceases, or when directed, Contractor shall remove such detours and perform all necessary cleanup Work, including replacement of fences, removal of pavement, necessary replacement of existing roadway appurtenances, grading Work, soil stabilization and dust control measures.

24. Clean-Up. During the progress of the Work, Contractor shall maintain the job site and related structures, grounds and equipment in a clean, orderly condition and free from unsightly accumulation of rubbish. Upon completion of Work and before final payment, Contractor shall at its own cost and expense clean-up and remove from the vicinity of the Work all rubbish, debris, trash, unused materials and supplies, concrete forms, and temporary bridging and other like materials, belonging to it or used under its direction during the construction of the Work. Where the construction has crossed yards or driveways, they shall be restored by Contractor to the complete satisfaction of District, at Contractor's expense.

25. Underground Work. If the Work includes excavation and/or trenching deeper than four feet underground, then the following provisions shall apply:

(a) **Protection of Underground Utilities.** Prior to conducting any excavation or trenching, the Contractor shall contact the appropriate regional notification center as required by California Government Code sections 4216 and following. In accordance with California Government Code section 4215, the District shall be responsible for the timely removal, relocation or protection of existing main or trunkline utility facilities located on the construction project site and not shown on the plans and drawings. Contractor shall be compensated for the costs of locating, repairing damage not due to the failure of the Contractor to exercise reasonable care, and removing or relocating existing main or trunkline utility facilities not indicated on the plans and drawings with reasonable accuracy, and for the equipment on the project necessarily idled during such work; provided that the Contractor shall first notify the District before commencing work on locating, repairing damage to, removing or relocating the utilities. The Contractor shall not be assessed liquidated damages for delay in completion of the project, when the delay was caused by the failure of the District or the owner of the utility to provide for removal or relocation of the utility facilities not shown on the plans and drawings.

(b) **Sheeting and Shoring Plan.** If the total amount of the contract exceeds \$25,000, then, in accordance with California Labor Code section 6705, the Contractor shall submit to the District for acceptance, in advance of excavation, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation

of any trench or trenches. The plan shall comply with applicable United States Department of Labor regulations (29 C.F.R. 1926) and Cal-OSHA construction safety orders and shoring system standards, or be prepared by a registered civil or structural engineer who certifies that the plan is not less effective than the shoring, bracing, sloping, or other provisions of the construction safety orders and shoring system standards.

(c) Unusual Underground Conditions. In accordance with California Public Contract Code section 7104, the following provisions shall apply to any work that involves digging trenches or other excavations.

(1) If, during any such digging or excavation, the Contractor discovers (a) material the Contractor believes may be material that is hazardous waste, as defined in California Health & Safety Code section 25117, that is required to be removed to a Class I, II or III disposal site, (b) subsurface or latent physical conditions at the site differing from those indicated, or (c) unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided in the Contract, then the Contractor shall promptly notify the District in writing and shall not disturb the area of the subject digging or excavation until notified by the District.

(2) Upon receipt of any notice pursuant to the foregoing subsection, the District shall promptly investigate the conditions, and if it finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in the Contractor's cost of, or the time required for, performance of the work, or any part of the work, it shall issue a change order pursuant to this Contract.

(3) If there is a dispute between the District and the Contractor over whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in the Contractor's cost of, or time required for, performance of any part of the work, the Contractor shall not be excused for the scheduled completion date, but shall proceed with all work to be performed under the Contract. The Contractor shall retain any and all rights provided by this Contract or by law that pertain to the resolution of disputes and protests between the parties.

26. Contractor's License Notice. Statement required by California Business & Professions Code section 7030: "Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826."

27. Indemnification. Contractor shall indemnify, defend, protect, and hold harmless District, and its officers, employees, engineer, agents, and independent contractors, from any and all liability, penalties, costs or expenses (including attorney's fees), losses, damages, expenses, causes of action, proceedings, claims or judgments of every nature arising out of or in connection with Contractor's performance of Work under this Contract, or by its employees, subcontractors, agents, consultants, or anyone employed directly or indirectly by any of the foregoing, except where caused by the active negligence, sole negligence or willful misconduct of District.

28. Insurance. The Contractor shall procure and maintain for the duration of the Contract the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

(a) Minimum Scope and Limits of Insurance.

- (1) Commercial general liability coverage (Insurance Services Office occurrence form CG 0001), including liability coverage for premises and operations, explosion and collapse hazard, underground hazard, products/completed operations hazard, contractual liability, use of independent contractors, and broad form property damage with completed operations. Contractor shall maintain coverage with minimum limits of \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If commercial general liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- (2) Automobile liability coverage (Insurance Services Office form CA 0001, code 1, any auto), with minimum limits of \$1,000,000 per accident for bodily injury and property damage.
- (3) Workers' compensation insurance as required by the State of California and employer's liability insurance.
- (4) Course of construction (also known as builder's risk) insurance form providing coverage in the amount of the completed value of the project for all risks of physical loss, damage or destruction to the work, to insure against such losses until final acceptance of the work by the District.
- (5) Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

The above insurance limits can be met through provision of umbrella or excess policy insurance coverage consistent with the provisions of this Section 30.

(b) The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

- (1) The District, its officers, officials, employees, agents and volunteers are to be covered as additional insureds as respects liability arising out of activities performed by or on behalf of the Contractor, products and completed operations of the Contractor; premises owned, occupied or used by the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the District, its officers, officials, employees, agents or volunteers. The additional insured coverage or endorsement shall comply with California Insurance Code section 11580.04.
- (2) For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects the District, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees, agents or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
- (3) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the District, its officers, officials, employees, agents or volunteers.
- (4) The Contractor's insurance shall apply separately to each insured against whom claim is

made or suit is brought, except with respect to the limits of the insurer's liability

- (5) Each insurance policy required by this section shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits except after 30 days' prior written notice by U.S. mail has been given to the District.

(c) Course of construction policies shall contain, or be endorsed to contain, the following provisions: (1) District shall be named as loss payee; and (2) The insurer shall waive all rights of subrogation against the District.

(d) Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A:VII or the equivalent, unless otherwise approved by the District.

(e) Prior to commencing the Work, Contractor shall provide to District the following proof of insurance: (1) certificate(s) of insurance on ACORD Form 25-S (or insurer's equivalent) evidencing the required insurance coverages; and (2) endorsement(s) on ISO Form CG 2010 (or insurer's equivalent), signed by a person authorized to bind coverage on behalf of the insurer(s) and certifying the additional insured coverages, or equivalent additional insured blanket endorsement. The District reserves the right to require complete copies of all required insurance policies and/or endorsements affecting required insurance coverage at any time.

(f) The Contractor shall include all actions and activities of its subcontractors as insureds under its policies, or shall require each subcontractor to provide insurance coverage consistent with the foregoing and to furnish separate endorsements or certificates to the District. All coverages for subcontractors shall be subject to all of the requirements stated in this section.

(g) Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of the District, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

(h) The requirements as to the types, limits, and the District's approval of insurance coverage to be maintained by the Contractor are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by the Contractor under the Contract.

(i) In addition to any other remedy the District may have, if the Contractor or any of the subcontractors fails to maintain the insurance coverage as required in this section 30, the District may obtain such insurance coverage as is not being maintained, in form and amount substantially the same as required herein, and the District may deduct the cost of such insurance from any amounts due or which may become due the Contractor under this Contract.

(j) By signing this Contract, Contractor shall be deemed to have executed and filed with District the following Contractor's certificate regarding workers' compensation coverage in accordance with California Labor Code section 1861: I am aware of the provisions of section 3700 of the California Labor Code which require every employer to be insured against liability of workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the Work of this Contract.

29. Final Acceptance and Date of Completion.

(a) Whenever Contractor shall deem all Work under this Contract to have been completed, it shall so notify District in writing, and District shall promptly ascertain whether the Work has been satisfactorily completed and, if not, shall advise Contractor in detail and in writing of any additional Work required. When all the provisions of the Contract have been fully complied with to the satisfaction of District, District will accept the Work in writing and make the final payment to Contractor. As a condition of receiving the final payment, Contractor must execute and deliver to District a release in the following form:

UNCONDITIONAL WAIVER AND RELEASE UPON FINAL PAYMENT

The undersigned contractor has been paid in full for all labor, services, equipment and material furnished to District for the Work (see contract for description) and does hereby waive and release any right to a mechanic's lien, stop notice, or any right against a labor and material bond on the Work, except for the contract retention monies and disputed claims of the nature and in the amount described as follows:

Delta Engineering

By: _____

Director of Sales

[Date]

NOTICE: THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL RELEASE FORM.

(b) Except for any sum required to be withheld by law or allowed to be held under this Contract, the 10% retention shall be paid 35 days after District's acceptance of the Work. In accordance with California Public Contract Code section 7107(c), in the event of a dispute between the parties, District may withhold from the final payment an amount not to exceed 150% of the disputed amount.

30. Right to Withhold Payments.

(a) In addition to all other rights and remedies of District provided by law and this Contract, District may withhold the whole or any part of any progress or final payment to such extent as may reasonably be necessary to protect District from loss on account of: (a) unacceptable, defective or nonconforming Work not remedied; (b) claims or liens filed or reasonable evidence indicating probable filing of claims or liens including, but not limited to, claims under sections 1775, 1776 and 1777.7 of the California Labor Code or the public works stop notice provisions in the California Civil Code; (c) failure of Contractor to make payments properly for labor, materials, equipment, or other facilities, or to subcontractors and/or suppliers; (d) a reasonable doubt that the Work can be completed for the balance then unearned; (e) failure of Contractor to clean up the job site, repair or replace damaged or affected improvements or property; or (f) damage to job site, completed Work, or other real or personal property.

(b) Whenever District withholds any monies pursuant to this paragraph, written notice of the amount withheld and the reasons for the withholding will be given to Contractor. After Contractor has corrected the enumerated deficiencies to the satisfaction of District, District will promptly pay to Contractor the amount so withheld. When District withholds monies to protect District against claims under the public

works stop notice provisions of the California Civil Code, District may at its discretion permit Contractor to deliver a surety bond in terms and amount satisfactory to District, indemnifying District against any loss or expense, and upon acceptance thereof by District, District shall release to Contractor monies so withheld.

31. State Audit Contingency. The parties acknowledge that this Contract, and performance and payments under this Contract, are subject to examination and audit by the State Auditor General for three years following final payment under this Contract pursuant to California Government Code section 8546.7.

32. Waiver of Interest. District shall have no obligation to pay and Contractor hereby waives the right to recover interest with regard to monies which District must withhold by reason of judgment, order, statute or judicial process, or which it may withhold pursuant to this Contract.

33. Claims for Damages and Time Extension.

(a) For any claim of Contractor against District for a time extension or for any payment of money or damages, Contractor must give District a written notice of such claim within 20 days after the occurrence or circumstances that give rise to the claim. The claim shall also include the documents necessary to substantiate the claim. Contractor's failure to timely give written notice of a claim shall constitute a waiver by Contractor of all of its rights and remedies to further pursue the claim in a lawsuit, arbitration or other proceeding. Timely filed claims shall then be processed pursuant to the resolution of construction claims provisions at California Public Contract Code sections 20104 to 20104.6, attached hereto and incorporated herein.

(b) In accordance with California Public Contract Code section 9201(b), if District receives any written third-party claim relating to work performed under this Contract, then District agrees to promptly notify Contractor about the third-party claim.

34. Assignment of Anti-Trust Claims. In entering into this Contract, Contractor offers and agrees to assign to District all rights, title, and interest in and to all causes of action it may have under section 4 of the Clayton Act (15 U.S. Code, section 15) or under the Cartwright Act (chapter 2 (commencing with section 16700) of part 2 of division 7 of the California Business and Professions Code), arising from purchases of goods, services or materials pursuant to this Contract. The assignment shall be made and become effective at the time District tenders final payment to Contractor, without further acknowledgement by the parties.

35. Integration. This Contract constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract among the parties concerning the subject matter addressed herein, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject matter of this Contract, except those other documents that are expressly referenced in this Contract.

36. Independent Contractor. The relationship between District and Contractor is that of an owner and independent contractor, and all persons hired or employed by Contractor shall be Contractor's employees, agents or subcontractors.

37. Governing Law. This Contract shall be construed and enforced in accordance with, and the validity and performance of this Contract shall be governed by, the laws of the State of California.

38. Waiver; Remedies. Any waiver at any time by either party of its rights with respect to a breach or default or any other matter arising in connection with this Contract shall not be deemed to be a waiver

with respect to any other breach, default or matter. The rights and remedies provided in this Contract are in addition to any of the rights and remedies provided by law.

39. **Severability.** The illegality or unenforceability of any provision of this Contract shall not render the other provisions unenforceable, invalid or illegal.

40. **Liquidated Damages.** If Contractor does not complete the Work, as determined by District, before the expiration of the Contract time limit, or within any time extension granted by District, then District will sustain damage, and that it may be impracticable to determine the actual amount of damage by reason of the delay. *The parties therefore agree that Contractor shall pay District as damages the amount of \$100.00 per day for each and every day's delay in finishing the Work beyond the specified deadline.* The parties expressly agree that this liquidated damages clause is reasonable under the circumstances existing at the time the Contract was made. District shall have the right to deduct the amount of liquidated damages from any money due or to become due Contractor.

41. **Binding on Successors.** This Contract shall bind and inure to the benefit of the heirs, successors, assigns, and successor companies of the parties; however, Contractor shall not assign or transfer any rights, obligations or interest in the Contract without the prior written consent of District.

42. **Notices.** Any invoice, payment, notice, demand, request, consent, approval or notification of change of address that either party to this Contract may or is required to give to the other party will be in writing and signed for the party by an authorized officer and addressed as follows: (1) to the District, either to the Engineer or the District at the addresses set forth in the Invitation to Bid; and (2) to the Contractor, at the address set forth in its Bid. All such notices will be deemed to have been received on the date of delivery if either personally delivered or sent by recognized overnight courier service or three days after mailing if enclosed in a properly addressed and stamped envelope and deposited in a United States post office for first-class delivery. Either party may change its address at any time by notifying the other party in writing of the change of address in accordance with this section.

The parties enter into and execute this Contract effective on the day and year first above written.

DISTRICT

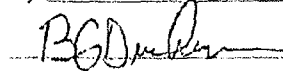
CONTRACTOR

By:



By:

DELTA ENGINEERING & SALES, LLC



Bernard Dunham

Director of Sales

Exhibit I



DELTA Engineering Sales

Metering Technologies and Solutions

January 25, 2010

Doug Cater
Sacramento Suburban Water District
5331 Walnut Avenue
Sacramento, CA 95821

Both Delta Engineering and KP Electronics value the opportunity of working with Sacramento Suburban Water District. The piloting of KP's Mega-Net fixed network AMI technology has provided much insight to SSWD's metering applications and expectations. I'm confident the performance of the KP solution will provide extended value that heightens overall utility operating efficiencies and maximizes revenues.

- Here within documents KP components, infrastructure requirements, costing, and product warranties
- Delta Engineering and KP Electronics propose to provide to SSWD: Eleven repeaters complete including connectors, cable, antennas and installation; One base station infrastructure complete including software, receivers, connectors, cable, antennas and installation.
- KP will provide an interface between KP's MCM software and SSWD's current billing software; this interface insures the integrity of communication between both systems. The successful transfer of all required billing data from MCM to SSWD's billing software is guaranteed.
- Based upon KP's propagation study, eleven repeaters will provide complete coverage to support MTU deployment at all utility defined locations. If additional repeaters are required for coverage of current defined SSWD service area, they will be provided at no costing to SSWD.
- KP's complete network infrastructure will be deployed at same time interval, supporting SSWD's MTU deployment at any endpoint location.
- Non committal, but estimated MTU annual deployment are (2500) per year. KP MTUs will communicate 24 hourly reads.
- MTU costing firm through December 31, 2011. Year three (2012) costing is subject to change not exceeding the PPI as published by the United States Bureau of Labor Statistics.

Upon SSWD's review and approval of submitted documents, Delta Engineering will apply for FCC licensing of assigned communication frequencies. Please advise any questions, or offer request for clarification of any content within. Thank you for your time issued to evaluate KP Electronics' fixed network AMI technology. Delta Engineering Sales is committed to providing metering solutions that meet the needs of each utility, utilizing the most advanced engineered technologies.

Best Regards,

Bernard G. Dunham

P.O. Box 663
Doxwrytown, PA
15135

PHONE (610) 873-2290
FAX (610) 873-2290
E-MAIL info@celtaengsales.com

Exhibit II



P.O. Box 663
Downingtown, PA 19335

Quotation

Quotation Number: Q101225-119

Quotation Date: 1/25/2010

Quotation Valid Until: 3/31/2010

BID PROPOSAL for:

Sacramento Suburban Water District
Doug Cater
3701 Marconi Ave., Suite 100
Sacramento, CA 95821

Sales Contact: **Bernard Dunham**
Cell Phone: 610-858-1548
Office No: 610-873-2290
Fax No: 610-873-2290
E-mail: info@deltaengsales.com

Project:

QTY	ITEM NO.	DESCRIPTION	UNIT PRICE	TOTAL
1	KP-Base Station ..	Central Control Center - (1) RC11500DNR - Desktop Receiver, Double transceiver supports two frequencies - (2) EXR5000BNR - External Radio Unit for RC15000 - (1) BB5000 - Base battery backup unit - (9) BAT004 - 12 V 8Ah Rechargeable battery - (2) ANTI070 Base/Repeater 168-174 MHz 3db Omni directional Antenna - (1) MCMESQL- HP DL380 Generation 6 (G6) Server w/MCM Automated Meter Reading Software (2) Train/NetSetup - Network Setup & Antenna Installation: Includes Cables, connectors, jumpers, weather seal, mounting hardware for antenna and cables, labor.	29,000.00	29,000.00
11	KP-Repeater Sys...	Store and Forward repeater, collects readings from MTU's, checks signal levels and forwards information to Base Station: (11) SMR5000FBH Repeater H Band with BSR100 (11) ANTI070 Base/Repeater 168-174 MHz 3db Omni directional Antenna (22) BAT004 - 12 V8Ah Rechargeable Batteries (11) Train/NetSetup - Network Setup & Antenna Installation: Includes Cables, connectors, jumpers, weather seal, mounting hardware for antenna and cables, labor.	6,640.00	73,040.00
1	KP MTWE1HP	METER TRANSMISSION UNITS: Universal MTU, VHF, Single Port for Encoder type meter, PPI unit, with 24 hourly reads	122.40	122.40
2	KP FTU100WMP	ADDITIONAL INFRASTRUCTURE ITEMS: Field Terminal Unit 100 - Programmer unit for Encoder type meters	588.00	1,176.00
1	KP FCC License	Federal Communications Commission License	5,000.00	5,000.00
5	KP Training	5 Days onsite training - software or field installation	1,250.00	6,250.00
		NOTES and ASSUMPTIONS: (1) Costing is FOB Herscham, PA. (2) Software billing interface to be determined after requirements are developed Standard billing interface cost \$7,000. (3) Annual maintenance for years 2 & 3 \$7,500. (4) MTU costing is firm through 12/31/2011. Year 3 (2012) and each year thereafter, is subject to change not exceeding the PPI as published by United States Bureau of Statistic. (5) MTU Warranty (full/prorated) 15 years. (6) Sales Tax Not Included in Pricing Tax Exempt	0.00%	0.00
Total				\$114,588.40



Chason A. Carroll
Assistant General Counsel –
Intellectual Property
Direct Dial: 770-206-4238
Email: ccarroll@muellerwp.com

January 2, 2019

VIA OVERNIGHT MAIL

Craig M. Locke, President
Sacramento Suburban Water District
3701 Marconi Avenue
Suite 100
Sacramento, CA 95821-5346

Re: Contract with Sacramento Suburban Water District, Sacramento, CA

Dear Mr. Locke:

We are in receipt of your letter dated November 7, 2018 (the “November Letter”). This response letter will provide Sacramento Suburban Water District (“SSWD”) with relevant information and correct many misunderstandings and false statements contained in the November Letter. Notwithstanding the contents herein, Mueller Systems, LLC (“Mueller Systems”) hopes to enjoy a positive working relationship with SSWD.

In February 2017, Mueller Systems acquired certain technology from KP Electronics Systems LTD (“KP”). However, Mueller Systems did not “acquire KP” as alleged in the November Letter. To our knowledge, KP is an ongoing business that continues to operate in many industries and many countries, including the United States. Mueller Systems simply acquired certain rights to technology, which it plans to offer to its customers in the future. As part of the February 2017 transaction, KP clearly and expressly maintained all liabilities and obligations for actions taken and commitments made prior to February 2017. If SSWD believes KP is obligated to provide certain products and services to it, SSWD should contact KP directly. However, as explained below, it is unlikely KP has any obligations to SSWD.

In the November Letter, you admit that SSWD entered into a contract with a KP distributor, Delta Engineering Sales, LLC (the “Distributor Agreement”). You then claim that the Distributor Agreement obligates KP, an entity not party to the Distributor Agreement, to perform certain activities. This claim is somewhat confusing. As I am sure you are aware, a primary tenet of contract law is that unrelated parties cannot obligate each other without an express agreement in place. To date, we have not received any agreements including KP’s signature that obligate KP to provide SSWD any products or services.

It further appears from the November Letter that KP has gone above and beyond any obligations, at its cost, to provide excellent customer service even though the only party SSWD has contracted with for products and services is Delta Engineering Sales, LLC. The November Letter references Exhibit I of the Distributor Agreement regarding certain obligations related to various products and services. The fourth bullet point of this Exhibit I states that “additional repeaters...will be provided at no costing to SSWD.” At best, this potentially obligated Delta Engineering Sales, LLC to provide SSWD with additional products at no cost. The Distributor Agreement in no way obligates

KP to provide anything to SSWD. Therefore, SSWD should contact Delta Engineering Sales, LLC for obligations and liabilities under the Distributor Agreement.

The November Letter also alleges that Mueller is refusing to meet contractual obligations and that KP induced SSWD to contract with KP. As stated above, we have received no contract signed by KP that obligates KP to perform any activities or provide any free products to SSWD. Relatedly, as previously noted, Mueller Systems did not acquire KP, and Mueller Systems is not KP's successor under California law or any other State's law. The case law referenced in the November Letter is not applicable to this scenario. As stated in the cases you cite,

“As typically formulated the rule states that the purchaser does not assume the seller's liabilities unless (1) there is an express or implied agreement of assumption, (2) the transaction amounts to a consolidation or merger of the two corporations, (3) the purchasing corporation is a mere continuation of the seller, or (4) the transfer of assets to the purchaser is for the fraudulent purpose of escaping liability for the seller's debts.”

