

Agenda

Sacramento Suburban Water District

Regular Board Meeting

3701 Marconi Avenue, Suite 100
Sacramento, California 95821

Monday, July 15, 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 June 17, 2019 Regular Board Meeting
Recommendation: Approve subject minutes.

2. Purchasing Card Policy (PL – Fin 006)
Recommendation: Approve subject policy with changes.
3. Impaired Capital Asset Policy (PL – Fin 008)
Recommendation: Ratify subject policy without changes.
4. Water Fluoridation – South Service Area
Recommendation: Continue fluoridating the South Service Area and re-evaluate in 2027 when the First 5 agreement expires.
5. 2020 Budget Preparation Timeline
Recommendation: Approve the 2020 Budget Preparation Timeline.
6. Resolution No. 19-08 Adopting the 2018 Update to the American River Basin Integrated Regional Water Management Plan
Recommendation: Adopt subject resolution.
7. Resolution No. 19-09 Authorizing Application for Funding Assistance through the Integrated Regional Water Management Grant Program – Proposition 1
Recommendation: Adopt subject resolution.

Items for Discussion and/or Action

8. Regional Water Meter Replacement Program
Recommendation: Approve the first amendment to the memorandum of understanding and authorize the General Manager to sign on behalf of the District.
9. Sacramento Suburban Water District / San Juan Water District Management/Re-Organization Committee
Recommendation: Authorize the General Manager to execute the Sacramento Region Water Utility Collaboration / Integration Study Request for Proposal, as the lead agency.
10. Committee and Liaison Appointments – Alternate for SSWD/SJWD Water Management/Re-Organization Committee and Assessment of the Finance and Audit Committee
Recommendation: The Board President will consider selecting an Alternate for the SSWD/SJWD Water Management/Re-Organization Committee, and assess the status of the Finance and Audit Committee.
11. Sacramento Groundwater Authority Board Representative Appointment
Recommendation: Consider appointing a representative to the SGA Board of Directors, and direct the General Manager to submit the necessary documents.

12. Resolution No. 19-10 Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees' Medical and Hospital Care Act
Recommendation: Adopt subject resolution.
13. Annual Fraud Prevention Presentation
Recommendation: Review Workplace Dishonesty Policy and receive staff presentation.

General Manager's Report

14. General Manager's Report
 - a. Regional Water Supply/Wheeling Opportunities
 - b. Strategic Plan/Implementation Plan Update
 - c. Del Paso Manor Water District Update
 - d. American River Watershed Tour – Regional Congressional Staff
 - e. City of Sacramento General Plan

Department/Staff Reports

15. Financial Report
 - a. Financial Highlights – June 2019
 - b. Financial Statements – June 2019
 - c. Investments Outstanding and Activity – June 2019
 - d. Cash Expenditures – June 2019
 - e. Credit Card Expenditures – June 2019
 - f. Directors Compensation and Expense Accounting – Second Quarter 2019
 - g. District Reserve Balances – June 2019
 - h. Information Required by LOC Agreement
 - i. Financial Markets Report – June 2019

16. District Activity Report
17. Engineering Report
 - a. Major Capital Improvement Program (CIP) Projects
 - b. Planning Documents
 - c. Other

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

18. a. Regional Water Authority (President Jones)
Agenda from the July 11, 2019 meeting.

Regional Water Authority Executive Committee (General Manager York)
Agenda from the June 26, 2019 meeting.
- b. Sacramento Groundwater Authority (Director Thomas)
Agenda from the June 13, 2019 meeting.
- c. Water Caucus Meeting (General Manager York)
None.
- d. Water Forum Successor Effort (General Manager York)
None.
- e. Other Reports – AB 1234

Committee Reports

19. a. Facilities and Operations Committee (Director Jones)
None.
- b. Finance and Audit Committee (Director Wichert)
None.
- c. San Juan Water District/Sacramento Suburban Water District Water Management/Re-Organization Committee (Director Jones)
Notes from the June 20, 2019 meeting.

Information Items

20. Human Resources and Succession Plan Biannual Report

- 21. Legislative and Regulatory Update
- 22. Upcoming Water Industry Events
- 23. Upcoming Policy Review
 - a. Workplace Dishonesty Policy (PL – Adm 006)

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.

Adjournment

Upcoming Meetings

Monday, August 19, 2019 at 6:00 p.m., Regular Board Meeting

I certify that the foregoing agenda for the July 15, 2019 meeting of the Sacramento Suburban Water District Board of Directors was posted by July 11, 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, June 17, 2019

Call to Order

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

Pledge of Allegiance

President Jones led the Pledge of Allegiance.

Roll Call

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

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Mike Huot, Director of Finance and Administration Dan Bills, Heather Hernandez-Fort, Cassie Crittenden, Matt Underwood, Julie Nemitz, David Espinoza, David Armand, and Dana Dean.

Public Present: William Eubanks, Avery Wiseman, Marissa Burt, John Lenahan, Gregory Schneider, Habib Isaac, and District Legal Counsel Josh Horowitz.

Announcements

General Manager Dan York (GM York) announced:

- Annual Financial Disclosure Statement Form 470 was at the dais for each Director to complete.
- James Peifer was named the new Regional Water Authority Executive Director effective June 28, 2019.

President Jones announced that Steve Ahlstrom from the former Ahlstrom Construction Company passed away.

Public Comment

William Eubanks (Mr. Eubanks) expressed that the City of Sacramento was holding a meeting regarding potentially updating their 2009 Master Plan, which included a possible annexation of the Arden Arcade area. He wanted to make sure the Board was aware of it.

Director Thomas inquired if there would be any follow up meetings regarding the topic.

GM York expressed that he would let the Board know of any subsequent meetings.

Consent Items

1. **Minutes of the May 20, 2019 Regular Board Meeting**
2. **Reserve Policy (PL – Fin 004)**
3. **Facility Development Charge Policy (PL – Fin 010)**
4. **Resolution No. 19-07 Placing in Nomination General Manager Dan York for Association of California Water Agencies Region 4 Board Member**

Director Wichert requested to pull Item 2.

Director Thomas moved to approve all Consent Items except Item 2; Director Locke seconded. The motion passed by unanimous vote.

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

Regarding Item 2, Director Wichert expressed he was ok with adjusting the allocations, but was not in favor of raising the total reserve amount.

Dan Bills (Mr. Bills) recommended to review Item 2, after Item 5 was presented, as they were interrelated.

Item 2 was tabled until after Item 5.

Items for Discussion and/or Action

5. **2019 Water Rate Study**

Mr. Bills presented the staff report and introduced Habib Isaac (Mr. Isaac) from the consulting firm of Raftelis, who presented the PowerPoint presentation.

Clarifying questions were asked regarding the target reserve balance.

Mr. Isaac explained that the goal was to slowly build up the reserve balance to reach the target band width, by using the measured approach of the 5%, 4%, and 3% rate increases over the course of the next 5 years.

Director Wichert suggested to incorporate a high and low range for the reserve target.

Director Locke expressed that he was not in favor of deferring CIP projects, as he believed it would only cost the District more down the road.

Director McPherson noted that the District was in a very healthy financial state compared to other local districts.

GM York expressed that staff was reevaluating the Asset Management Plans, and the condition assessment to determine the best use of CIP funds.

Director Wichert moved to approve the staff recommendation, Director Thomas seconded.

Avery Wiseman (Mr. Wiseman) expressed that he believed the rate study was based on a false premise and further stated the District needed to control costs better. He requested to submit information to be included in publications the District provides to customers regarding the Prop 218 hearing.

Director Wichert suggested that staff reevaluate the budget with the proposed rate increases to make best use of funding in all areas.

The motion passed by a 4/1 vote, Director Locke opposed.

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

Regarding Item 2, Reserve Policy, Director Locke moved to approve the staff recommendation; Director Thomas seconded. The motion passed by a 4/1 vote, Director Wichert opposed.

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

6. Water Facilities Development Charge Study

Mr. Bills presented the staff report.

Several clarifying questions were asked.

Director Thomas moved to approve the staff recommendation; Director Wichert seconded.

Director Thomas amended his motion to approve the staff recommendation to include updating the study based on 2019 end-of-year assets and use the Engineering News Report cost index of those assets as of December 31, 2019; Director Wichert seconded. The motion passed by unanimous vote.

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

7. **Del Paso Manor Water District’s Request for Water System Operations Assistance**

GM York presented the item.

President Jones noted that he was concerned with potential liabilities.

Josh Horowitz (Mr. Horowitz) expressed that any agreement between the two agencies would have the appropriate indemnity language.

Mr. Bills expressed that some of the additional concerns were the District’s staff time and resources, and being able to fulfill the District’s needs before providing assistance to other agencies.

Director Wichert recommended to bill the Del Paso Manor Water District (DPMWD) at an overtime rate when assisting them.

Director McPherson noted that it was meant to be a short term contract.

GM York expressed that the recommendation was to monitor on a monthly basis to ensure it was not negatively impacting the District’s operational needs.

Director Wichert recommended that the District should do what it can to assist in the situation that DPMWD was in.

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

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

Mr. Eubanks withdrew his comment.

8. **Discontinue the Asset Management Plan Summary Report**

Dana Dean (Mr. Dean) presented the staff report.

Director Wichert 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:			

9. **Distribution Main Asset Management Plan Condition Assessment**

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

Discussion ensued and several clarifying questions were asked.

Mr. Espinoza expressed that the next step was to insert the condition assessment into the Distribution Asset Management Plan, then bring back this item in August with a recommendation for Board approval.

The Board approved the next steps.

Mr. Espinoza expressed that staff was still researching new technology for added support.

Mr. Eubanks inquired what the objective of the direct method was.

President Jones answered that the projects were placed into a matrix that did not include a conditional assessment, which was added to verify that the pipe was in need of repair or replacement.

Mr. Eubanks stated some additional clarifying questions, including expressing that he was not in support of the project.

Discussion ensued regarding cost.

Assistant General Manager Mike Huot (Mr. Huot) stated that the level of extra sophistication allowed staff to invest a small amount up front, to ensure the best decision was made.

Director Locke noted the potential cost savings by partnering with the County of Sacramento to coordinate our projects with their paving plan.

President Jones 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:			

10. **Committee and Liaison Appointments – Board Consideration of an Employee Benefits Ad Hoc Committee**

President Jones stated the Board had a lot going on with a Prop 218 hearing towards the end of the year and requested to bring the item back for consideration in January, 2020.

Director Wichert pointed out that establishing an Employee Benefits Ad Hoc Committee sooner rather than later could provide an opportunity for cost savings to the District. He further noted that he believed there was a slight conflict of interest with staff bringing recommendations for staff salaries and benefits to the Board. He expressed that a committee would allow the Board to evaluate and provide estimates of savings that would be fair to everyone.

Director McPherson echoed Director Wichert's comments, expressing that having a separate committee would allow the Board to gather information to make the best decision for all.

President Jones expressed that he would like to have the item brought back for consideration in January 2020.

General Manager's Report

11. **General Manager's Report**

GM York presented the staff report.

a. *Regional Water Supply/Wheeling Opportunities*

GM York presented the staff report and provided an update.

Director Locke inquired if the water would be treated at San Juan Water District and Carmichael Water District.

GM York expressed that he would provide Director Locke with the answer.

b. *Wholesale Water Rates and Area D Water Supply Map*

GM York presented the staff report and provided an update.

c. *Meter Consortium Update*

GM York presented the staff report and provided an update.

Matt Underwood (Mr. Underwood) provided further details.

Director Wichert inquired if staff looked into other utilities for partnerships.

Mr. Underwood answered that staff continues to evaluate all options.

Mr. Eubanks inquired if the District would have the option of showing real time billing status.

Staff expressed that real time billing status was already an option for customers.

Department/Staff Reports

12. Financial Report

A written report was provided.

a. Financial Highlights – May 2019

A written report was provided.

b. Financial Statements – May 2019

A written report was provided.

c. Investments Outstanding and Activity – May 2019

A written report was provided.

d. Cash Expenditures – May 2019

A written report was provided.

e. Credit Card Expenditures – May 2019

A written report was provided.

f. District Reserve Balances – May 2019

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.

13. District Activity Report

A written report was provided.

GM York expressed that staff was going to revise some of the Department/Staff reports and would bring back redline strikethrough versions to the next regular Board meeting.

Director Locke expressed that he was interested in Preventive Maintenance system totals, not just the 5 year goal.

14. Engineering Report

A written report was provided.

a. Major Capital Improvement Program (CIP) Projects

A written report was provided.

b. *Asset Management Plans*
A written report was provided.

c. *Other*
A written report was provided.

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

15. a. Regional Water Authority (President Jones)
The agenda from the May 22, 2019 meeting was provided.

Regional Water Authority Executive Committee (General Manager York)
The agenda from the May 13, 2019, and May 22, 2019 meetings were provided.

b. Sacramento Groundwater Authority (Director Thomas)
The agenda from the May 13 meeting was provided.

c. Water Caucus Meeting (General Manager York)
The agenda from the June 12, 2019 meeting was provided.

d. Water Forum Successor Effort (General Manager York)
None.

e. Other Reports – AB 1234

Director McPherson provided oral reports on the following meetings she attended:

- March 14, 2019 RWA meeting.
- March 26-27, 2019 AWWA Conference.
- April 4, 2019 meeting with the General Manager.
- April 19, 2019 Kaiser Earth Day.

President Jones provided an oral report on the following meeting he attended:

- SAWWA meeting he attended on May 16, 2019.

Director Locke provided oral reports on the following meetings he attended:

- March 15, 2019 meeting with the General Manager.
- March 20, 2019 Rate Setting Under 218 Workshop.
- March 27, 2019 AWWA Conference.
- April 8, 2019 McClellan Business Park tour with the General Manager.
- April 25, 2019 meeting with the General Manager.
- May 6-9, 2019 ACWA Conference.

Director Thomas provided oral reports on the following meetings he attended:

- May 22, 2019 Brown Bag Seminar on Chesapeake Bay.
- May 31, 2019 meeting with the General Manager.
- June 4, 2019 meeting with the General Manager.

- June 13, 2019 SGA meeting.
- June 14, 2019 meeting with the General Manager.

Committee Reports

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

Information Items

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

A written report was provided, GM York provided an oral report of the meeting.

Director Wichert recommended to be cautious using titles for the studies being conducted and further suggested to discuss the economic impacts.

18. **Legislative and Regulatory Update**

A written report was provided, GM York provided an update to the report.

Mr. Horowitz provided additional information on the report.

19. **Upcoming Water Industry Events**

A written report was provided.

20. **Upcoming Policy Review**

A written report was provided.

- a. Purchasing Card Policy (PL – Fin 006)

A written report was provided.

- b. Impaired Capital Asset Policy (PL – Fin 008)

A written report was provided.

Director's Comments/Staff Statements and Requests

None.

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

The Board convened in Closed Session at 8:25 p.m. to discuss the following:

21. Public employee performance evaluation involving the General Manager under Government Code section 54954.5(e) and 54957.
22. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); *In re LIBOR-Based Financial Instruments Antitrust Litigation*, and related cases, Case No. 11-md-2262 (So. Dist. New York).

Return to Open Session

The Board convened in open session at 9:33 p.m.

The California Attorney General entered into a settlement with Citibank related to that bank's alleged manipulation of the LIBOR interest rate. The District is entitled to receive a share of the settlement in the amount of \$362,240, subject to signing a release of all claims. The Board authorized the General Manager to sign and file that release, which will result in the District receiving the funds and terminating the District's interests in the lawsuit. The release is a public document and available upon request.

Adjournment

President Jones adjourned the meeting at 9:34 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 2

Date: July 2, 2019

Subject: Purchasing Card Policy (PL – Fin 006)

Staff Contact: Daniel A. Bills, Director of Finance and Administration

Recommended Board Action:

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

Discussion:

The Purchasing Card Policy (PL – Fin 006) was last reviewed by the Board in August 2017. Staff has only minor, housekeeping changes to the Policy, see section 100.10. The Policy was provided to the Board in June 2019 with a deadline for comments of July 1, 2019. No comments were received.

Fiscal Impact:

Adoption of the Purchasing Card Policy will have no change to the District’s financial position.

Strategic Plan Alignment:

Goal B Optimize Operational and Organizational Efficiencies.

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

Sacramento Suburban Water District

Purchasing Card Policy

Adopted: November 17, 2003

Approved with changes: August 15, 2005; May 21, 2007; June 15, 2009; June 18, 2012; May 19, 2014.May 16, 2016; August 21, 2017; July 15, 2019**100.00 Purpose of the Policy**

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

100.10 Definitions

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

Program Administrator – The District ~~Finance~~ Director of Finance and Administration is responsible for and has oversight of the CAL-Card program for the District.

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

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

Cardholder – Selected District employees as determined by the General Manager. Cardholders are responsible for using issued purchasing cards in accordance with District policies and procedures.

200.00 Authorized Purposes

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

Purchasing cards are never to be used for personal transactions. Any employee who

mistakenly or otherwise uses or authorizes the use of District purchasing cards for unauthorized purposes will be required to immediately reimburse the District for the purchase and may be subject to disciplinary action at the discretion of the General Manager as provided in Water Code Section 30580(b). If the employee cannot repay the unauthorized amount immediately and the District is required to use the "VISA Waiver of Liability," the employee will still be required to pay the District in full for the purchase and become subject to disciplinary action as described above.

200.10 Authorized Users and Purchasing Limits

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

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

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

200.20 Areas of Responsibilities

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

Approving Officials shall be responsible for receiving statements from each Cardholder over whom they have authority each time a statement is received. Approving Officials are responsible for reviewing the statements, assuring all purchases are authorized and comply with District Purchasing Card Procedures and the Procurement Policy, and sign and forward the statements to the Finance Department in a timely manner.

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

300.00 Reporting

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

400.00 Policy Review

This policy shall be reviewed at least biennially.



Agenda Item: 3

Date: July 2, 2019

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

Staff Contact: Daniel A. Bills, Director of Finance and Administration

Recommended Board Action:

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

Discussion:

The Impaired Capital Asset Policy was last reviewed in July 2017. Staff and the District's independent auditors have reviewed the Policy and have no recommended changes. The Policy was provided to the Board in June 2019 with a deadline for comments of July 1, 2019. No comments were received.

Fiscal Impact:

Adoption of the Impaired Capital Asset Policy will have no change to the District's financial position.

Strategic Plan Alignment:

Goal B Optimize Operational and Organizational Efficiencies.

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

Sacramento Suburban Water District

Impaired Capital Asset Policy

Adopted: July 16, 2007

Ratified without changes: August 15, 2011, September 16, 2013, September 21, 2015; August 21, 2017; July XX, 2019

100.00 Purpose of the Policy

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

200.00 Policy

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

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

300.00 Capital Asset Impairment Evaluation

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

400.00 Policy Review

This policy shall be reviewed at least biennially.



Agenda Item: 4

Date: July 1, 2019

Subject: Water Fluoridation – South Service Area

Staff Contact: Mike Huot, Assistant General Manager

Recommended Board Action:

Continue fluoridating the South Service Area and re-evaluate in 2027 when First 5 Agreement expires.

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 systems that have at least 10,000 service connections.” The caveat with this mandate is that funding for water fluoridation must come from sources other than ratepayers.

In 2000, as a result of AB 733, the City of Sacramento (City) began fluoridating their water supplies. In 2004, the District entered into an agreement with the City 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 required notifying customers that they are receiving “sub-optimal” fluoride levels.