As previously stated, KP expressly agreed in the February 2017 transaction to maintain all liabilities and obligations existing prior to February 2017. Additionally, KP continues to operate and to operate entirely separately from Mueller Systems. Finally, any claim of fraudulent transfer of assets would be frivolous and done in bad faith given that the February 2017 transaction was a clear third-party, arms-length transaction and that SSWD has worked with both companies independently. Therefore, if SSWD believes KP or Delta Engineering Sales, LLC, SSWD's counter-party to the Distributor Agreement, owes certain obligations to it, SSWD should seek remedies from those parties. Mueller Systems owes no obligations to SSWD.

Even though it appears that Delta Engineering Sales, LLC and KP may have provided many free services and products over the years, Mueller Systems requires its customers to pay for the products and services it provides. We believe it is unreasonable, disingenuous and unfair for SSWD to expect or demand otherwise. Additionally, Mueller Systems requires its customers to execute written agreements to ensure that applicable obligations, benefits, costs and other liabilities are clear and understood. To this point, if SSWD does not execute Mueller Systems' standard master services agreement by January 31, 2019, we will be forced to cease supporting the SSWD system.

We hope this response letter will enable us to move forward, and we look forward to continuing a long and fruitful relationship once SSWD signs Mueller Systems' master services agreement. Mueller expressly reserves all of its rights, claims and remedies relating to this matter. If you have any questions, please contact me at your convenience.

Sincerely,



Chason A. Carroll
Assistant General Counsel



Agenda Item: 7

Date: January 22, 2019

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 the District's Directors. On December 19, 2018, the District held an internal Strategic Plan Workshop with all staff. The subject event was very well accepted by staff and comments were received that acknowledged their gratitude of being able to have input towards the District's Strategic Plan process.

Below is a status of the 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 2018: Consultant interviews Directors individually (Completed)
- November 2018: Survey – Staff and stakeholders (Completed)
- December 2018: Staff workshop (Completed)
- February 11, 2019: Special Board Workshop
- March 2019: Board approval

b. Regional Water Supply/Wheeling Opportunities

As previously reported to the Board at the November 2018 regular Board meeting, staff has been contacted by several water agencies in the region to discuss opportunities related to sharing new groundwater wells, wheeling, surface water supplies and groundwater banking. Due to potential complexity related to these opportunities, the District has contracted with Tully & Young to assist the District in reviewing and analyzing the subject opportunities. Gwyn-Mohr Tully will be the lead on the subject

task. The scope of work is anticipated to be completed in April 2019. Staff will provide a thorough presentation to the Board in April/May 2019.

c. City of Sacramento Wholesale Water Rate Update

As reported in October 2017, the District and City of Sacramento (City) concur that it is advantageous to amend the 2004 Agreement that will potentially lower the cost per acre feet that would allow the City to utilize their water supplies and to allow the District to purchase the water to benefit its Conjunctive Use Program. The City has contracted with HDR Engineering Inc. to conduct a wholesale water rate analysis. HDR's analysis was scheduled to be provided to the City's Finance Department in November 2018.

Staff has been informed that HDR's analysis is approximately two months behind schedule. The City's engineering group will receive the draft analysis when completed to discuss internally. Upon their review it would then be provided to the City's finance department. Following the review of those two departments, it would then be provided to the City's legal department and then placed on the agenda for City Council review/approval. It is assumed that if there is a new wholesale water rate, it would potentially be implemented in the City's next Fiscal Year, which is July 1, 2019 through June 30, 2020.

d. McClellan Business Park Successor Agreement Update

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.

District and MBP staff have been working diligently to develop and finalize 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 an upcoming Facilities and Operations Committee meeting and the full Board at the February 25, 2019 regular Board meeting. If approved, the new Successor Agreement with MBP will supersede the 1999 Agreement between the District and County of Sacramento (County).

e. Regional Water Authority – Executive Director Retirement

On January 18, 2019, John Woodling announced his resignation from the Regional Water Authority (RWA) Executive Director (ED) position, effective March 1, 2019. In anticipation of a potential transition such as this, the RWA Executive Committee had designated in August of last year a subcommittee to develop a Request for Proposals (RFP) for an Executive Director recruitment. Sometime during the intervening months, the RFP was released and three bids were received. On January 23, 2019, the RWA Executive Committee selected Roberts Consulting Group to conduct the recruitment, at a price not to exceed \$30,000. The RWA Executive Committee will manage the recruitment contract, and conduct the interviews. The RWA Executive Committee will then make the recommendation of the new RWA Executive Director.

AGENDA ITEM: 8. a.

REGIONAL WATER AUTHORITY REGULAR MEETING OF THE BOARD OF DIRECTORS

Thursday, January 10, 2019, 9:00 a.m.

5620 Birdcage Street, Suite 110

Citrus Heights, CA 95610

(916) 967-7692

AGENDA

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

1. CALL TO ORDER AND ROLL CALL

2. PUBLIC COMMENT

3. CONSENT CALENDAR

- a. Minutes from the November 8, 2018 RWA regular board meeting
Action: Approve November 8, 2018 RWA Board meeting minutes
- b. Adopt proposed RWA Board Meetings Scheduled for 2019
Action: Adopt proposed RWA Board Meetings scheduled for 2019
- c. Adopt RWA Personnel Rules, Policy 400.1
Action: Approve RWA Personnel Rules, Policy 400.1; Appendix C: Harassment and Retaliation Prevention; Appendix D: Drug Free Work Place; Appendix E: Workplace Violence; Appendix G: Health Reimbursement; Appendix H: Family Care Leave and Appendix
- d. Approve Update of Policy 400.2 Employee Compensation
Action: Approve Amended Policy 400.2
- e. Accept the 2018 RWA Financial Audit Report
Action: Accept the 2018 RWA Financial Audit Report

4. EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS

- a. Information: Final minutes of the October 24, 2018 Executive Committee meeting and draft minutes from the December 5, 2018 Executive Committee meeting

5. AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN A MEMORANDUM OF AGREEMENT WITH NON-FEDERAL PARTNERS TO DEVELOP A WATER MARKETING STRATEGY PLAN

Action: Adopt Resolution regarding a Memorandum of Agreement with non-Federal partners to develop a Water Marketing Strategy Plan

- 6. ELECT 2019 RWA EXECUTIVE COMMITTEE**
Action: Elect the 2019 Executive Committee of the RWA Board of Directors
- 7. ELECT 2019 RWA CHAIR AND VICE-CHAIR**
Action: Elect 2019 Chair and Vice-Chair of the RWA Executive Committee and RWA Board of Directors
- 8. EXECUTIVE DIRECTOR'S REPORT**
- 9. DIRECTORS' COMMENTS**

ADJOURNMENT

Upcoming meetings:

Next Executive Committee Meetings – Wednesday, January 23, 2019 and February 27, 2019, 8:30 a.m. at the RWA office.

Next RWA Board of Directors' Meeting – Thursday, March 14, 2019, 9:00 a.m., at the RWA Office.

**REGIONAL WATER AUTHORITY
EXECUTIVE COMMITTEE AGENDA**

**January 23, 2019; 8:30 a.m.
5620 Birdcage Street, Suite 110
Citrus Heights, CA 95610
(916) 967-7692**

AGENDA

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

- 1. CALL TO ORDER AND ROLL CALL**
- 2. PUBLIC COMMENT:** Members of the public who wish to address the committee may do so at this time. Please keep your comments to less than three minutes.
- 3. CONSENT CALENDAR**
 - a. Minutes of the December 5, 2018 Executive Committee meeting
Action: Approve Consent Calendar item
 - b. RWA Personnel Rules, Policy 400.1 Appendix I
Action: Recommend RWA Board Approval of RWA Personnel Rules, Policy 400.1; Appendix I: Injury and Illness Prevention Program
 - c. Revision to RWA Policy 300.2, Professional Services Selection and Contracting
Action: Recommend RWA Board Approval of Revisions to RWA Policy 300.2
 - d. 2019 RWA Executive Committee Meeting Schedule
Action: Adopt Proposed Schedule of 2019 Executive Committee meetings
- 4. DEVELOPMENT OF FISCAL YEAR 2019 – 2020 BUDGET**
Information Presentation and Discussion of FY 2019 – 2020 Budget Process, Timeline and Key Questions for Direction
- 5. LEGISLATIVE/REGULATORY UPDATE**
Information Presentation: Ryan Ojakian, Legislative and Regulatory Affairs Manager
- 6. REGIONAL WATER RELIABILITY PLAN UPDATE**
Presentation and Discussion: Rob Swartz, Manager of Technical Services

7. RETIREE HEALTH BENEFITS

Presentation and Discussion: John Woodling, Executive Director

8. SUCCESSION PLANNING

Presentation and Discussion: John Woodling, Executive Director

Action: Approve Selection and Contract for Executive Recruitment Services with Roberts Consulting Group, Inc., in an amount not to exceed \$30,000

9. CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(E) AND 54957 – PUBLIC EMPLOYEE PERFORMANCE EVALUATION

10. REPORT FROM CLOSED SESSION

11. DIRECTORS' COMMENTS

ADJOURNMENT

Upcoming meetings:

Upcoming Executive Committee Meetings – February 27, 2019 and March 20, 2019 at 8:30 a.m. at the RWA office

Next RWA Board of Directors' Meeting – Thursday, March 14, 2019, at 9:00 a.m. in the RWA conference room, 5620 Birdcage Street, Ste. 110, Citrus Heights, CA 95610

AGENDA ITEM: 9. b.

Agenda Sacramento Suburban Water District **Finance and Audit Committee**

3701 Marconi Avenue, Suite 100
Sacramento, CA 95821

Friday, February 1, 2019
2:00 p.m.

Where appropriate or deemed necessary, the Committee may take action on any item listed on the agenda, including items listed as information items. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The President will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 916.679.3972. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Call to Order

Pledge of Allegiance

Roll Call

Announcements

Public Comment

This is an opportunity for the public to comment on non-agenda items within the subject matter jurisdiction of the Committee. Comments are limited to 3 minutes.

Consent Items

The committee will be asked to approve all Consent Items at one time without discussion. Consent Items are expected to be routine and non-controversial. If any member of the Committee, staff or interested person requests that an item be removed from the Consent Items, it will be considered with the action items.

1. Minutes of the October 8, 2018 Finance and Audit Committee Meeting

Recommendation: Approve subject minutes.

Items for Discussion and/or Action

- 2. **Pre-Field Work Discussion with Independent Auditor**
Discuss Scope and Timing of 2018 Audit with Richardson & Company, LLP.

Adjournment

Upcoming Meetings:

Monday, February 11, 2019 at 2:00 p.m., Strategic Plan Workshop
Monday, February 25, 2019 at 6:00 p.m., Regular Board Meeting

I certify that the foregoing agenda for the February 1, 2019 meeting of the Sacramento Suburban Water District Finance and Audit Committee was posted by January 29, 2019 in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was made available to the public during normal business hours.

Dan York
General Manager/Secretary
Sacramento Suburban Water District

**Sacramento Suburban Water District and San Juan Water District
2x2 Water Management / Re-Organization Committee Meeting Notes**

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

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

Call to Order

Director Hanneman called the meeting to order at 4:30 p.m.

Roll Call

Committee Members: Marty Hanneman, SJWD Director
Ted Costa, SJWD Director
Craig Locke, SSWD Director (arrived at 4:42 p.m.)
Dave Jones, SSWD Director

Staff Present: Paul Helliker, SJWD General Manager
Dan York, SSWD General Manager
Teri Grant, SJWD Board Secretary/Administrative Assistant

Public Present: Steve Nugent, CWD General Manager
Hilary Straus, CHWD General Manager
David Gordon, CHWD Operations Manager
Debra Sedwick, DPMWD General Manager
Michael Nisenboym, FOWD Operations Manager
Joe Duran, OVWC General Manager
Mark DuBose, OVWC Operations Manager
Greg Zlotnick, SJWD Water Resources & Strategic Affairs
Mike Huot, SSWD Assistant General Manager
Bill Eubanks, SSWD Ratepayer

1. Public Comment

There were no public comments.

2. Update From GM Discussions

SJWD's General Manager Paul Helliker (GM Helliker) and SSWD's General Manager Dan York (GM York) provided a staff report which will be attached to the meeting minutes. GM Helliker reminded the committee that the last meeting was October 3rd wherein the committee directed the SSWD and SJWD general managers to meet with the other water agencies' general managers. GM Helliker stated that there were two meetings with the general managers from Citrus Heights Water District (CHWD), Fair Oaks Water District (FOWD), City of Folsom, Orange Vale

Water Company (OVWC), Rio Linda/Elverta Community Water District, Carmichael Water District (CWD), and Del Paso Manor Water District (DPMWD).

GM Helliker reported that, at the first meeting of the general managers, they reviewed the background and the two reports that were provided from the studies. He stated that, at the second meeting, they reviewed the problem statements that were presented to the committee at the October meeting then discussed some revisions to the problem statements, goals and possible tasks, which are included in the staff report.

GM York reviewed the six problem statements which includes the water supply issues in the American River, infrastructure needs, capacity in the system, financial and operational challenges, and legislative and regulatory issues.

Director Costa voiced concern regarding the Bureau draining Folsom Reservoir and wanted to know if that was discussed. GM Helliker explained that is covered under Problem Statement 1 regarding variability and risk of water supplies. In response to another question from Director Costa, GM Helliker replied that the Phase 2a study was the foundation for the discussions with the general managers. In response to Director Costa's third question, GM York explained that he used the Cooperative Transmission Pipeline as an example of a facility being under-utilized by SSWD.

GM York reviewed the goals that the participating agencies would collaborate on which includes enhancing water supply reliability by optimizing the use of surface water and groundwater supplies; repair, replace and improve water supply infrastructure; provide excellent service and the best value to customers; and achieve more effective advocacy and the best outcomes possible on legislation and regulations in both Sacramento and Washington, D.C..

GM York commented that this was a collaboration from the general managers who attended the last two meetings. He stated that the next meeting with the general managers is scheduled for January 8th at Citrus Height Water District.

GM Helliker stated that the problem statements were extracted from the Phase 1 and Phase 2a reports and then were updated and go beyond what was defined in the two studies. He stated that the items that were highlighted in the first two studies were focused on water supplies and optimizing the ability to use the water supplies in a manner to protect them and provide as much reliability as possible. In addition, he stated that the two studies included some infrastructure investment needs, operational costs, staffing, and highlighted being more politically influential.

GM Helliker commented that the goals define the purpose of addressing the problem statements, and the alternative methods of doing so range from status quo to conducting projects cooperatively to potential joint powers agreements to full integration, i.e., merger. This compares to the previous Phase 1 & 2a options of

business as usual, more inter-agency agreements and merger. He explained that these goals are not focused specifically on SSWD and SJWD, but are defined more broadly, so that they can apply to specific problems faced jointly by the various water agencies in the SSWD/SJWD neighborhood. In response to Director Hanneman's question regarding governance, GM York explained that governance was analyzed in the Phase 2a study. GM Helliker explained that governance and some other issues pertain specifically to a merger and, while that is a potential solution to the problem statements as a way to achieve the goals, the general managers were trying to define alternatives to consider other than those defined in the other two studies.

GM Helliker stated that the comments received from the participants at the October committee meeting suggested that the committee take a good look at what the problems are that the committee is trying to identify, what the best alternatives are to consider to address those problems, and how they will be analyzed.

Director Locke commented that the discussion in the past was focused on the best utilization of the water rights in the region. He voiced concern that problem statement 1 contains several issues that could be broken down into more problem statements but he believes that the most compelling argument is securing the water supply and making the best use of water supply for the region.

Director Jones questioned what the end goal is and suggested that the first goal should be where the agencies want to end up at in order to provide a roadmap. He would like to see the pros and cons of doing agreements versus a merger.

GM Helliker commented that a concern that was heard was that they did not want to start with the solution but instead define the alternatives which need to be evaluated and then develop the criteria to evaluate the alternatives. GM York commented that the SSWD Board wanted to look at the other alternatives first before diving into the merger discussions.

Director Costa commented that the agencies have hired two consultants to perform two separate studies and SJWD accepted the studies and was waiting for SSWD to take a position on the second study. He commented that if other alternatives need to be looked at then they should be included; however, he feels that the document provided by the general managers is broad and vague. Director Hanneman also feels that the document is vague and nebulous and there is no direction.

Director Costa suggested that if the other water agencies want to participate in the discussions with SJWD and SSWD then they should have their boards send a letter to the two agencies so that their Board position is understood.

CHWD's General Manager Hilary Straus (GM Straus) commented that he felt today was just a check-in with the committee to show the committee where the general managers are with the discussions to date and make sure that the general managers

are on track with the committee's direction. In addition, he stated that there are some agencies participating in the discussions who are new to the information being discussed. Therefore, he believes that the process needs to slow down a bit in order for the other agencies to get up to speed. He commented that the process is starting out broad with all the problem statements and goals, then all the practical alternatives will be identified before the alternatives are narrowed down.

CWD's General Manager Steve Nugent (GM Nugent) commented that this is a great opportunity to look for opportunities and believes that this is a starting point to a final solution. He stated that CWD is interested in watching the process and in opportunities to work with other agencies.

DPMWD's General Manager Debra Sedwick (GM Sedwick) commented that SSWD and SJWD are familiar with the original studies; however, her agency is not and her board is changing in 2019 so they are unfamiliar with these activities. She would appreciate that the committee not go too fast so it will allow the other agencies to get up to speed with this process.

GM Helliker commented that there were a number of comments in 2015 regarding the analysis and plans that were being proposed. He stated that there was concern about what the analysis meant and if the alternatives were fully evaluated. He stated that merger was identified as the solution but that might not have been the best solution for the problems that were identified. He agreed that the proposed problem statements are more general but feels that they more accurately characterize the challenges that local water agencies face. He commented that the original Phase 1 and 2A studies solely addressed solutions for SSWD and SJWD. He commented that the choice now is to broaden the project to include other agencies or continue with just the original two agencies (SSWD and SJWD).

Director Costa commented that, when the Cooperative Transmission Pipeline (CTP) was constructed, the agreement was that Northridge Water District would merge with SJWD eventually; however, that did not happen. He commented that the SJWD Board conducted a workshop and set a policy that if another water agency was interested in merging with SJWD that they would need to submit a letter and then discussions could be instigated, which is what happened with SSWD. He suggested that other water agencies, that want to be included in the process, go to their board of directors and then send SJWD a letter of their intent.

Director Hanneman commented that from the October 3rd committee meeting the position was that the process would be inclusive and that all the general managers would meet to discuss the problem statements so that they reflect all the agencies that are interested in this topic.

Director Locke commented that he agreed with Director Costa and that the other agencies should bring back their boards' positions on the topic.

GM Straus commented that the direction that he received from the CHWD board is that they are interested in an interest-based process versus a position-based process. In other words, they are interested in looking at the full range of options not just one to the exclusion of all others. He commented that it may take some time to come to agreement on the shared problem statements and goals, and if there is genuine interest to bring on additional partners then they need to be given the opportunity and time to participate.

Director Locke commented that more specific problem statements such as extra capacity in the treatment plant or under-utilized transmission pipelines are problem statements that can be addressed versus issues like climate change. GM Straus commented that there was discussion regarding turning the problem statements into SMART objectives - Specific, Measurable, Achievable, Relevant, Time bound.

Director Locke commented that he knows the interest of his board and of San Juan's board but not the other agencies. GM Straus commented that he is hoping to see if they can collaborate around shared goals and objectives. In response to Director Hanneman, GM Straus commented that the CHWD board has discussed this issue. GM Sedwick commented that she has a new board starting in January and will bring this to their attention after their first meeting in January. Representatives from CWD, FOWD and OVWC stated that their boards have discussed the issue and directed them to attend the meetings.

GM Helliker commented that the tasks that are listed in the document cover the basis of what needs to be done at this point. He commented that a lot of the work was completed with respect to just SSWD and SJWD, with the same level of analysis not yet completed for the other agencies. He reviewed the tasks that were included in the document and explained that the general managers would like to put more detail in the list then have each board review the list. He commented that once the list is provided to the boards then it would be reasonable to ask each board if they would be participating in the effort.

GM York commented that one of the issues in 2015 was that the other agencies were not allowed to be at the table; however, GM Helliker commented that he was told that they were invited. Director Costa commented that the smaller water agencies would need to request to participate and that the larger agency would not be seeking out the smaller agencies to join.

Mr. Eubanks, a SSWD ratepayer, addressed the committee and voiced his concern regarding some issues. He commented that if the boards want to make some progress then they should pick something out and go for it; otherwise, these meetings will continue on endlessly.

Director Hanneman commented that he didn't see reference to inter-agency agreements in the goals. GM Helliker explained that improving inter-agency agreements would be an alternative to try to achieve the goals as defined in the Phase 1 study.

Director Jones commented that there needs to be defined goals as the ones provided were more general, and talking points might be helpful. The committee voiced concurrence regarding defined goals.

GM Helliker conducted a brief presentation on projects that are similar to the current topic. A copy of the presentation will be attached to the meeting minutes. He explained that the Tri-Valley Agencies project included five agencies (California Water Service – Livermore, City of Livermore, City of Pleasanton, Dublin San Ramon Services District, and Zone 7 Water Agency) that collaborated on an effort to look at all the range of options that they had regarding the challenges they had in 2011. Their goals were to improve all operations in their various arenas, save customers money, and optimize their operations.

GM Helliker explained that their options ranged from inter-agency agreements/contracts to creating one water agency. He stated that out of the ten options, the group selected two options to look at further, then broke that down to the operational and support opportunities that they would consider in their next study.

GM Helliker informed the committee that, in northern Los Angeles County, Castaic Lake Water Agency (wholesaler), Santa Clarita Water Division, and Newhall County Water District (Santa Clarita Valley Agencies) created one agency at the beginning of 2018. He reviewed their challenges, opportunities, and cost savings. He explained that they are one agency that manages all the surface water and groundwater in the basin. He explained that they have separate divisions and haven't completely integrated all their functions, but over time will probably do so.

GM Helliker commented that these were two previous examples of collaboration with different results, which could inform the committee's deliberations. He commented that the work done by the agencies in the other examples could complement the work that we have already completed.

The committee would like to know the cost and length of time of the Tri-Valley Agencies and Santa Clarita Valley Agencies projects. In addition, they would like to know what happened to the water rates. GM Helliker will report back to the committee with the information.

3. Next Steps

GM Helliker commented that the general managers are proposing an inclusive approach, looking at the issues and bringing all the agencies together to identify what the best solutions are for the issues. He commented that the problem

statements, goals, and tasks need to be developed in more detail, and a scope developed during the next couple of months for the expanded project. This information would then be presented to each agency, who would then decide whether or not they are interested in joining the effort.

Director Hanneman commented that the general managers are meeting on January 8th at CHWD then the committee can meet in February/March at SSWD. GM Helliker commented that by February/March each of the other agencies should be able to inform the committee of their level of participation in this effort. GM Sedwick requested that the committee meet in March/April so that she has time to address this issue with her new board.

The meeting was adjourned at 5:35 p.m.

DRAFT



Agenda Item: 10

Date: January 23, 2019

Subject: Water Fluoridation – South Service Area

Staff Contact: Mike Huot, Assistant General Manager

Background:

In 1995 AB 733 was adopted and California Health and Safety Code Section 4026.7 was added stating: “In order to promote the public health through the protection and maintenance of dental health, the department (of Public Health) shall adopt regulations..., requiring the fluoridation of public water systems.” With some exceptions, it directs the state Department of Public Health (DPH) to “adopt regulations that require the fluoridation of all public water system that have at least 10,000 service connections.” The caveat is that the funding for water fluoridation must come from sources other than ratepayers.

In 2000, as a result of AB 733, the City of Sacramento began fluoridating their water supplies. In 2004, the District entered into an agreement with the City of Sacramento to purchase treated surface water. Due to place of use restrictions, this surface water can only be used in the District’s South Service Area (SSA). If the City provided surface water to the District with fluoride, then there would have been a mix of fluoridated surface water and un-fluoridated groundwater (District water). This would have led to notifying customers that they are receiving “sub-optimum” fluoride levels.

In addition to entering into an agreement with the City of Sacramento in 2004, the District’s Board made a decision to provide “optimal” levels of fluoride in the SSA. This required adding fluoridation equipment to the District’s groundwater wells in the SSA. Funding for the capital improvements was provided by the First 5 Sacramento Commission (First 5) and was not paid by the District’s rate payers.

In 2007 the work of installing fluoridation equipment on the SSA groundwater wells was complete and the District began delivering fluoridated water in March 2007.

Discussion:

There has been much discussion over the years about fluoridation in the District. Ranging from ceasing fluoridation, continuing fluoridation in the SSA, or expanding fluoridation into the North Service Area (NSA). The regulatory mandate to fluoridate only applies if the funds come from sources other than ratepayers. The District received \$2,338,099 in grant money from First 5 and agreed to a 20- year commitment. However, the District spends about \$320,000 a year in maintenance and operations costs for fluoride. If the District ceased operations of fluoride, then the District would be obligated to pay back almost half of the grant, which is prorated over 20 years. Since the District received the grant funding and completed the project over 11 years ago,

the District would be required to pay back about \$1 million. District staff and legal counsel are reviewing the agreement with First 5, the District's drinking water permit, and State regulations to determine if the District can choose to cease operations of fluoride.

If the District ceased to fluoridate in the SSA and continued purchasing surface water that is fluoridated, public notification would be required. The State Water Resources Control Board has indicated that the District would be required to notify entities for customer outreach, such as health departments and consumers, about the status of the fluoridation treatment if the last use period was greater than 90 days. This would be approximately \$16,000 a year assuming the District continues receiving fluoridated surface water from the City 6 out of 10 years. The District received City surface water in 2009-2012 and 2016-2017. The District did not receive City surface water in 2013-2015 and 2018.

If the District decided to expand fluoride use into the NSA, then fluoridation equipment would need to be added to over 30 wells and two surface water turnouts. Montgomery Watson Harza provided an engineering report dated November 2010, which evaluated this option. The additional estimated maintenance and operations cost was \$564,000, including an additional staff person, and the capital cost for adding the equipment was estimated to be \$9.73 million. Grant funding is a potential opportunity if the District expanded fluoridation into the NSA; however, the District's Board chose not to expand fluoridation into the NSA.

Staff will bring the Board a recommendation about surveying our customers on the use of fluoride after staff and legal complete their review and determine if ceasing the operations of fluoridation is an option.



Agenda Item: 11

Date: January 17, 2019

Subject: ACWA/JPIA President's Special Recognition Awards

Staff Contact: Matt Underwood, Operations Manager

Discussion:

Property and workers' compensation can be very costly to a public utility if measures are not taken to provide a safe and healthy work place for employees. Sacramento Suburban Water District (District) has made safety a primary goal and continues its commitment to ensure the health and safety of its employees and customers. Each year at its annual Fall Conference the District's insurance carrier, ACWA/JPIA, provides recognition for the hard work and commitment of District staff and the Board of Directors in keeping safety at the forefront.

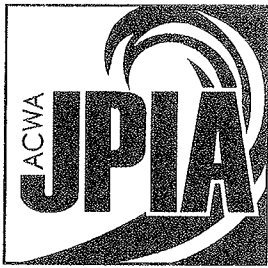
On January 10, 2019, the District received a letter from E.G. "Jerry" Gladbach, President of ACWA/JPIA, commending the District for its efforts in reducing claims (Attachment 1). On November 26, 2018, in recognition of this effort, ACWA/JPIA approved a President's Special Recognition Award certificate for the Programs the District qualified in: Property and Workers' Compensation (Attachment 2).

These awards were presented for achieving low ratios of "Paid Claims and Case Reserves" to "Deposit Premiums" in the Property Program for the period 04/01/14 – 03/31/17 (see Attachment 2), and "Paid Claims and Case Reserves" to "Deposit Premiums" in the Workers' Compensation Program for the period 07/01/14 – 06/30/17 (Attachment 3). A member district must have a loss ratio of 20% or less to receive the President's Special Recognition Award. Loss ratios are calculated by dividing incurred losses by the total premiums in a three-year period.

Based on the type and volume of work conducted on a daily basis by member agencies throughout the state, District staff believes these awards are significant and represent the District's continued commitment to the health and safety of its customers and staff.

Attachments:

- 1 – Letter from ACWA/JPIA
- 2 – President's Special Recognition Award Certificate – Property Program
- 3 – President's Special Recognition Award Certificate – Workers' Compensation Program



YOUR BEST PROTECTION

January 10, 2019

Sacramento Suburban Water District (S053)
Dan York
3701 Marconi Avenue, Ste. 100
Sacramento, CA 95821-5346

ACWA JPIA

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President

E.G. "Jerry" Gladbach

Vice President

Tom Cuquet

Chief Executive Officer

Walter "Andy" Sells

Executive Committee

Tom Cuquet

David Drake

E.G. "Jerry" Gladbach

David T. Hodgkin

W.D. "Bill" Knutson

Steven LaMar

Melody A. McDonald

J. Bruce Rupp

Kathleen Tiegs

Dear Dan:

Each year at Fall Conference, the JPIA recognizes members that have a Loss Ratio of 20% or less in either of the Liability, Property, or Workers' Compensation programs (loss ratio = total losses / total premiums).

The members with this distinction receive the "**President's Special Recognition Award**" certificate for each Program that they qualify in.

The JPIA is extremely pleased to present Sacramento Suburban Water District (S053) with this special recognition and commends the District on the hard work in reducing claims.

Congratulations to you, your staff, Board, and District. Keep up the good work!

The JPIA wishes you the best in 2019.

Sincerely,

E.G. "Jerry" Gladbach
President

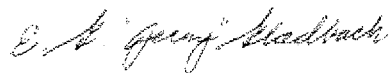
Enclosure: President's Special Recognition Award(s)

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Sacramento Suburban Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Property Program for the period 04/01/2014 - 03/31/2017
announced at the Board of Directors' Meeting in San Diego.*



E. G. "Jerry" Gladbach, President



November 26, 2018

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Sacramento Suburban Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Workers' Compensation Program for the period 07/01/2014 - 06/30/2017
announced at the Board of Directors' Meeting in San Diego.*

E. G. "Jerry" Gladbach

E. G. "Jerry" Gladbach, President



November 26, 2018



Agenda Item: 12

Date: January 22, 2019

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
SC18-009	Well Rehabilitation and Pump Station Improvements	\$908,000	(\$320,000)	\$588,000	Funds are available as a portion of this budget is allotted each year as a contingency for unplanned well rehab projects.
SC18-019	Distribution Main Improvement	\$770,000	\$320,000	\$1,090,000	Funds are needed due to work for small main improvement projects that came in higher than budgeted.
SC18-012	Well Replacement	\$2,800,000	(\$105,000)	\$2,695,000	Funds are available as some of construction work for Well N6A and Well 79 are going slower than anticipated and will not be completed until early 2019.
SC18-022	Water Related Street Improvements	\$361,000	\$5,000	\$366,000	Costs came in higher than budgeted due to an unexpected Street Improvement Project from County.
SC18-038	Large Water Meter >3" Replacement	\$140,000	\$20,000	\$160,000	Funds are needed as material costs came in higher than budgeted.
SC18-042	Meter Replacement and Repair	\$250,000	\$20,000	\$270,000	Funds are needed as material costs came in higher than budgeted.
SC18-046	Tank Inspection & Repair	\$100,000	\$60,000	\$160,000	Funds are needed as work to destroy tank 769 came in higher than budgeted.
Total		\$5,329,000	\$0	\$5,329,000	

ATTACHMENT 2 – 2018 OCB Budget Transfers

Project Number	Project Category	Amended Budget Estimate	Reallocated Amount	Amended Budget Estimate	Reason for Transfer
SF18-447	UCMR 4 Monitoring	\$120,000	(\$62,500)	\$57,500	As the lab contractor hired for the project underperformed, budgeted project was delayed and funds are available for reallocation.
SF18-443	Meter Vault Lids Replacement	\$32,000-	\$2,000	\$34,000	Funds are needed as costs came in slightly higher than budget.
SF18-448	Hardware Refresh Program	\$142,751	\$39,000	\$181,751	Additional Equipment and costs needed for the new server room.
SF18-452	Marconi Office Remodel	\$-0-	\$21,500	\$21,500	Funds needed to update conservation supervisor office at Marconi location and boardroom's monitors.
Total		\$294,751	\$0	\$294,751	



Agenda Item: 13

Date: January 14, 2019

Subject: 2018 Annual Environmental Compliance Activity Report

Staff Contact: Matt Underwood, Operations Manager

All District staff share a responsibility to ensure that the District’s operational activities comply with existing regulatory requirements. Because Environmental Compliance (EC) applies to many aspects of work in the District, various staff members act in lead or supporting roles. Activities necessary for the District to remain in compliance with regulatory requirements generally determines a staff member’s role. The District’s EC staff are responsible for disseminating information about existing and upcoming regulations to internal and external stakeholders. Whenever possible, staff endeavors to provide compliance solutions that are environmentally conscious and provide the most value to the District’s ratepayers.

The District’s EC Program provides assistance with activities such as reporting, providing training, and drafting guidance for District staff. In addition to keeping water in the pipes, many daily operational activities are driven by regulatory requirements from several agencies, including the:

- State Water Resources Control Board, Division of Drinking Water (DDW),
- U.S. Environmental Protection Agency (USEPA),
- Central Valley Regional Water Quality Control Board (CVRWQCB),
- Sacramento County Environmental Management Department (SCEMD),
- Sacramento Metropolitan Air Quality Management District (SMAQMD),
- California Air Resources Board (CARB), and the
- Federal Communications Commission (FCC)

The following provides an overview of those agencies and some tasks completed by EC staff to meet the regulatory requirements or facilitate compliance in 2018.

DDW and USEPA

DDW is the primary regulatory agency that oversees the District. In California, DDW and to a lesser degree, USEPA, enforce regulations designed to ensure public drinking water systems provide a continuous supply of safe, potable water to their customers.

Every month the District submits a report to DDW providing details about the quality of the water produced. DDW staff perform an “annual” field inspection of District facilities every one to three years. The field inspection includes visits to well sites and storage facilities. Some of the District’s efforts in 2018 related to DDW and USEPA requirements include:

- Ensured the collection, analysis, and reporting of over 3,000 samples.
- Responded to and documented customer water quality calls.
- Continued drinking water lead sample plan preparation, monitoring, and reporting for K – 12 schools in accordance with the District’s revised water supply permit and CA Health and Safety Code Section 116277.
- Analyzed water quality data and produced the Consumer Confidence Report (Annual Water Quality Report).
- Submitted permit amendment packages for several wells.
- Substantially completed 1,2,3-Trichloropropane monitoring at all Active operational wells.
- Began and substantially completed UCMR 4 monitoring in accordance with the USEPA-approved Groundwater Representative Monitoring Plan.
- Responded to both internal and external requests for data (such as well information, production data, and water quality data) in order to assist engineers, consultants, and agencies, including DDW, Sacramento Groundwater Authority and URS Corporation.

Cross-Connection Control Program

There are approximately 4,560-backflow prevention assemblies (Assemblies) installed on services throughout the District. Testing of all Assemblies on active service connections and District facilities was completed in 2018. In order to facilitate program compliance and prevent terminating the customer’s service, District staff had approximately 737 Assemblies tested by contract testers. Contract testing is performed when customers do not respond to District letters notifying them of the annual testing requirement. The District adds the cost of contract testing to the customer’s bill. In addition, District staff had 63 Assemblies installed at existing customer service connections; thereby satisfying the DDW directive that at least 50 Assemblies are added to the system each year.

Transitioning to a new data management system for Assemblies was completed in the Fall when District EC and IT staff successfully launched a web-based portal. The portal allows for the direct system entry of Assembly test results by backflow testers. That system seamlessly integrates Assembly records with other customer data within TruePoint, the District’s billing software system.

CVRWQCB

CVRWQCB is the regulatory agency that enforces the provisions of the federal Clean Water Act. Most discharges to Waters of the U.S. are regulated through “Waste Discharge Requirements” that are included in a discharger’s National Pollutant Discharge Elimination System (NPDES) permit. Potable water discharges are conducted in accordance with the District’s NPDES permit. Representative Monitoring performed by EC staff throughout the year covers the monitoring requirements for most of the daily operational discharges. Select discharges, greater than one acre-foot, well development, well rehabilitation, and super-chlorinated, are required to be monitored as individual events. Annual reporting was completed prior to the March 1, 2018, regulatory deadline.

SCEMD

SCEMD is the local Certified Unified Program Agency (CUPA) that oversees hazardous materials handling and hazardous waste disposal activities for Sacramento County. In order to protect human

health and safety and the environment, facilities that have hazardous materials in excess of specific thresholds require permitting through the local CUPA.

In 2018, EC staff reviewed, updated, and re-submitted Hazardous Materials Business Plans and site maps for the 60 District facilities where hazardous materials in reportable quantities are stored. Those hazardous materials are primarily Sodium Hypochlorite, Hydrofluorosilicic Acid, and diesel in the emergency generator fuel tanks. Operations staff also accompanied SCEMD on inspections to a limited number of those facilities. EC staff also works directly with Operations and Engineering staff as well as consultants to ensure that specific waste products are tested, handled, disposed of, and reported on in accordance with regulatory requirements.

SMAQMD and CARB

SMAQMD and CARB enforce specific portions of air quality regulations. In general, SMAQMD enforces air quality regulations that pertain to stationary sources of air pollution and CARB enforces air quality regulations that pertain to mobile sources of air pollution. CARB enforces emission standards that apply to the District's large diesel-powered trucks and off-road equipment. SMAQMD is the permitting agency for the District's 19 diesel, 16 natural gas, and two propane-powered internal combustion engines (Engines). The Engines are permitted as emergency stand-by power for selected facilities throughout the District. Each year, at the end of January, EC staff prepare and submit an annual usage report for all Engines.

SMAQMD permits for all Engines have numerous operational, maintenance, and record-keeping requirements. Production staff visually inspect each Engine every day that a facility is visited. The Engines are maintained, tested, and serviced in accordance with air quality regulations and the District's Internal Combustion Engine Operations Plan (ICEOP). The ICEOP helps ensure that Production staff adhere to regulatory requirements and properly document their activities. SMAQMD and District staff inspected all 37 Engines in August, 2018. Following the inspection, the SMAQMD engineer praised the District for its efforts in maintenance, documenting, and reporting.

FCC

The FCC is the federal agency that licenses and regulates users of radio frequencies. The District has 10 active licenses for frequencies that are used for operation of the District's SCADA, two-way radios, and remote meter reading systems. The term of each license is 10 years. Three radio license frequencies were renewed in 2018.

TRAINING

When necessary, EC staff periodically provide the following training for operations and/or engineering staff:

- Bacteriological sample collection
- NPDES discharge requirements
- Hazardous materials plan contents and requirements
- SMAQMD permit requirements

CUSTOMER CALLS

EC staff responded to 169 Water Quality Inquiry Service Requests in 2018. The calls included customers expressing concerns about hardness, entrained air, color, odor, or turbidity. Most of the color, odor, and turbidity calls were determined to be caused by internal issues or were no longer present upon further investigation. Many of the calls were from customers inquiring about various water topics ranging from the sources of their drinking water to regulatory requirements.

SUMMARY

As is the case with the other functional groups, the EC team accepts responsibility for their part in helping the District operate in a manner consistent with the Strategic Plan's Goals and Principles. In doing so, the EC team recognizes their role in supporting the District's internal and external customers. For internal customers, that support includes understanding regulations and their requirements, then disseminating information through communication, training, and guidance tools. For external customers, that support includes investigating, educating, and reporting.

The District's ability to successfully satisfy the applicable compliance requirements in 2018 results from a collective effort by all staff. The EC team will continue to evolve and provide the necessary support to their internal and external customers to help ensure that they are satisfied and that compliance requirements are met.



Agenda Item: 14

Date: January 4, 2019

Subject: Human Resources and Succession Plan Biannual Report

Staff Contact: Cassie Crittenden, Human Resources Coordinator

1. Current Statistics

Full Time Employees:	65
Temporary Employees:	5
Full Time Vacancies:	5

Current temporary employees include two Water Conservation Representatives, three engineering interns, and one office assistant.

Current full-time vacancies are as follows:

1. IT Analyst
2. Assistant Engineer
3. Safety Risk Officer
4. Superintendent (Distribution)
5. Production Foreman

2. Completed/Ongoing Work of Note

- a) In process of implementing the results of the Compensation Study and allocating the approved funds to staff.
- b) Ongoing review of class specification/job descriptions.
- c) Completed 2019 Benefit Renewal Analysis. We have renewed contracts with CalPERS for health coverage; Cigna for dental, life and disability coverage; and VSP (through Ameritas) for vision coverage.
- d) Completed the Strategic Plan workshop with staff. A Board workshop is next and a draft strategic plan is anticipated by early Spring, 2019 for the Board to review.

3. Succession Plan Update

To date, District succession planning efforts have been successful in filling the Human Resources Coordinator in December 2018, and the Environmental Compliance Technician position (start date – January 14, 2019).

Succession planning is now focused on filling the current vacancies for the IT Analyst, Assistant Engineer, Production Foreman, Distribution Superintendent, and Safety Risk Officer positions; and the upcoming vacancy for a Production Operator II (current incumbent is retiring at the end of January), and potential retirements of two employees this spring/fall.



Agenda Item: 15

Date: January 4, 2019

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. During December and January, the Legislature has the opportunity to introduce new bills that will be considered during 2019 and 2020. Table 1 below shows various bills that staff will be tracking throughout the year. The table is organized to show the bill number, name, which house it is currently located in, the date it was chaptered, any current action, staff’s recommended position regarding the bill (support, oppose, oppose unless amended), and final results of the legislatures voting (pass, not passed). Staff will update Table 1 each month and add information as the legislative session progresses throughout the year.

Table 1: 2018 Updates Regarding Previously Reported Legislation

Bill Number	Name	House Location	Chaptered Date	Action	District Position	Results
H.R. 434	New WATER Act	U.S. Congress	7/27/18	Referred to Sub. Comm. On Water, Power and Oceans	Supported	Pending
AB 134	Safe, Clean Affordable, and Accessible Drinking water	Assembly	12/5/18	From printer. May be heard in committee January 5, 2019	None taken at this time	Pending
SB 45	Wildfire, Drought, and Flood Protection Bond Act of 2020	Senate	12/3/18	From printer. May be acted upon on or after January 3, 2019	None taken at this time	Pending
SB 19	Stream Gauges	Senate	12/3/18	From printer. May be acted upon on or after January 3, 2019	None taken at this time	Pending
AB 129	Waste Management: plastic microfiber	Assembly	12/3/18	From printer. May be acted upon on or after January 3, 2019	None taken at this time	Pending

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 (Bureau), and Alaska and Hawaii where the Bureau is authorized to provide project assistance.

District Impact: H.R. 434 has the potential to provide grant/loan opportunities to water utilities for various water related projects.

AB 134

This bill would state findings and declarations relating to the intent of the Legislature to adopt policies to ensure that every Californian has the right to safe, clean, affordable, and accessible drinking water.

District Impact: Unknown at this time. This legislation seems to set the stage for new policies to ensure every Californian has the right to safe, clean, affordable, and accessible drinking water without specifically stating what those policies are.

SB 45

This bill would enact the Wildfire, Drought, and Flood Protection Bond Act of 2020. If approved by the voters, it would authorize the issuance of bonds in an unspecified amount pursuant to the State General Obligation Bond Law. Financing would be made available to restore fire damaged areas, reduce wildfire risk, create healthy forest and watersheds, reduce climate impacts on urban areas and vulnerable populations, protect water supply and water quality, protect rivers, lakes, and streams, reduce flood risk, protect fish and wildlife from climate impacts, improve climate resilience of agricultural lands, and protect coastal lands and resources.

District Impact: SB 45 has the potential to provide grant/loan opportunities to water utilities seeking to fund projects that will benefit disadvantaged communities and/or protect wildlife on public and private lands.

SB 19

This bill would require the Department of Water Resources (DWR) and the State Water Resources Control Board (SWRCB), upon an appropriation of funds by the Legislature, to develop a plan to deploy a network of stream gauges that measure surface water levels or volumetric discharges and determine funding needs and opportunities for modernizing and reactivating existing gauges and deploying new gauges, as specified. The bill would require DWR and the SWRCB, in consultation with Department of Fish and Wildlife, the Department of Conservation, the Central Valley Flood Protection Board, interested stakeholders, and, to the extent they wish to consult, local agencies, to develop the plan to address significant gaps in information necessary for water management and the conservation of freshwater species. The bill would require DWR and the SWRCB to give priority in the plan to placing or modernizing and reactivating stream gauges where lack of data contributes to conflicts in water management, or where water can be more effectively managed for multiple benefits and to consider specified criteria in developing the plan.

District Impact: The potential impacts (if any) of SB 19 are not known at this time. Staff will continue to follow this bill until it is determined that there is no impact to District operations should it pass.

AB 129

This bill would declare the intent of the Legislature to, among other things, enact legislation to recognize the emerging threat that microfibers pose to the environment and water quality and would make related findings and declarations.

District Impact: Should AB 129 pass, the District may have to begin monitoring its water supply for micro plastics and report its findings to the state and public.