In addition to entering into an agreement with the City in 2004, the District’s Board made a decision to provide “optimal” levels of fluoride in the SSA. This required installing fluoridation equipment on 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 ratepayers.

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.

At the January 28, 2019, Board meeting, staff was directed to bring back an update after staff evaluates whether the District can opt out of the First 5 Agreement and if stopping the use of fluoride is an option with the State of California, Division of Drinking Water (DDW).

Discussion:

The District received \$2,338,099 in grant money from First 5 and agreed to a 20-year commitment and spends about \$320,000 a year in maintenance and operations to fluoridate the SSA. District staff had legal counsel review the First 5 Agreement to evaluate whether the District could opt out of the agreement. Based on legal counsel review, the agreement contains a recital and two termination provisions that require the District to fluoridate through the duration of the agreement, which is 2027. The agreement also prohibits the District from applying or seeking to modify its water permit to prohibit fluoridation. The District could be relieved of its obligation to fluoridate water if one of the following occur (1) the DDW or the Legislature prohibits the District from fluoridating by statute or regulation, (2) the City stops fluoridating the surface water supplied to the District, or (3) the District is able negotiate with First 5 to stop using fluoride.

If the District decided to pursue negotiating an opt out deal and First 5 agreed, then the District would need to get permission from the DDW to stop fluoridating. DDW regulates public water systems for the State of California and permits the District to supply water. After speaking with DDW staff, we are not confident DDW would support discontinuing the use of fluoride unless there is a financial driver, although they may be open to hearing our case.

On May 20, 2019, staff brought this item to the District Board. The Board directed staff to bring this item back in July when the full board would be available and report back on whether other agencies have successfully gotten out of a First 5 fluoride contract. Subsequently, staff contacted First 5 and was told no other agency has been released from their fluoride contract obligations. If the SSWD Board requests opting out of a contract, then it needs to be a formal request in writing. First 5 staff could not foresee the First 5 Commission releasing the District from their 20-year commitment, which is a standard contract term. As for negotiating a buyout threshold, First 5 staff said it is not about the money but about the health benefits of fluoride.

Fiscal Impact:

Continuing to fluoridate the SSA for the next 8 years will cost the District about \$2.6 million in today's dollars and is included in future budget forecasts.

Strategic Plan Alignment:

Goal A Provide a High Quality Reliable Water Supply by Ensuring it is Sustainable, Clean and Safe.

Fortifying the water with fluoride in the SSA benefits customers by preventing tooth decay, protecting against cavities, and has been shown to save money overall when compared with dental treatment savings per customer.



Agenda Item: 5

Date: July 2, 2019

Subject: 2020 Budget Preparation Timeline

Staff Contact: Daniel A. Bills, Director of Finance and Administration

Recommended Board Action:

Attached for the Board's review is a proposed schedule for developing and adopting the 2020 budget. Staff seeks approval of the proposed schedule as set forth in the attached document or as amended.

Discussion:

Each year at the inception of the annual budget process, staff prepares a schedule of the needed budget preparation tasks and meetings with corresponding due dates. At the Board's direction in 2018, the coming year's budget is scheduled for adoption in November. This schedule also provides flexibility to ensure an adopted budget is in place before year-end.

Strategic Plan Alignment:

Goal B Optimize Operational and Organizational Efficiencies.

Goal C Ensure Fiscal Responsibility and Affordable Rates.

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



Date: July 15, 2019

Subject: 2020 Budget Preparation Timeline

Staff Contact: Daniel A. Bills, Finance Director

Below is the proposed schedule for preparation of the 2020 District Budget. The necessary preparation tasks and their corresponding due dates are detailed below. Please note the schedule presumes adoption of the Budget in November.

<u>Meeting</u>	<u>Purpose</u>	<u>Due</u>	<u>Date</u>	<u>Time</u>
Board Meeting	Approve Schedule	Monday	July 15	6:30 pm
Board Meeting	Review Assumptions	Monday	August 19	6:30 pm
Kick-Off Meeting	Walnut Staff Training	Tuesday	August 20	Noon
Kick-Off Meeting	Marconi Staff Training	Wednesday	August 21	Noon
1st Draft Due	Send to Finance Dept	Friday	September 6	COB
Ex Comm/FA	Review 1 st Draft	Friday	September 13	1:30 pm
Budget Preparers	Informed of Changes	Tuesday	September 17	Noon
Board Meeting	Status Report	Monday	September 23	6:30 pm
2 nd Draft Due	Send to Finance Dept	Friday	September 20	COB
Ex Comm	Review 2 nd Draft	Friday	September 27	10:00 am
Board Workshop	Budget Presentation	Monday	October 7	6:00 pm
Board Meeting	Budget Presentation	Monday	October 21	6:30 pm
Ex Comm	Review Final Draft	Monday	November 4	11:00 am
Board Meeting	Approve Final Budget	Monday	November 18	6:30 pm
Budget Preparers	Final Budgets Provided	Tuesday	December 2	COB

Ex Comm – General Manager, Assistant General Manager & Finance Director
 FA – Finance Analyst
 COB – Close of business

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



Agenda Item: 6

Date: June 18, 2019

Subject: Resolution No. 19-08 Adopting the 2018 Update to the American River Basin Integrated Regional Water Management Plan

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

Recommended Board Action:

Adopt Resolution No. 19-08 which adopts the 2018 Update to the American River Basin Integrated Regional Water Management Plan.

Background:

On July 11, 2013, the Regional Water Authority (RWA) Board, as the regional water management group, adopted the American River Basin (ARB) Integrated Regional Water Management Plan (IRWMP). This plan identifies major water and related resource management issues and develops goals and objectives for addressing those issues.

Entities that wish to be considered for IRWMP-related grant programs administered by the state, must also adopt the IRWMP. Ultimately, stakeholders implemented projects that help meet the goals and objectives in the plan.

The form of resolution 13-31 was approved by District legal counsel, and on September 16, 2013, the Board of Directors adopted the IRWMP via Resolution 13-31.

Discussion:

The subject of Resolution 19-08 is the 2018 Update to the IRWMP. RWA prepared the 2018 Update in response to new guidelines issued by the Department of Water Resources. Adoption of the 2018 Update is required to maintain eligibility for grant funding administered by the state. Highlights of the Update are listed below:

- Updated American River Basin boundaries.
- Added information about the Sustainable Groundwater Management Act (SGMA).
- Added information about the Storm Water Resource Planning Act.
- Updated climate change and resiliency information.
- Updated principles, goals, objectives, and strategies.
- Updated projects.

Resolution No. 19-08 Adopting the 2018 Update to the American River Basin Integrated Regional
Water Management Plan

June 18, 2019

Page 2 of 2

Fiscal Impact:

None at this time. However, adoption of the 2018 Update will enable the District to remain eligible for various grant programs administered by the state.

Strategic Plan Alignment:

Goal B Optimize Operational and Organizational Efficiencies.

This action item benefits customers because the IRWMP is a regional collaboration effort that provides a mechanism to facilitate greater opportunity for grant funding.

RESOLUTION NO. 19-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SACRAMENTO SUBURBAN WATER DISTRICT ADOPTING THE 2018 UPDATE TO THE AMERICAN RIVER BASIN INTEGRATED REGIONAL WATER MANAGEMENT PLAN

Whereas, the stakeholders of the American River Basin (ARB) support a vision of responsibly managing water resources for the lasting health of the region's community, economy, and environment;

Whereas, the stakeholders of the American River Basin recognize the development and implementation of an Integrated Regional Water Management Plan (IRWMP) will support realization of this vision;

Whereas, the Regional Water Authority (RWA) was designated in November 2009 by the California Department of Water Resources as the Regional Water Management Group (RWMG) authorized to prepare and implement an IRWMP within the ARB planning area;

Whereas, since November 2009, RWA has collaborated extensively with regional stakeholders to develop a vision, principles, goals, and objectives to support the ARB IRWMP;

Whereas, the ARB IRWMP is not a legally binding document on the stakeholders adopting the plan, but rather serves as a framework for coordinated planning in the region;

Whereas, the ARB IRWMP is a living document, with defined processes for updating plan components;

Whereas, RWA, serving as the RWMG, adopted the ARB IRWMP at a public meeting held on July 11, 2013; and

Whereas, the Sacramento Suburban Water District adopted the ARB IRWMP on September 16, 2013.

THEREFORE, BE IT RESOLVED, that Sacramento Suburban Water District hereby adopts the 2018 Update to the ARB IRWMP that is intended to continue to provide a broadly supported vision, principles, goals, and objectives to help ensure sustainable water resources in the region.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on this 15th day of July, 2019 by the following vote:

AYES:
NOES:
ABSENT:

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

I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the Board of Directors of Sacramento Suburban Water District at a regular meeting hereof held on the 15th day of July, 2019.

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



Agenda Item: 7

Date: June 25, 2019

Subject: Resolution No. 19-09 Authorizing Application for Funding Assistance through the Integrated Regional Water Management Grant Program – Proposition 1.

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

Recommended Board Action:

Approve Resolution No. 19-09 Authorizing the General Manager to apply for grant funding from the Integrated Regional Water Management Grant Program as part of a regional collaborative effort and to execute any related documents within established deadlines, including entering into a grant funding agreement with DWR and any regional partners.

Background:

The California Department of Water Resources (DWR) broadly defines integrated water management as "...a philosophy and practice of coordinating the management of water and related resources for the purpose of maximizing economic and societal benefits while maintaining the sustainability of vital ecosystems" (DWR 2012d). An Integrated Regional Water Management Plan (IRWMP) is the application of this concept within a region with a breadth and focus defined locally by stakeholders.

The stakeholders identify major water and related resource management issues, develop goals and objectives for addressing these issues and, ultimately, implement projects that help meet these goals and objectives. The stakeholders would also monitor and evaluate the region's progress in meeting those goals and objectives set in their IRWMP. For over two decades, stakeholders dependent on the natural resources of the greater Sacramento region have been engaged in planning and implementing regional plans and projects to meet water supply demands and protect the environment.

Discussion:

Proposition 1, Chapter 7 Regional Water Security, Climate and Drought Preparedness (Water Code § 79740 – 79748) funding is intended to improve regional water self-reliance security and adapt to the effects on water supply arising out of climate change. Specifically, the purpose is to assist water infrastructure systems adapt to climate change; provide incentives for water agencies throughout each watershed to collaborate in managing the region's water resources and setting regional priorities for water infrastructure; and improve regional water self-reliance, while reducing reliance on the Sacramento-San Joaquin Delta.

The IRWM Grant Program is designed to encourage integrated regional strategies for management of water resources by providing funding for projects and programs that support

integrated water management. Previous Proposition 1 IRWMP solicitations were administered according to the 2016 IRWM Grant Program Guidelines (2016 Guidelines). Proposition 1 (Water Code §79744) authorized \$510 million in IRWMP grant funds that were allocated to the 12 hydrologic Sacramento River Funding Area. The Sacramento River Funding Area has \$37 million allocated to grant funding resources.

The grant award will be used to supplement the District's aging North Service Area groundwater supplies through the construction of a groundwater production well pumping station at the District's Verner site. The well site will include both existing Well N36 and new Well 79.

An average local cost share of not less than 50% of the total project costs in a proposal is required. Local cost share may include, but is not limited to, federal funds, local funding, or donated services from non-State sources.

The District is interested in applying for one grant as part of a regional effort coordinated by the Regional Water Authority (RWA). RWA will prepare the grant application at no cost to the District. The IRWM Grant Program application is expected to be due on or about November 15, 2019. The actual date is to be determined during subsequent discussion between RWA and the California Department of Water Resources.

This regional approach has been successfully used for past RWA grants. The District was the lead agency on a \$5 million regional award received in 2009 of which the District received \$1.1 million. The District also received \$198,000 and \$187,000 awards from 2012 and 2013 CALFED Grants, respectively, for water meter retrofits. Additionally, the District is currently the lead agency on a regional RWA-managed Reclamation grant resulting in \$280,000 in funding for retrofitting District water meters in 2019.

For the subject grant funding opportunity, the District is seeking an award of \$1,000,000.

Fiscal Impact:

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

There is potential fiscal benefit of up to about \$1,000,000 in revenue in 2019 and/or 2020.

Strategic Plan Alignment:

Goal C Ensure Fiscal Responsibility and Affordable Rates

The grant funding application benefits District customers as it is a proven way to reduce costs, and reduce water rate increases.

RESOLUTION NO. 19-09

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SACRAMENTO SUBURBAN WATER DISTRICT AUTHORIZING AN APPLICATION FOR FUNDING ASSISTANCE THROUGH THE INTEGRATED REGIONAL WATER MANAGEMENT GRANT PROGRAM - PROPOSITION 1

WHEREAS, the State of California Department of Water Resources (DWR) through Proposition 1 has implemented the Authorizing Application for Funding Assistance through the Integrated Regional Water Management Grant Program to promote the goals/objectives of the State of California Integrated Regional Water Management Program.

WHEREAS, Reclamation has solicited proposals from public water suppliers and other water users for a new round of grant funding under the Integrated Regional Water Management Grant Program – Proposition 1, which proposals are expected to be due during the summer or fall of 2019;

WHEREAS, the Board of Directors of the Sacramento Suburban Water District (“SSWD”) has identified itself as an eligible applicant under Integrated Regional Water Management Grant Program; and

WHEREAS, SSWD is interested in pursuing grant funding assistance under the Integrated Regional Water Management Grant Program in the amount of \$1,000,000 for a regionally-collaborated effort to integrate regional water self-reliance, security, and adapt to the effects on water supply arising out of climate change.

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

1. The Board has reviewed the scope and purpose of SSWD’s grant funding application, finds that the Project will serve both the needs of the District’s ratepayers and satisfy the goals of the Integrated Regional Water Management Grant Program, and, on that basis, supports staff’s submittal of the grant funding application to DWR.
2. SSWD is capable of funding the minimum 50-percent cost share required to obtain grant funding under the Integrated Regional Water Management Grant Program.
3. The General Manager of SSWD is hereby authorized to apply for grant funding from the Integrated Regional Water Management Grant Program as part of a regional collaborative effort and to execute any related documents within established deadlines, including entering into a grant funding agreement with DWR and any regional partners.

4. The General Manager and staff are directed to take all other actions necessary to secure funding for the Project under the Integrated Regional Water Management Grant Program.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on the 15th day of July, 2019, by the following vote:

AYES:
NOES:
ABSENT:

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

I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the Board of Directors of Sacramento Suburban Water District at a meeting hereof held on the 15th day of July 2019.

(SEAL)

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



Agenda Item: 8

Date: July 5, 2019

Subject: Regional Water Meter Replacement Program

Staff Contact: Matt Underwood, Operations Manager

Recommended Board Actions:

Approve the First Amendment to Memorandum of Understanding (Amendment) to clarify Sacramento Suburban Water District's (SSWD) level of participation as a L2 Party in the Regional Water Meter Replacement Program. Authorize the General Manager to sign pending legal counsel review.

Background

Due to aging infrastructure, SSWD and other water providers in the area are examining how best to replace customer water meters. Local water agencies and the Regional Water Authority (RWA) have determined this process may present an opportunity for regional collaboration to effectively manage asset inventory. In particular, a regional approach presents economies of scale opportunities to reduce procurement and on-going maintenance costs and may present grant or other funding opportunities. A regional integration approach may also improve mutual aid and emergency situations. Despite the benefits of a regional approach, staff recognizes the potential challenges, such as agencies being on differing meter replacement schedules.

To explore this possibility, the Carmichael Water District, Citrus Heights Water District, City of Folsom, City of Sacramento, Fair Oaks Water District, Golden State Water Company, Orange Vale Water Company, RWA, Sacramento County Water Agency, San Juan Water District, and SSWD previously executed a Memorandum of Understanding (MOU) (Attachment1) establishing a flexible framework for agencies to participate in the Regional Water Meter Replacement Program (Program). The focus of the MOU was an initial planning study (Study) that would examine parts of the Program, including: an inventory and assessment of the current meter fleet; an evaluation of replacement meter technology options and specifications; a summary and assessment of current meter testing programs and options for optimizing performance; an evaluation of potential replacement meter procurement programs and financing models; and a public outreach program for the meter replacement process.

The MOU allows parties to participate in the Study in three different levels of participation: (a) an L1 Party participates in the Study by providing input and suggestions but is not required to pay a share of consultant and related costs; (b) an L2 Party shares in a portion of the cost of the Study but otherwise participates as an L1 Party; and (c) an L3 Party participates in the Study fully, including sharing all consultant and related costs.

On May 30, 2018, the Facilities and Operations Committee recommended approving the MOU to participate in developing an RFP for the program planning study. On June 18, 2018, the Board approved participating in developing an RFP for the program planning study as an L1 Party

On August 30, 2018, a Request for Proposals was issued for the Study.

Discussion:

Proposals were reviewed by the participating agencies and Harris & Associates (Harris) is being recommended as the consultant for the Study. A draft professional services agreement for Harris is included as Attachment 2. Citrus Heights Water District (CHWD) and San Juan Water District are both participating as an L3 Party. After review of the Harris proposal, several agencies expressed interest in changing their participation level from an L1 Party to either an L2 Party or L3 Party. Agencies interested in moving from an L1 Party to an L2 Party include: City of Folsom, Placer County Water Agency, Sacramento County Water Agency, and SSWD. The agency interested in moving from an L1 Party to an L3 Party is the City of Sacramento. This brings the total number of agencies interested in participating as financial partners from two to seven. To permit the current L1 Parties to participate as either an L2 Party or L3 Party in the Study, the MOU requires that an Amendment be executed between the current L3 Parties and any agency that would like to increase their participation from an L1 Party to either an L2 Party or L3 Party.

The Amendment (Attachment 3) outlines how each agency will participate in the Study and pay its share of the participating costs. Under the Amendment, SSWD will participate in Phases 1-6. In order to ensure operational efficiencies in the completion of project deliverables and schedule, CHWD will be the contracting agency with Harris. CHWD will pay Harris according to the terms of the agreement and receive reimbursement from participating agencies.

Anticipated Project Schedule:

Phase 1: Individual Agency Assessment	July 2019
Phase 2: Next Generation Program Options	July-October 2019
Phase 3: Meter Testing Program Strategy	September 2019-January 2020
Phase 4: Implementation Strategy	November 2019-June 2020
Phase 5: Long-Term Planning	May 2020-September 2020
Phase 6: Final Report/Plan Adoption	September 2020-November 2020
Phase 7: Public Outreach	TBD

Fiscal Impact:

Total cost (not to exceed) \$86,016. Payment for each component is set forth as follows:

- Within 30 days of commencement of Phase 1 – \$11,301
- Within 30 days of commencement of Phase 2 – \$9,901
- Within 30 days of commencement of Phase 3 – \$20,000
- Within 30 days of commencement of Phase 4 – \$25,412
- Within 30 days of commencement of Phase 5 – \$16,077
- Within 30 days of commencement of Phase 6 – \$3,325

Strategic Plan Alignment:

Goal A: Provide a high quality reliable water supply by ensuring it is sustainable, clean, and safe.

Goal B: Optimize Operational Efficiencies.

When mutually beneficial, partnering with neighboring agencies to improve purchasing power can reduce both capital and operating costs benefitting both the District and its ratepayers.