Implementation of Bills Approved in 2018

SB 998

SB 998 requires the District to make changes to its policy regarding the discontinuation of water service. Staff is in the process of reviewing the current policy and making any necessary changes to ensure compliance. SB 998 is effective beginning February 1, 2020.

AB 1668 and SB 606

AB 1668 and SB 606 requires the State Water Resources Control Board (SWRCB) and Department of Water Resources (DWR) to adopt long-term standards for the efficient use of water on or before June 30, 2022. The long-term standards are an estimation for indoor water use (55 gallons per person per day), outdoor water use (estimated water use for irrigable landscapes as measured by satellite), water loss (as validated in accordance with SB 555), and Commercial, Industrial, and Institutional water use (yet to be determined). SWRCB and DWR are currently in the rule making process of the legislation. Recommendations for performance standards are due by October 1, 2021. Staff is actively engaged in the rule making process. So far, DWR has published a primer of how the indoor and outdoor water use standard will be calculated. The next step is to begin actively calculating the outdoor standards by taking landscape measurements via satellite.



Agenda Item: 16

Date: January 15, 2019

Subject: Upcoming Water Industry Events

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

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

Below is a list of upcoming water industry events:

Upcoming Events

1. Water Caucus
February 13, 2019
RWA Office
2. SGA Board Meeting
February 14, 2019
RWA Office
<http://www.sgah2o.org/meetings/board-meetings/>
3. ACWA – Legislative Symposium
March 6, 2019
Sacramento, CA
<https://www.acwa.com/events/>
4. RWA Board Meeting
March 14, 2019
RWA Office
<http://rwah2o.org/>

5. CSDA Rate Setting Under Propositions 218 and 26
March 20, 2019
Sacramento, CA
http://members.csda.net/iMIS1/CSDA2/Shared_Content/Higher_Logic/Workshops.aspx
6. Californi-Nevada AWWA - Spring Conference
March 25-28, 2019
Sacramento, CA
<http://ca-nv-awwa.org/canv/CNS/EventsandClasses/conf/SC19/Homepage.aspx>
7. CSDA Spring Education Day
March 26, 2019
Sacramento, CA
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
9. SGA Board Meeting
April 11, 2019
RWA Office
<http://www.sgah2o.org/meetings/board-meetings/>
10. Creek Week Celebration
April 13, 2019
Carmichael Park, CA
11. RWA Board Meeting
May 2, 2019
RWA Office
<http://rwah2o.org/>
12. Capitol – to – Capitol
May 4 – 8, 2019
Washington DC
<http://business.metrochamber.org/events/details/49th-annual-capitol-to-capitol-22322>
13. ACWA 2019 Spring Conference
May 7, 2019
Monterey, CA
<https://www.acwa.com/events/>

14. CSDA 2019 Special Districts Legislative Days
May 21, 2019
Sacramento, CA
https://members.csdanet.net/iMIS1/CSDA2/Shared_Content/Higher_Logic/Workshops.aspx
15. SGA Board Meeting
June 13, 2019
RWA Office
<http://www.sgah2o.org/meetings/board-meetings/>
16. RWA Board Meeting
July 11, 2019
RWA Office
<http://rwah2o.org/>
17. SGA Board Meeting
August 8, 2019
RWA Office
<http://www.sgah2o.org/meetings/board-meetings/>
18. RWA Board Meeting
September 12, 2019
RWA Office
<http://rwah2o.org/>
19. CSDA Annual Conference and Exhibitor Showcase
September 25-28, 2019
Anaheim, CA
https://members.csdanet.net/iMIS1/CSDA2/Shared_Content/Higher_Logic/HLEvents_Calendar.aspx
20. SGA Board Meeting
October 10, 2019
RWA Office
<http://www.sgah2o.org/meetings/board-meetings/>
21. Californi-Nevada AWWA – Fall Conference
October 21-24, 2019
San Diego, CA
http://ca-nv-awwa.org/canv/CNS/Events_Classes/Future_Events/CNS/EventsandClasses/Copy_of_events.aspx?hkey=40976128-710b-4097-b27b-e35fe6133849

22. RWA Board Meeting

November 14, 2019

RWA Office

<http://rwah2o.org/>

23. ACWA Fall Conference

December 3-6, 2019

San Diego, CA

<https://www.acwa.com/events/2019-fall-conference-exhibition/>

24. SGA Board Meeting

December 12, 2019

RWA Office

<http://www.sgah2o.org/meetings/board-meetings/>

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

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



Agenda Item: 17 a.

Date: January 4, 2019

Subject: Upcoming Policy Review – Catastrophic Leave Policy (PL – HR 008)

Staff Contact: Cassie Crittenden, Human Resources Coordinator

Included with this report is the updated Catastrophic Leave Policy (PL – HR 008) for the Board’s review and comment. The policy was originally adopted by the Board on July 18, 2005, and last revised on January 23, 2017. Staff has edits to Sections 100.00 and 300.00:

Section 100.00 - Staff recommends removing redundant language, which is repeated in Section 200.00 and instead providing a summary of the purpose of the policy. This revision does not change the purpose or intent of the policy.

Section 300.00 – Staff recommends including the Human Resources Coordinator and a designee to the General Manager as additional administrators to the policy.

The policy is scheduled for Board review and approval at the February Board meeting. If a Director wishes to have their comments included in hard copy for Board review and consideration, please provide those comments to staff by Wednesday, February 6, 2019.

Attachments:

- 1 – Red Lined Version – Catastrophic Leave Policy
- 2 – Clean Version – Catastrophic Leave Policy

Sacramento Suburban Water District

Catastrophic Leave Policy

Adopted: July 18, 2005

Approved with Changes: February 25, 2019 Revised: June 18, 2007; June 15, 2009; July 18, 2011; January 23, 2017

100.00 Purpose of the Policy

~~The purpose of this policy is to assist employees who have exhausted accrued leave balances due to a serious or catastrophic illness, injury, or condition of the employee or his/her extended family. to provide benefits to Regular and Management employees who: 1) have a serious or catastrophic non-industrial illness or injury; 2) must provide necessary full-time care for a spouse or domestic partner, dependent child or parent; 3) experience the death of a spouse or child; or 4) experience similar catastrophic events.~~

200.00 Policy

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

300.00 Authority and Responsibility

~~The Human Resources Coordinator and General Manager, or designee, will be responsible for administering this policy. This will include establishing employee eligibility criteria; length of time Catastrophic Leave may be received; the donation process; and development of a District Procedure. Employee eligibility criteria, length of time Catastrophic Leave may be received, and the donation process will be developed by the General Manager and established as a District Procedure.~~

400.00 Policy Review

This Policy shall be reviewed at least biennially.

Sacramento Suburban Water District

Catastrophic Leave Policy

Adopted: July 18, 2005
Approved with Changes: February 25, 2019

100.00 Purpose of the Policy

The purpose of this policy is to assist employees who have exhausted accrued leave balances due to a serious or catastrophic illness, injury, or condition of the employee or his/her extended family.

200.00 Policy

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

300.00 Authority and Responsibility

The Human Resources Coordinator and General Manager, or designee, will be responsible for administering this policy. This will include establishing employee eligibility criteria; length of time Catastrophic Leave may be received; the donation process; and development of a District Procedure.

400.00 Policy Review

This Policy shall be reviewed at least biennially.



Agenda Item: 18

Date: January 22, 2019

Subject: Financial Report

Staff Contact: Daniel A. Bills, Finance Director

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

- Draft Financial Highlights – December 2018
- Draft Financial Statements – December 2018
- Investments Outstanding and Activity – December 2018
- Cash Expenditures – December 2018
- Credit Card Expenditures – December 2018
- Directors Compensation and Expense Accounting – Fourth Quarter 2018
- Draft District Reserve Balances – December 2018
- Information Required by LOC Agreement
- Financial Markets Report – December 2018

DRAFT - Financial Statements

These Financial Statements and certain other reports noted above are presented in Draft form and should not be relied upon for investment or other decision making purposes. As December 31 is the District's year-end for financial reporting purposes, amounts presented in this report will remain "Draft" until the external auditor's financial audit is complete and the Board accepts the audited 2018 annual report (CAFR). The results of the audit and the CAFR are expected to be complete and brought to the Board for approval at the April Board meeting.

DRAFT - 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 \$1.5 million more than its prior year balance at the same date; investments are also \$0.5 million more than on December 31, 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 \$12.6 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.

DRAFT - Statements of Net Position:

District cash and cash equivalents increased to \$7.6 million as of December 31, 2018, up from \$6.1 million at December 31, 2017. Cash held in the District's bank accounts (\$5.5 million as of December 31) is held in accordance with state and federal regulations, which state that cash held in the District's bank accounts above the FDIC insured limits must be fully collateralized with government securities that are equal to or greater than 110% of the District's cash balance in the bank at any time.

Investments increased since December 31, 2017 by \$0.5 million to a total of \$36.4 million, reflecting the reinvestment of interest received off-set by unrealized market value losses. Investment portfolio balances and activity are reported on subsequent pages.

Capital assets grew \$20.0 million to \$478.5 million as of December 31, 2018, reflecting expenditures on distribution main replacement projects, well improvement projects and meter retrofits. Capital assets are primarily funded by monthly remuneration from customers through "capital facilities charges," developer contributions, as well as grant funds, when available, and District reserves when necessary.

Net position stands at \$258.0 million as of December 31, 2018, compared to \$245.4 million at December 31, 2017 for an increase of \$12.6 million.

DRAFT - Statements of Revenues, Expenses and Changes in Net Position:

The net position increase of \$12.6 million in 2018 is \$1.0 million more than the twelve months ended December 31, 2017. Net changes are comprised of:

1. Water Consumption Sales Revenue increased by \$0.7 million (5.8 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 1.2 percent to 30,874 acre-feet compared to 31,254 acre-feet in 2017. Water Transfer sales brought in an additional \$0.9 million in 2018, which did not occur in 2017.
2. Capital Facility Charge Revenue increased by \$1.0 million in line with the 4.0 percent rate increase referred to above.
3. Operating expenses decreased by \$0.5 million from the same period in 2017 due to the net effect of – 1) a decrease of \$0.1 million in surface water purchasing costs as no surface water was taken in first three months of 2018 due to the shutdown of the Antelope Transmission Pipeline (ATP) and availability of PCWA water; 2) an increase of \$0.2 million in groundwater pumping costs; 3) a decrease of \$0.2 million in transmission and distribution costs; and 4) a decrease of \$0.4 million in administrative and general costs.

4. Investment income increased by \$0.2 million compared to the same period a year ago primarily due to increasing returns on investments.
5. 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.
6. Developer contributions decreased by \$1.2 million compared to the same period a year ago, as there were less developer projects done in 2018 than in 2017.
7. Capital grant revenue decreased by \$1.0 million compared to the same period a year ago, as there was no capital project funding received in 2018.

DRAFT - Budgets:

The District's operating and maintenance expenditures for 2018 came in less than the budget by \$1.5 million. Most of this positive variance is due to - 1) water cost savings that stem primarily from the lack of purchased surface water due to the cost of surface water in the south service (the District purchased 12,002 AF of surface water in 2018 in the north service area, and did not take any surface water in the south service area); 2) election cost savings; 3) six month salary and related benefits saving from the unfilled AGM position; 4) transmission and distribution cost savings.

Operating capital project expenditures through December were \$0.95 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, \$18.5 million has been spent, which is 96.6 percent of the approved budget. Expenditures were primarily in distribution system replacements, well improvements and meter retrofit projects.

Debt – December 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 December 31, 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 last twelve months ended December 31, 2018, the District has incurred interest expense of \$2,530,269 versus a forecast of \$3,460,000 or a \$929,731 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 – December 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 2.28% per annum, while LAIF is earning 2.29%, essentially the same. 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 December, the District purchased one US Treasury Note for \$0.8 million (par), one Federal Agency Collateralized Mortgage Obligation for \$0.2 million (par) and one Asset-Backed Security Obligations for \$0.4 million (par). The District received principal paydowns on four Federal Agency Collateralized Mortgage Obligations of \$16,547 (par) and nine Asset-Backed Security Obligations of \$112,407 (par). See "Investment Activity" section in the attached report for further details.

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

Cash Expenditures – December 2018

During the month of December, the District made cash payments totaling \$4.7 million. The primary expenditures were – \$0.2 million for debt service, \$3.0 million for 2018 capital improvement projects, \$0.2 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 – December 2018

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

During the month, the District spent \$6,531 for various purchases on the six District purchasing cards. Details by vendor and purpose are included in this report.

Directors Compensation and Expense Accounting – Fourth Quarter 2018

Director meetings attended during the 4th quarter of 2018 (that Directors have reported to staff) and expense reimbursements are attached in accordance with the District's Directors' Compensation and Expense Reimbursement Policy (PL – BOD 003) and Government Code

Section 53065.5. Directors who have not reported their meeting attendance to District staff are not included in this report and are expected to make an oral report at the Board meeting.

DRAFT - 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 December 31, 2018 are \$45,050,498 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.

DRAFT - Financial Statements
December 31, 2018

Sacramento Suburban Water District
Financial Highlights
Period Ended

STATEMENTS OF NET POSITION

	Year-To-Date 12/31/2018	Year-To-Date 12/31/2017
LIQUIDITY		
Cash and cash equivalents	\$7,592,932.14	\$6,097,315.73
INVESTMENT		
Investments	36,369,025.38	35,860,505.32
CAPITAL ASSETS		
Property, plant and equipment	478,490,200.17	458,488,252.58
Accumulated depreciation	(180,682,636.10)	(168,222,020.00)
	297,807,564.07	290,266,232.58
LIABILITIES		
Long Term Debt	(81,429,132.00)	(89,788,384.48)
NET POSITION		
Net Position	258,003,739.02	245,431,452.30

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Month 12/31/2018	Year-To-Date 12/31/2018	Month 12/31/2017	Year-To-Date 12/31/2017
NET INCOME				
Operating Revenue	4,982,473.75	46,549,512.38	4,126,921.61	44,180,479.18
Operating Expense	(2,565,188.59)	(20,332,888.78)	(3,460,717.80)	(20,868,547.88)
Other, Net	(734,691.40)	(13,644,336.88)	31,868.69	(11,740,935.24)
Change in Net Position	\$1,682,593.76	\$12,572,286.72	\$698,072.50	\$11,570,996.06

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

	<i>As Of</i>	<u>Month End</u>	<u>Year End</u>
		<u>12/31/2018</u>	<u>12/31/17</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		\$7,585,118.00	\$6,084,811.39
Restricted Cash and cash equivalents		7,814.14	12,504.34
Accounts receivable, net of allowance for uncollectible accounts		2,862,836.71	3,220,813.91
Interest receivable		215,917.07	175,718.91
Restricted Interest receivable			7,982.27
Grants receivables		0.01	135,446.55
Other receivables		945,480.32	139,520.00
Inventory		495,142.20	687,361.49
Prepaid expenses and other assets		745,733.69	596,878.92
TOTAL CURRENT ASSETS		<u>12,858,042.14</u>	<u>11,061,037.78</u>
NONCURRENT ASSETS			
Investments		36,369,025.38	35,860,505.32
Restricted Investments			3,527,683.79
Fair value of interest rate swaps		487,057.00	487,057.00
TOTAL NONCURRENT ASSETS		<u>36,856,082.38</u>	<u>39,875,246.11</u>
Property, plant and equipment		478,490,200.17	458,488,252.58
Accumulated depreciation		(180,682,636.10)	(168,222,020.00)
TOTAL CAPITAL ASSETS		<u>297,807,564.07</u>	<u>290,266,232.58</u>
TOTAL ASSETS		<u>347,521,688.59</u>	<u>341,202,516.47</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on long-term debt refunding		6,024,224.12	6,678,090.23
Pension contribution subsequent to measurement date		2,623,682.00	2,807,227.00
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		<u>356,169,594.71</u>	<u>350,687,833.70</u>
LIABILITIES			
CURRENT LIABILITIES			
Current portion of long-term debt and capital leases			4,240,000.00
Accounts payable		3,424,575.85	1,799,258.35
Accrued interest		256,450.62	426,439.43
Deferred revenue and other liabilities		1,165,885.13	895,650.62
Accrued expenses		806,883.08	1,194,890.42
TOTAL CURRENT LIABILITIES		<u>5,653,794.68</u>	<u>8,556,238.82</u>
NONCURRENT LIABILITIES			
Long-term debt		81,429,132.00	85,548,384.48
Compensated absences		950,951.01	1,019,780.10
Net pension liability		8,997,648.00	8,997,648.00
TOTAL NONCURRENT LIABILITIES		<u>91,377,731.01</u>	<u>95,565,812.58</u>
TOTAL LIABILITIES		<u>97,031,525.69</u>	<u>104,122,051.40</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred intflow of effective swaps		487,057.00	487,057.00
Employee pensions		647,273.00	647,273.00
NET POSITION			
Invested in capital assets, net of related debt		207,155,938.33	207,155,938.33
Restricted		3,548,170.40	3,548,170.40
Unrestricted		47,299,630.29	34,727,343.57
TOTAL NET POSITION		<u>258,003,739.02</u>	<u>245,431,452.30</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION		<u>356,169,594.71</u>	<u>350,687,833.70</u>

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

Period Ended

	<u>Month</u> <u>12/31/2018</u>	<u>Year-To-Date</u> <u>12/31/2018</u>	<u>Month</u> <u>12/31/2017</u>	<u>Year-To-Date</u> <u>12/31/2017</u>
OPERATING REVENUES				
Water consumption sales	\$940,958.29	\$13,272,040.57	\$689,443.49	\$12,543,643.77
Water consumption sales - raw water	872,200.00	872,200.00		
Water service charge	590,998.09	6,392,112.67	556,108.10	6,365,984.45
Capital facilities charge	2,356,211.82	24,448,809.89	2,250,753.74	23,498,930.70
Wheeling water charge	122,399.25	510,167.53	508,167.06	675,829.72
Other charges for services	99,706.30	1,054,181.72	103,532.75	1,077,174.07
TOTAL OPERATING REVENUES	<u>4,982,473.75</u>	<u>46,549,512.38</u>	<u>4,108,005.14</u>	<u>44,161,562.71</u>
OPERATING EXPENSES				
Source of supply	288,612.31	2,911,038.60	42,746.59	2,980,224.24
Pumping	601,403.46	4,709,991.26	972,349.80	4,516,089.87
Transmission and distribution	523,929.12	3,779,345.00	639,580.51	4,016,335.22
Water conservation	66,875.29	435,999.40	57,188.12	452,328.27
Customer accounts	150,066.30	1,279,144.80	180,738.01	1,304,644.30
Administrative and general	934,567.91	7,208,010.79	1,568,394.45	7,600,325.31
TOTAL OPERATING EXPENSES	<u>2,565,454.39</u>	<u>20,323,529.85</u>	<u>3,460,997.48</u>	<u>20,869,947.21</u>
Operating income before depreciation	2,417,019.36	26,225,982.53	647,007.66	23,291,615.50
Depreciation and amortization	<u>(1,036,444.18)</u>	<u>(12,460,616.10)</u>	<u>(1,011,128.70)</u>	<u>(12,181,912.07)</u>
OPERATING INCOME	<u>1,380,575.18</u>	<u>13,765,366.43</u>	<u>(364,121.04)</u>	<u>11,109,703.43</u>
NON-OPERATING REV. (EXP.)				
Rental income	20,149.93	244,204.52	20,932.66	258,327.38
Interest and investment income	316,081.98	744,386.90	12,162.53	494,946.31
Interest expense and debt related costs	<u>(278,619.25)</u>	<u>(3,112,261.83)</u>	<u>(279,940.73)</u>	<u>(3,449,549.65)</u>
Other non-operating revenues	1,875.66	157,681.04	(2,752.68)	185,204.72
Grant revenue pass-through to sub recipients		20,248.76	18,069.24	407,169.79
Other non-operating expenses	<u>(181.95)</u>	11,882.65	(6,754.33)	(3,087.26)
Sub recipient grant expenses		<u>(20,248.76)</u>	<u>(18,069.24)</u>	<u>(407,169.79)</u>
Gain(loss) on disposal of capital assets		27,030.00	<u>(15,337.15)</u>	12,207.85
NON-OPERATING REV. (EXP.)	<u>59,306.57</u>	<u>(1,927,076.72)</u>	<u>(271,689.70)</u>	<u>(2,501,950.65)</u>
NET INCOME (LOSS) BEFORE CAPITAL	<u>1,439,881.75</u>	<u>11,838,289.71</u>	<u>(635,810.74)</u>	<u>8,607,752.78</u>
CAPITAL CONTRIBUTIONS				
Facility development charges	41,717.00	158,001.00	4,817.00	135,073.00
Developer contributions	200,995.01	551,097.00	1,326,447.51	1,740,424.51
Federal, state and local capital grants		24,899.01	2,618.73	1,087,745.77
TOTAL CAPITAL CONTRIBUTIONS	<u>242,712.01</u>	<u>733,997.01</u>	<u>1,333,883.24</u>	<u>2,963,243.28</u>
CHANGE IN NET POSITION	<u>1,682,593.76</u>	<u>12,572,286.72</u>	<u>698,072.50</u>	<u>11,570,996.06</u>
Net position at beginning of period	<u>256,321,145.26</u>	<u>245,431,452.30</u>	<u>244,733,379.80</u>	<u>233,860,456.24</u>
NET POSITION AT END OF PERIOD	<u>258,003,739.02</u>	<u>258,003,739.02</u>	<u>245,431,452.30</u>	<u>245,431,452.30</u>

Sacramento Suburban Water District
Operations and Maintenance Budget
Period Ended

	<i>Month Of December</i>			<i>2018 YTD</i>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
BUDGETED OPERATING EXPENSES						
Board of Directors	\$4,487.08	\$58,853.07	\$54,365.99	\$38,410.16	\$112,236.84	\$73,826.68
Administrative	274,015.45	210,864.08	(63,151.37)	2,274,033.08	2,533,606.96	259,573.88
Finance	129,625.55	79,394.09	(50,231.46)	925,805.68	1,002,729.08	76,923.40
Customer Services	150,066.30	109,133.47	(40,932.83)	1,279,144.80	1,309,597.64	30,452.84
Field Operations	130,025.56	67,711.78	(62,313.78)	638,287.31	784,837.36	146,550.05
Production	890,015.77	663,783.48	(226,232.29)	7,621,029.86	8,190,454.42	569,424.56
Distribution	225,516.34	190,381.02	(35,135.32)	1,931,039.14	2,164,528.24	233,489.10
Field Services	298,412.78	189,514.76	(108,898.02)	1,846,647.41	1,655,826.64	(190,820.77)
Maintenance	85,504.93	56,151.34	(29,353.59)	648,775.28	673,903.48	25,128.20
Water Conservation	66,875.29	41,434.26	(25,441.03)	435,999.40	494,522.12	58,522.72
Engineering	176,007.16	113,941.15	(62,066.01)	1,318,004.43	1,373,463.80	55,459.37
GIS/CAD	32,055.86	33,714.97	1,659.11	333,460.22	413,083.64	79,623.42
Human Resources	10,158.00	21,699.32	11,541.32	166,606.03	254,643.84	88,037.81
Information Technology	92,688.32	71,433.21	(21,255.11)	866,287.05	897,242.52	30,955.47
TOTAL OPERATING EXPENSES	<u>2,565,454.39</u>	<u>1,908,010.00</u>	<u>(657,444.39)</u>	<u>20,323,529.85</u>	<u>21,860,676.58</u>	<u>1,537,146.73</u>

SACRAMENTO SUBURBAN WATER DISTRICT
 OPERATING CAPITAL AMENDED BUDGET
 12/31/2018

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		82,858.25	-	\$ 12,141.75
SF18-430	HVAC/ROOFS/BUILDING REPAIRS	\$ 30,000.00		30,000.00	5,640.00	17,129.00	-	\$ 12,871.00
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) ³	32,000.00		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) ²	2,100.00		590.00	-	\$ 1,510.00
SF18-436	REPLACE TRAILERS 168 & 169	\$ 20,000.00		20,000.00	12,284.00	12,284.00	-	\$ 7,716.00
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	-	\$ 5,784.00
SF18-440	VEH REPL-RIGHT SIZE/TRUCK#47	\$ 45,000.00		45,000.00		39,216.00	-	\$ 5,784.00
SF18-441	VEH REPL-RIGHT SIZE/TRUCK#48	\$ 45,000.00		45,000.00		39,216.00	-	\$ 5,784.00
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	2,000.00 ⁵	34,000.00	6,210.00	33,135.00	-	\$ 865.00
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 ²	37,900.00	28,025.00	35,342.00	-	\$ 2,558.00
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	(66,000.00) ⁵	54,000.00		-	-	\$ 54,000.00
SF18-448	HARDWARE REFESH PROGRAM	\$ 108,500.00	73,251.00 ^{4,5}	181,751.00	90,475.00	181,622.25	-	\$ 128.75
SF18-449	SOFTWARE ENHANCEMENTS/MODULES	\$ 160,000.00	(84,251.00) ^{1,4}	75,749.00		72,929.00	-	\$ 2,820.00
SF18-450	SERVER ROOM	\$ 50,000.00	50,000.00 ¹	100,000.00	75,294.00	76,782.00	-	\$ 23,218.00
SF18-451	SECURITY @ ENTERPRISE RESERVOIR FACIL	\$ -	38,000.00 ³	38,000.00	18,913.00	36,111.00	-	\$ 1,889.00
SF18-452	MARCONI OFFICE REMODEL		21,500.00 ⁵	21,500.00	21,147.00	21,147.00	-	\$ 353.00
TOTAL		\$ 1,161,000.00	\$ (3,500.00)	\$ 1,157,500.00	\$ 257,988.00	\$ 955,938.04	\$ -	\$ 201,561.96

**Sacramento Suburban Water District
Capital Improvement Project Amended Budget
12/31/2018**

Project No.	Project Name	Original Budget	Changes	Amended Budget	Current Month Expenditures	Expenditures Year-To-Date	Committed Year-To-Date	Remaining Balance
SC18-009	WELL REHAB/PUMP ST IMPROVEMENT	\$ 1,000,000.00	(412,000.00) ^{2,4} ^{5,7}	\$588,000.00	\$ 100,615.00	\$ 567,734.00	\$0.00	\$ 20,266.00
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 ^{2,4}	181,000.00	526.00	175,952.00	-	\$ 5,048.00
SC18-012	WELL REPLACEMENTS	\$ 3,300,000.00	(605,000.00) ^{5,6,7}	2,695,000.00	1,242,251.00	2,546,340.41	-	\$ 148,659.59
SC18-013	ELECTRICAL IMPROV @WELL SITES	\$ 200,000.00	(100,000.00) ³	100,000.00	26,378.00	41,803.50	-	\$ 58,196.50
SC18-018	DISTRIBUTION MAIN REPLACEMENTS	\$ 10,470,000.00	370,000.00 ⁶	10,840,000.00	1,711,866.00	10,710,868.02	-	\$ 129,131.98
SC18-019	DIST MAIN IMPRV/EXT/INTERTIES	\$ 600,000.00	490,000.00 ^{1,5,6}	1,090,000.00	740,522.00	1,081,070.79	-	\$ 8,929.21
SC18-020	MCCLELLAN LINE REPL	\$ 50,000.00		50,000.00	33,084.00	44,659.00	-	\$ 5,341.00
SC18-022	WTR RELATED STREET IMPRV	\$ 200,000.00	166,000.00 ⁵	366,000.00	-	364,116.00	-	\$ 1,884.00
SC18-024	METER RETROFIT PROGRAM	\$ 2,100,000.00	10,000.00 ^{1,5}	2,110,000.00	498,443.00	1,935,630.69	-	\$ 174,369.31
SC18-034	RESERVIOR/TANK IMPROVMENT	\$ 100,000.00		100,000.00	77,651.00	98,351.00	-	\$ 1,649.00
SC18-035	CORROSION CONTROL-TRAN MAINS	\$ 50,000.00		50,000.00	17,831.00	17,831.00	-	\$ 32,169.00
SC18-038	LARGE WTR METER >3" REPL	\$ 140,000.00	20,000.00 ⁷	160,000.00	100,169.00	159,810.00	-	\$ 190.00
SC18-040	ENGINE GENERATOR COMPLIANCE	\$ 240,000.00	100,000.00 ³	340,000.00	108,152.00	334,670.00	-	\$ 5,330.00
SC18-042	METER REPLACE/REPAIR - WMP	\$ 350,000.00	(80,000.00) ^{6,7}	270,000.00	131,868.00	267,292.00	-	\$ 2,708.00
SC18-046	TANK INSPECTION & REPAIRS	\$ 100,000.00	60,000.00 ⁷	160,000.00	147,590.00	157,540.00	-	\$ 2,460.00
SC18-048	RIGHT OF WAY/EASEMENT ACQUISTI	\$ 50,000.00	(50,000.00) ⁵	-	-	-	-	\$ -
		\$ 19,160,000.00	\$ -	\$ 19,160,000.00	\$ 4,936,946.00	\$ 18,503,668.41	\$ -	\$ 656,331.59

**Sacramento Suburban Water District
Debt
12/31/2018**

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>\$ 423,530</u>	<u>\$ 2,530,269</u>	<u>\$ 3,460,000</u>	<u>\$ 929,731</u>

**Investments Outstanding and Activity
December 2018**



Managed Account Detail of Securities Held

For the Month Ending December 31, 2018

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 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	509.67	76,724.69	74,220.68
US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828O78	175,000.00	AA+	Aaa	01/03/17	01/05/17	171,527.34	1.86	412.12	173,093.80	170,679.60
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	120.88	98,484.18	97,429.70
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	527.47	305,560.93	296,671.80
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	3,737.57	561,352.79	543,167.90
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	4,077.35	602,850.45	592,546.80
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	6,116.02	903,554.86	888,820.20
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	7,135.36	1,051,793.13	1,036,956.90
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	9,513.81	1,409,863.94	1,382,609.20
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	588.74	271,442.12	265,826.28
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	1,016.92	467,244.62	459,154.48
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	2,569.06	1,187,007.26	1,159,969.20
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	450,000.00	AA+	Aaa	12/04/17	12/06/17	445,324.22	2.12	1,445.10	446,426.69	441,386.55
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	1,605.66	495,062.59	490,429.50



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Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 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	3,050.76	924,403.98	931,816.05
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	3,371.89	1,022,809.90	1,029,901.95
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	7,058.59	1,105,438.32	1,115,724.25
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	46.96	773,673.98	788,718.40
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	800,000.00	AA+	Aaa	12/12/18	12/13/18	780,187.50	2.78	46.96	780,431.89	788,718.40
Security Type Sub-Total		12,800,000.00					12,654,548.83	2.14	52,950.89	12,657,220.12	12,554,747.84
Supra-National Agency Bond / Note											
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	900,000.00	AAA	Aaa	09/12/17	09/19/17	897,840.00	1.64	4,253.73	898,756.86	883,508.40
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	2,148.61	703,953.17	693,466.90
INTER-AMERICAN DEVELOPMENT BANK NOTE DTD 04/19/2018 2.625% 04/19/2021	4581X0DB1	225,000.00	AAA	Aaa	04/12/18	04/19/18	224,505.00	2.70	1,181.25	224,617.09	225,222.75
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 07/25/2018 2.750% 07/23/2021	459058GH0	750,000.00	AAA	Aaa	07/18/18	07/25/18	748,245.00	2.83	8,937.50	748,489.55	753,050.25
Security Type Sub-Total		2,575,000.00					2,577,078.37	2.13	16,521.09	2,575,816.67	2,555,248.30
Municipal Bond / Note											
CT ST TXBL GO BONDS DTD 03/25/2015 1.974% 03/15/2019	20772JZK1	230,000.00	A	A1	03/16/15	03/25/15	230,646.30	1.90	1,336.84	230,034.52	229,632.00



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Security Type Sub-Total		230,000.00					230,646.30	1.90	1,336.84	230,034.52	229,632.00
Federal Agency Collateralized Mortgage Obligation											
FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AOSW1	4,040.25	AA+	Aaa	11/06/15	11/30/15	4,080.65	1.20	6.39	4,040.25	4,031.81
FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AODO0	23,768.19	AA+	Aaa	10/07/15	10/30/15	24,006.20	1.08	32.60	23,783.64	23,624.18
FNMA SERIES 2015-M12 FA DTD 09/01/2015 2.622% 04/01/2020	3136AP3Z3	40,262.01	AA+	Aaa	09/10/15	09/30/15	40,247.52	0.54	123.55	40,262.01	40,222.42
FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	211,094.81	AA+	Aaa	04/11/18	04/30/18	215,293.70	2.27	626.25	214,496.91	213,465.81
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	201,376.53	200,979.06
FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	200,000.00	AA+	Aaa	12/07/18	12/17/18	199,999.40	3.11	533.83	200,000.00	201,187.52
Security Type Sub-Total		679,165.26					685,330.60	2.47	1,837.62	683,959.34	683,510.80
Federal Agency Bond / Note											
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	5,088.28	971,945.03	941,619.90
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	604.86	129,762.38	125,888.88
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	1,954.17	419,091.02	406,717.92
Security Type Sub-Total		1,525,000.00					1,516,925.30	1.28	7,647.31	1,520,798.43	1,474,226.70
Corporate Note											
GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 04/25/2016 2.000% 04/25/2019	38141GVT8	50,000.00	BBB+	A3	04/20/16	04/25/16	49,861.00	2.10	183.33	49,984.94	49,825.60



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Corporate Note											
GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 04/25/2016 2.000% 04/25/2019	38141GVT8	325,000.00	BBB+	A3	04/21/16	04/26/16	324,792.00	2.02	1,191.67	324,977.48	323,866.40
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	198.17	144,988.79	144,388.68
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	4,655.00	399,944.02	396,788.00
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	4,937.50	499,078.43	495,020.00
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	3,607.22	400,629.55	395,650.00
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	1,550.39	214,910.90	212,688.54
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	1,627.43	250,555.85	247,104.50
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	1,102.29	274,944.53	271,584.50
HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020	437076BO4	175,000.00	A	A2	05/24/17	06/05/17	174,898.50	1.82	227.50	174,951.01	172,495.93
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	183.33	300,464.43	298,280.40
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	4,306.25	375,700.64	371,365.13
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	1,653.44	274,869.01	269,644.38
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	1,066.67	399,788.60	394,730.80



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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
Corporate Note											
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	316.67	374,656.57	369,117.00
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	3,472.78	350,655.73	344,831.20
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	671.88	74,977.01	73,421.70
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	4,298.89	399,861.30	395,501.20
JOHN DEERE CAPITAL CORP NOTES DTD 03/13/2018 2.875% 03/12/2021	24422EUD9	375,000.00	A	A2	03/08/18	03/13/18	374,745.00	2.90	3,264.32	374,810.84	373,992.75
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	1,280.83	149,877.19	149,317.05
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	1,921.25	224,273.13	223,975.58
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	950.00	224,970.14	220,518.23
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	1,979.17	379,046.34	370,382.25
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	183.75	35,183.04	34,523.97
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	1,701.39	350,765.45	342,578.60
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	787.50	224,745.25	220,178.93
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	580.83	199,936.03	194,746.00



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Corporate Note											
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	594.17	149,918.16	151,327.95
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	250.25	109,770.75	106,911.64
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	902.78	249,993.82	251,220.00
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	1,396.80	240,000.00	235,315.44
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	738.28	374,821.24	376,842.38
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	384.89	90,000.00	90,013.50
Security Type Sub-Total		8,660,000.00					8,670,811.35	2.38	52,166.62	8,664,050.17	8,568,148.23
Commercial Paper											
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	744,378.13	743,779.50
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	744,037.50	743,921.25
DEXIA CREDIT LOCAL SA NY COMM PAPER DTD 08/09/2018 0.000% 04/29/2019	25214PKQ5	500,000.00	A-1+	P-1	08/08/18	08/09/18	490,685.42	2.60	0.00	495,820.84	495,555.50
Security Type Sub-Total		2,000,000.00					1,966,104.17	2.66	0.00	1,984,236.47	1,983,256.25
Certificate of Deposit											
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	6,890.63	750,000.00	749,887.50
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	1,750.83	375,000.00	374,055.75



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Certificate of Deposit											
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	5,438.22	699,920.12	696,089.10
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	1,972.25	350,000.00	347,558.05
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	8,983.44	375,000.00	374,358.38
UBS AG STAMFORD CT LT CD DTD 03/06/2018 2.900% 03/02/2020	90275DHG8	400,000.00	A+	Aa2	03/02/18	03/06/18	400,000.00	2.93	3,834.44	400,000.00	400,226.40
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	834.17	374,896.79	376,096.50
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	5,125.00	625,000.00	616,522.50
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	8,964.79	670,000.00	669,219.45
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	2,612.18	379,534.22	382,620.86
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	2,030.39	700,000.00	686,726.60
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	1,404.00	650,000.00	650,066.30
Security Type Sub-Total		6,350,000.00					6,349,067.70	2.52	49,840.34	6,349,351.13	6,323,427.39
Asset-Backed Security / Collateralized Mortgage Obligation											
NISSAN ABS 2015-B A3 DTD 07/22/2015 1.340% 03/15/2020	65475WAD0	14,510.64	NR	Aaa	07/15/15	07/22/15	14,509.49	1.34	8.64	14,510.40	14,492.16
JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	30,504.92	NR	Aaa	07/19/16	07/27/16	30,502.49	1.25	16.95	30,504.15	30,366.40
ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	31,065.97	AAA	Aaa	05/24/16	05/31/16	31,062.95	1.44	19.88	31,064.91	30,955.08



Managed Account Detail of Securities Held

For the Month Ending December 31, 2018

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Asset-Backed Security / Collateralized Mortgage Obligation											
HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	27,814.31	AAA	Aaa	03/22/16	03/30/16	27,808.92	1.57	19.28	27,812.53	27,709.66
FORD ABS 2016-B A3 DTD 04/26/2016 1.330% 10/15/2020	34532EAD7	29,602.72	AAA	NR	04/19/16	04/26/16	29,599.92	1.33	17.50	29,602.02	29,466.92
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	4,359.67	550,000.00	549,646.08
HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	152,282.00	AAA	Aaa	09/14/16	09/21/16	152,261.51	1.30	87.31	152,272.72	150,805.35
ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	115,393.44	NR	Aaa	01/24/17	01/31/17	115,383.36	1.70	87.19	115,388.02	114,595.45
FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	436,462.07	NR	Aaa	01/18/17	01/25/17	436,460.45	1.67	323.95	436,461.31	433,043.61
ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	454,685.07	NR	Aaa	03/21/17	03/29/17	454,631.47	1.79	359.71	454,654.07	451,237.92
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	324,995.86	325,078.65
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	456.44	324,952.34	326,544.04
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	399,975.70	399,671.76
CCCCIT 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	8,351.88	749,915.60	743,952.08
NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	350,000.00	AAA	Aaa	12/04/18	12/12/18	349,932.94	3.53	594.81	349,933.82	352,518.92
Security Type Sub-Total		3,992,321.14					3,991,863.59	2.37	15,664.10	3,992,043.45	3,980,084.08
Managed Account Sub-Total		38,811,486.40					38,642,376.21	2.28	197,964.81	38,657,510.30	38,352,281.59



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2018**

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100

Securities Sub-Total	\$38,811,486.40	\$38,642,376.21	2.28%	\$197,964.81	\$38,657,510.30	\$38,352,281.59
Accrued Interest						\$197,964.81
Total Investments						\$38,550,246.40

**Investment Activity
December 2018**



Managed Account Security Transactions & Interest

For the Month Ending December 31, 2018

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
BUY											
	12/04/18	12/12/18	NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	350,000.00	(349,932.94)	0.00	(349,932.94)			
	12/07/18	12/17/18	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	200,000.00	(199,999.40)	(284.71)	(200,284.11)			
	12/12/18	12/13/18	US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	800,000.00	(780,187.50)	(7,668.48)	(787,855.98)			
Transaction Type Sub-Total					1,350,000.00	(1,330,119.84)	(7,953.19)	(1,338,073.03)			
INTEREST											
	12/01/18	12/25/18	FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AOD00	26,015.77	0.00	35.68	35.68			
	12/01/18	12/25/18	FNMA SERIES 2015-M12 FA DTD 09/01/2015 2.622% 04/01/2020	3136AP3Z3	46,076.64	0.00	100.68	100.68			
	12/01/18	12/25/18	FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AOSW1	7,937.39	0.00	12.55	12.55			
	12/01/18	12/25/18	FHLMC MULTIFAMILY STRUCTURED P POOL DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	200,000.00	0.00	515.00	515.00			
	12/01/18	12/25/18	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	215,682.38	0.00	646.39	646.39			
	12/03/18	12/03/18	MONEY MARKET FUND	MONEY0002	0.00	0.00	346.43	346.43			
	12/05/18	12/05/18	BANK OF NOVA SCOTIA HOUSTON CD DTD 06/07/2018 3.080% 06/05/2020	06417GU22	375,000.00	0.00	5,710.83	5,710.83			
	12/05/18	12/05/18	HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020	437076B04	175,000.00	0.00	1,575.00	1,575.00			
	12/07/18	12/07/18	CITIGROUP INC CORP NOTES DTD 06/09/2016 2.050% 06/07/2019	172967KS9	145,000.00	0.00	1,486.25	1,486.25			
	12/07/18	12/07/18	ROYAL BANK OF CANADA NY CD DTD 06/08/2018 3.240% 06/07/2021	78012UEE1	650,000.00	0.00	10,471.50	10,471.50			
	12/10/18	12/10/18	AMERICAN HONDA FINANCE CORP NOTES DTD 10/10/2018 3.375% 12/10/2021	02665WCP4	375,000.00	0.00	2,109.38	2,109.38			
	12/15/18	12/15/18	ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	36,974.40	0.00	44.37	44.37			



Managed Account Security Transactions & Interest

For the Month Ending December 31, 2018

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST											
	12/15/18	12/15/18	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	35,013.27	0.00	36.47	36.47			
	12/15/18	12/15/18	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			
	12/15/18	12/15/18	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	124,229.64	0.00	175.99	175.99			
	12/15/18	12/15/18	HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	32,091.26	0.00	41.72	41.72			
	12/15/18	12/15/18	NISSAN ABS 2015-B A3 DTD 07/22/2015 1.340% 03/15/2020	65475WAD0	21,767.98	0.00	24.31	24.31			
	12/15/18	12/15/18	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	468,335.91	0.00	651.77	651.77			
	12/15/18	12/15/18	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	164,667.53	0.00	177.02	177.02			
	12/15/18	12/15/18	FORD ABS 2016-B A3 DTD 04/26/2016 1.330% 10/15/2020	34532EAD7	34,093.85	0.00	37.79	37.79			
	12/15/18	12/15/18	HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	325,000.00	0.00	484.97	484.97			
	12/15/18	12/15/18	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	487,554.33	0.00	723.21	723.21			
	12/15/18	12/15/18	TAOT 2018-B A3 DTD 05/16/2018 2.960% 09/15/2022	89238TAD5	325,000.00	0.00	801.67	801.67			
	12/15/18	12/15/18	WAL-MART STORES INC CORP NOTE DTD 10/20/2017 1.900% 12/15/2020	931142EA7	375,000.00	0.00	3,562.50	3,562.50			
	12/23/18	12/23/18	JP MORGAN CHASE & CO CORP NT (CALLABLE) DTD 06/23/2015 2.750% 06/23/2020	46625HLW8	300,000.00	0.00	4,125.00	4,125.00			
	12/31/18	12/31/18	US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	800,000.00	0.00	8,500.00	8,500.00			
	12/31/18	12/31/18	US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	800,000.00	0.00	8,500.00	8,500.00			
Transaction Type Sub-Total					6,945,440.35	0.00	51,896.48	51,896.48			

PAYDOWNS



Managed Account Security Transactions & Interest

For the Month Ending December 31, 2018

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
PAYDOWNS										
12/01/18	12/25/18	FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AODO0	2,247.58	2,247.58	0.00	2,247.58	(22.51)	0.00	
12/01/18	12/25/18	FNMA SERIES 2015-M12 FA DTD 09/01/2015 2.622% 04/01/2020	3136AP3Z3	5,814.63	5,814.63	0.00	5,814.63	2.09	0.00	
12/01/18	12/25/18	FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AOSW1	3,897.14	3,897.14	0.00	3,897.14	(38.97)	0.00	
12/01/18	12/25/18	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	4,587.57	4,587.57	0.00	4,587.57	(91.25)	0.00	
12/15/18	12/15/18	ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	5,908.43	5,908.43	0.00	5,908.43	0.57	0.00	
12/15/18	12/15/18	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	32,869.26	32,869.26	0.00	32,869.26	3.88	0.00	
12/15/18	12/15/18	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	8,836.20	8,836.20	0.00	8,836.20	0.77	0.00	
12/15/18	12/15/18	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	31,873.84	31,873.84	0.00	31,873.84	0.12	0.00	
12/15/18	12/15/18	NISSAN ABS 2015-B A3 DTD 07/22/2015 1.340% 03/15/2020	65475WAD0	7,257.34	7,257.34	0.00	7,257.34	0.58	0.00	
12/15/18	12/15/18	HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	4,276.95	4,276.95	0.00	4,276.95	0.83	0.00	
12/15/18	12/15/18	FORD ABS 2016-B A3 DTD 04/26/2016 1.330% 10/15/2020	34532EAD7	4,491.13	4,491.13	0.00	4,491.13	0.43	0.00	
12/15/18	12/15/18	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	12,385.53	12,385.53	0.00	12,385.53	1.67	0.00	
12/15/18	12/15/18	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	4,508.35	4,508.35	0.00	4,508.35	0.36	0.00	
Transaction Type Sub-Total				128,953.95	128,953.95	0.00	128,953.95	(141.43)	0.00	
Managed Account Sub-Total					(1,201,165.89)	43,943.29	(1,157,222.60)	(141.43)	0.00	
Total Security Transactions					(\$1,201,165.89)	\$43,943.29	(\$1,157,222.60)	(\$141.43)	\$0.00	