Attachments:

1. Base Memorandum of Understanding
2. CHWD Professional Services Agreement
3. First Amendment to the MOU

**MEMORANDUM OF UNDERSTANDING
REGARDING WATER METER REPLACEMENT PROGRAM**

THIS MEMORANDUM OF UNDERSTANDING (“**MOU**”) is made and entered into this 1st day of December, 2018 by and between the Carmichael Water District (“**CWD**”), Citrus Heights Water District (“**CHWD**”), Fair Oaks Water District (“**FOWD**”), City of Folsom (“**COF**”), Golden State Water Company (“**GSWC**”), Orange Vale Water Company (“**OVWC**”), Regional Water Authority (“**RWA**”), City of Sacramento (“**COS**”), Sacramento County Water Agency (“**SCWA**”), Sacramento Suburban Water District (“**SSWD**”), and San Juan Water District (“**SJWD**”) (individually a “**Party**” and collectively the “**Parties**”).

R E C I T A L S

A. The Parties are in the process of determining how best to replace aging water meters within their respective service areas. This process will likely involve issuing a request for proposals for consultant meter replacement planning services, the preparation of a water meter replacement planning study, the selection of a replacement water meter-type, the development and implementation of a replacement water meter procurement program, and related activities (“**Program**”).

B. CHWD is currently developing a request for proposals (“**RFP**”) for the Program planning study (“**Planning Study**”). The Planning Study is anticipated to include various components, including, but not limited to, an inventory and assessment of meter models currently in use, an evaluation of potential replacement meter technology options and specifications, a summary and assessment of current meter testing programs and options for optimizing performance, an evaluation of potential replacement meter procurement programs and financing models, and a public outreach program for the meter replacement process. The Planning Study is further expected to evaluate the costs and benefits of a single-agency or regional approaches to all applicable portions of the Planning Study. Any component and/or discrete portion of the Planning Study is referred to in this MOU as a “**Component**.”

C. The other Parties wish to collectively participate in this Planning Study (in various capacities and participation levels). The collective sharing of planning costs will result in cost savings by individual agencies and may result in aggregate cost savings due to economies of scale. Moreover, the development of a collaborative regional meter procurement program as part of or due to the Planning Study may result in future operational and maintenance savings and mutual aid service enhancements.

D. The Parties desire to enter into this MOU to outline their respective participation in the Planning Study and to establish a process for potential participation in other aspects of the Program.

T E R M S

NOW, THEREFORE, the Parties in consideration of the mutual promises set forth in this MOU, agree as follows:

1. Purpose of Memorandum of Understanding. The purpose of this MOU is for the Parties to outline their respective levels of participation in the Planning Study and establish a process for potential participation in other aspects of the Program.

2. Participation of the Parties. Each Party shall participate in one of the following three levels of participation:

2.1 L1 Participation. Parties may participate in the development of the Planning Study by attending all planning meetings and sessions coordinated by the L2 and L3 Parties (as defined below), reviewing drafts of the RFP and Planning Study and providing comments and input in the scope and substance of the RFP and Planning Study. Parties participating at this level shall not be required to contribute any funds towards the cost of the Planning Study or the Program. However, L1 Parties may provide input and comments concerning the development of the RFP, selection of consultant for the Planning Study and the development, review and approval of the Planning Study for consideration by the L3 Parties, or L2 and L3 Parties if applicable. The L3 Parties, or L2 and L3 Parties if applicable, may accept, modify, reject or disregard the comments and input of the L1 Parties in their sole discretion. Any Party participating in the Planning Study as set forth in this subsection shall be referred to as an “L1 Party.” Subject to the provisions of Subsection 2.4, COF, COS, CWD, FOWD, GSWC, OVWC, RWA, SCWA and SSWD will participate as L1 Parties.

2.2 L2 Participation. Parties may participate in the Planning Study by sharing the costs of any Component or Components of the Planning Study as set forth in this subsection. Any Party participating in the Planning Study as set forth in this subsection shall be referred to as an “L2 Party.” L2 Parties shall be responsible for the costs of the applicable Components as set forth in amendment to this MOU executed by all affected L2 Parties and all L3 Parties. Unless otherwise set forth in the amendment, the L2 Party shall be responsible for: (1) a buy-in fee representing the value received by the L2 Party through its participation in the Planning Study as a L1 Party, excluding the Component which shall be determined by the L3 Parties upon execution of the first Consultant Agreement, and (2) the L2 Party’s proportional share of the cost of the Component using the methodology identified in Exhibit A. Such L2 Parties shall participate in the decision-making for that Component(s) of the Planning Study in the same manner as an L3 Party. L2 Parties may participate in the balance of the Planning Study in the same manner as an L1 Party. Although no Party is participating as a L2 Party presently, this option is set forth in this MOU to accommodate any L1 Party that may decide in the future to increase its participation in the Planning Study or to participate as an L2 Party in any Program Project.

2.3 L3 Participation. Parties may participate in the Planning Study by sharing the costs and the decision-making for the entire Planning Study. Any Party participating in the Planning Study as set forth in this subsection shall be referred to as an “L3 Party.” L3 Parties shall collaboratively schedule and attend planning meetings and sessions for the development of the RFP and Planning Study, review and evaluate responses to the RFP, determine the selected consultant(s) for the Planning Study, negotiate the Consultant Agreement (as defined below), provide comments and inputs on the development of the Planning Study and approve the final Planning Study. Except as provided in Section 3, all decisions regarding the RFP and Planning Study shall be made by consensus of all L3 Parties and any participating L2 Parties. In the event

of a disagreement between the applicable Parties, the affected Parties shall meet in good faith to resolve the disagreement. If no resolution is reached, a majority vote of the affected Parties on the proposed resolution of the area of disagreement shall control unless there is a tie vote. If there is a tie vote, then the dispute resolution provision in Subsection 2.5 below shall govern. Subject to the provisions of any amendment to this MOU outlining the scope of participation of an L2 Party, L3 Parties shall be responsible for all consultant costs incurred for the Planning Study as set forth in Exhibit A, attached to this MOU and incorporated by this reference. Subject to the provisions of Subsection 2.4, CHWD and SJWD shall participate as L3 Parties.

2.4 Changing Participation Levels. L1 Parties may become L2 Parties upon the execution of an amendment to this MOU signed and approved by all existing L2 and L3 Parties. The amendment shall identify the new L2 Party's responsibility for Planning Study costs, including any costs incurred by the affected L2 and L3 Parties prior to the date of the amendment. L1 and L2 Parties may become L3 Parties upon the execution of an amendment to this MOU signed and approved by all L3 Parties. The amendment shall identify such Party's responsibility for Planning Study costs, including, if agreed to by such Parties, any costs incurred by the L3 Parties prior to the date of the amendment subject to any L2 Party's credit for costs incurred as an L2 Party. L2 and L3 Parties may become an L1 Party at any time prior to the award of the first Consultant Agreement (as defined below) with written notice to the other parties of this Agreement. On such election, the remaining L2 and L3 Parties shall re-allocate the costs of the Planning Study as provided for in Exhibit A. L2 and L3 Parties may become an L1 Party after the award of a Consultant Agreement for the Planning Study only in a written amendment to this MOU approved and signed by all other L2 and L3 Parties. Such amendment shall identify how costs of the Planning Study (those incurred to date and future costs) will be allocated between the Parties.

2.5 Dispute Resolution. If the L3 Parties disagree on a specific issue and a tie vote ensues on a decision on that issue under Subsection 2.3, the L3 Parties shall meet and confer and negotiate in good faith to resolve the issue. If the Parties are unable to resolve the specific issue in dispute after good faith negotiations, they shall either agree to: (1) appoint a panel composed of representatives of other Meter Replacement Program consortium parties to hear the disputed issue and render a decision in favor of one side or the other; or (2) engage an outside mediator to attempt to resolve the disputed issue. The L3 Parties may proceed with all other aspects of the Planning Study or Program Project not affected by the dispute. Nothing in this Subsection 2.5, however, prohibits any Party to the dispute from exercising its option to reduce its participation in this MOU to L2 or L1 Party status in accordance with Subsection 2.4.

3. Selection of Consultant and Approval of Planning Study.

3.1 Selection of Planning Study Consultant. Subject to the provisions of Section 2, CHWD shall issue the RFP and award any agreement with consultant(s) for the Planning Study (each a "Consultant Agreement"). CHWD shall follow and comply with the laws and regulations applicable to a California irrigation district when doing so. The Planning Study shall be overseen and administered by L2 and L3 Parties as provided in Section 2 of this Agreement.

3.2 Approval of Planning Study. Subject to the provisions of Section 2, each L2 and L3 Party shall approve the Planning Study. The approval shall be by the method preferred by that Party and shall be documented in a writing distributed to all other Parties.

4. Cost Sharing Procedure. CHWD shall pay all costs incurred under the Consultant Agreement(s). CHWD shall then provide all affected L2 and L3 Parties with invoices with sufficient supporting information based on their respective share of the costs. Affected L2 and L3 Parties shall reimburse CHWD for such costs within forty-five (45) days of the date of the invoice.

5. Further Program Activities. Upon completion of the Planning Study, the Parties may wish to collectively accomplish other Program activities (each a “**Program Project**”). Any Party wishing to propose a Program Project may do so with written notice to the other Parties that outlines the scope of the Program Project. Parties wishing to participate in the Program Project shall indicate their desire to do so in writing and whether they wish to participate in the same manner as an L1 Party, L2 Party (if the Program Project may be divided into a discrete component) or L3 Party and such parties shall be deemed L1, L2 or L3 Parties for purposes of the Program Project. Therefore, unless otherwise agreed to by such Parties in an amendment to this MOU, the methodology for sharing Program Project costs, allocation of decision-making authority, award of any consultant and similar agreements, and payment of and reimbursement for invoices shall be the same for the Program Project as set forth in Section 2 and 3 and Exhibit A. Parties may modify their level of participation in the Program Project in the same manner as set forth in Section 2.4.

6. Mutual Indemnification. To the maximum extent allowed by law, each Party hereby agrees to indemnify, defend, assume all liability for and hold harmless the other Parties and their officers, employees, agents and representatives from all actions, claims, suits, penalties, obligations, liabilities, damages to property, costs and expenses (including without limitation any fines, penalties, judgments, actual litigation expenses and attorneys’ fees), and/or personal injuries or death to any persons (collectively, “**Claims**”), arising out of or in any way connected to the negligence or willful misconduct of that Party, its officers, agents or employees in connection with or arising from any of the activities under this MOU.

7. No Waiver. The waiver by any Party of any breach or violation of any requirement of this MOU shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this MOU.

8. Notices. Any notice or other communication (“**Notice**”) which any Party may desire to give to the other Parties under this MOU must be in writing and may be given by any commercially acceptable means, including via first class certified mail, personal delivery or overnight courier, to the Party to whom the Notice is directed at the address of the Party as set forth below, or at any other address as that Party may later designate by Notice. Any Notice shall be deemed received immediately if delivered by hand, on the third day from the date it is postmarked if delivered by first-class mail, certified and postage prepaid, return receipt requested, and on the next business day if sent via nationally recognized overnight courier.

CWD: Carmichael Water District
7837 Fair Oaks Blvd
Carmichael, CA 95608

CHWD: Citrus Heights Water District
6230 Sylvan Road
Citrus Heights, CA 95610 (physical)

P.O. Box 286
Citrus Heights, CA 95611 (mailing)

FOWD: Fair Oaks Water District
10326 Fair Oaks Blvd.
Fair Oaks, CA 95628

COF: City of Folsom
50 Natoma Street
Folsom, CA 95630

GSWC: Golden State Water Company
3005 Gold Canal Drive
Rancho Cordova, CA 95670

OVWC: Orange Vale Water Company
9031 Central Avenue
Orangevale, CA 95662 (physical)

P.O. Box 620800
Orangevale, CA 95662 (mailing)

RWA: Regional Water Authority
5620 Birdcage Street, Ste. 180
Citrus Heights, CA 95610

COS: City of Sacramento
915 I Street
Sacramento, CA 95814

SCWA: Sacramento County Water Agency
10151 Florin Road
Sacramento, CA 95829

SSWD: Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821

SJWD: San Juan Water District
9935 Auburn Folsom Rd.
Granite Bay, CA 95746 (physical)

P.O. Box 2157
Granite Bay CA 95746 (mailing)

9. Interpretation; Venue.

9.1 Interpretation. The headings used herein are for reference only. The terms of the MOU are set out in the text under the headings.

9.2 Venue. This MOU is made in Sacramento County, California. The venue for any legal action in state court filed by any Party to this MOU for the purpose of interpreting or enforcing any provision of this MOU shall be in the Superior Court of California, County of Sacramento.

10. Third-Party Beneficiaries. Nothing contained in this MOU shall be construed to create any rights in third parties and the Parties do not intend to create such rights.

11. Severability. If any provision of this MOU, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this MOU.

12. Amendment of MOU. This MOU may be amended at any time by mutual agreement of the Parties. Unless approval of an amendment is within the authority of less than all Parties as provided in Section 2, any amendment shall be in writing and signed by all Parties. Notwithstanding the foregoing, any public agency or mutual water company located in Placer or Sacramento County not a signatory to this MOU may become an L1 Party upon the execution of a writing indicating its assent to be bound by the terms and conditions of this MOU applicable to L1 Parties. The form of such writing shall be developed by CHWD after consultation with all other Parties. In addition, any L1 Party may withdraw from this MOU with written notice to the other Parties.

13. Entirety of Contract. This MOU constitutes the entire agreement between the Parties relating to the subject of this MOU and supersedes all previous agreements, promises, representations, understandings and negotiations, whether written or oral, among the Parties with respect to the subject matter hereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this MOU was executed by the parties hereto as of the date first above written.

CARMICHAEL WATER DISTRICT

By: Steve Nugent
General Manager

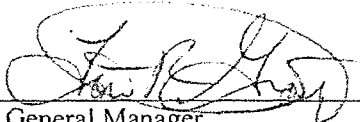
IN WITNESS WHEREOF, this MOU was executed by the parties hereto as of the date first above written.

CITRUS HEIGHTS WATER DISTRICT

By:  _____
General Manager

IN WITNESS WHEREOF, this MOU was executed by the parties hereto as of the date first above written.

FAIR OAKS WATER DISTRICT

By: 
General Manager

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed.

_____	_____
Date	Tax I.D. Number
_____	_____
Signature	Signature
_____	_____
Print Name	Print Name
_____	_____
Title	Title

CITY OF FOLSOM, A Municipal Corporation:

_____	_____
11/7/18	<i>Elaine Andersen</i>
Date	Elaine Andersen, City Manager

ATTEST:

FUNDING AVAILABLE:

_____	11/14/18	_____	11/6/2018
<i>Christa Freemantle</i>	Date	<i>James W. Francis</i>	Date
Christa Freemantle, City Clerk		James W. Francis, Finance Director	

ORIGINAL APPROVED AS TO CONTENT:

ORIGINAL APPROVED AS TO FORM:

_____	11/2/18	_____	11/7/18
<i>Marcus Yasutake</i>	Date	<i>Steven Wang</i>	Date
Marcus Yasutake, Environmental & Water Resources Director		Steven Wang, City Attorney	

NOTICE: SIGNATURE(S) ON BEHALF OF CONSULTANT MUST BE NOTARIZED.
 A certificate of acknowledgment in accordance with the provisions of California Civil Code section 1189 must be attached for each person executing this agreement on behalf of consultant. This section provides, at part (b): "Any certificate of acknowledgment taken in another place shall be sufficient in this state if it is taken in accordance with the laws of the place where the acknowledgment is made."

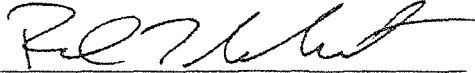
Folsom File No. 174-21 18-088
Admin Approval



36415

IN WITNESS WHEREOF, this MOU was executed by the parties hereto as of the date first above written.


GOLDEN STATE WATER COMPANY

By: 
General Manager

IN WITNESS WHEREOF, this MOU was executed by the parties hereto as of the date first above written.

ORANGE VALE WATER COMPANY

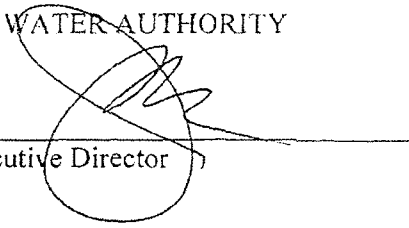
By:


General Manager

IN WITNESS WHEREOF, this MOU was executed by the parties hereto as of the date first above written.

REGIONAL WATER AUTHORITY

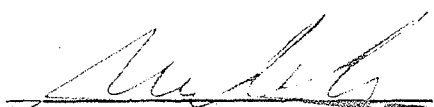
By:



Executive Director

IN WITNESS WHEREOF, this MOU was executed by the parties hereto as of the date first above written.

CITY OF SACRAMENTO

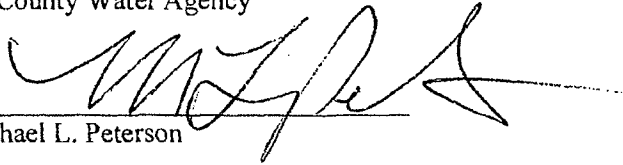
By: 

Director of Utilities

IN WITNESS WHEREOF, this MOU was executed by the parties hereto as of the date first above written.

Sacramento County Water Agency

By:




Michael L. Peterson

Title: Director/Agency Engineer

IN WITNESS WHEREOF, this MOU was executed by the parties hereto as of the date first above written.

SACRAMENTO SUBURBAN WATER DISTRICT

By: 
General Manager

IN WITNESS WHEREOF, this MOU was executed by the parties hereto as of the date first above written.

SAN JUAN WATER DISTRICT

By: Paul Heil'ku
General Manager

IN WITNESS WHEREOF, this MOU was executed by the parties hereto as of the date first above written.

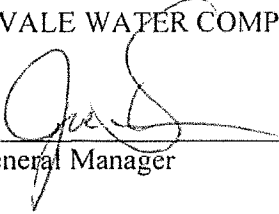
CITRUS HEIGHTS WATER DISTRICT

By:  _____
General Manager

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ORANGE VALE WATER COMPANY

By:



General Manager

IN WITNESS WHEREOF, this MOU was executed by the parties hereto as of the date first above written.

FAIR OAKS WATER DISTRICT

By:  _____
General Manager

IN WITNESS WHEREOF, this MOU was executed by the parties hereto as of the date first above written.

CITY OF FOLSOM

By:

See Attached

Director of Environmental and Water
Resources


Memo



CITY OF
FOLSOM

Contract Returning to Department

~Department to Obtain Counter Signature~

Date: November 14, 2018
To: Todd Eising, Environmental and Water Resources Department
From: Terrie Frey, City Clerk Technician II 
Contract: Water Meter Consortium
Contract No. 174-21 18-088

Attached for your attention is:

1 original of the MOU REGARDING WATER METER REPLACEMENT PROGRAM

Per your request, the document is being returned to you to obtain counterpart signature. Please ensure one fully executed MOU is returned to the Clerk's Department.

Should you have any questions, please contact me at 461-6038.

Attachment
cc: file

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed.

Date

Tax I.D. Number

Signature

Signature

Print Name

Print Name

Title

Title

CITY OF FOLSOM, A Municipal Corporation:

11/7/18
Date

Elaine Andersen
Elaine Andersen, City Manager

ATTEST:

FUNDING AVAILABLE:

Christa Freemantle 11/14/18
Christa Freemantle, City Clerk Date

James W. Francis 11/6/2018
James W. Francis, Finance Director Date

ORIGINAL APPROVED AS TO CONTENT:

ORIGINAL APPROVED AS TO FORM:

Marcus Yasutake 11/2/18
Date
Marcus Yasutake,
Environmental & Water Resources Director

Steven Wang 11/7/18
Date
Steven Wang, City Attorney

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Folsom File No. 174-21 18-088
Admin Approval



36415

EXHIBIT A**COST ALLOCATION METHODOLOGY**

The costs of the Planning Study shall be allocated between the current L3 Parties based on their proportional share of metered customers or customers that are required to be metered (whether or not they actually are metered). The number of customer accounts and share of costs is set forth below:

	<u># of Meter Connections</u>	<u>% of Total</u>
CHWD	19,937	65.2%
SJWD	10,636	34.7%
TOTAL	30,573	100%

Any Party wishing to participate as an L2 or L3 Party may do so pursuant to the provisions of Section 2.4. In the event that an L2 Party is added to the MOU under Section 2.2, the methodology above shall be utilized when determining the L2 Party's responsibility for the cost of the Component provided that the number of metered customers or customers that are required to be metered (whether or not they actually are metered) shall be used when calculating the L2 Party and the other L3 Parties' responsibility for the cost of the Component.

Any buy-in fees paid by L2 Parties shall be applied to the total amount owed by the L3 Parties with the buy-in prorated among the L3 Parties in the same manner as costs are allocated as set forth above. If the buy-in fees exceed the amount owed for the completion of the Planning Study or any Program Activity, the balance shall be refunded to the L3 Parties prorated among the L3 Parties in the same manner as costs are allocated as set forth above.

**CITRUS HEIGHTS WATER DISTRICT
PROFESSIONAL SERVICES AGREEMENT**

This Agreement is made and entered into as of _____, 2019 by and between the Citrus Heights Water District, an irrigation district organized and operating under the laws of the State of California with its principal place of business at 6230 Sylvan Road, Citrus Heights, California (“District”), and Harris & Associates, Inc., a California corporation, with its principal place of business at 1401 Willow Pass Road, Suite 500, Concord, CA 94520 (hereinafter referred to as “Consultant”). District and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

RECITALS

A. District is a public agency of the State of California and is in need of professional services for the following project:

Citrus Heights Water District Meter Replacement Program Planning Study Project (hereinafter referred to as “the Project”).

B. The District is the lead agency for the Project, and public agencies participating in the Project include the District, Carmichael Water District, City of Folsom, City of Sacramento, Fair Oaks Water District, Golden State Water Company, Orange Vale Water Company, Regional Water Authority, Sacramento County, Sacramento Suburban Water District, and San Juan Water District - Retail (collectively known as the “Consortium”). Each of these public agencies is considered a member of the Consortium.

C. Consultant is duly licensed and has the necessary qualifications to provide such services.

D. The Parties desire by this Agreement to establish the terms for District to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the District with the services described in the Request For Proposal Scope of Services attached hereto as Exhibit “A.”

2. Compensation.

a. Subject to paragraph 2(b) below, the District shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit “B.”

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of \$850,000.00. This amount is to cover all printing and related costs, and the District will not pay any additional fees for printing expenses.

c. Consultant shall submit to District an invoice under the schedule set forth in Exhibit B which includes a detailed description of the work performed for the District and Consortium members by Consultant. The District shall review the invoice and identify any clear errors or other areas of dispute. The District shall pay all non-disputed and approved charges to the Consultant within 60 days of the District receiving the invoice. District's payment of an invoice or failure to dispute a charge shall not waive or limit its ability to do so according to applicable law. Consultant shall not request or attempt to recover any payment from any Consortium member.

3. Additional Work.

If changes in the work seem merited by Consultant or the District, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the District by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the District and executed by both Parties before performance of such services, or the District will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under the contract for inspection by District.

5. Time of Performance.

Consultant shall perform its services in a prompt and timely manner and shall commence performance upon receipt of written notice from the District to proceed ("Notice to Proceed"). Consultant shall complete the services required hereunder as specified in Exhibit C. The Notice to Proceed shall set forth the date of commencement of work.

6. Delays in Performance.

a. Neither District nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the District, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the District, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Consultant

Consultant is retained as an independent contractor and is not an employee of District. No employee or agent of Consultant shall become an employee of District or Consortium members. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from District as herein provided.

11. Insurance. Consultant shall not commence work for the District until it has provided evidence satisfactory to the District it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the District.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Contract
- (8) Broad Form Property Damage
- (9) Independent Consultants Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give the District and each member of the Consortium, their officials, officers, employees, agents and designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the District, and provided that such deductibles shall not apply to the District or Consortium members as additional insureds.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the District.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give the District and each member of the Consortium, their officials, officers, employees, agents and designated volunteers additional insured status.

(iv) Subject to written approval by the District, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the District or Consortium members as additional insureds, but not a self-insured retention.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the District and in an amount indicated herein. This insurance shall include a limited form of contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against negligent, acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

Combined Single Limit

Commercial General Liability	\$1,000,000 per occurrence / \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage
Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(ii) With the exception of Professional Liability, defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

f. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with the District evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required

(i) Consultant shall provide the District at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the District at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any

insurance, self-insurance or other coverage maintained by the District or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to waiver of subrogation in favor of the District and each member of the Consortium, their officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against District and Consortium members, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth under General Liability and Automobile Liability shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the District or Consortium members and shall not preclude the District from taking such other actions available to the District under other provisions of the Agreement or law.

h. Qualifying Insurers

(i) All policies required shall be issued by acceptable insurance companies, as determined by the District, which satisfy the following minimum requirements:

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the District, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, District has the right but not the duty to obtain the insurance it deems necessary and any premium paid by District will be promptly reimbursed by Consultant or District will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, District may cancel this Agreement.

(iii) The District may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither the District nor Consortium members nor any of their officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the District that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the District and Consortium members as additional insureds using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, District may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

12. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel reasonably approved by the District and Consortium members), indemnify and hold the District and Consortium members, their officials, officers, and employees free and harmless from claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury, in law or equity, to property or persons, including wrongful death, (collectively, "Claims") arising out of, pertaining to, or relating to any negligent acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to Claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant. Consultant's obligation to indemnify shall survive expiration or termination of this Agreement and shall not be restricted to insurance proceeds, if any, received by the District or Consortium members, their officials, officers, employees, agents or volunteers.

b. Additional Indemnity Obligations. If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance as a "design professional" (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's

indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

13. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws, if applicable. Consultant shall defend, indemnify and hold the District and Consortium members, their officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages, employment of apprentices, hours of labor and debarment of contractors and subcontractors. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Section 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Sections 1777.1).

b. If the services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such Services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements.

14. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

15. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action

shall be brought in a state or federal court situated in the County of Sacramento, State of California.

16. Termination or Abandonment

a. District has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, District shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. District shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by District and Consultant of the portion of such task completed but not paid prior to said termination. District shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to District only in the event of substantial failure by District to perform in accordance with the terms of this Agreement through no fault of Consultant.

17. Documents. Except as otherwise provided in "Termination or Abandonment," above, all original field notes, written reports, drawings and specifications and other documents, produced or developed for the Project ("Documents & Data") shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the District. Nothing contained in this Section shall be construed as limiting or depriving Consultant of its rights to use its basic knowledge and skills to carry out other projects or work for itself or others, whether or not such other projects or work are similar to the work to be performed pursuant to this Agreement. Consultant shall have the right to retain and use copies of any Documents & Data furnished or to be furnished by Consultant less any specific details provided by the District unless such details are within the public realm. All Documents & Data are instruments of service and are not intended to be modified or represented to be suitable for reuse on other projects by District except as may be contemplated pursuant to the terms of this Agreement. Any such modification or reuse without Consultant's prior written approval will be at District's sole risk, without liability or legal exposure to Consultant. Rights to intellectual property developed, utilized, or modified in the performance of the services under this Agreement including the Documents & Data developed hereunder ("Intellectual Property") shall remain the property of Consultant. Consultant hereby grants to District an irrevocable, nonexclusive, royalty-free license to utilize Intellectual Property provided to District as part of the Services for the purposes set forth in this Agreement.

18. Organization

Consultant shall assign Eric Vaughan as Project Manager. The Project Manager and project team members shall not be removed from the Project and/or substituted without the prior written consent of the District.

19. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

20. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

DISTRICT

Citrus Heights Water District

6230 Sylvan Road

Citrus Heights, California 95610

Attn: David Gordon, Operations Manager

CONSULTANT:

Harris & Associates, Inc.

1401 Willow Pass Road, Suite 500

Concord, California 94520

Attn: Eric Vaughan, Project Manager

and shall be effective upon receipt thereof.

21. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the District, Consortium members, and the Consultant.

22. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

23. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of District and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and

that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

24. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the provisions unenforceable, invalid or illegal.

25. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of District. Any attempted assignment without such consent shall be invalid and void.

26. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

27. Time of Essence

Time is of the essence for each and every provision of this Agreement.

28. District's Right to Employ Other Consultants

District reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

29. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, District shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of District or Consortium members, during the term of his or her service with District or Consortium members, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITRUS HEIGHTS WATER DISTRICT
AND HARRIS & ASSOCIATES, INC.**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CITRUS HEIGHTS WATER DISTRICT HARRIS & ASSOCIATES, INC.

By: _____
Hilary M. Straus
General Manager

By: _____

Its: _____

Printed Name: _____

Federal ID No. 94-2385238
Business License Number 91042203 (City of
Concord)

EXHIBIT A

Scope of Work

EXHIBIT B

Schedule of Charges/Payments

Consultant will invoice District on a monthly cycle in conjunction with the following deliverable schedule. Consultant will inform District regarding any out-of-scope work prior to commencing as stipulated in Item 3, Additional Work.

- Project Execution – 10% of the contract award upon Notice to Proceed
- Completion and District acceptance of Phase 1 deliverables – 12% of total contract award
- Completion and District acceptance of Phase 2 deliverables – 10% of total contract award
- Completion and District acceptance of Phase 3 deliverables – 24% of total contract award
- Completion and District acceptance of Phase 4 deliverables – 23% of total contract award
- Completion and District acceptance of Phase 5 deliverables – 18% of total contract award
- Completion and District acceptance of Phase 6 deliverables – 3% of total contract award
- Phase 7 work will be identified when applicable on a monthly invoice for each Consortium member as services are incurred.

EXHIBIT C

Project Schedule

**FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING
REGARDING WATER METER REPLACEMENT PROGRAM**

THIS FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING (“**Amendment**”) is made and entered into this ____ day of _____, 2019 by and between the Citrus Heights Water District, City of Folsom, City of Sacramento, Placer County Water Agency, Sacramento County Water Agency, Sacramento Suburban Water District, and the San Juan Water District.

R E C I T A L S

A. The parties to this Amendment are currently L3 and L1 Parties under that certain Memorandum of Understanding Regarding Water Meter Replacement Program (“**MOU**”).

B. The parties wish to clarify their participation in the Planning Study and its various Components as set forth in this Amendment.

C. Specifically, City of Folsom, Placer County Water Agency, Sacramento County Water Agency, and the Sacramento Suburban Water District wish to participate as L2 Parties in various Components of the Planning Study as set forth in this Amendment.

D. Specifically, the City of Sacramento wishes to participate as an L3 Party in the Planning Study as set forth in this Amendment.

E. Citrus Heights Water District and San Juan Water District shall remain L3 Parties and participate in the Planning Study as such.

T E R M S

NOW, THEREFORE, the above parties in consideration of the mutual promises set forth in this Amendment, agree as follows:

1. Selection of Consultant and Approval of Planning Study. Pursuant to Section 3 of the MOU, Citrus Heights Water District shall execute the Consultant Agreement with Harris & Associates to perform the Planning Study. The Consultant Agreement shall be substantially in the form as set forth in Exhibit 1 and incorporated by this reference.

2. Participation of the Parties. Each party to this Amendment shall participate in the Planning Study as set forth in the Consultant Agreement attached to Exhibit 1. City of Folsom, Placer County Water Agency, Sacramento County Water Agency, and the Sacramento Suburban Water District shall participate in the Planning Study as L2 Parties. City of Sacramento, Citrus Heights Water District and San Juan Water District shall participate as L3 Parties. This Amendment shall supersede any allocation of costs for the Planning Study set forth in the MOU. Below is an overview of the phases of the Planning Study. Each phase shall constitute a Component, with the agencies participating as follows:

PHASE #	Phase Name	Participating Agencies
1	Individual Agency Assessment	Citrus Heights Water District City of Folsom City of Sacramento Placer County Water Agency Sacramento County Water Agency Sacramento Suburban Water District San Juan Water District
2	Next Generation Program Options	Citrus Heights Water District City of Folsom City of Sacramento Placer County Water Agency Sacramento Suburban Water District San Juan Water District
3	Meter Testing Program Strategy	Citrus Heights Water District City of Folsom City of Sacramento Placer County Water Agency Sacramento County Water Agency Sacramento Suburban Water District San Juan Water District
4	Implementation Strategy	Citrus Heights Water District City of Sacramento Placer County Water Agency Sacramento Suburban Water District Sacramento County Water Agency San Juan Water District
5	Long-Term Planning	Citrus Heights Water District City of Sacramento Placer County Water Agency Sacramento Suburban Water District Sacramento County Water Agency San Juan Water District
6	Final Report/Plan Adoption	Citrus Heights Water District City of Folsom City of Sacramento Placer County Water Agency Sacramento County Water Agency Sacramento Suburban Water District San Juan Water District
7	Public Outreach Strategy	Citrus Heights Water District City of Sacramento San Juan Water District

3. Approval of Planning Study. As required by Section 3.2, all parties to this Amendment shall approve the relevant phase(s) of the Planning Study in which they are participating as an L2 or L3 Party. The approval shall be by the method preferred by that party consistent with legal requirements and shall be documented in a writing distributed to all other parties.

4. Funding Provisions. The total estimated cost to complete the Planning Study is estimated at \$642,537. A not-to-exceed estimate of \$800,000 was established to allow for a contingency in the event of unanticipated expenses. The respective share of the estimated and not-to exceed budgets for each party to this Amendment are further described and attached hereto as Exhibit 2. Each L2 and L3 Party shall remit their share of each Component for the Planning Study as set forth in Exhibit 2. Failure to timely remit a party's share of the Component may result in excluding that party from the Planning Study or suspension or termination of the Planning Study at Citrus Heights Water District's election. At the conclusion of the Planning Study, Citrus Heights Water District will provide a final accounting to all parties and return any unused share of Planning Study funds to each party.

5. Dispute Resolution. Section 2.5 of the MOU is amended to read in full as follows:

“2.5 Dispute Resolution. If the L3 Parties, which include any L2 Parties for applicable Components as set forth in Section 2.2, disagree on a specific issue and a tie vote ensues on a decision on that issue under Subsection 2.3, the L3 Parties shall meet and confer and negotiate in good faith to resolve the issue. If the Parties are unable to resolve the specific issue in dispute after good faith negotiations, they shall either agree to: (1) appoint a panel composed of representatives of the other, non-disputing Parties to hear the disputed issue and render a decision in favor of one side or the other; or (2) engage an outside mediator to attempt to resolve the disputed issue. The L3 Parties may proceed with all other aspects of the Planning Study or Program Project not affected by the dispute. Nothing in this Subsection 2.5, however, prohibits any Party to the dispute from exercising its option to reduce its participation in this MOU to L2 or L1 Party status in accordance with Subsection 2.4.”

6. Harris Payment Schedule. Citrus Heights Water District shall pay all costs incurred under the Consultant Agreement according to the schedule set forth in Section 2.c and Exhibit B of the Consultant Agreement. Citrus Heights Water District shall forward all invoices for costs attributable to each party within fifteen (15) days of receipt. Such party shall promptly review the invoice and notify Citrus Heights Water District of any objections within thirty (30) days of transmittal of the invoice by Citrus Heights Water District. If a party has no objections, Citrus Heights Water District shall pay the invoice from funds provided by that party under the schedule set forth in Exhibit 2.

7. L1 Parties. As set forth in Section 2.1, the parties to this Amendment shall permit the participation of any L1 Parties in the Planning Study.

8. Adding New L2 Parties. Notwithstanding any provision in the MOU to the contrary, the parties to this Amendment may add new L2 Parties to the Planning Study by a majority vote of the General Manager, City Manager or chief administrative officer of each participating agency. All agencies shall be entitled to one vote. Any vote to add a new L2 Party shall include a consideration of whether an allocation of initial costs as set forth in Section 2.4 of the MOU will be charged and the amount of such fee. Upon a majority vote of affected agencies approving the addition of a new L2 Party, such new L2 Party shall execute a writing indicating its assent to be bound by the terms and conditions of this Amendment. The form of such writing shall be developed by Citrus Heights Water District after consultation with all other parties to this Amendment.

9. Lowering Participation Level. Notwithstanding any provision in the MOU to the contrary, L2 and L3 Parties may decrease the level of participation after the award of a Consultant Agreement for the Planning Study only in a written amendment to this Amendment approved and signed by all other L2 and L3 Parties. Such amendment shall identify how costs of the Planning Study (those incurred to date and future costs) will be allocated between the Parties.

10. MOU. Except as otherwise modified by this Amendment, the MOU remains in full force and effect. All capitalized terms shall have the meaning ascribed to them in the MOU unless otherwise noted in this Amendment. In the event of any conflicts between the MOU and this Amendment, this Amendment shall control.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this MOU was executed by the parties hereto as of the date first above written.

[INSERT SIGNATURE BLOCKS]

EXHIBIT 1

CONSULTANT AGREEMENT

EXHIBIT 2**PAYMENT SCHEDULE**

Parties shall provide Citrus Heights Water District with payment for each Component as set forth below:

- Within 30 days of commencement of Phase 1 – \$11,301
- Within 30 days of commencement of Phase 2 – \$9,901
- Within 30 days of commencement of Phase 3 – \$20,000
- Within 30 days of commencement of Phase 4 – \$25,412
- Within 30 days of commencement of Phase 5 – \$16,077
- Within 30 days of commencement of Phase 6 – \$3,325
- Within 30 days of commencement of Phase 7 – \$11,040

Agency Name	Participating Phases	Total Cost Per Agency (Not to Exceed)
Citrus Heights Water District	1-7	\$155,751
San Juan Water District	1-7	\$97,056
City of Folsom	1, 2, 3 & 6	\$44,527
City of Sacramento	1-7	\$97,056
Placer County Water Agency	1-6	\$86,016
Sacramento Suburban Water District	1-6	\$86,016
Sacramento County Water Agency	1, 3, 4, 5 & 6	\$76,115



Agenda Item: 9

Date: July 9, 2019

Subject: Sacramento Suburban Water District / San Juan Water District Management/Re-Organization Committee

Staff Contact: Dan York, General Manager

Recommended Board Action:

Authorize the General Manager to execute the Sacramento Region Water Utility Collaboration / Integration Study Request for Proposal, as the lead agency, upon legal counsel review.

Background:

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

On March 8, 2018, SSWD received correspondence from the SJWD General Manager, on behalf of the Board of Directors of SJWD, inquiring about the status of the merger discussions previously conducted by SSWD and SJWD. At SSWD's March 19, 2018 regular Board meeting, the Board approved to develop a 2X2 Committee to meet with SSWD's General Manager and develop goals and discussion points to bring back to the full Board. The subject meeting was held on May 23, 2018, to develop the goals and discussion points.

A SSWD-SJWD Water Management/Re-Organization Ad Hoc Committee (Committee) was held on October 3, 2018. The Committee directed the SSWD and SJWD General Managers to extend an invitation to all General Managers in the region with the objective of identifying ways the agencies can become more efficient in working together to minimize cost to their customers and optimize the use of their water supplies, personnel, equipment, infrastructure and other resources, as well as improve their ability to influence state and federal policies.