**Cash Expenditures
December 2018**

AP Warrant List from 12/1/2018 to 12/31/2018

Group	Vendor Name	Amount	Description
	AFLAC - Invoices:1	\$846.96	Supplemental Insurance
	BASIC PACIFIC - Invoices:1	\$34.00	Miscellaneous Employee Benefits
	CIGNA GROUP INS LIFE/LTD - Invoices:1	\$4,162.10	Employee Benefit - LTD Insurance
	CIGNA-DENTAL INS - Invoices:1	\$12,710.07	Employee Benefit - Dental
	Payroll	\$546,602.69	Payroll
	PERS HEALTH - Invoices:1	\$97,327.87	Employee Benefit - Health
	PERS PENSION - Invoices:6	\$69,786.90	Employee Benefit - PERS
	ANDREGG PSOMAS - Invoices:1	\$33,084.22	Construction In Progress
	ARMORCAST PRODUCTS COMPANY -	\$7,621.18	Construction In Progress
	ATLAS FENCE - Invoices:1	\$28,025.00	Construction In Progress
	CDWG - Invoices:7	\$63,516.11	Construction In Progress
	CORE & MAIN - Invoices:3	\$16,239.93	Construction In Progress
	CORRPRO CO INC/AEGION - Invoices:1	\$17,831.00	Construction In Progress
	COSTCO - Invoices:1	\$7,761.18	Construction In Progress
	COUNTY OF SAC PUBLIC WORKS -	\$3,431.25	Construction In Progress
	DELL MARKETING LP - Invoices:3	\$32,821.74	Construction In Progress
	DOUBLE B DEMOLITION - Invoices:1	\$12,700.00	Construction In Progress
	DOUG VEERKAMP GENERAL ENGR -	\$407,685.60	Construction In Progress
	ERC CONTRACTING - Invoices:1	\$16,050.00	Construction In Progress
	FERGUSON WATERWORKS - Invoices:16	\$45,255.38	Construction In Progress
	FLOWLINE CONTRACTORS INC - Invoices:6	\$613,946.22	Construction In Progress
	GEOCON CONSULTANTS INC - Invoices:7	\$10,201.25	Construction In Progress
	GM CONSTRUCTION & DEVELOPERS -	\$146,986.94	Construction In Progress
	KIRBY PUMP AND MECHANICAL - Invoices:2	\$11,587.50	Construction In Progress
	LAKE VUE ELECTRIC INC - Invoices:3	\$5,300.00	Building Maintenance - Office &
	LUHDORFF & SCALMANINI - Invoices:2	\$30,060.71	Construction In Progress
	MBP MASTER ASSOCIATION INC - Invoices:1	\$1,930.00	Construction In Progress
	NORTH STATE DRILLING - Invoices:1	\$137,113.50	Construction In Progress
	PACE SUPPLY CORP - Invoices:2	\$41,984.96	Construction In Progress
	PLACER WATERWORKS INC - Invoices:2	\$23,818.28	Construction In Progress
	PRODIGY ELECTRIC - Invoices:2	\$6,070.00	Construction In Progress
	QUINCY ENGINEERING INC - Invoices:1	\$39,866.43	Construction In Progress
	RACK SOLUTIONS - Invoices:1	\$3,746.98	Construction In Progress
	ROADRUNNER DRILLING & PUMP CO -	\$22,223.63	Construction In Progress
	S E AHLSTROM INSPECTION - Invoices:2	\$13,360.00	Construction In Progress
	SACRAMENTO AREA SEWER DISTRICT -	\$9,559.40	Construction In Progress
	SETON - Invoices:2	\$526.24	Construction In Progress
	SILICON VALLEY SHELVING AND EQUIP -	\$20,487.40	Construction In Progress
	STANDARD INDUSTRIES INC - Invoices:1	\$119,832.60	Construction In Progress
	SUNBELT RENTALS - Invoices:1	\$8,087.02	Construction In Progress

SYBLON REID - Invoices:3	\$947,556.35 Construction In Progress
TANK INDUSTRY CONSULTANTS -	\$17,291.56 Construction In Progress
TELDATA - Invoices:1	\$22,237.80 Construction In Progress
TETRA TECH INC - Invoices:1	\$6,210.00 Construction In Progress
TRAFFIC MANAGEMENT GROUP INC (TMI) -	\$3,168.00 Construction In Progress
UMS - Invoices:2	\$21,191.72 Construction In Progress
US BANK CORPORATE PAYMENT SYSTEM -	\$1,105.20 Construction In Progress
WOOD RODGERS ENGINEERING -	\$36,733.63 Construction In Progress
SUMITOMO MITSUI BANKING	\$147,763.12 2009A COP Interest Expense
WELLS FARGO SWAP - Invoices:1	\$55,423.41 2009A COP Interest Expense
ADP, INC - Invoices:3	\$1,993.96 Financial Services
BRINKS - Invoices:3	\$711.91 Financial Services
WESTAMERICA BANK ANALYSIS FEES -	\$5,977.01 Financial Services
WESTAMERICA CARD PROCESSING STMT -	\$16,666.81 Financial Services
A & A STEPPING STONE MFG., INC -	\$47.41 Operating Supplies
A1 FABRICATION & WELDING - Invoices:1	\$375.00 Construction Services
ACWA - Invoices:1	\$10,000.00 Consulting Services
AFFINITY ENGINEERING INC - Invoices:1	\$4,909.00 Consulting Services
AIRGAS USA LLC - Invoices:1	\$26.79 Operating Supplies
ALEXANDER LLIN - Invoices:1	\$150.00 BMP Rebates
ALISON M INCAUDO - Invoices:1	\$75.00 BMP Rebates
ALL PRO BACKFLOW - Invoices:1	\$3,042.00 Backflow Services
AMERICAN TRUCK & TRAILER BODY CO	\$3,215.26 Claims & Insurance Reimb.
ANSWERNET - Invoices:1	\$397.13 Communication
AQUA TECH COMPANY - Invoices:1	\$17,862.50 Contract Services
AT&T CALNET 3 - Invoices:3	\$2,515.97 Communication
ATLAS DISPOSAL - Invoices:2	\$366.43 Building Service Expense - Office &
AVILES SIGN AND LIGHTING REPAIR -	\$460.13 Building Maintenance - Office &
BACKFLOW TECHNOLOGIES - Invoices:1	\$71.36 Operating Supplies
BADGER METER INC - Invoices:1	\$22.25 Communication
BARTKIEWICZ KRONICK & SHANAHAN -	\$17,201.54 Legal Services
BRIAN HENSON - Invoices:1	\$1,608.00 Backflow Services
BROADRIDGE MAIL LLC - Invoices:20	\$61,503.24 Contract Services
BROWER MECHANICAL - Invoices:1	\$315.00 Building Maintenance - Office &
BROWN & CALDWELL - Invoices:4	\$7,369.68 Consulting Services
BRYCE CONSULTING INC - Invoices:1	\$320.00 Consulting Services
BUD'S TRI COUNTY TREE SERVICE -	\$1,175.00 Misc. Repairs
CALIFORNIA LABORATORY SERVICES -	\$2,719.00 Inspection & Testing
CALIFORNIA SURVEYING & DRAFTING -	\$814.59 Printing
CAPITAL RUBBER CO LTD - Invoices:2	\$1,181.97 Equipment Maintenance Services

CELSO V LALUNA - Invoices:1	\$150.00 BMP Rebates
CENTRAL VALLEY ENG & ASPHALT -	\$10,217.00 Misc. Repairs
CINTAS - Invoices:8	\$1,836.18 Building Maintenance - Office &
CITY OF CITRUS HEIGHTS - Invoices:1	\$5,000.00 Encroachment Permit
CLEAR VISION WINDOW CLEANING -	\$225.00 Building Service Expense - Office &
CODY SCOTT - Invoices:1	\$215.95 Uniforms
COMCAST - Invoices:1	\$40.15 Communication
CONSOLIDATED COMMUNICATIONS -	\$409.67 Communication
CONTINENTAL PRODUCTS - Invoices:1	\$1,556.99 Printing
CORIX WATER PRODUCTS US INC. -	\$6,972.53 Operating Supplies
COTTAGE MEADOWS LLC - Invoices:1	\$1,000.00 BMP Rebates
COUNTY OF SAC ENVIRO MGT DEPT -	\$3,005.00 Licenses, Permits & Fees
COUNTY OF SAC VOTER REGISTRATION -	\$8,032.00 Election
CULLIGAN - Invoices:1	\$69.75 Building Maintenance - Office &
Customer Refunds: 45	\$21,740.98 Refund Clearing Account
DCM GROUP - Invoices:1	\$3,888.00 Consulting Services
DESCORE BUILDERS - Invoices:1	\$2,206.68 Hydrant Deposit Refund
DIRECT TV - Invoices:1	\$9.25 Communication
E&M ELECTRIC AND	\$21,954.00 Maintenance Contract
ELEVATOR TECHNOLOGY INC - Invoices:2	\$190.00 Building Service Expense - Office &
ELLEN M CROSS/STRATEGY DRIVER INC -	\$8,312.75 Consulting Services
EMIGH ACE HARDWARE - Invoices:3	\$24.65 Building Maintenance - Office &
ESRI - Invoices:1	\$25,000.00 Annual Maintenance Support
EUROFINS EATON ANALYTICAL - Invoices:1	\$2,712.00 Inspection & Testing
FASTENAL COMPANY - Invoices:2	\$995.91 Operating Supplies
GOVERNMENT FINANCE OFFICERS	\$150.00 Membership & Dues
GRAINGER - Invoices:5	\$1,388.50 Operating Supplies
GREG BUNDESEN - Invoices:3	\$125.42 Employee Retention/Morale
HACH COMPANY - Invoices:2	\$1,183.64 Operating Supplies
HARROLD FORD - Invoices:11	\$2,293.20 Vehicle Maintenance Services
HECTOR SEGOVIANO - Invoices:2	\$378.85 Other Training
HERBURGER PUBLICATIONS INC -	\$187.78 Public Relations
IN COMMUNICATIONS - Invoices:2	\$9,257.38 Public Relations
INSTRUMENT TECHNOLOGY CORP (ITC) -	\$10,028.59 Equipment Maintenance Services
IRON MOUNTAIN OFF SITE DATA	\$377.38 Communication
J A SNYDER PACIFIC WEST - Invoices:1	\$1,923.46 Hydrant Deposit Refund
J&J LOCKSMITH - Invoices:1	\$102.00 Contract Services
JEOVANI BENAVIDEZ - Invoices:1	\$180.00 Other Training
JEREMIAH I EWING - Invoices:1	\$150.00 BMP Rebates
JERRY BEAMS - Invoices:1	\$177.52 Uniforms
JOE CROCKETT - Invoices:1	\$180.00 Employee Retention/Morale
KATHY MAYER - Invoices:1	\$284.00 BMP Rebates
KENNETH ACKERMAN - Invoices:1	\$150.00 BMP Rebates
LES SCHWAB TIRE CENTER/MADISON -	\$485.42 Vehicle Maintenance Services

LIEBERT CASSIDY WHITMORE - Invoices:1	\$725.00 Legal Services
LT ARBOR RIDGE APARTMENTS LLC -	\$2,000.00 BMP Rebates
MARILYN T HASBROUK - Invoices:1	\$138.00 BMP Rebates
MARK TAYLOR - Invoices:1	\$247.81 Uniforms
MATT UNDERWOOD - Invoices:1	\$37.91 Employee Retention/Morale
MAYSAM PARSAPOUR - Invoices:1	\$122.00 BMP Rebates
MCCOY FAMILY LLC - Invoices:1	\$799.00 BMP Rebates
MERCY HOUSING CALIFORNIA 81 LP -	\$140.00 Developer Refund Overpayment
MESSENGER PUBLISHING GROUP -	\$460.00 Public Relations
MICHAEL PHILLIPS LANDSCAPE CORP -	\$6,310.00 Building Service Expense - Office &
MICHELLE HIRT - Invoices:1	\$148.00 Travel Conferences
NATIONAL METER AND AUTOMATION INC -	\$88.57 Operating Supplies
NDS SOLUTIONS INC - Invoices:1	\$640.63 Public Relations
OFFICE DEPOT INC - Invoices:4	\$464.91 Office Supplies
PACIFIC COPY & PRINT - Invoices:1	\$188.36 Printing
PAUL JOHNSON - Invoices:1	\$225.95 Uniforms
PAUL MILLER - Invoices:1	\$250.00 Uniforms
PEOPLEREADY - Invoices:5	\$4,480.76 Temporary Help
PEST PROS - Invoices:3	\$255.00 Building Service Expense - Office &
PITNEY BOWES LEASES - Invoices:2	\$1,103.20 Equipment Rental/Lease
PITNEY BOWES POSTAGE - Invoices:1	\$7,000.00 Postage/Shipping/UPS/Fed Ex
POLLARD WATER - Invoices:1	\$7,240.39 Operating Supplies
RAE ANN ROGERS - Invoices:1	\$150.00 BMP Rebates
RANEY GEOTECHNICAL - Invoices:1	\$408.25 Consulting Services
RAY MORGAN CO - Invoices:2	\$680.72 Communication
REGIONAL WATER AUTHORITY - Invoices:2	\$5,275.00 Consulting Services
RESOURCE TELECOM LLC - Invoices:2	\$3,477.83 Equipment Maintenance Services
RICHARD COHEN PROPERTIES - Invoices:1	\$949.00 BMP Rebates
ROBERT A BOTHMAN - Invoices:1	\$1,470.24 Hydrant Deposit Refund
ROBERT ROSCOE - Invoices:1	\$1,174.06 Travel Conferences
ROTO-ROOTER - Invoices:1	\$2,284.04 Hydrant Deposit Refund
RUE EQUIPMENT INC - Invoices:3	\$1,722.48 Equipment Maintenance Services
SACRAMENTO SUBURBAN WATER	\$111.53 Vehicle Maintenance Services
SARAH DAINS - Invoices:1	\$538.23 Travel Conferences
SCOTT BLAKE - Invoices:1	\$215.95 Uniforms
SHAWN CHANEY - Invoices:1	\$220.95 Uniforms
SMAQMD - Invoices:1	\$42,792.00 Licenses, Permits & Fees
SONITROL - Invoices:2	\$1,821.29 Building Monitoring
SOPHOS SOLUTIONS - Invoices:4	\$7,040.00 Consulting Services
STATE WATER RESOURCE - Invoices:2	\$84,547.30 Licenses, Permits & Fees
TATYANA GOOD - Invoices:1	\$150.00 BMP Rebates
THE E&H SECOND FAMILY LP - Invoices:2	\$2,000.00 BMP Rebates
TINA LYNN DESIGN - Invoices:1	\$1,597.33 Contract Services
TODD ARTRIP - Invoices:1	\$200.00 Employee Retention/Morale

TRUE POINT SOLUTIONS LLC - Invoices:2	\$17,985.00 Consulting Services
UTILITY SERVICES ASSOCIATES -	\$12,490.20 Consulting Services
VALLEY POWER SYSTEMS - Invoices:25	\$24,845.00 Contract Services
VERIZON WIRELESS/DALLAS TX -	\$7,256.57 Communication
VOYAGER FLEET SYSTEMS - Invoices:1	\$9,544.66 Operating Supplies
<hr/>	
WASTE MANAGEMENT - Invoices:3	\$710.93 Building Service Expense - Office &
WATER EDUCATION FOUNDATION -	\$2,000.00 Annual Dues/Membership
WATERWISE CONSULTING, INC. -	\$2,100.00 Consulting Services
WEST YOST & ASSOCIATES - Invoices:1	\$9,818.78 Consulting Services
WORLDPAY INTEGRATED PAYMENTS -	\$546.26 Communication
<hr/>	
CITY OF SACRAMENTO WATER - Invoices:1	\$408.89 Purchased Water-City of
PG&E - Invoices:1	\$2,292.02 Gas Service
SIERRA CHEMICAL COMPANY - Invoices:3	\$20,027.91 HFA, Chemical & Delivery
SMUD - Invoices:3	\$138,885.91 Electrical Charges
	<hr/>
	<u>\$4,707,528.37</u>

**Credit Card Expenditures
December 2018**

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

Vendor Name	Description	Amount	Proj/GLAcct
SAC CO TREAS SVC CENTER	PERMIT FEES FOR NEW SERVER ROOM	\$1,103.45	SF18-450
SAC CO PARKING	PARKING FOR PERMIT FEES	\$1.75	SF18-450
SAMSCLUB.COM	RENEWAL FOR SAMS CLUB CARD	\$40.00	03-52501
SAMSCLUB.COM	ADD TO SAMS CLUB CARD	\$50.00	03-52501
AMAZON	PHONE CASES FOR NEW PHONES	\$109.90	18-53503
AMAZON	SCREEN PROTECTORS FOR NEW PHONES	\$179.70	18-53503
AMAZON	ADDITIONAL PHONE CASE	\$10.76	18-53503
BLANKS USA	MICRO-PERFORATED JUMBO DOOR HANGERS	\$85.65	16-52108
AMERICAN PUBLIC WORKS	PUBLIC WORKS MANAGMENT PRACTICES ACCREDITATION WORKSHOP FOR JAMES ARENZ, DANA DEAN, DAVID ESPINOZA, MITCHELL MCCARTHY AND DAVID MORROW	\$325.00	15-51407
RALEY'S	LUNCH WITH THE GENERAL MANAGER DRINKS	\$11.75	02-51403
RALEY'S	WATER TRANSFER APPRECIATION LUNCHEON	\$17.45	02-51403
ROUND TABLE	WATER TRANSFER APPRECIATION LUNCHEON - PIZZA	\$166.23	02-51403
AMAZON	BOARDROOM CLOCK	\$95.98	03-52108
ROUND TABLE PIZZA	LUNCH WITH THE GM	\$104.50	02-51403
USPS	LETTERS SENT TO MUELLER	\$15.24	04-53003
NOTHING BUNDT CAKES	NOVEMBER BIRTHDAY'S	\$33.00	02-51403
SAVEMART	NOVEMBER BIRTHDAY'S	\$5.99	02-51403
SAVEMART	ALL HANDS REFRESHMENTS	\$25.95	02-51403
SAC TACO	BOB AMES RETIREMENT BREAKFAST FOR ALL	\$466.25	02-51403
O'REILLY AUTO PARTS	DEF FOR DIESEL VEHICLE AND WIPER FLUID	\$67.88	12-54006
NORTH AREA RECOVERY STATION	DISPOSAL OF TRASH	\$30.25	12-54007
CAPITAL AIR TOOL, LLC>	SERVICE AND REPAIR RAMMERS #71 AND 71	\$560.45	12-54003
PEP BOYS	SPOT MIRRORS AND PLATE LIGHTS	\$31.15	12-54006
J&J LOCKSMITH	LOCKSET-REPLACED DAMAGED LOCK AT ANTELOPE PUMP BACK	\$129.30	12-54008
THE HOME DEPOT	9 VOLT LITHIUM BATTERIES FOR AEDS	\$18.82	12-52101
COMPLIANCESIGNS.COM	NO SMOKING STICKERS AND MAGNETIC SIGNS	\$114.50	12-54008
BUBBAS CAR WASH	FIVE CARDS WITH 10 WASHES EACH	\$300.00	12-54005
SMART & FINAL	REPLENISH KITCHEN SUPPLIES	\$138.18	03-52108
AMAZON.COM	REPLENISH WAREHOUSE SUPPLIES	\$194.58	05-52101
WPY RESCAPE CA	MWELO COMPLIANCE TRAINING-VICKI SPRAGUE	\$57.96	13-51406
WPY RESCAPE CA	ANTICIPATING WATER TRAINING-VICKI SPRAGUE	\$57.96	13-51406
SETON IDENTIFICATION	UCMR4 LOCATION TAGS	\$107.75	06-52101
MCMMASTER-CARR	CHEMICAL SHED DOOR HANDLES	\$144.82	06-52101
CAROLINA BIO. SUPPLY	REPLENISH ACID NEUTRALIZER	\$114.70	06-52101
HOME DEPOT	CREDIT- CANCELLED ORDER	(\$28.52)	05-52101
SOUTHWEST AIRLINES	CREDIT- FLIGHT CHANGE- GREG BUNDENSEN	(\$111.00)	13-55001
WESTIN MISSION HILLS RESORT	HOTEL- '18 CA-NV AWWA ANNUAL FALL CONF.- TODD ARTRIP	\$719.12	08-55001
SMART & FINAL	REPLENISH KITCHEN SUPPLIES	\$13.17	03-52108

HARBOR FREIGHT	TOOLS/SUPPLIES FOR ATP CARV'S	\$25.31	07-52101
LOWES	REPLENISH WAREHOUSE SUPPLIES	\$48.10	05-52101
HOME DEPOT	TOOLS/SUPPLIES FOR ATP CARV'S	\$180.94	07-52101
INDECO	WEN 17 BLOCK HEATER	\$173.94	06-52101
SMART & FINAL	REPLENISH KITCHEN SUPPLIES	\$14.94	03-52108
HOME DEPOT	TOOLS/SUPPLIES FOR ATP CARV'S	\$64.46	07-52101
ACADEMY X	EXCEL INTRO TRAINING- HECTOR SEGOVIANO	\$250.00	08-51407
HOME DEPOT	SUPPLIES/TOOLS FOR ATP CARV'S	\$10.74	07-52101
HOME DEPOT	TOOLS FOR LEAK TRUCK	\$8.60	07-52101
AMAZON.COM	TOOLS FOR LEAK TRUCK	\$223.14	07-52101
HOME DEPOT	TOOLS FOR LEAK TRUCK	\$20.89	07-52101
	Totals:	\$6,530.68	

**Directors Compensation and Expense Accounting –
Through December 2018**

Sacramento Suburban Water District
Board of Directors Meetings Attended (1)
Pay Rate per Diem is \$100.00
4th Quarter 2018

Director Thomas:

10/15/2018 SSWD Regular Board Meeting
10/17/2018 SSWD Open House
10/18/2018 SGA Meeting
10/27/2018 Meeting with Dan York
11/19/2018 SSWD Regular Board Meeting
11/21/2018 Meeting with Dan York
11/28/2018 Aerojet Meeting
12/05/2018 Meeting with Dan York
12/07/2018 SSWD Special Board Meeting
12/17/2018 SSWD Regular Board Meeting
12/19/2018 Meeting with Dan York

Director Jones:

33 10/03/2018 2 x 2 San Juan Water District
10/09/2018 Meeting with Dan York
10/15/2018 SSWD Regular Board Meeting
10/17/2018 SSWD Open House
10/18/2018 SGA Meeting
10/30/2018 SSWD Board Meeting – Rate Study
11/01/2018 Phone Interview with Ellen Cross
11/05/2018 Meeting with Dan York – CIP
11/08/2018 RWA Monthly Meeting
11/14/2018 SAWWA General Meeting
11/19/2018 SSWD Regular Board Meeting
12/05/2018 Citrus Heights 218 Meeting
12/07/2018 SSWD Special Board Meeting
12/10/2018 2 x 2 San Juan Water District
12/17/2018 SSWD Regular Board Meeting

Director McPherson:

10/03/2018 2 x 2 San Juan Water District
10/08/2018 SSWD Finance and Audit Committee Meeting
10/10/2018 Meeting with Dan York
10/15/2018 SSWD Regular Board Meeting
10/17/2018 SSWD Open House
10/18/2018 SGA Meeting
10/27/2018 Strategic Plan Survey
10/30/2018 SSWD Board Meeting – Rate Study
11/01/2018 Phone Interview with Ellen Cross
11/07/2018 Meeting with Dan York – McClellan
11/08/2018 RWA Monthly Meeting
11/16/2018 Meeting with Dan York
11/19/2018 SSWD Regular Board Meeting
12/05/2018 Meeting with Dan York – Special Board Mtg
12/07/2018 SSWD Special Board Meeting
12/17/2018 SSWD Regular Board Meeting

Director Locke:

10/03/2018 2 x 2 San Juan Water District
10/08/2018 Meeting with Dan York – Arden Oaks

Director Wichert:

No Pay – Verbal Report

(1) Meetings attended during the current month as reported by individual directors.