Discussion:

The following agencies have been participating in the ongoing discussions: SSWD, SJWD, Fair Oaks WD, Citrus Heights WD, Carmichael WD, Rio Linda / Elverta Community WD, Del Paso Manor WD, Orange Vale Water Company, and City of Folsom.

There have been a total of six meetings between these agencies, with the most recent meeting held on June 11, 2019. Throughout those meetings, the group developed a draft Sacramento Region Water Utility Collaboration/Integration Study Request for Proposal (RFP) (see Attachment 1). As part of the analysis, it is the intent of the selected consultant to identify opportunities for coordinating or integrating policies, programs, services, projects and activities to create efficiencies, improve results and achieve an overall cost benefit to the agencies' customers. The Scope of Work is intended to determine a range of alternatives, which include potential integration of selected projects, programs and services, up to and including integration or consolidation of two or more of the Agencies into a single organization.

The Committee met on June 20 to receive an update on the progress of the subject topic. The Committee agreed with the recommendation to proceed with the RFP and recommended that each agency's board review the RFP and make a decision regarding participation. As of the date of this report, Orange Vale Water Company, Del Paso Manor Water District and Fair Oaks Water District have chosen not to participate. The remaining agencies plan on taking this item to their boards in July.

Fiscal Impact:

The cost per agency is currently unknown, however, the group anticipates the analysis to be in the \$250,000 range. The group is continuing to develop a cost per agency scenario. A Cost Allocation spreadsheet has been developed with three different scenarios, operating budget, connections and tier. As you will see in Attachment 2, the range for SSWD is \$63,750 - \$89,953. Note: There are seven agencies in the cost allocation. The cost for participating agencies will increase based on the final number of participating agencies.

Strategic Plan Alignment:

Goal A - Provide a High Quality Reliable Water Supply by Ensuring it is Sustainable, Clean, and Safe

Goal B - Optimize Operational and Organizational Efficiencies

DRAFT

REQUEST FOR PROPOSAL

**CONSULTANT SERVICES FOR
A SACRAMENTO REGION WATER UTILITY COLLABORATION/INTEGRATION
STUDY**

A. INTRODUCTION:

A consortium of nine water supply agencies in the Sacramento Region is seeking a consultant for professional services to assist with the preparation of a Sacramento Region Water Utility Collaboration/Integration Study (Study). The nine agencies consist of Carmichael Water District, Citrus Heights Water District, City of Folsom, Del Paso Manor Water District, Fair Oaks Water District, Orange Vale Water Company, Rio Linda/Elverta Community Water District, Sacramento Suburban Water District (SSWD) and San Juan Water District (SJWD) (Agencies). For organizational purposes, SSWD will serve as the lead or coordinating agency for an evaluation of collaboration/integration opportunities considered in this feasibility and planning study.

STUDY OBJECTIVE: Identify ways the Agencies can become more efficient in working together to minimize cost to their customers and optimize the use of their water supplies, personnel, equipment, infrastructure and other resources, as well as improve their ability to influence state and federal policies. As part of the Study, the selected consultant should identify opportunities for coordinating or integrating policies, programs, services, projects and activities to create efficiencies, improve results and achieve an overall cost benefit to the Agencies' customers. The Scope of Work is a threshold study of the range of alternatives, which include potential integration of selected projects, programs and services, up to and including integration or consolidation of two or more of the Agencies into a single organization.

Background

In 2013, SSWD and San Juan Water District entered into an agreement to begin identifying opportunities to improve collaboration and potentially merge operations into one consolidated district. A Phase 1 Study, focused on high-level evaluation of three options, was completed in 2014. A Phase 2A Study, focused on governance and organizational design of one alternative, was completed in 2015.

At the June 2015 Joint Board Meeting, the SSWD Board of Directors made a decision to suspend all work on the consolidation analysis until SSWD coordinated with the SJWD Wholesale Customer Agencies (Citrus Heights Water District, Fair Oaks Water Districts, Orange Vale Water Company, and City of Folsom) to ensure that a process be developed whereby Wholesale Customer Agencies' issues and concerns can be addressed, and evaluate the independent research on SJWD water rights that SSWD commissioned. SSWD has determined that the design of this proposed Study will address these concerns, and SSWD is ready to move forward with further analysis as proposed in this RFP.

In March 2018, SSWD received correspondence from the SJWD General Manager, on behalf of the Board of Directors of SJWD, inquiring about the status of the merger discussions previously conducted by SSWD and SJWD. At SSWD's March 2018 regular Board meeting, the Board approved implementation of a 2X2 Committee to meet with SSWD's General Manager and develop goals and discussion points.

Due to interests of other local water agencies to move forward in discussions pertaining to collaboration/integration opportunities, it has now evolved into a broader level of involvement in the Sacramento Region.

Structure and Meetings

As noted, SSWD will be responsible for administration of the project, and will be the primary contact for the consultant. The project will be overseen by a Steering Committee, composed of at least one executive from each of the Agencies. The consultant will meet with the Steering Committee as necessary, but at least once to initiate the project, and then at the end of each Activity phase. In addition, during the analysis phase of the consultant's work, the consultant will need to communicate with each agency's subject matter expert staff as required.

The consultant will also need to plan to present the results of each Activity phase to a facilitated joint meeting of the Boards of Directors/City Councils of the Agencies (a maximum of 4 meetings total for the Boards/Councils).

The consultant needs to identify in the proposal the intersection points with Agency personnel throughout the Study.

B. REQUESTED SCOPE OF WORK:

1. SERVICES DESIRED:

The following is a requested scope of work to be utilized in submitting a response.

Scope of Work Activity 1: Describe the current environment

(a) Describe the utilities, background

Document the operational responsibilities of the various Agencies related to water services. Document the service standards, policies, procedures and organizational staffing for each agency. Provide an overview of how customers receive their water supplies in the areas served by the Agencies.

(b) Inventory services offered by each Agency

Create a template to be completed by the Agencies to identify the services offered by each Agency (i.e. water treatment and distribution, meter reading and billing, water efficiency on system and per customer basis, budgeting and accounting, etc.) Identify program/service operating goals, operating costs, water supply costs, performance data and key projects that are either planned or in execution.

Inventory Agency Capital Improvement Programs and Advanced Planning Efforts for Infrastructure and Significant Asset Management, including expected future costs.

(c) Inventory current collaborations

Create an inventory of current collaborations between/among the Agencies

(d) Describe existing financial approaches

Prepare a description of the current financial environment of the Agencies, including debt capacity and obligations, credit ratings, rate structure, financial policies, asset base, reserve levels, number of customers, annual revenues, property tax receipts, operating rates and connection fees and other relevant factors. Create a template to be completed by the Agencies to obtain information.

(e) Identify stakeholders

Identify current stakeholders of the Agencies and their interests {including customers (particularly those in Disadvantaged Communities), developers, employees and other stakeholders).

(f) Review and Revise Problem Statements

Evaluate the problem statements defined by the Agencies and recommend any additions or edits. The problem statements will help inform the scope of the Study. The draft list of problem statements accompanies this RFP as Attachment C.

Scope of Work Activity 2: Conduct benchmarking

(a) Conduct peer benchmarking

Conduct a peer benchmarking study to compare key indicators for the Agencies, such as staffing, functions provided, organization structure, and collaborative efforts. Consult with the Agencies in establishing criteria for choosing the peer agencies.

(b) Identify and performance measures to evaluate collaboration/integration alternatives/options

Ascertain evaluative benchmarks for the peer agencies and compare with the Agencies. At a minimum, benchmarks need to cover the following aspects of the projects/programs/organizations being assessed: 1) Legal; 2) Financial; 3) Management/Governance; and 4) Operational.

Scope of Work Activity 3: Identify opportunities for the future

(a) Identify economies of scale

Identify services or purchases that are amenable to savings due to scale. Describe the potential benefits and challenges of combining such services.

(b) Identify opportunities and challenges for service integration

Identify opportunities and challenges for integrating services within the Agencies. Specify which services could be integrated, the associated costs and benefits, and key factors that would need to be addressed. Recognize that there will be a growth in service connections in the future. Provide a framework for next steps and phasing of implementation.

(c) Identify opportunities and challenges for facilities integration

Identify opportunities and challenges for combining or integrating facilities (i.e., buildings and grounds, but not water treatment and distribution) that would create cost savings to the Agencies and their customers. Describe the potential benefit and the factors that would need to be addressed in integrating such facilities. Recognize that there will be a growth in service connections in the future. Provide a framework for next steps and phasing of implementation.

Deliverables

It is understood that the consultant will begin the Study by completing the scope of work activity #1, followed by activity #2 and finish with activity #3. The consultant shall provide to the Steering Committee a report at the completion of each of the three activities in the scope of work, detailing the information collected, the analysis conducted and any results or recommendations. The consultant shall also provide the Steering Committee a final report, integrating the results of the three activities and a summary of the complete project.

2. MINIMUM QUALIFICATIONS OF CONSULTANT:

It is expected that the proposer will have experience with public sector projects of similar nature and scope, including the ability (whether directly or through a subconsultant) to address relevant legal, financial, management/governance and operational issues. The successful proposer will demonstrate experience with a minimum of three municipally-directed projects pertaining specifically to evaluation of utility services.

3. INSURANCE REQUIREMENTS:

The firm or individual selected to perform the work will be required to provide with the contract insurance and indemnification in the amount shown in Exhibit B within Attachment A.

C. THE PROPOSAL:

1. FORMAT AND REQUIREMENTS:

The Proposal shall be 8-1/2" by 11", with the pages numbered sequentially, and double-sided. 1" margins shall be provided on all pages. Statements shall be in a 12-point font and may be single or double-spaced.

Statements of Qualifications shall be submitted in electronic format using Adobe Acrobat (.pdf).

2. PROPOSAL CONTENTS:

The Proposal shall include the following:

- A. Letter of Transmittal. Identify the individual or parties, and provide its (their) address along with the name of a contact person and a telephone number (one page maximum).
- B. Include a general statement of the consultant's approach to conducting a financial and operational review of public utilities (two pages maximum).
- C. Describe the Firm's experience with public sector projects of a similar nature and scope. Emphasis should be placed on projects undertaken within the past three years.
- D. Identify all personnel who will be assigned to work on this project. Include brief summaries of their background and experience, as well as the assigned responsibilities for this project.
- E. A general statement of the consultant's approach to conducting the required Study. This discussion should estimate the total cost for the Study (two pages maximum).
- F. Identify any sub-consultants and include the same information as described in "D".
- G. Provide a budget, broken down by each scope of work activity and subtask.
- H. Provide a timeline for completion of the project. Any assumptions regarding turnaround time for review should be clearly noted.
- I. Provide references for your firm's three most representative projects. Include the following:
 - 1) Name of public agency
 - 2) Name and title of contact person.
 - 3) Telephone number of contact person.

- 4) Brief description of the project including start and completion dates and your firm's role in the project.
 - 5) The telephone number and contact names of private firms involved in the project.
- J. Provide a summary of all past projects involving any Agency. This summary shall include
- 1) Name of public agency
 - 2) Name and title of contact person.
 - 3) Telephone number of contact person.
 - 4) Brief description of the project including start and completion dates and your firm's role in the project.
 - 5) The telephone number and contact names of private firms involved in the project.

3. PROJECT APPROACH:

Include a brief discussion describing your firm's approach to preparing the Study. Detail your strategy and include your vision for the final deliverable resulting from this Study.

D. THE PROCESS:

Mandatory Proposers Meeting:

A mandatory proposers meeting will be held **(Date/time/location)**, to provide all consulting teams with information concerning the Scope of the Study and to ask any questions. Moreover, any written questions should be submitted to Heather Hernandez via email to: hhernandez@sswd.org by no later than **4:00 p.m. on DAY, MONTH AND DATE, 2019**. All questions and answers will be distributed via email by **DAY, MONTH AND DATE, 2019** as well as posted on the (SSWD website?). The name of the consulting team submitting questions will not be identified.

Submittal of the Proposal: The Proposal shall be submitted using Adobe Acrobat (.pdf format) to Heather Hernandez via email hhernandez@sswd.org by no later than **4:00 p.m. on DAY, MONTH AND DATE, 2019**.

Proposal Review: Qualifications will be evaluated by a Steering Committee comprised of staff from the Agencies. Submittals will be evaluated according to project understanding by the consultant, and the qualifications of your firm in providing services of a similar nature and how relevant that experience is to this project.

The top two to six proposals will be invited for one or more interviews during the weeks of (DATES). The interviewing panel will be comprised of a representative from each agency participating in the study.

The Consultant selected to perform the Study will be notified by DATE, 2019.

Award: The top ranked party will be invited to enter into negotiations with the Agencies on the terms of a Consultant contract based on a final proposal to be submitted at that time. The negotiations will occur in MONTH of 2019. If a satisfactory agreement cannot be negotiated, then the same process will be undertaken with the next highest ranked

party on this list until a satisfactory agreement can be reached. The Agencies anticipate executing a contract in MONTH of 2019 to begin providing services immediately.

The Consultant, as an independent contractor, will report to the Steering Committee comprised of staff from the Agencies. SSWD staff will provide contract administration and project coordination. The Agencies reserve the right to reject all proposals, directly contract with any proposer or non-proposer and request additional information.

Conflict of Interest: By submitting a Proposal, the Respondent declares and warrants that no elected or appointed official, officer or employee of the Agencies has been or shall be compensated, directly or indirectly, in connection with the award of the Agreement or any work for the proposed project.

E. CONCLUSION:

If you have any questions, or need additional information, please contact Dan York at dyork@sswd.org or 916-679-3973.

Sincerely,

Dan York
General Manager, SSWD

Attachments: A – Professional Services Agreement
B – Conflict of Interest form
C – Initial list of Problem Statements

**Attachment A
PROFESSIONAL SERVICES AGREEMENT**

THIS AGREEMENT, made and entered into this ____ day of _____, 20___, by and between the Sacramento Suburban Water District (hereinafter referred to as "SSWD"), in conjunction with eight neighboring water supply agencies in the Sacramento Region; Carmichael Water District, Citrus Heights Water District, City of Folsom, Del Paso Manor Water District, Fair Oaks Water District, Orange Vale Water Company, Rio Linda/Elverta Community Water District and San Juan Water District (collectively, "Agencies"), and _____, (hereinafter referred to as "Consultant").

RECITALS

SSWD requires the services of Consultant to: (insert finalized Scope of Work)

Consultant warrants it possesses the distinct professional skills, qualifications, experience, and facilities necessary to timely perform the services described in this Agreement. Consultant acknowledges that Agencies have relied upon said warranties to retain Consultant.

AGREEMENT

NOW, THEREFORE, SSWD and Consultant hereby agree that the aforementioned recitals are true and correct and further agree as follows:

1. **Retention as Consultant.** SSWD hereby retains Consultant on behalf of Agencies, and Consultant hereby accepts such engagement, to perform the services described in Section 3 below and subject to the terms and conditions contained in this Agreement.

2. **Relationship of Parties – Independent Contractors.** The relationship of the parties shall be that of independent contractors. In no event shall Consultant, or its agents, representatives, employees, consultants, contractors or subcontractors be considered an officer, agent, servant or employee of the SSWD or Agencies. Consultant shall be solely responsible for any workers compensation insurance, withholding taxes, unemployment insurance, and any other employer obligations associated with the performance of the services under this Agreement.

3. **Description of Services.** Consultant shall provide professional _____ services to identify ways the Agencies can

become more efficient in working together to deliver water services to our communities; look for ways to expand coordination and cooperation as well as identify opportunities for integrating programs, services, and activities to create efficiencies, improve results and achieve an overall cost benefit to the community; and study the potential of service coordination and integration as more particularly set forth in Exhibit "A" attached hereto.

4. Consultant's Responsibilities. In the performance of services under this Agreement, Consultant shall:

(a) Diligently perform all services required under this Agreement and continuously furnish the necessary personnel to complete such services in a timely manner;

(b) Perform all services under this Agreement in a manner commensurate with industry, professional, and community standards;

(c) At its own cost and expense, comply with all statutes, ordinances, regulations and requirements of all governmental entities, including federal, state, county or municipal, whether now in force or hereinafter enacted;

(d) Obtain and keep in effect during the term of this Agreement, at its sole cost and expense, all necessary licenses, permits, qualifications, insurance, and approvals of whatsoever nature which are legally required of Consultant to practice its profession and to provide the services under this Agreement;

(e) Be readily available to the Steering Committee to answer any and all questions, inquiries and correspondence from Agencies or interested persons referred to Consultant by the Steering Committee related to the performance of the services under this Agreement;

(f) Discuss and review all matters related to the performance of services under this Agreement with the Steering Committee in advance of all critical decision points in order to ensure the work proceeds in a manner consistent with the Agencies' goals and policies; and,

(g) Consultant shall keep and maintain records and invoices related to services provided under this Agreement for a minimum period of three (3) years from the date of final payment to Consultant, or for a longer period as may be required by law. Such records and invoices shall include, but not be limited to, financial records, time sheets, work progress reports, bills and project records. All such records and invoices shall be clearly identifiable, and organized in a reasonable manner.

- (1) Consultant shall make such records and invoices immediately available to SSWD or Agencies upon delivery of a written request to examine, audit, or copy such records and invoices.
- (2) Within three (3) business days of the delivery of a written notice by the Steering Committee, Consultant shall prepare and submit a written report to SSWD, with copies for all of the Agencies, identifying the work in progress, charges incurred to date, and the anticipated cost of completion.
- (3) Consultant shall give SSWD thirty (30) days written notice of its intent to destroy or otherwise dispose of the records and invoices to allow SSWD or Agencies an opportunity to take possession.

5. Compensation and Payment.

(a) The total compensation payable by SSWD to Consultant for services described in this Agreement **SHALL NOT EXCEED** the sum of \$_____ (hereinafter "not to exceed amount"), except for such extra services as may be authorized pursuant to Section 6 below. Compensation shall be earned as provided in Exhibit "A."

(b) SSWD shall pay Consultant no later than 30 days after SSWD receives and verifies a written invoice from Consultant in a form satisfactory to the Steering Committee. At a minimum, Consultant's invoice shall contain a description of the services performed and/or the specific task completed from Exhibit "A". Consultant shall not submit invoices to SSWD more frequently than once a calendar month.

(c) The compensation set forth in this Agreement shall constitute the total compensation for all costs of the services provided by Consultant, including, but not limited to, direct costs of labor of employees engaged by Consultant, travel expenses, telephone charges, typing, duplication, computer time, and any and all other costs, expenses, and charges incurred by Consultant, its agents and employees to provide the services described in this Agreement.

6. Extra Services. Consultant shall provide, and SSWD shall pay for, such extra services agreed to in writing by the parties that are not reasonably included within the services described in Section 3 above. The total cumulative compensation for all extra services under this Agreement shall not be more than 10% of the not to exceed amount.

7. Term. The term of this Agreement shall commence on date this agreement is executed by both parties.

8. Termination by SSWD or Agencies. Upon thirty (30) calendar days written notice to Consultant, SSWD or Agencies may terminate any portion or all of the services described in this Agreement. In the event of such termination, Consultant shall have the right and obligation to immediately assemble all work in progress for the purpose of winding up the terminated services. All compensation for actual work performed and charges outstanding at the time of termination shall be payable in accordance with Section 5(b) above.

9. No Assignment. No portion of this Agreement shall be assigned or subcontracted by Consultant without SSWD's or Agencies' express written consent. The term "assignment" shall include any sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or party to a joint venture, which results in a change of control of Consultant. Control means fifty percent or more of the voting power, or twenty-five percent or more of the assets of the corporation, partnership or joint-venture.

10. Project Manager. Consultant's services under this Agreement shall be performed under the general direction of a Steering Committee comprised of representatives from the Agencies, Dan York, or such person as the Agencies may designate.

11. Ownership of Documents. All drawings, designs, data, photographs, reports and other documentation prepared or obtained by Consultant in the performance of the services contemplated by this Agreement shall be the property of the Agencies and shall be delivered to the Agencies upon demand.

12. Confidentiality. Consultant shall not disclose confidential or proprietary information or knowledge received directly or indirectly from the Agencies to anyone other than Consultant's employees necessary to perform the services described in this Agreement. This obligation shall survive termination and remain in full force and effect until the records kept and maintained pursuant to Section 4(g)(3) above, and any copies thereof, are destroyed or returned to the Agencies.

13. Hold Harmless and Indemnity. Consultant agrees to defend, indemnify and hold Agencies, their elected officials, officers, directors, employees, agents and designated volunteers harmless from and against any and all loss, liability, damage, including but not limited to reasonable attorney, consultant and expert fees and/or court costs, arising out of or in connection with this Agreement, except for the gross negligence and willful misconduct of Agencies, their elected officials, officers, directors, employees, agents and designated volunteers.

In addition to the above indemnification obligations, Consultant shall correct, at its own expense, all errors in the services provided. Should Consultant fail to make

such correction in a timely manner, Agencies shall make the correction and charge the cost thereof to Consultant.

14. Insurance. For the duration of this agreement, Consultant shall procure and maintain, at its own cost, insurance in the amounts and under the terms set forth in Exhibit "B" attached hereto against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work to provide the services described in this Agreement by Consultant, its agents, representatives, or employees. Consultant agrees to comply with any changes in the amounts and terms of such insurance as may be required from time to time by the Agencies, upon reasonable written notice.

15. Acceptance of Final Payment. Consultant's acceptance of final payment made under this Agreement, by negotiating SSWD's check or otherwise, shall release SSWD and Agencies from all claims and liabilities for compensation under this Agreement.

16. Acceptance of Work. The approval, payment and/or acceptance of the work or services performed under this Agreement by SSWD, shall not constitute or be deemed a release of the responsibility or liability of Consultant, its agents, employees, consultants, contractors, and/or subcontractors for the accuracy and competency of the services performed and/or information provided under this Agreement; nor shall such action be deemed an assumption of Consultant's responsibility or liability by SSWD or Agencies for any defect or error in Consultant's services.

17. Waiver; Remedies. A party's failure to insist upon the strict performance of any provision of this Agreement by the other party ("breaching party"), irrespective of the length of time for which such failure continues, shall not constitute a waiver of the non-breaching party's right to demand strict compliance in the future. A waiver shall not be effective or binding unless made in writing by the non-breaching party, and may not be implied from any omissions by the non-breaching party. A written waiver shall not constitute a continuing waiver of any subsequent breach of the same or a different provision of this Agreement.

All of the remedies permitted or available under this Agreement, or at law or in equity, shall be cumulative and alternative, and the invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other available right of remedy.

18. Notice. Any notice required to be given hereunder shall be deemed to have been given by depositing said notice in the United States mail with copies for all Agencies, postage prepaid, and addressed as follows:

TO SSWD: Attention: Dan York
General Manager
Sacramento Suburban Water District
3701 Marconi Avenue
Sacramento, California 95821

TO CONSULTANT: _____

Either party may change such address or contact person by written notice by registered mail to the other.

19. Conflict of Interest. Consultant is unaware of any Agency employee or official that has a financial interest in Consultant's business. During the term of this Agreement and/or as a result of being awarded this Agreement, Consultant shall not offer, encourage, or accept any financial interest in Consultant's business by any Agency employee or official.

20. Construction of Language. The provisions of this Agreement have been arrived at through negotiation and each party had a full and fair opportunity to revise the provisions and have them reviewed by legal counsel. The parties agree that any ambiguities in construing or interpreting this Agreement shall not be resolved against either party as the drafting party. In the event of an inconsistency or conflict between the language of this Agreement and an attachment hereto, the language of the Agreement shall control.

21. Non-Exclusive Agreement. SSWD and Agencies reserve the right to engage other consultants in connection with the services described in this Agreement.

22. Entire Agreement. This Agreement, including the attachments hereto, supersede any other agreements, either oral or written, between the parties with respect to the described services, and this Agreement contains all of the covenants and agreements between the parties with respect to said services. Any modification to this Agreement must be in writing and signed by both parties.

23. Partial Invalidity. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

In concurrence and witness whereof, and in recognition of the mutual consideration provided therefore, the parties have caused this Agreement to be executed on the date first written above.

CONSULTANT:

By:
Title:

SSWD

Dan York
General Manager

APPROVED AS TO FORM:

SSWD Attorney

- Attachments:
Exhibit A – Scope of Work
Exhibit B – Insurance Coverage, Amounts and Terms

Attachment B

INSURANCE COVERAGE

Consultant shall procure and maintain for the duration of the Agreement 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 Consultant, his agents, representatives, or employees.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 covering Automobile Liability, code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability, including operations, products and completed operations, as applicable:
\$1,000,000 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:
\$1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability:
\$1,000,000 per accident for bodily injury or disease.

Deductibles and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and approved by SSWD. At the option of the Agencies, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agencies, their officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to SSWD guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

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

1. The Agencies, their officers, officials, employees and designated volunteers are to be covered as insureds as respects: liability arising out of activities performed by or on behalf of the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the Agencies, their officers, officials, employees or volunteers.
2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the Agencies, their officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agencies, their officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Any failure to comply with reporting or other provisions of the policy including breaches of warranties shall not affect coverage provided to the Agencies, their officers, officials, employees or volunteers.
4. The Consultant'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 clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agencies.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to SSWD.

Verification of Coverage

Consultant shall furnish SSWD certificates of insurance and endorsement(s) effecting coverage to the Agencies for approval. The endorsements shall be on forms acceptable to SSWD. All certificates and endorsements are to be received and approved by SSWD before work commences. The Agencies reserve the right to require complete, certified copies of all insurance policies required by this sect

Attachment C Initial List of Problem Statements

Problem Statements

1. Water supplies in the American River basin are becoming more variable and likely less reliable than in the past, due in part to climate change, environmental regulatory requirements and competing demands.
2. The areas served by the participating agencies were extensively developed during the second half of the last century and the water supply infrastructure installed at that time is in need of repair and replacement.
3. During normal to wet years, various water agencies in the Sacramento region have more water available under their water rights and contracts than necessary to meet customer demands, and use of this surplus water is not optimized.
4. Water supply infrastructure among the agencies in this analysis has varying levels of underutilized collection, treatment, storage and delivery capacity.
5. The agencies in this analysis face various financial and operational challenges in providing services to their customers and performing business functions.
6. The agencies in this analysis face increasing operational costs.
7. The sizes of the agencies in this analysis limit their ability to dedicate staff time to legislative, policy and regulatory issues.

Goals

The participating agencies will collaborate to:

1. Enhance water supply reliability by optimizing the use of surface water and groundwater supplies. Plan for and develop resilient responses to changes in water supplies that result from climate change and new regulatory requirements.
2. Repair, replace and improve water supply infrastructure and related agency assets in the most efficient and cost-effective manner possible.

3. Provide excellent service and the best value to customers.
4. Achieve more effective advocacy and the best outcomes possible on legislation and regulations in both Sacramento and Washington, D.C.

Regional Collaboration/Integration Project
 Cost Allocation

6/12/2019
 Total Project Cost: \$ 250,000

Agency - retail only	No. Connections	Operating Budget	% Share by Connections	% Share by Operating Budget	Cost for Agency - by Connections	Cost for Agency - by Budget	Tier	% Share by Tier	Cost for Agency - by Tier
Carmichael Water District	11,912	\$ 7,869,668	9.26	9.91	\$ 23,162	\$ 24,786	2	9	\$ 22,500
Citrus Heights Water District	19,934	\$ 13,073,299	15.50	16.47	\$ 38,761	\$ 41,176	3	18	\$ 45,000
City of Folsom	21,052	\$ 14,201,768	16.37	17.89	\$ 40,935	\$ 44,730	3	18	\$ 45,000
Fair Oaks Water District	14,031	\$ 7,325,500	10.91	9.23	\$ 27,283	\$ 23,072	2	9	\$ 22,500
Rio Linda/Elverta CSD	4,700	\$ 2,200,000	3.66	2.77	\$ 9,139	\$ 6,929	1	2.5	\$ 6,250
Sacramento Suburban WD	46,268	\$ 23,241,000	35.99	29.28	\$ 89,967	\$ 73,200	4	25.5	\$ 63,750
San Juan Water District	10,673	\$ 11,463,700	8.30	14.44	\$ 20,753	\$ 36,106	3	18	\$ 45,000
Totals			100.00	100.00	\$ 250,000	\$ 250,000		100.00	\$ 250,000

Agency - retail and wholesale	No. Connections	Operating Budget	% Share by Connections	% Share by Operating Budget	Cost for Agency - by Connections	Cost for Agency - by Budget	Tier	% Share by Tier	Cost for Agency - by Tier
Carmichael Water District	11,912	\$ 7,869,668	9.26	8.84	\$ 23,159	\$ 22,107	2	8	\$ 20,000
Citrus Heights Water District	19,934	\$ 13,073,299	15.50	14.69	\$ 38,755	\$ 36,724	3	15	\$ 37,500
City of Folsom	21,052	\$ 14,201,768	16.37	15.96	\$ 40,929	\$ 39,894	3	15	\$ 37,500
Fair Oaks Water District	14,031	\$ 7,325,500	10.91	8.23	\$ 27,279	\$ 20,578	2	8	\$ 20,000
Rio Linda/Elverta CSD	4,700	\$ 2,200,000	3.66	2.47	\$ 9,138	\$ 6,180	1	3	\$ 7,500
Sacramento Suburban WD	46,268	\$ 23,241,000	35.98	26.11	\$ 89,953	\$ 65,287	4	25.5	\$ 63,750
San Juan Water District	10,693	\$ 21,084,900	8.32	23.69	\$ 20,789	\$ 59,230	4	25.5	\$ 63,750
Totals			100.00	100.00	\$ 250,000	\$ 250,000		100.00	\$ 250,000



Agenda Item: 10

Date: July 9, 2019

Subject: Committee and Liaison Appointments – Alternate for SSWD/SJWD Water Management/Re-Organization Committee and Assessment of the Finance and Audit Committee

Staff Contact: Dan York, General Manager

Recommended Board Action:

Board President will consider adding an alternate to the SSWD/SJWD Water Management/Re-Organization Committee and assess the Finance and Audit Committee.

Discussion:

SSWD/SJWD Water Management/Re-Organization Committee

At the June 20, 2019, SSWD/SJWD Water Management/Re-Organization Committee meeting, the Committee requested to assign alternates to the Ad Hoc Committee.

Finance and Audit Committee

At the April 15, 2019, Board meeting, President Jones noted he would discuss the public's concern about the Finance and Audit committee with the General Manager and provide an update at the next Board meeting in May.

At the May 20, 2019, Board meeting, President Jones noted there would be an item on the June Board meeting agenda to discuss the concerns of the Finance and Audit Committee.

At the June 17, 2019, Board meeting, this item was discussed in closed session and is being brought to the public session today for the Board President to address.

Attached is the 2019 Committee and Liaison Assignments list as Attachment 1.

Sacramento Suburban Water District 2019 Committee and Liaison Assignments

Committees (date of last appointment)

Facilities and Operations Committee (12/17/18) Dave Jones, Chair
 (Standing: no regularly assigned meeting time) Craig Locke
 Staff Contact: Mike Huot

Finance and Audit Committee (12/17/18) Bob Wichert, Chair
 (Standing: no regularly assigned meeting time) Kathleen McPherson
 Staff Contact: Dan Bills

SJWD/SSWD Water Management/Re-organization Committee (12/17/18)... Dave Jones, Chair
 (Ad Hoc: no regularly assigned meeting time) Craig Locke

Liaison Assignments (date of last appointment)

ACWA/JPIA (12/17/18) Kathleen McPherson
 Staff Position: Dan York

ACWA General Election Voting Delegate (12/17/18) Craig Locke

ACWA Groundwater Committee (12/17/18)..... Dave Jones
 Kevin Thomas
 Craig Locke
 Kathleen McPherson
 Dan York

ACWA Water Quality Committee (12/17/18)..... Kathleen McPherson
 Dave Jones

ACWA Energy Committee (12/17/18) Kevin Thomas

ACWA Communications Committee (12/17/18) Kevin Thomas

ACWA Legal Affairs Committee (12/17/18) Ryan Bezerra

California Special Districts Association (12/17/18) Kathleen McPherson
 Dave Jones

CSDA Transparency and Formation Expert Feedback Teams (12/17/18) Kevin Thomas

CSDA Fiscal and Education Committees (12/17/18) Dave Jones

LAFCo Special District Advisory Committee (12/17/18) Kathleen McPherson

Regional Water Authority (12/17/18)..... Dave Jones
..... Dan York

Regional Water Authority Executive Committee (12/17/18) Staff Rep: Dan York

Sacramento Groundwater Authority (12/17/18) 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 (12/17/18)..... Staff Rep: Dan York
..... Kevin Thomas
..... Craig Locke, Alternate
..... Bob Wichert, Alternate
..... Dave Jones, Alternate



Agenda Item: 11

Date: July 9, 2019

Subject: Sacramento Groundwater Authority Board Representative Appointment

Staff Contact: Dan York, General Manager

Recommended Board Action:

Consider appointing a representative to the Sacramento Groundwater Authority (SGA) Board of Directors, and direct the General Manager to submit a letter to SGA with the appointment selection and bio of the Director selected.

Discussion:

The District received a notice that it is time to reappoint a representatives to the SGA Board of Directors.

According to the SGA Joint Powers Authority, the term of office of each member of the governing board of the authority shall be for a period of four (4) years. The current representative is Director Kevin Thomas, whos term will expire on August 11, 2019.

The Sacramento City Council appoints the representative for each agency through SGA. The District's representative must be submitted to SGA by July 19, 2019, in order to be placed on the agenda for the board of Supervisor's meeting, to receive confirmation prior to the August 11, 2019 deadline.

Fiscal Impact:

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

Strategic Plan Alignment:

Goal A. Provide a High Quality Reliable Water Supply by Ensuring it is Sustainable, Clean and Safe.

Goal B. Optimize Operational and Organizationl Efficiencies.

By having a representative of the District on the SGA Board of Directors, the District is actively participating and advancing the District's position by working together with regional agencies.



Agenda Item: 12

Date: July 10, 2019

Subject: Resolution No. 19-10 Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees’ Medical and Hospital Care Act

Staff Contact: Cassie Crittenden, Human Resources Coordinator
Daniel A. Bills, Director of Finance and Administration

Recommended Board Action:

Adopt Resolution No. 19-10 Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees’ Medical and Hospital Care Act (Attachment 1).

Discussion:

On June 18, 2019, CalPERS released the 2020 Regional Health Plan Rates. CalPERS 2020 premium rates are increasing at an overall average of 4.65%, with a 6.4% increase to the District as detailed under “Fiscal Impact”.

As directed by the Board since 2007 for the CalPERS medical program, the General Manager determines the maximum or “cap” amount to be paid by the District for employee medical insurance premiums prior to Open Enrollment each year based on the higher of the ¹Sacramento Region Basic lowest cost HMO and PPO plans. Shown in Attachment 2, are CalPERS 2020 Regional Health Premiums for Region 1. The highest of the lowest HMO and PPO plan, as shown in Attachment 2 in bold, is Western Health Advantage (WHA) HMO with the following rates for 2020:

WHA HMO 2020 Rates

Single	2-Party	Family
\$731.96	\$1,463.92	\$1,903.10

Staff then compared the WHA HMO 2020 plan and rate with the plans and rates offered through ACWA/JPIA and Special District Risk Management Authority (SDRMA). District staff obtained the following information:

- ACWA/JPIA offers PPO and HMO plans. The least expensive comparable plan offered is \$30.25 more than CalPERS’ WHA single coverage, \$43.50 more than CalPERS WHA 2-party coverage, and \$222.85 more than CalPERS’s WHA family coverage.

¹ Effective January 1, 2020, CalPERS will be reducing the number of regions from five to three. The move to three regions will more closely align premiums to the cost of health care in the area. The effect of this is the “Sacramento Region” we typically use will no longer exist, and we will be utilizing “Region 1” for receiving the CalPERS health plan rates.

- SDRMA offers PPO and HMO plans. The least expensive comparable plan offered is \$155.44 more than CalPERS' WHA single coverage, \$309.86 more than CalPERS WHA 2-party coverage, and \$401.08 more than CalPERS's WHA family coverage.

Staff has determined the District should remain in the CalPERS medical program for 2020 after comparing the plans and rates offered by ACWA/JPIA and SDRMA. Staff is bringing this item forward for Board approval in July and would note three important reminders: 1) the District has 60 calendar days from the date CalPERS releases their health premium rates to file a resolution to terminate enrollment in the 2020 CalPERS health insurance program, which would need to be submitted to CalPERS on or before August 17, 2019; 2) when an agency leaves the CalPERS health insurance program, it cannot return for five years, and 3) plans currently in the CalPERS medical program will not provide a quote for separate group coverage until the Board Resolution is provided that confirms an agency's intent to leave the CalPERS program.

To implement these changes, a resolution, using the required CalPERS template, needs to be adopted by the Board of Directors as follows:

- Resolution No. 19-10 Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees' Medical and Hospital Care Act (Attachment 1): This Resolution applies to all active employees and all annuitants hired prior to January 1, 2003. It includes the Western Health Advantage HMO rate for single, 2-party, and family coverage. For annuitants hired after January 1, 2003, CalPERS applies the 100/90 formula, requiring no action from the Board.

Fiscal Impact:

Increase in 2020 Operations and Maintenance expenses by a approximately 6.4%, or \$95,000. This is due to the increase in the maximum premium paid by the District in 2019 compared to 2020 as shown in the following chart:

Highest of the Lowest	Single	2-Party	Family
2019 "Cap" (Kaiser)	\$687.99	\$1,375.98	\$1,788.77
2020 "Cap" (WHA)	\$731.96	\$1,463.92	\$1,903.10
Percentage Increase	6.4%	6.4%	6.4%

Staff cannot quantify the exact amount presently as it will not be known until after Open Enrollment when employees select amongst health plans offered by CalPERS.

Strategic Plan Alignment:

Goal B: Optimize Operational and Organizational Efficiencies

Goal C: Fiscal Responsibility and Affordable Rates.

Goal E: Retain and Recruit a Qualified and Stable Workforce.

Resolution No. 19-10 Fixing the Employer Contribution at an Equal Amount for Employees and Annuity Holders Under the Public Employees' Medical and Hospital Care Act
July 10, 2019
Page 3 of 3

District customers will benefit from the savings achieved by the District in remaining in the CalPERS medical program when compared with ACWA/JPIA and SDRMA 2020 plan rates.