This report meets the reporting requirements of Government Code section 53065.5. This information will be included with the agenda materials for each regular monthly Board of Directors meeting.

Directors Expense Report
Calendar Year 2018
Current Quarter

Event/Purpose	Jones	Locke	McPherson	Thomas	Wichert	Schild	Total
Local Meeting Mileage							-
Reimbursed by District							-
Local Meeting Expenses							-
Reimbursed by District							-
Paid Directly by District	70.00	40.00	70.00	55.00			235.00
Conferences							-
Reimbursed by District		3,568.48					3,568.48
Paid Directly by District							-
Total	70.00	3,608.48	70.00	55.00	-		3,803.48

Directors Expense Report
2018 Year to Date

Event/Purpose	Jones	Locke	McPherson	Thomas	Wichert	Schild	Total
Local Meeting Mileage							-
Reimbursed by District						51.24	51.24
Local Meeting Expenses							-
Reimbursed by District							-
Paid Directly by District	70.00	40.00	70.00	55.00			235.00
Conferences							-
Reimbursed by District	2,126.86	7,436.51		370.36			9,933.73
Paid Directly by District	1,500.00	4,184.00					5,684.00
Total	3,696.86	11,660.51	70.00	425.36	-	51.24	15,903.97

This report meets the reporting requirements of Government Code sections 53065.5 and 53232.3 and is in conformance with District Policy. Per section 300.10 of the Director's Compensation and Expense Reimbursement Policy (PL-BOD003), a Director's total annual reimbursable expenses, excluding registration fees, may not exceed \$4,000.00.

**DRAFT - District Reserve Balances
December 31, 2018**

**Sacramento Suburban Water District
Reserve Fund Balance**

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Debt Service Reserve	\$ -	\$ 3,527,684
Facilities Reimbursement	-	-
Emergency/Contingency	11,255,000	10,931,500
Operating	7,390,000	7,270,250
Rate Stabilization	6,244,500	5,976,000
Interest Rate Risk	-	-
Grant	-	210,000
Capital Asset	20,160,655	17,753,771
TOTAL	<u><u>\$ 45,050,155</u></u>	<u><u>\$ 45,669,205</u></u>

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

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Cash and Cash Equivalents	\$ 7,585,118	\$ 6,084,811
Water Transfer Fund Receivable ¹	872,280	-
Investments	36,369,025	35,860,505
Interest Receivable	215,917	175,719
Restricted Cash	7,814	12,504
Restricted Investments	-	3,527,684
Restricted Interest Receivable	-	7,982
TOTAL	<u><u>\$ 45,050,155</u></u>	<u><u>\$ 45,669,205</u></u>

1: Water tranfer Revenue for 2018 was received late, January 8 2019.

Information Required by Bond Agreement

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

As Of

	<i>Actual Year-To-Date 12/31/2018</i>	<i>Budget Year-To-Date 12/31/2018</i>
REVENUES		
Water sales charges	\$22,100,702.49	\$20,463,000.00
Capital facilities charge	24,448,809.89	24,557,000.00
Facility development charges	158,001.00	300,000.00
Interest and investment income	744,386.90	899,000.00
Rental & other income	428,915.56	266,000.00
TOTAL REVENUES	47,880,815.84	46,485,000.00
EXPENSES		
Source of supply	2,911,038.60	3,495,208.04
Pumping	4,709,991.26	4,695,246.38
Transmission and distribution	3,779,345.00	3,895,354.88
Water conservation	435,999.40	494,522.12
Customer accounts	1,279,144.80	1,309,597.64
Administrative and general	7,196,128.14	7,970,747.52
TOTAL EXPENSES	20,311,647.20	21,860,676.58
NET REVENUE	27,569,168.64	24,624,323.42

Sacramento Suburban Water District
6 - Months Debt Service Schedule
12/31/2018

Month	Total SSWD Debt Service				
	Principal	Interest Adjustable/Fixed/Swap	Facility Fee	Remarketing	Debt Service
Jan-19	\$ -	\$ 93,580.79	\$ -	\$ -	\$ 93,580.79
Feb-19	-	93,580.79	-	-	93,580.79
Mar-19	-	93,580.79	50,400.00	13,125.00	157,105.79
Apr-19	-	93,580.79	-	-	93,580.79
May-19	-	710,305.79	-	-	710,305.79
Jun-19	-	93,580.79	50,400.00	13,125.00	157,105.79

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

Month	Series 2009A Adjustable Rate COPs (\$42,000,000.00)				
	Principal	Interest, Adjustable 1.38%	Facility Fee 0.480%	Remarketing 0.125%	Debt Service
Jan-19	\$ -	\$ 48,300.00			\$ 48,300.00
Feb-19	-	48,300.00			48,300.00
Mar-19	-	48,300.00	50,400.00	13,125.00	111,825.00
Apr-19	-	48,300.00			48,300.00
May-19	-	48,300.00			48,300.00
Jun-19	-	48,300.00	50,400.00	13,125.00	111,825.00

Month	Series 2018A Fixed Rate COPs (\$27,915,000)				
	Principal	Interest - Fixed 3.45%			Debt Service
Jan-19	\$ -	\$ -	\$ -	\$ -	\$ -
Feb-19	-	-	-	-	-
Mar-19	-	-	-	-	-
Apr-19	-	-	-	-	-
May-19	-	277,712.00	-	-	277,712.00
Jun-19	-	-	-	-	-

Month	2012 SWAP Interest, Net (\$33,000,000.00)				
	Principal	Interest, Swap Net (3.283-1.47126-.18)%			Debt Service
Jan-19		\$ 45,280.79	-	-	45,280.79
Feb-19		\$ 45,280.79	-	-	45,280.79
Mar-19		\$ 45,280.79	-	-	45,280.79
Apr-19		\$ 45,280.79	-	-	45,280.79
May-19		\$ 45,280.79	-	-	45,280.79
Jun-19		\$ 45,280.79	-	-	45,280.79

Financial Markets Report December 31, 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
	\$ 90,105,000	\$ 74,680,000			

* 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	1.99%
	Notional Amount	Counterparty	FMV	Receive Rate	Fixed Rate
Swap	\$33,300,000	Wells Fargo Bank, N.A.	(\$5,232,288)	1.651%	3.283%

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

Fair Market Value	Security Type	Yield
\$ 416,637.00	Money Market	2.24%
1,232,252.00	LAIF	2.29%
1,983,256.00	commercial paper	2.66%
3,980,084.00	Asset-Backed Securities/CMOs	2.37%
6,323,428.00	Certificates of Deposit	2.52%
8,568,148.00	Corporate Notes	2.38%
683,511.00	Federal Agency Collateralized Mortgage Obligation	2.47%
1,474,227.00	Federal Agency Securities Bonds/Notes	1.28%
229,632.00	Municipal Bonds	1.90%
2,555,248.00	Supra-National Agency Bond	2.13%
12,554,748.00	Treasury Bonds/Notes	2.14%
\$ 40,001,171.00		2.28%

Market:

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

Current Bond Markets

- The flattening of the U.S. Treasury yield curve is driven by the continued rise in short-term yields (driven by the expectation for near-term Fed tightening), while longer yields declined (will the economy slow to the point of recession?). For example, the yield on three- to 12-month Treasury bills increased less than 5 bps over the month. Meanwhile, yields on Treasury maturities beyond two years declined between 10 and 15 bps.
- As a result, longer-duration fixed-income indices generated solid performance relative to their shorter counterparts. Two-year Treasury benchmarks returned 2.79%; 10-year benchmarks returned 2.99% for the month. Nevertheless, the return on the broad Bloomberg Barclays U.S. Aggregate bond index is still negative for the year.

PFM Outlook

- Many investors now think that the Fed is close to the end of its tightening strategy, implying that portfolio durations could be lengthened. On the other hand, the drag of widening credit spreads is amplified in long-duration investments, and U.S. economic fundamentals point to continued slow expansion. All of this leads us to maintain a modestly defensive duration position, at least for the near term.
- In the face of global risk-off sentiment, corporate debt battled a second consecutive month of significant spread widening – now at the widest spread levels since 2016. As a result, it was the worst performing sector for the month. As corporate debt is expected to remain under pressure in the near term – mostly due to global growth concerns, lower oil prices, and looming tariff impacts – we plan to remain modestly defensive, reducing allocations and shortening durations in the sector. At the same time, wider spreads may present opportunities on an issuer-specific basis.
- Mortgage-backed securities (MBS) returns for most of the year have been underwhelming. Preference for shorter-term collateral and mid- to high-coupon structures helps combat extension and interest rate risks. 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) were not immune to the general risk-related spread widening over the month, though the change was less than for other credit sectors. Despite the modest spread widening, the ABS sector generated positive excess returns and continues to offer incremental yields with a defensive bias. We plan to continue to overweight ABS.
- With yields over 2%, money market funds and ultra-short-term fixed-income investments have been among the best performers year to date (YTD). Following a nearly six-month narrowing of commercial paper spreads, recent upticks in three-month LIBOR have pushed short-term credit spreads wider and presented good investment opportunities for short-term investors.

(Source: PFMAM December 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: January 14, 2019

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

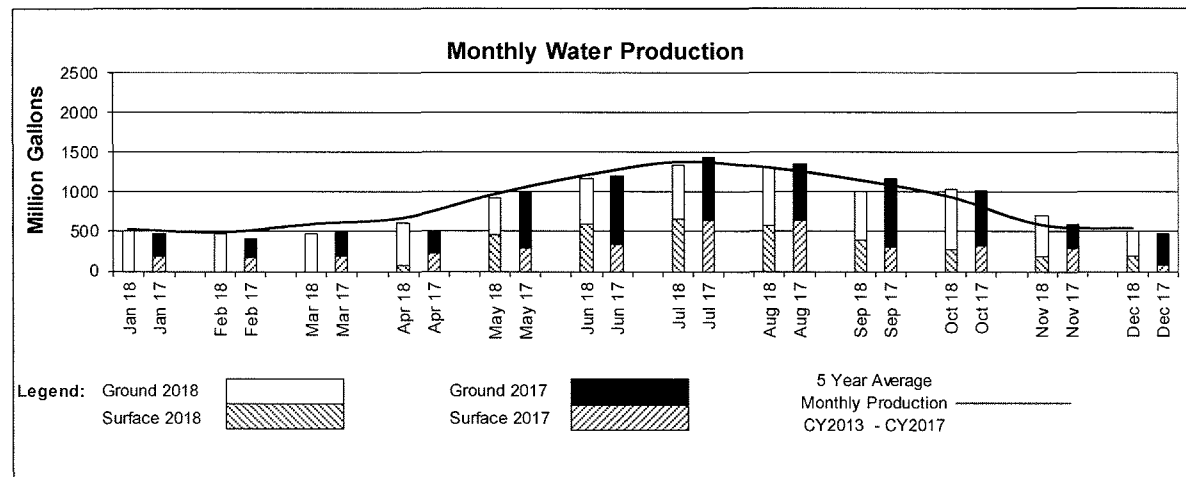
This is a summary report of claims received by the District that are less than \$10,000, and approved or rejected by the General Manager.

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	5.088
Feb	0.000	271.513	271.513	0.000	203.539	203.539	475.052	16.966	4.722
Mar	0.000	282.333	282.333	0.000	192.666	192.666	474.999	15.323	4.722
Apr	82.525	277.599	360.124	0.000	253.253	253.253	613.377	20.446	6.097
May	459.997	68.243	528.240	0.000	399.628	399.628	927.868	29.931	9.223
Jun	590.922	66.521	657.443	0.000	511.774	511.774	1,169.217	37.717	11.622
July	652.821	111.735	764.556	0.000	567.176	567.176	1,331.732	42.959	13.238
Aug	567.414	150.643	718.057	0.000	585.543	585.543	1,303.600	42.052	12.958
Sep	398.291	186.727	585.018	0.000	416.185	416.185	1,001.203	32.297	9.952
Oct	270.532	287.286	557.818	0.000	487.542	487.542	1,045.360	33.721	10.391
Nov	194.004	196.865	390.869	0.000	310.171	310.171	701.040	23.368	6.968
Dec	188.766	109.808	298.374	0.000	206.453	206.453	504.827	16.285	5.018
MG	3,405.272	2,308.509	5,713.781	0.000	4,346.397	4,346.397	10,060.178	27.562	
AF	10,450.396	7,084.554	17,534.950	0.000	13,338.603	13,338.603	30,873.553		

Mo/Yr	Million Gallons (MG)			Difference
	Surface	Ground	Total	
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	188.766	316.061	504.827	29.546
Dec 17	82.322	392.959	475.281	



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

** South Service Area (Town and Country)

***The surface water delivery quantities are reported from SJWD's monthly records.

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

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

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

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	1,488.555	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	1,478.473	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	109.197	35.582	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
YTD	1,551.359	505.512	0.000	0.000	4,027.516	1,312.370	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Note: Water wheeled to other purveyors includes water sold.

Water Operations Activity

	<u>December</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>
<u>Production Department</u>					
<u>Service Orders</u>					
<u>Water Quality</u>					
<u>Complaints</u>	0	1	14		
<u>Inquiries</u>	4	13	159		
<u>Taste & Odor Complaints</u>	0	0	0		
<u>Taste & Odor Inquiries</u>	2	4	46		
<u>Distribution Department</u>					
<u>Service Orders</u>					
<u>Main Leaks</u>	1	3	40		
<u>Service Line Leaks</u>	4	6	72		
<u>Water Main Shutdown</u>					
-- <u>Emergency</u>	0	1	16		
-- <u>Scheduled</u>	0	1	9		
<u>Preventive Maintenance Program</u>					
<u>Fire Hydrants Inspected</u>	5	17	200		
<u>Fire Hydrant Valves Inspected</u>	5	20	235		
<u>Fire Hydrant Valves Exercised</u>	5	20	234		
<u>Mainline Valves Inspected</u>	55	147	1758		
<u>Mainline Valves Exercised</u>	44	128	1536		
<u>After Hours Activity (On-Call Technician)</u>					
<u>Calls Received</u>	31	41	496		
<u>Calls Responded</u>	18	28	332		
<u>Overtime Hours</u>	56	53	633		
<u>Field Services Department</u>					
<u>Meters</u>					
<u>PM - Meters Tested (3 - 10 inch)</u>	4	10	114	113	100.9%
<u>PM - Meters Replaced (⁵/₈ - 1 inch)</u>	326	78	941	1,000	94.1%
<u>PM - Meter Re-Builds (1¹/₂ - 2 inch)</u>	0	20	245	244	100.4%
<u>Customer Pressure Inquiries</u>	8	10	125		
<u>Field Operations Department</u>					
<u>Service Requests Generated</u>	1,690	1,580	18,957		
<u>Work Orders Generated</u>	1,180	1,227	14,722		

Attachment WO-4

Date: January 10, 2019

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

Nothing new to report for December.

c. Water Conservation and Regional Water Efficiency Program Report

i. Program Overview for December 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 each Water Conservation Stage by the Board of Directors. The District adopted Normal Water Supply conditions through March 2019. Staff will continue engaging customers 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 December 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 reduced water use 28% in December 2018 (when compared to December 2013), surpassing the District's 10% monthly goal. Since the Emergency Drought Regulations were enacted¹ in December 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 1,256 leak notification post cards to customers regarding 72-hour continuous flow events in December 2018. Staff conducted 13 customer leak investigations as a result of the post cards.
- c. Public Outreach – The District utilized various info graphics for public outreach in December 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 346 clicks and left 212,062 impressions. The District's primary focus for December 2018 was asking customers to turn off their sprinklers for the winter.

ii. Water Conservation Program and Results

District staff continues to promote water conservation. During the month of December 2018, District staff and the District's contract company performed 19 Single Family Residential, 1 Multi-Family, and 1 Large Landscape Water-Wise House Calls (WWHC).

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

Staff received 2 calls and 5 reports via the District's website regarding water waste. Staff issued 4 Information Only Water Waste Notices and 3 Notices of Violation (NOV).

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

iii. Leak Detection Project

On Monday, December 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 took 10 business days to complete. USA surveyed 631 hydrants, 1,122 valves, 81 services, and 6 other points for leaks. USA pinpointed three total leaks, one mainline leak, and two hydrant leaks. The estimated leak volume from the three leaks is 5,518,800 gallons per year. All leaks have been isolated and either repaired or scheduled for repair.

iv. Upcoming Events

None.

d. Customer Service Report

i. Customer Service Monthly Activity - Attachment CS-1

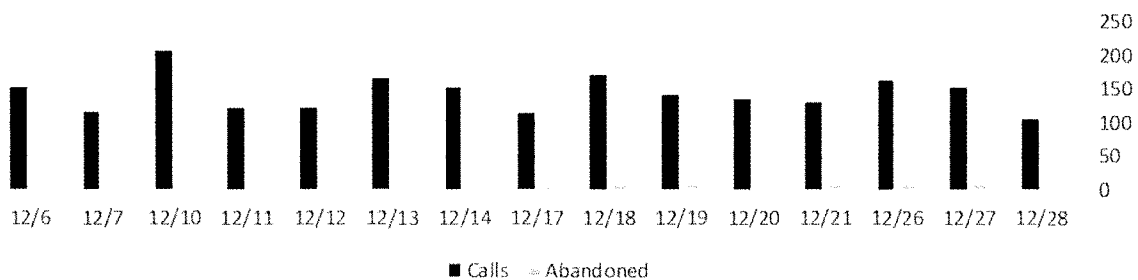
1. Customer Service Activity Report shows Customer Service activity for the month of December 2018.

Customer Service Monthly Activity

	<u>December 2018</u>		<u>Calendar Year 2018</u>	
Billing				
Connections-Total Active	46,268			
E-billing	4,196			
Payments				
Cash/Check	1,205	3.4%	14,734	3.2%
Credit Card	664	1.9%	9,021	1.9%
Web	5,327	15.0%	62,585	13.5%
Auto-Pay (Checking)	4,238	11.9%	51,115	11.0%
Auto-Pay (Credit Card)	4,150	11.7%	47,746	10.3%
NR (Auto Phone)	1,543	4.3%	19,236	4.1%
Online Banking	8,354	23.5%	129,086	27.8%
LockBox	9,995	28.2%	130,581	28.1%

Monthly Calls

Date	Total Calls	Calls Abandoned	% of Calls Abandoned	Avg Wait On Queue	Max Wait on Queue	Avg Talk Time
12/3/2018	216	4	1.85%	43s	4m, 38s	2m, 57s
12/4/2018	157	3	1.91%	52s	9m, 31s	2m, 58s
12/5/2018	120	3	2.50%	50s	7m, 15s	3m, 3s
12/6/2018	151	5	3.31%	37s	5m, 29s	2m, 39s
12/7/2018	118	2	1.69%	28s	5m, 52s	2m, 23s
12/10/2018	206	4	1.94%	34s	6m, 41s	3m, 0s
12/11/2018	123	1	0.81%	20s	4m, 42s	2m, 49s
12/12/2018	123	1	0.81%	18s	4m, 4s	2m, 49s
12/13/2018	165	5	3.03%	45s	12m, 14s	3m, 22s
12/14/2018	153	2	1.31%	57s	11m, 14s	3m, 35s
12/17/2018	115	3	2.61%	27s	7m, 0s	3m, 18s
12/18/2018	172	6	3.49%	58s	7m, 4s	4m, 7s
12/19/2018	140	6	4.29%	1m, 3s	7m, 9s	3m, 40s
12/20/2018	137	4	2.92%	1m, 16s	7m, 28s	3m, 17s
12/21/2018	131	6	4.58%	59s	7m, 18s	3m, 17s
12/26/2018	164	7	4.27%	1m, 13s	8m, 26s	3m, 21s
12/27/2018	153	12	7.84%	1m, 55s	11m, 28s	3m, 26s
12/28/2018	107	4	3.74%	52s	6m, 40s	3m, 23s
Group Total	2651	78	2.94%	1m, 0s	7m, 30s	3m, 0s



e. Community Outreach Report

i. February Bill Insert – Attachment CO-1

The February bill insert will begin on January 28, 2019 and continue until February 24, 2019. A sample of the bill insert has been included with this report.

ii. February Envelope Message

The February envelope encourages customers to schedule a Water-Wise House Call. The envelope will begin on January 28, 2019 and continue until February 24, 2019.