Attachments:

1 - Resolution No. 19-10 Fixing the Employer Contribution at an Equal Amount for Employees and Annuity Holders Under the Public Employees' Medical and Hospital Care Act

2 - CalPERS 2020 Regional Health Plan Rates Region 1

**RESOLUTION NO. 19-10
FIXING THE EMPLOYER CONTRIBUTION AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS
UNDER THE PUBLIC EMPLOYEES’ MEDICAL AND HOSPITAL CARE ACT**

- WHEREAS, (1) **Sacramento Suburban Water District** is a contracting agency under Government Code Section 22920 and subject to the Public Employees’ Medical and Hospital Care Act (the “Act”); and
- WHEREAS, (2) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and
- WHEREAS, (3) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and
- RESOLVED, (a) That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of **Western Health Advantage Region 1 Basic Premiums (Party Rates 1-3)** per month, plus administrative fees and Contingency Reserve Fund assessments; and be it further
- RESOLVED, (b) **Sacramento Suburban Water District** has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further
- RESOLVED, (c) That the participation of the employees and annuitants of **Sacramento Suburban Water District** shall be subject to determination of its status as an “agency or instrumentality of the state or political subdivision of a State” that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that **Sacramento Suburban Water District** would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.
- RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct, Cassie Crittenden, Human Resources Coordinator, or Daniel Bills, Finance Director, to file with the Board a verified copy of this resolution, and to perform on behalf of **Sacramento Suburban Water District** all functions required of it under the Act.

Adopted at a regular meeting of the Sacramento Suburban Water District at Sacramento, California, this 15th day of July, 2019.

Signed: _____
David Jones, President, Board of Directors

Attest: _____
Daniel R. York, General Manager/Secretary

INSTRUCTIONS

This resolution form is the approved form designated by the California Public Employees' Retirement System (CalPERS). It should be used by a contracting agency subject to Public Employees' Medical and Hospital Care Act (PEMHCA) when the agency desires to change the monthly employer health contribution for employees and annuitants in accordance with Government Code Section 22892.

The resolution is **effective on the first day of the second month** following the month in which the resolution is filed (date stamped as received by CalPERS; See address below).

WHEREAS, (1) should be completed with full name of the contracting agency.

RESOLVED, (a) should be completed to specify the amount of the employer contribution toward the cost of enrollment for active employees and annuitants. The amount specified must be an amount equal to or greater than that prescribed by Section 22892(b).

Commencing January 1, 2009, the employer contribution shall be adjusted annually by the Board to reflect any change in the medical component of the Consumer Price Index, and shall be rounded to the nearest dollar.

RESOLVED, (b) should be completed with full name of the contracting agency.

RESOLVED, (c) should be completed with full name of the contracting agency.

RESOLVED, (d) requests the position title of the individual who handles the PEMHCA resolution for the contracting agency.

RESOLVED, (d) should be completed with full name of the contracting agency.

Because resolutions serve as a legally binding document, we require the original resolution, certified copy with original signatures, or a copy of the resolution with the agency's raised seal.

For resolution processing, deliver to the following:

Overnight Mail Service

California Public Employees' Retirement System
Health Resolution & Compliance Services, HAMD
400 Q Street
Sacramento, CA 95811

Regular Mail

California Public Employees' Retirement System
Health Resolution & Compliance Services, HAMD
PO BOX 942714
Sacramento, CA 94229-2714

The certification shown following the resolution is to be completed by those individuals authorized to sign for the contracting agency in legal actions and is to include the name of the executive body; i.e. Board of Directors, Board of Trustees, etc., the location and the date of signing.

CalPERS 2020 Regional Health Plan Rates Region 1

Plan	Employee Only	Employee + 1	Employee + Family
HMOs			
Anthem HMO Select	\$868.98	\$1,737.96	\$2,259.35
Anthem HMO Traditional	\$1,184.84	\$2,369.68	\$3,080.58
Blue Shield Access+	\$1,127.77	\$2,255.54	\$2,932.20
Blue Shield Trio	\$833.00	\$1,666.00	\$2,165.80
Health Net SmartCare	\$1,000.52	\$2,001.04	\$2,601.35
Kaiser	\$768.49	\$1,536.98	\$1,998.07
United Healthcare	\$899.94	\$1,799.88	\$2,339.84
<i>Western Health Advantage</i>	<i>\$731.96</i>	<i>\$1,463.92</i>	<i>\$1,903.10</i>
PPOS			
Anthem EPO Del Norte	\$861.18	\$1,722.36	\$2,239.07
PERS Choice	\$861.18	\$1,722.36	\$2,239.07
PERS Select	\$520.29	\$1,040.58	\$1,352.75
PERS Care	\$1,133.14	\$2,266.28	\$2,946.16

“Cap” Plan Shown in Bold Italics



Agenda Item: 13

Date: July 3, 2019

Subject: Annual Fraud Prevention Presentation

Staff Contact: Daniel A. Bills, Director of Finance and Administration

Recommended Board Action:

Review fraud prevention policies and procedures for District operations. Direct staff as appropriate.

Background:

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

Please note that the Workplace Dishonesty Policy and Procedure and risks resulting from potential fraudulent activities were discussed and reviewed with all District staff on Tuesday, June 18, 2019.

Discussion:

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

The District has implemented various tools to prevent and/or detect fraudulent activities. These tools primarily consist of the internal control procedures that have been adopted, implemented and regularly updated (See Attachment 2). District internal control procedures have been established by way of the District's Ordinances, Policies, Procedures and Practices.

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

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

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

Annually, as part of the financial statement audit, the General Manager and Finance Director are required to make various assertions regarding District internal controls and their awareness of any fraudulent activities (see Attachement 3, parts 3, 4, 13, 14, 15, 16, 25, 26, 27 and 28). As an update to these assertions made to the Auditors on March 27, 2019, District officers are currently unaware of any fraudulent activities that are occurring in District operations and activities.

Fiscal Impact:

None.

Strategic Plan Alignment:

Goal B Optimize Operational and Organizational Efficiencies.

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

Sacramento Suburban Water District

Workplace Dishonesty Policy

Adopted: December 17, 2007

Revised: ~~December 21, 2009; November 21, 2011; December 16, 2013; December 21, 2015;~~
~~November 20, 2017~~ Updated: August XX, 2019

100.00 Purpose of the Policy

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

200.00 Policy

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

200.10 Prohibited Conduct and Activities

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

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

200.20 Investigation of Fraud

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

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

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

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

300.00 Establishment of Internal Controls

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

400.00 Reporting Dishonest Acts or Conduct – Whistleblower Protection

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

Attachment 1

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

500.00 Policy Review

This policy shall be reviewed at least biennially.

Sacramento Suburban Water District

Workplace Dishonesty Procedure

Effective: December 18, 2007
Ratified with changes on: March 7, 2019

Purpose

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

Definitions

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

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

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

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

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

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

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

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

Procedures for Reporting Workplace Wrongdoing

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

1. If an Employee is aware of or suspects Dishonesty, the Employee is encouraged to discuss his or her allegations with his or her immediate supervisor.

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

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

Employee Responsibilities

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

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

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

Management Responsibilities

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

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

Each Manager should be familiar with the types of Dishonesty that are most likely to occur in his or her area of responsibility and to take appropriate action to put in place systems to detect and prevent Dishonesty.

Attachment 2

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

Investigation and Action

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

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

1. Upon assignment by the General Manager, the Investigator will promptly, objectively and thoroughly investigate the alleged Dishonesty. If a preliminary investigation reasonably establishes that there is no support for the allegation of Dishonesty, the General Manager may close the investigation.
2. In all circumstances where there appears to be a reasonable factual basis for suspecting that the alleged Dishonesty has occurred, the Investigator, in consultation with the General Manager or Board and District legal counsel, will determine if the investigation should be conducted as administrative investigation, criminal investigation, or both. Should both administrative and criminal investigations be deemed necessary, the Investigator and law enforcement officials, in consultation with District legal counsel, will make a determination as to the conduct of the investigations (i.e., whether the investigations will be conducted concurrently, the scope of the investigation, the procedures for identifying potential witnesses and evidence, the procedures for sharing information, and etc.).
3. The Investigator shall accept and review all relevant information concerning the alleged Dishonesty to the extent allowed by law.
4. In consultation with District legal counsel and any law enforcement officials involved in the matter, the Investigator may disclose relevant facts obtained in the investigation to potential witnesses if such disclosure would further the investigation.
5. At the conclusion of an investigation, the Investigator will document the results in a confidential report to the General Manager, if the investigation establishes that the alleged Dishonesty occurred. The report will document the allegations of Dishonesty, the witnesses interviewed and documents obtained and reviewed, a discussion of any other relevant facts or evidence adduced, the Investigator's findings and conclusions, and any recommendations concerning Employee discipline, modifications of internal procedures and controls and any further investigation or action concerning the matter.

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

Attachment 2

6. If the Investigator determines that the allegation of Dishonesty is untrue or cannot be reasonably supported, the Investigator will advise the General Manager before preparing a written report of the investigation. The General Manager, in consultation with legal counsel, shall determine whether a report will be prepared and its disposition if prepared. In cases where an allegation of Dishonesty is unproven, the General Manager may close the investigation without further action or production of a written report.
7. If the report confirms the allegation of Dishonesty, the Investigator will proceed as follows:
 - a. Discuss the evidence, findings and conclusions in the report with the General Manager and other District officials designated by the General Manager.
 - b. Consult with the General Manager and other designated officials to determine if disciplinary action should be taken against the accused Employee and if discipline is warranted, the nature and severity of the discipline.
 - c. Advise the General Manager and District Treasurer if such activities involve theft of District equipment, supplies or cash, in order to assess the effect of the illegal activity on the District's financial statements.
 - d. Advise the District as appropriate to notify the District's insurer of any potential claims or to tender any claims to the District's insurer resulting from the Dishonesty.
 - e. Take immediate action, in consultation with District legal counsel, to prevent the theft, alteration, or destruction of District records and property. Such action shall include, but is not limited to:
 - i. Removing records and property from District facilities to a secure location, or limiting access to the location where the records and property are regularly stored.
 - ii. Preventing the accused Employee from having access to such records and property.
8. Unless exceptional circumstances exist, an Employee determined to have committed Dishonesty will be given notice in writing of the results of the investigation after its conclusion. When such notice is given, the accused employee may submit a written response to the General Manager no later than seven calendar days after the notice is given.
9. If the allegation of Dishonesty is confirmed, the General Manager will consult with the Assistant General Manager, affected Department Head, and other officials designated by the General Manager to determine the nature and severity of any disciplinary action to be imposed on the accused Employee. If the accused Employee

Attachment 2

will be subject to discipline, the General Manager will provide written notice of the discipline to the Employee. Upon receipt of such notice, the accused Employee may exercise any such appeal rights that he or she has under applicable laws and District personnel policies.

10. If warranted by the facts obtained in the investigation, the General Manager may forward the Investigator's report to the appropriate state or federal prosecutorial and law enforcement officials for review and action. Before referring such a report to law enforcement and prosecutorial authorities, the General Manager may consult with the Board.
11. The District will pursue every reasonable effort, including court-ordered restitution, to obtain recovery of any District losses sustained as a result of the Dishonesty from the accused Employee or other appropriate sources.
12. If warranted after the conclusion of an investigation in which Dishonesty is proven, the General Manager shall convene a working group, including the Department Head of the department where the Dishonesty occurred and the District Treasurer, to review relevant District administrative procedures, systems and controls and determine how such procedures, systems and controls may be modified or new procedures, systems and controls established to prevent a reoccurrence of the Dishonesty. Upon determination of that existing procedure, systems and controls should be modified or new procedures, systems and controls established, the General Manager shall direct the District Treasurer and appropriate Managers to modify or establish such procedures, systems and controls and to prepare any amended or new policies for Board review and approval.

Exceptions

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

Posting

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

Approved by:



Dan York
General Manager



March 27, 2019

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

This representation letter is provided in connection with your audit of the financial statements of Sacramento Suburban Water District (the District), which comprise the respective financial position as of December 31, 2018 and 2017, and the respective changes in financial position and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of March 27, 2019, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 20, 2018, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.


- b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of District or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the District and involves:
- Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

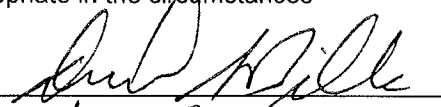
Government—specific

- 18) There have been no communications for regulatory agencies concerning non-compliance with or deficiencies in, financial reporting practices.
- 19) We have a process to track the status of audit findings and recommendations.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 22) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, or net position.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 25) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 26) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 27) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant

agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance that have not been disclosed to you.

- 28) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral of which we are aware.
- 29) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 31) Components of net position (net investment in capital assets; restricted; and unrestricted), are properly classified and, if applicable, approved.
- 32) Provisions for uncollectible receivables have been properly identified and recorded.
- 33) Investments and derivative instruments are properly valued.
- 34) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 35) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and depreciated.
- 36) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 37) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation for the RSI.
- 38) The methods and significant assumptions used to determine fair value of the interest rate swaps result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.
- 39) We believe that that actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances

Signature: 
 Title: General Manager

Signature: 
 Title: Director of Finance and Administration

FRAUD PREVENTION

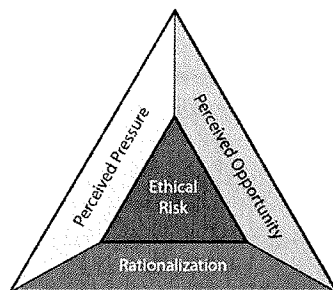
BOARD MEEETING

JULY 15, 2019

FRAUD

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

FRAUD TRIANGLE



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

INTERNAL CONTROLS

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

DISTRICT CONTROLS

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

DISTRICT CONTROLS continued

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



Agenda Item: 14

Date: July 8, 2019

Subject: General Manager's Report

Staff Contact: Dan York, General Manager

a. Regional Water Supply/Wheeling Opportunities

As you know, we hired Tully and Young to help us evaluate our water assets and opportunities in the region. In June we met with Carmichael Water District and discussed a groundwater banking, temporary water transfer opportunity and an opportunity to share the cost and capacity of a new well. The week of July 8th, we met with San Juan Water District (SJWD) and the City of Sacramento, separately, to talk about opportunities to share water. SJWD is interested in pursuing an agreement with SSWD to provide surface water. This would allow SJWD to use their Central Valley Project (CVP) contract water and build their historical use baseline for CVP M&I deliveries. Staff will be looking at this option in more detail and talking with others in the region to better understand the benefits and determine whether it is worth pursuing. We discussed a number of options with the City of Sacramento to make it easier to share water, both functionally and economically. We are planning on reaching out to SMUD, PCWA, and Rio Linda Elverta Community Water District to discuss some options. That will complete our first round of discussions. In the next couple months we will have a list of water sharing opportunities we will recommend pursuing, now or in the future, for the Board to consider.

b. Strategic Plan/Implementation Plan Update

On June 28, 2019, staff met to discuss how the Strategic Plan, Implementation Plan, and day-to-day work fit together, and discuss the next steps in completing the Implementation Plan. The Strategic Plan is now posted on the District's website; and the Mission, Vision, and Values are posted in common areas at the Walnut and Marconi offices. Management is preparing for two staff implementation plan workshops, scheduled for August 8, and September 4, 2019. A final Implementation Plan will be presented as an informational item to the Board at the November 18, 2019 regular Board meeting.

c. Del Paso Manor Water District Update

As reported to the Board at the June regular Board meeting, all but one employee of Del Paso Manor Water District (DPMWD) resigned/retired effective May 31, 2019. In discussions between SSWD's General Manager and DPMWD'S Board President, DPMWD requested to activate the Mutual Aid Agreement (MAA) that exists between the two districts. The MAA was officially activated between the two agencies on June 6, 2019. The only assistance that has been requested and provided is On-Call Standby, on a biweekly interval.

In addition to the On-Call Standby, the District's Board approved providing General Ledger and Sub-Ledger bookkeeping services for DPMWD. To date, this assistance has yet to be requested by DPMWD.

d. American River Watershed Tour - Regional Congressional Staff

The Sacramento region is developing a tour for regional congressional staff members to demonstrate regional cooperation and shared efforts to broker/implement local solutions to improve water supply reliability and protect aquatic habitat and resources through efforts like the Water Forum, North State Water Alliance and agency-to-agency partnerships and connections. In addition, the group will discuss future planning needs and solutions, changes in climate and hydrology, and local adaptation projects such as the regional groundwater bank and conjunctive use. Although the date has yet to be set, it is anticipated to be in August 2019.

The following locations have tentatively been identified as part of the tour:

- Folsom Dam/Reservoir
- Nimbus Fish Hatchery
- Freeport Water Project

The District's General Manager has been contacted to be a participant on the subject tour and also a member of the American River Watershed Steering Committee to develop draft invitee list/tour logistics and develop messaging.

e. City of Sacramento General Plan

At the June 17, 2019 regular Board meeting a member of the public commented that the City of Sacramento (City) was holding a meeting at the Arcade Library, in the Arden Arcade area, to discuss their General Plan. Between June and August, the City plans to hold meetings in the following communities; Arden-Arcade, the central city, East Sacramento, Fruitridge/Broadway, Land Park, North Natomas, North Sacramento, Pocket and South Sacramento. Transportation and transit is one of the topics where the City wants local residents and business owners in each community to weigh in. Other topics include land use, climate change policies and environmental justice. The City has no intention at this point and time to discuss annexation of their service area where water is provided by a public/private agency.



Agenda Item: 15

Date: July 9, 2019

Subject: Financial Report

Staff Contact: Daniel A. Bills, Director of Finance and Administration

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

- Financial Highlights – June 2019
- Financial Statements – June 2019
- Investments Outstanding and Activity – June 2019
- Cash Expenditures – June 2019
- Credit Card Expenditures – June 2019
- Directors Compensation and Expense Accounting – Second Quarter 2019
- District Reserve Balances – June 2019
- Information Required by LOC Agreement
- Financial Markets Report – June 2019

Financial Statements

Financial Highlights

The Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position are presented in this report. They are gleaned from the financial statements presented on subsequent pages. Key information from this report indicates the District's cash balance is \$1.6 million less than its prior year balance at the same date; investments are \$1.6 million more than on June 30, 2018; liabilities have decreased by \$5.0 million due to the payment of scheduled bond principal in October 2018; and net position has increased by \$5.7 million in the last 12 months as the District continues to replace its capital infrastructure without incurring additional debt. Operating revenues decreased \$0.2 million compared to the same period a year ago due to the reduction in water consumption demand compared to the same period a year ago. There is no rate increase for 2019. Operating expenses increased \$1.0 million compared to the same period a year ago due to: 1) the increase in surface water purchasing costs as no surface water was taken in the first quarter of 2018, and 2) increased inventory costs to replace failed drive-by endpoints that were exceeding their useful lives.

Statements of Net Position:

District cash and cash equivalents increased to \$8.8 million as of June 30, 2019, up from \$7.6 million at December 31, 2018. Cash held in the District's bank accounts (\$1.5 million as of June

30) is held in accordance with state and federal regulations, which state that cash held in the District's bank accounts above the FDIC insured limits must be fully collateralized with government securities that are equal to or greater than 110% of the District's cash balance in the bank at any time.

Investments increased since December 31, 2018 by \$1.3 million to a total of \$37.7 million, reflecting the reinvestment of interest received and unrealized market value gains. Investment portfolio balances and activity are reported on subsequent pages.

Capital assets increased by \$6.4 million to \$483.8 million as of June 30, 2019, resulting from expenditures on distribution main replacement projects, well improvement projects and meter retrofit costs. 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 \$255.6 million as of June 30, 2019, compared to \$251.3 million at December 31, 2018 for an increase of \$4.3 million.

Statements of Revenues, Expenses and Changes in Net Position:

The net position increase of \$4.3 million in 2019 is \$0.15 million less than the first six months of 2018. Net changes are comprised of:

1. Water Consumption Sales decreased by \$0.4 million compared to the same period in 2018 due primarily to cooler temperatures and Spring rains that resulted in a corresponding reduction in demand. Wheeling water charges increased by \$0.2 million compared to the same period in 2018 as surface was not available for wholesale wheeling in the first three months of 2018.
2. Operating expenses increased by \$1.0 million from the same period in 2018 due primarily to: 1) the increase of surface water costs as no surface water was taken in first quarter of 2018 due to the shutdown of the Antelope Transmission Pipeline (ATP) and availability of PCWA water, and 2) an increase in inventory purchases to replace drive-by endpoints that were failing and/or exceeding their useful lives.
3. Investment income increased by \$1.0 million compared to the same period a year ago primarily due to unrealized holding gains in the first six month of 2019.
4. Interest expense and debt related costs decreased \$0.2 million compared to the same period a year ago primarily due to the savings from refunding the 2009B COP to a lower interest rate with the issuance of the 2018A Revenue Bond.

Budgets:

The District's operating and maintenance expenditures through June 2019 came in less than the approved budget by \$1.9 million. Most of this positive variance is due timing differences. As

requested by the Board at the February 2019 Regular Board meeting, the 2019 Employee Morale Budget (Operations and Maintenance Expense Budget) has been reduced from \$18,500 to \$12,000.

Operating capital project expenditures in June were \$57,353. The total budget for the year is \$0.95 million.

The District's capital improvement project (CIP) budget for 2019 is \$18.2 million. For the first six months of 2019, \$6.0 million has been spent while \$8.1 million is under contract. Expenditures continue to be primarily in distribution system replacements, well improvements and meter retrofit projects.

Debt – June 2019

This report shows district activity in repaying its long-term debt obligations. Scheduled 2019 principal payments of \$4.6 million are not due until the end of October. Total principal outstanding as of June 30, 2019 was \$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 first six months of 2019, the District has incurred interest expense of \$1,149,586 versus a forecast of \$1,425,000 or a \$275,414 positive variance. This is primarily due to expected Federal Reserve interest rate increases not occurring as anticipated.

Investments Outstanding and Activity – June 2019

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 2.40% per annum, while LAIF is earning 2.45%, 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 June, the District purchased one U.S. Treasury Note for \$0.7 million (par). The District received principal paydowns on four Federal Agency Collateralized Mortgage Obligations of \$12,670 (par) and eight Asset-Backed Security Obligations of \$89,778 (par). One Corporate Note was matured for \$0.1 million (par). See "Investment Activity" section in the attached report for further details.

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

Cash Expenditures – June 2019

During the month of June, the District made cash payments totaling \$3.7 million. The primary expenditures were – \$0.2 million for debt service, \$2.1 million for 2019 capital improvement projects, \$0.3 million for water costs including pumping and chemical costs, \$0.1 million for customer billing, printing and postage, \$0.1 million for licenses and permits fee and \$0.6 million for payroll, pension and health benefits.

Purchasing Card Expenditures – June 2019

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 \$13,193 for various purchases on the six District purchasing cards. Details by vendor and purpose are included in this report.

Directors Compensation and Expense Accounting – Second Quarter 2019

Director meetings attended during the 2nd quarter of 2019 (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.

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 June 30, 2019 are \$46,712,799 compared to \$45,050,155 at December 31, 2018.

Information Required by LOC Agreement

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

Financial Statements
June 30, 2019

Sacramento Suburban Water District
Financial Highlights
Period Ended

STATEMENTS OF NET POSITION

	Year-To-Date 6/30/2019	Year-To-Date 6/30/2018
LIQUIDITY		
Cash and cash equivalents	\$8,780,504.72	\$10,332,543.76
INVESTMENT		
Investments	37,717,586.39	36,059,160.27
CAPITAL ASSETS		
Property, plant and equipment	483,775,399.42	464,899,350.44
Accumulated depreciation	(186,723,027.41)	(174,459,635.81)
	297,052,372.01	290,439,714.63
LIABILITIES		
Long Term Debt	(81,138,169.10)	(86,115,228.90)
NET POSITION		
Net Position	255,586,984.56	249,895,413.43

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Month 6/30/2019	Year-To-Date 6/30/2019	Month 6/30/2018	Year-To-Date 6/30/2018
NET INCOME				
Operating Revenue	4,106,775.78	20,332,716.55	4,063,651.55	20,540,152.57
Operating Expense	(1,926,422.83)	(9,697,704.42)	(1,892,169.90)	(8,679,175.14)
Other, Net	(1,059,037.30)	(6,322,038.26)	(1,056,499.92)	(7,397,016.30)
Change in Net Position	\$1,121,315.65	\$4,312,973.87	\$1,114,981.73	\$4,463,961.13

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

As Of

	Month End	Year End
	6/30/2019	12/31/18
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$8,780,445.71	\$7,585,118.00
Restricted Cash and cash equivalents	59.01	9,767.92
Accounts receivable, net of allowance for uncollectible accounts	3,100,531.25	2,841,401.63
Interest receivable	214,707.57	215,917.07
Grants receivables	0.01	0.01
Other receivables		945,572.10
Inventory	521,375.40	495,142.20
Prepaid expenses and other assets	784,556.04	924,083.21
TOTAL CURRENT ASSETS	13,401,674.99	13,017,002.14
NONCURRENT ASSETS		
Investments	37,717,586.39	36,369,025.38
Fair value of interest rate swaps	1,564,723.00	1,564,723.00
TOTAL NONCURRENT ASSETS	39,282,309.39	37,933,748.38
Property, plant and equipment	483,775,399.42	477,342,701.03
Accumulated depreciation	(186,723,027.41)	(180,222,436.62)
TOTAL CAPITAL ASSETS	297,052,372.01	297,120,264.41
TOTAL ASSETS	349,736,356.39	348,071,014.93
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on long-term debt refunding	5,693,851.94	6,024,224.12
Pension contribution subsequent to measurement date	2,223,442.00	2,223,442.00
Other post-employment benefits	24,450.00	24,450.00
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	357,678,100.33	356,343,131.05
LIABILITIES		
CURRENT LIABILITIES		
Current portion of long-term debt and capital leases	4,625,000.00	4,625,000.00
Accounts payable	771,619.48	3,411,438.20
Accrued interest	205,574.86	269,683.50
Deferred revenue and other liabilities	1,214,389.41	1,165,830.41
Accrued expenses	745,421.40	840,578.24
TOTAL CURRENT LIABILITIES	7,562,005.15	10,312,530.35
NONCURRENT LIABILITIES		
Long-term debt	76,513,169.10	76,804,132.00
Compensated absences	1,014,434.52	950,951.01
Net pension liability	8,812,373.00	8,812,373.00
Net other post-employment benefits liability	5,856,340.00	5,856,340.00
TOTAL NONCURRENT LIABILITIES	92,196,316.62	92,423,796.01
TOTAL LIABILITIES	99,758,321.77	102,736,326.36
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow of effective swaps	1,564,723.00	1,564,723.00
Employee pensions	741,595.00	741,595.00
Other post-employment benefits	26,476.00	26,476.00
NET POSITION		
Invested in capital assets, net of related debt	221,715,356.53	221,715,356.53
Restricted	9,767.92	9,767.92
Unrestricted	33,861,860.11	29,548,886.24
TOTAL NET POSITION	255,586,984.56	251,274,010.69
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	357,678,100.33	356,343,131.05

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

Period Ended

	<u>Month</u>	<u>Year-To-Date</u>	<u>Month</u>	<u>Year-To-Date</u>
	<u>6/30/2019</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2018</u>
OPERATING REVENUES				
Water consumption sales	\$1,421,212.87	\$4,490,042.30	\$1,381,051.25	\$4,835,202.25
Water service charge	523,289.31	3,069,577.62	536,274.94	3,132,894.72
Capital facilities charge	2,040,239.49	11,900,223.01	2,038,652.22	11,910,761.95
Wheeling water charge	40,942.21	374,353.85	859.56	164,600.05
Other charges for services	81,091.90	498,519.77	106,813.58	496,693.60
TOTAL OPERATING REVENUES	<u>4,106,775.78</u>	<u>20,332,716.55</u>	<u>4,063,651.55</u>	<u>20,540,152.57</u>
OPERATING EXPENSES				
Source of supply	343,685.67	1,379,339.99	429,877.45	855,956.27
Pumping	377,170.62	1,769,717.99	481,622.29	2,070,288.11
Transmission and distribution	337,890.50	2,332,812.31	275,913.09	1,638,670.79
Water conservation	35,831.05	201,255.09	30,299.38	174,326.89
Customer accounts	124,979.29	629,831.78	112,564.44	607,435.14
Administrative and general	706,896.18	3,386,987.68	556,273.83	3,326,689.49
TOTAL OPERATING EXPENSES	<u>1,926,453.31</u>	<u>9,699,944.84</u>	<u>1,886,550.48</u>	<u>8,673,366.69</u>
Operating income before depreciation	2,180,322.47	10,632,771.71	2,177,101.07	11,866,785.88
Depreciation and amortization	<u>(1,083,073.90)</u>	<u>(6,500,590.79)</u>	<u>(1,038,881.20)</u>	<u>(6,237,615.81)</u>
OPERATING INCOME	<u>1,097,248.57</u>	<u>4,132,180.92</u>	<u>1,138,219.87</u>	<u>5,629,170.07</u>
NON-OPERATING REV. (EXP.)				
Rental income	17,941.75	140,981.21	17,739.22	119,457.26
Interest and investment income	248,885.00	1,188,417.09	34,278.83	66,078.61
Interest expense and debt related costs	(248,743.34)	(1,360,122.56)	(186,112.86)	(1,628,790.00)
Other non-operating revenues	5,983.67	81,880.25	2,653.05	149,674.47
Other non-operating expenses		(242.04)	(35.38)	12,086.72
Gain(loss) on disposal of capital assets		30,820.00		
NON-OPERATING REV. (EXP.)	<u>24,067.08</u>	<u>81,733.95</u>	<u>(131,477.14)</u>	<u>(1,281,492.94)</u>
NET INCOME (LOSS) BEFORE CAPITAL	<u>1,121,315.65</u>	<u>4,213,914.87</u>	<u>1,006,742.73</u>	<u>4,347,677.13</u>
CAPITAL CONTRIBUTIONS				
Facility development charges		91,615.00	108,239.00	116,284.00
Federal, state and local capital grants		7,444.00		
TOTAL CAPITAL CONTRIBUTIONS		<u>99,059.00</u>	<u>108,239.00</u>	<u>116,284.00</u>
CHANGE IN NET POSITION	<u>1,121,315.65</u>	<u>4,312,973.87</u>	<u>1,114,981.73</u>	<u>4,463,961.13</u>
Net position at beginning of period	<u>254,465,668.91</u>	<u>251,274,010.69</u>	<u>248,780,431.70</u>	<u>245,431,452.30</u>
NET POSITION AT END OF PERIOD	<u><u>255,586,984.56</u></u>	<u><u>255,586,984.56</u></u>	<u><u>249,895,413.43</u></u>	<u><u>249,895,413.43</u></u>

Sacramento Suburban Water District
Operations and Maintenance Budget
Period Ended

	<i>Month Of June</i>			<i>2019 YTD</i>		
	Actual	Budget	Variance	Actual	Budget	Variance
BUDGETED OPERATING EXPENSES						
Board of Directors	\$3,822.84	\$5,961.16	\$2,138.32	\$22,775.03	\$35,766.96	\$12,991.93
Administrative	214,837.80	197,412.47	(17,425.33)	998,190.45	1,184,474.82	186,284.37
Finance	93,428.99	98,294.90	4,865.91	482,673.91	589,761.40	107,087.49
Customer Services	124,979.29	116,722.93	(8,256.36)	629,831.78	699,058.94	69,227.16
Field Operations	57,911.14	127,753.00	69,841.86	237,858.28	449,468.00	211,609.72
Production	720,856.29	713,747.00	(7,109.29)	3,149,057.98	4,026,270.50	877,212.52
Distribution	168,833.90	208,912.04	40,078.14	1,035,322.48	1,253,472.24	218,149.76
Field Services	169,056.60	137,912.39	(31,144.21)	1,297,489.83	993,791.34	(303,698.49)
Maintenance	79,151.23	58,068.53	(21,082.70)	297,829.45	348,411.18	50,581.73
Water Conservation	35,831.05	47,847.94	12,016.89	201,255.09	235,375.14	34,120.05
Engineering	110,893.99	127,509.19	16,615.20	609,718.62	767,535.14	157,816.52
GIS/CAD	31,462.22	25,777.28	(5,684.94)	142,636.02	161,863.68	19,227.66
Human Resources	17,082.05	14,168.29	(2,913.76)	86,512.37	152,764.61	66,252.24
Information Technology	98,305.92	85,607.89	(12,698.03)	508,793.55	673,293.34	164,499.79
TOTAL OPERATING EXPENSES	<u>1,926,453.31</u>	<u>1,965,695.01</u>	<u>39,241.70</u>	<u>9,699,944.84</u>	<u>11,571,307.29</u>	<u>1,871,362.45</u>

SACRAMENTO SUBURBAN WATER DISTRICT
OPERATING CAPITAL AMENDED BUDGET
6/30/2019

Project Number	Project Name	Original Budget	Amendments	Amended Budget	Current Month Expenditures	Expenditures Year-To-Date	Committed Year-To-Date	Remaining Balance
SF19-453	FENCE REPLACE - 3 WELL SITES	\$ 21,000.00		\$ 21,000.00	\$ -	\$ -	\$ 2,545.00	\$ 18,455.00
SF19-454	UCMR 4 MONITORING	\$ 70,000.00		70,000.00		-	-	\$ 70,000.00
SF19-455	WELL SITE PAVING	\$ 40,000.00		40,000.00		-	-	\$ 40,000.00
SF19-456	ALUMINUM PIPE TRAILER REPLACEMENT	\$ 9,000.00		9,000.00		-	-	\$ 9,000.00
SF19-457	LARGE VOL DECHLORIN TRAILER UPGRADE	\$ 12,000.00		12,000.00		-	-	\$ 12,000.00
SF19-458	LARGE VOL SUPER CHLORIN TRAILER	\$ 9,000.00		9,000.00		-	-	\$ 9,000.00
SF19-459	VEHICLE ADD - PRODUCTION FORMAN	\$ 45,000.00		45,000.00		-	40,766.00	\$ 4,234.00
SF19-460	VEHICLE REPL - TRUCK# 3	\$ 30,000.00		30,000.00		-	28,685.00	\$ 1,315.00
SF19-461	VEHICLE REPL - TRUCK # 21	\$ 34,000.00		34,000.00		-	36,165.00	\$ (2,165.00)
SF19-462	VEHICLE REPL - TRUCK #12	\$ 31,000.00		31,000.00		-	26,108.00	\$ 4,892.00
SF19-463	VEHICLE REPL - TRUCK #45	\$ 31,000.00		31,000.00		-	26,108.00	\$ 4,892.00
SF19-464	VEHICLE REPL - TRUCK #51	\$ 45,000.00		45,000.00		-	40,766.00	\$ 4,234.00
SF19-465	VEHICLE REPL - TRUCK #6	\$ 42,000.00		42,000.00		-	40,350.00	\$ 1,650.00
SF19-466	VEHICLE ADD - SAFETY OFFICER	\$ 31,000.00		31,000.00		-	28,685.00	\$ 2,315.00
SF19-467	OFFICE FURNITURE/WORKSTATIONS	\$ 40,000.00		40,000.00	16,659.00	21,400.00	16,318.00	\$ 2,282.00
SF19-468	WELL SITE/BUILD STRUCTURE MAINT	\$ 60,000.00		60,000.00		-	3,840.00	\$ 56,160.00
SF19-469	HVAC/ROOF/BUILD REPAIRS	\$ 50,000.00		50,000.00		10,383.00	3,910.00	\$ 35,707.00
SF19-470	REMOVING ANTELOPE GARDEN	\$ 54,000.00		54,000.00		3,835.00	-	\$ 50,165.00
SF19-471	HARDWARE REFRESH PROGRAM	\$ 107,000.00		107,000.00		6,730.00	2,649.00	\$ 97,621.00
SF19-472	SOFTWARE ENHANCEMENTS/MODULES	\$ 55,000.00		55,000.00		-	-	\$ 55,000.00
SF19-473	BOARD LAPTOPS	\$ 5,000.00		5,000.00		-	-	\$ 5,000.00
SF19-474	BOARD ROOM MONITORS	\$ 35,000.00		35,000.00		1,021.00	-	\$ 33,979.00
SF19-475	REWIRE/MOVE SWITCH - WALNUT	\$ 30,000.00		30,000.00		15,299.00	-	\$ 14,701.00
SF19-476	PC/PHONES/LIC-NEW EMPLOYEES	\$ 9,000.00		9,000.00		-	-	\$ 9,000.00
SF19-477	PROJECT/PDF SOFTWARE-ENG DEPT	\$ 13,000.00		13,000.00		-	3,380.00	\$ 9,620.00
SF19-478	SERVER ROOMS - WALNUT/MARCONI	\$ 42,000.00		42,000.00		8,666.00	-	\$ 33,334.00
SF19-480	AMI REPLACEMENTS	-		-	40,694.00	319,958.00	12,901.00	\$ (332,859.00)
SF19-480	AMI SENSUS FLEXNET	-		-		-		\$ -
TOTAL		\$ 950,000.00	\$ -	\$ 950,000.00	\$ 57,353.00	\$ 387,292.00	\$ 313,176.00	\$ 249,532.00

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**Sacramento Suburban Water District
Capital Improvement Project Amended Budget
6/30/2019**

Project No.	Project Name	Original Budget	Amended Budget	Current Month Expenditures	Expenditures Year-To-Date	Committed Year-To-Date	Remaining Balance
SC19-009	WELL REHAB/PUMP ST IMPROVEMENT	\$ 790,000.00	\$790,000.00	\$ 171,950.00	\$ 213,244.00	\$418,199.00	\$ 158,557.00
SC19-010	SCADA RTU/COMMUN IMPROVEMENT	\$ 60,000.00	60,000.00	-	-	-	\$ 60,000.00
SC19-012	WELL REPLACEMENTS	\$ 2,800,000.00	2,800,000.00	41,844.00	675,419.00	1,045,619.00	\$ 1,078,962.00
SC19-013	ELECTRICAL IMPROV @WELL SITES	\$ 220,000.00	220,000.00		-	-	\$ 220,000.00
SC19-018	DISTRIBUTION MAIN REPLACEMENTS	\$ 9,300,000.00	9,300,000.00	1,259,003.00	3,850,367.80	5,157,567.00	\$ 292,065.20
SC19-019	DIST MAIN IMPRV/EXT/INTERTIES	\$ 1,400,000.00	1,400,000.00	21,853.00	47,003.00	16,323.00	\$ 1,336,674.00
SC19-020	MCCLELLAN LINE REPL	\$ 80,000.00	80,000.00	-	-	-	\$ 80,000.00
✓SC19-022	WTR RELATED STREET IMPRV	\$ 220,000.00	220,000.00	-	62,967.00	2,730.00	\$ 154,303.00
SC19-024	METER RETROFIT PROGRAM	\$ 2,500,000.00	2,500,000.00	277,615.00	1,042,620.00	1,378,064.00	\$