Community Meetings/Events

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

<u>Date:</u>	<u>Meeting:</u>	<u>Staff:</u>
12/06/18	RWA – Water Marketing Strategy Planning	Mike Huot
12/05/18	RWA Executive Committee	Dan York
12/06/18	RWA & SGA Holiday Social	York/Huot
12/10/18	RWA/SGA – Post 2018 Pilot Transfer Meeting	Mike Huot
12/10/18	SJWD & SSWD 2X2 Committee Meeting	Mike Huot
12/13/18	Water Forum Plenary	Mike Huot
12/13/18	SGA Meeting	Dan York
12/17/18	RWA – ASR Feasibility Study Scoping Meeting	Mike Huot

February Bill Insert

00216674



H₂O on the Go

February 2019



SSWD Board President Craig Locke signs a Warren Act contract with Reclamation, securing wet-year water supplies for SSWD for the next 27 years. From left: Board Members Kevin Thomas, Robert Wichert, David Jones and Kathleen McPherson, and SSWD GM, Dan York.

SSWD Increases Long-Term Water Supply

The District has signed an agreement with the U.S. Bureau of Reclamation that helps secure surface water during wet years for the next 27 years.

The Warren Act Contract 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. 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.

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 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."

Delivering With Every Turn: SSWD is Always On Call

SSWD is ready and able to respond to any calls day or night, every day of the year. During regular business hours, our Customer Service Representatives answer calls and dispatch Field Technicians.

If a call comes in over night, it is forwarded to our answering service and immediately dispatched to whichever Technician is on call that night. There are always at least two Technicians and one Supervisor on call at any time to investigate issues.

It takes us on average 30 minutes to respond to a call. The Technician heads out to the source of the problem and evaluates the situation. Once the extent of the problem is understood, they then contact the Supervisor and, if needed, arrange for additional staff to come and work on resolving the issue.

If there is an overnight emergency, please call 916.972.7171.

sswd.org

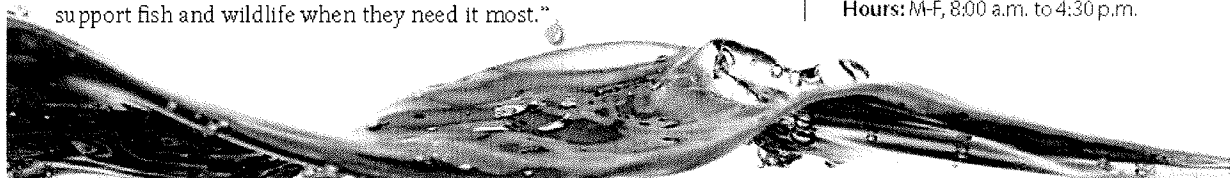
Phone: 916.972.7171

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.



February Bill Insert



2019 Water Spots Deadline is March 15th

Attention all middle and high school students, there's still time to enter the 2019 Water Spots video contest.

Sponsored by Sacramento Suburban Water District, the Regional Water Authority and local water providers, the Water Spots contest invites local students to create a 30-second video on using water efficiently for the chance to win prizes and have their entry shown in local movie theatres.

This year's theme is "Show Off Your Water Smarts" and is designed to highlight little known facts about water use (and water waste) at home.

The deadline for entries is March 15, 2019. Complete information is available online at <http://bewatersmart.info/waterspots/>.

2019 Calendar Magnets Are Still Available

Be sure to stop by the Sac Suburban office to pick up your complimentary calendar magnet. This handy item can help hold a favorite photo or drawing to your fridge and keep you aware of important dates.

Water Wonderline

Q: We just had our water meter installed. I am aware our flat rate bill will remain the same for a year, but it will now include information on our water use. When the metered billing actually starts, what will be the regular charges?

A: Monthly metered bills consist of the following:

Meter Service Charge

(based on the size of your meter)
This covers the District's fixed operations and maintenance costs.

Capital Facilities Charge

(based on the size of your meter)
This funds the District's capital improvement.

Usage Charge (varies according to use and meter reading date)

This covers variable operations and maintenance costs and will be based on the amount of water you use.

For more information about the District's rates and charges visit sswd.org/waterrates or call our Customer Service Team at 916.972.7171

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





Agenda Item: 20

Date: January 17, 2019

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; b) Asset Management Plans; and c) 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 spring 2019.
- Pumping plant construction is anticipated to begin in 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 complete.
- Pumping plant design is anticipated to be completed 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

Edison Meadows Main Replacement Project

This is the 2018 Main Replacement Program project. This project is substantially complete with the exception of final paving, which is scheduled to occur this spring or early summer, as weather permits. No further reporting on this project is anticipated.

Jonas Main Replacement Project

This is the 2019 Main Replacement Program project. This project is anticipated to begin in mid to late January 2019 and be completed in late 2019.

Meter Retrofit Projects

2018 Project

This project was complete in December 2018. Project consisted of installing 1,472 water meters.

2019 Project and Beyond

As has been reported in 2018, staff plans to use the Master Services Contract (MSC) contracting approach, which has been effective at containing costs in the Distribution Main Replacement Program. Staff expects this 3 to 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 April 2019.

2019 Project Grant Funding

As approved by the Board on March 19, 2018, via *Resolution No. 18-05 Authorizing Application for Funding Assistance through the Bay-Delta Restoration Program: CalFed Water Use Efficiency Grant Program 2018*, the District applied for a grant for the 2019 project.

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 has been informed of a funding amount of \$279,000.

b. Asset Management Plans

The District has Asset Management Plans (AMP's) for all of its infrastructure categories. Plans are updated on a staggered schedule and update frequency of the various AMP's ranges between 3 and 7 years. Following is summary information about the AMP's scheduled to be updated this calendar year.

- Distribution Main AMP – This AMP was scheduled for updating in 2018. In September 2018, the F&O Committee directed staff to develop a Condition Assessment (CA) component and incorporate it into the AMP, and then to bring the updated draft AMP back to the Committee for review.

District AMP's do not contain a CA, so this is being developed from the ground up. Based on the effort likely required to develop and incorporate a CA into the AMP, staff anticipates bringing a preliminary CA to the F&O Committee for their review and comment prior to

taking the next step of incorporating it into the AMP. Staff anticipates bringing the draft CA to the F&O Committee in the mid-2019 timeframe.

Staff plans the following steps in the process of developing a CA:

Research – Contact other water agencies to learn of successful approaches (e.g., East Bay Municipal Utilities District, Sacramento County Water Agency, Las Vegas Valley Water District, etc.); research state-of-the-art technologies and methodologies; and research information available via such resources as utility management groups/conferences and organizations, as well as professional organizations (e.g., AWWA, ASCE).

Outline – Draft a CA outline. The outline will include a CA overview, CA options, a decision making process based on the outcome of CA performed on the Distribution Mains, and timing on when to implement CA options.

Draft CA – A draft CA will be prepared and routed to management and the F&O Committee for review.

Incorporate CA into AMP – The final draft CA will be incorporated into the AMP for review. After the AMP is approved, the CA will be a template for using in the other AMP's.

- Transmission Main AMP – This AMP is scheduled and in progress to be updated in 2019.
- AMP Summary Report – This report is scheduled and in progress to be updated in 2019.
- Groundwater Well Facility AMP – This AMP is re-scheduled to be updated in 2020 instead of 2019.
- Buildings and Structures AMP – This AMP is re-scheduled to be updated in 2020 instead of 2019.

c. Other

Well Investigation / 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 be returned to service by late spring 2019.
- Well N36 Verner
This well remains offline. The well has successfully been modified to remove Manganese from the well discharge by plugging the lower part of the well where

groundwater contains Manganese. Indication from early test results are favorable at a flowrate of up to 1,200 gallons per minute. Further evaluation of the existing well pump and additional water quality sampling is required prior to placing the well back in service. It is anticipated that the well may be returned to service as early as the spring of 2019.

New Engine Generator for Administration Building

- Work related to installation of the new generator (Phase 1) was completed in December 2018. The new generator is permitted and on-line for backup electrical power. No further reporting on this phase of the project is anticipated.
- 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 installed 1,674 feet of new distribution main to replace old and undersized backyard main. The project also included 32 new metered services and 4 fire hydrants. Work was completed in late December 2018.

Tank 769 Destruction

This project consists of the destruction of elevated water storage tank no. 769 (Tank 769). This tank was identified for destruction due to structural, ANSI/OSHA-related, and operational deficiencies, and has been off-line since October 2017. Work began in late December 2018 and is anticipated to be completed by early February 2019. A need to replace this tank's storage capacity has not been identified and none is planned.

Freedom Park Drive Intratie

This project consists of the construction of a 10-inch intratie (a connection between two District distribution system pressure zones) in the northern part of McClellan Business Park (MBP). The purpose of the project is to improve distribution system redundancy and reliability to service the MBP pressure zone. Work began in December 2018 and is anticipated to be complete by the end of January 2019.

Item 21

From: @yahoo.com [mailto: @yahoo.com]
Sent: Thursday, January 10, 2019 12:13 PM
To: feedback <feedback@sswd.org>
Subject: Outstanding Customer Care by Construction Company and SSWD

We live on the corner of Whitney and Von Bauer Way and the Sac. Suburban Water District, the Veerkamp construction Company and employees, all others involved in the water pipe replacement activities in my area, have provided us the highest level of customer care that anyone could receive. No matter who I talked to, the responses were very positive, in excellent detail on the work to be performed and when it was to be accomplished. As one example (of many) of the excellent treatment we received - when we had to leave the house in our car, the workers made sure we had a safe passage through the equipment.

Again, my wife and I THANK YOU for the outstanding customer care we received by all involved in this water construction project.

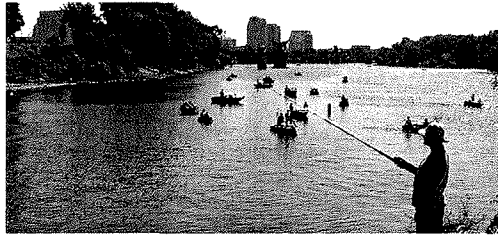
Herb and Jane

January 2019

Building Alliances in Northern California

MISSION

To serve and represent regional water supply interests and assist Regional Water Authority members with protecting and enhancing the reliability, availability, affordability and quality of water resources.



New RWA Leadership Elected for 2019

2019 Chair and Vice Chair

Paul Schubert
Golden State Water Company
Chair

Kerry Schmitz
Sacramento County Water Agency
Vice Chair

2019 Executive Committee Members

Ron Greenwood
Carmichael Water District

Marcus Yasutake
City of Folsom

Jim Peifer
City of Sacramento

Debra Sedwick
Del Paso Manor Water District

Brent Smith
Placer County Water Agency

Dan York
Sacramento Suburban Water District

Pam Tobin
San Juan Water District

RWA Board of Directors meetings occur on the second Thursday of every-other month at 9 a.m. Executive Committee meetings are held monthly, beginning at 8:30 a.m. on the fourth Wednesday. Both meetings take place at the RWA Board room. You can find meeting dates and materials at rwah2o.org.

RWA Welcomes Legislative and Regulatory Affairs Manager



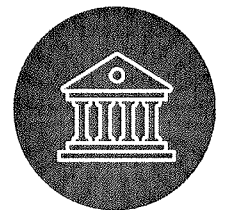
RWA has welcomed Ryan Ojakian as the new Legislative and Regulatory Affairs Program Manager.

Ryan brings more than a decade of experience

working on a wide range of complex issues in the California legislature, most recently as senior consultant for the Assembly Committee on Water, Parks and Wildlife. There, he worked on water policy issues, including long-term urban water use efficiency legislation signed into law in May.

“Ryan brings exceptional legislative experience, the ability to craft sensible policy approaches and build coalitions to achieve results,” said RWA Executive Director John Woodling. “He is an outstanding addition to our team and will bring great value to RWA’s members.”

In addition to working for the Water, Parks and Wildlife Committee, Ryan has also served as legislative director for Assembly Member Marc Levine (D-San Rafael) and legislative aide for former California State Senator Joe Simitian (D-Palo Alto).



Advocacy Transitions to Permanent RWA Program

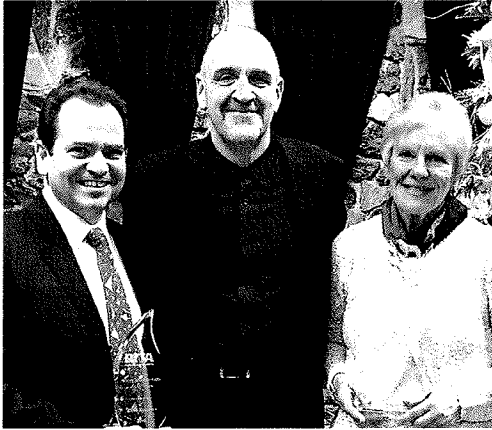
RWA’s Advocacy Program is poised to achieve yet another milestone. Since 2013, RWA members have worked together to develop the Advocacy Program by creating a structure, identifying priorities, setting goals and engaging members in a vision. In 2016, the program formally launched, with the lobbyist contract on a subscription basis.



In 2019, the Advocacy Program will embark as a permanent program serving and supported by all members.

The transition is testament to the program’s accomplishments and results over the past several years to ensure that regional needs and concerns are positively and proactively represented.

Awards and Recognition



From left: Ryan Bezerra, John Woodling, and Pam Tobin

Ryan Bezerra Receives RWA Water Statesperson of the Year

Ryan Bezerra, Bartkiewicz, Kronick & Shanahan: For his guidance and work on legislative and regulatory issues that impact the Sacramento region, including the Bay-Delta Water

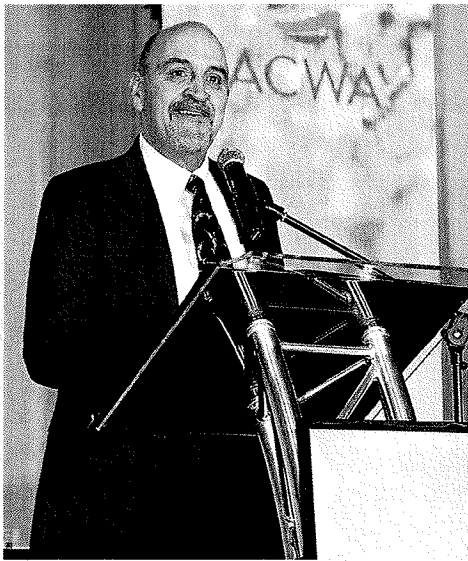
Quality Control Plan and related Delta discussions. Ryan is the only person to be honored with the Water Statesperson award twice, also receiving the award in 2009.

Pam Tobin Honored with RWA Distinguished Service Award

Pam Tobin, San Juan Water District: For her long-time local, regional and statewide leadership and service as a member of San Juan Water District's Board of Directors, member

of RWA's Executive Committee and Board, Chair and member of the Sacramento Groundwater Authority Board, and chair of ACWA's Region 4.

ACWA Honors John Woodling with Emissary Award



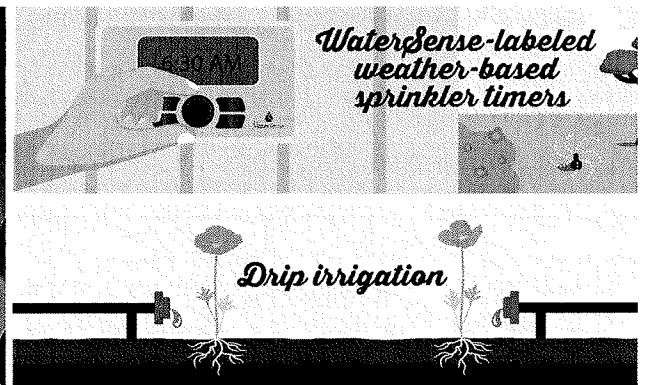
RWA's Executive Director John Woodling was honored in November with the Emissary Award from the Association of California Water Agencies (ACWA). The award recognizes individuals who have made remarkable contributions to California water through voluntary service to ACWA.

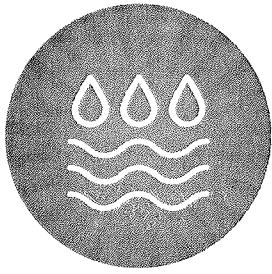
"John Woodling exemplifies what it means to be a public servant and leader," said Brent Hastey, President of the ACWA Board of Directors. "In addition to his many years of dedicated service in the Sacramento region, John has helped advance numerous critical statewide water issues at ACWA, such as comprehensive groundwater sustainability management and urban water conservation."

During his time on the ACWA Board of Directors, John served as a valuable member of the association's Groundwater, Water Management, and State Legislative committees. He helped create an ACWA policy framework document related to sustainable groundwater management in California, and was actively involved in developing the State's 2017 "Making Water Conservation a California Way of Life" policy document.

Sacramento Suburban Water District Receives National WaterSense Award

The U.S. Environmental Protection Agency (EPA) honored Sacramento Suburban Water District (SSWD) with a national 2018 WaterSense Excellence in Education and Outreach Award for its creative approach to educating customers about using water efficiently in 2017 and supporting WaterSense. SSWD General Manager Dan York accepted the award during a lunchtime event at the WaterSmart Innovations Conference in Las Vegas.



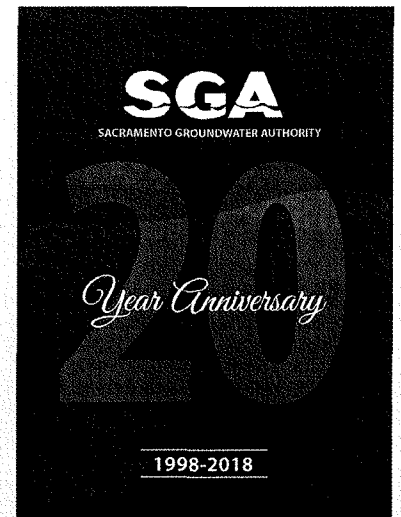


Local Interests Represented on ACWA Board

Local water interests are continuing to be represented at the state level through the leadership of RWA, its members and consultants on the 2019-20 ACWA Board of Directors. Board members include:

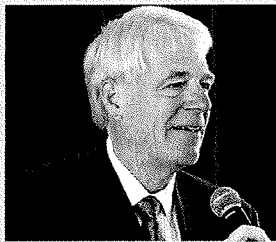
- John Woodling, RWA Executive Director, Groundwater Committee Chair
- Brian Poulsen, El Dorado Irrigation District General Counsel, State Legislative Committee Chair
- Joshua Alpine, Placer County Water Agency Board Member, Region 3 Chair
- Pam Tobin, San Juan Water District Board Member, Region 4 Chair
- Mark Emmerson, Carmichael Water District Board Member, Region 4 Vice Chair
- Jennifer Buckman, Bartkiewicz, Kronick & Shanahan, Legal Affairs Committee Chair

SGA Marks 20th Anniversary and Progressive Track Record on Groundwater Management



Sacramento-area leaders came together in October to mark the 20th anniversary of the Sacramento Groundwater Authority (SGA) and two decades of progressive groundwater management.

SGA was created in 1998 to manage the groundwater basin in northern Sacramento County. A product of the historic Water Forum negotiations, SGA became one of the first groundwater management agencies of its kind in California.



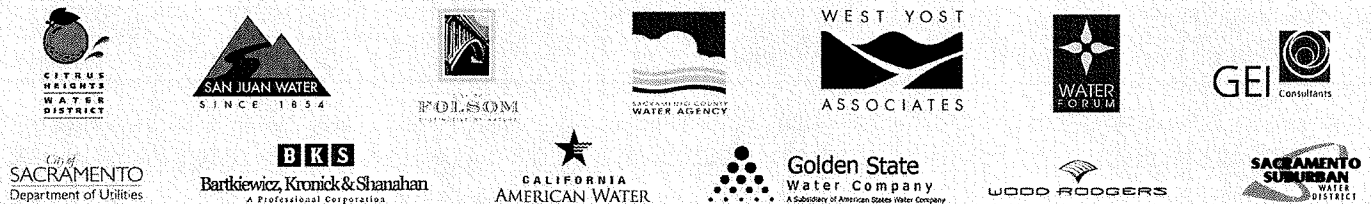
“What made SGA work was a shared commitment to an overriding public policy goal—to equitably and sustainably manage groundwater,”

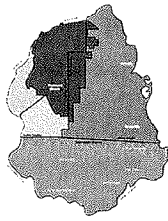
said former Assemblyman Roger Dickinson in describing his involvement with establishing SGA when he was a Sacramento County Supervisor.

During the event, Assemblymember Ken Cooley of California’s 8th District presented a resolution recognizing SGA for its achievements. “The most powerful thing in the way we govern ourselves is when we join together in a common enterprise,” Cooley said.

Looking ahead, SGA is well positioned to continue its work to fulfill the Water Forum Agreement and comply with SGMA. “But that’s only the beginning,” said SGA Executive Director John Woodling. “The groundwater basin will become increasingly important for water supplies and for the ability it provides to maintain the health of the lower American River. There’s a lot more for the future of SGA on the horizon.”

Thank You SGA Anniversary Event Sponsors!





New Website Launched for Groundwater Sustainability Plan Outreach

SGA, in partnership with neighboring groundwater sustainability agencies in Sutter and Placer counties, has launched a new website to communicate with stakeholders about the Groundwater Sustainability Plan (GSP) for the North American Subbasin. The plan is required by the Sustainable Groundwater Management Act of 2014 and will be the first coordinated effort for the entire subbasin. Still in the early stages of development, the website ultimately will be used throughout the plan's development process to keep stakeholders updated about the plan's progress, document drafts and opportunities for input. **You can find the site at nasbgroundwater.org.**

RWA Welcomes Fracta as an Affiliate Member

Fracta became RWA's newest Affiliate Member in November, joining 10 other water industry-focused companies as Affiliates. Based in Redwood City, CA, Fracta focuses on bringing artificial intelligence to infrastructure. Its flagship offering is a software application that uses artificial intelligence to assess the condition of drinking water distribution mains. RWA's Affiliate Member category was created in 2014 to promote communication between water managers and the community. Affiliate members may include special districts, trade associations, chambers of commerce, institutions that are major water users, and entities that provide services to water providers.

Water Efficiency Program News



Let Your Sprinklers Hibernate: RWA Winter Water Efficiency Ad Tells a 'Beary Water Smart Tale'

RWA's winter water efficiency campaign takes a whimsical approach to asking residents to turn off sprinklers this winter in an animated advertisement running on Facebook. The "Beary Water Smart Tale" features a bear family taking one last step to turn off their sprinkler controller before settling in for a long winter's nap. The ultimate message is that winter's shorter, cooler days mean that sprinklers shouldn't need to run until spring. You can find the ad on BeWaterSmart.info.

Students Challenged to Show Off Their Water Smarts

The 2019 Water Spots Video Contest challenges young film makers to create compelling and original 30-second Public Service Announcement (PSA) videos about using water wisely. The 2019 theme is Show Off Your Water Smarts.

Winning videos will earn cash prizes for both students and their teachers and the chance to premiere at local movie theaters.

In addition, the top video at each school and three teachers that submit the most videos will receive prizes (eligibility rules apply). Entries are due by Friday, March 15, 2019. See all the details at BeWaterSmart.info.

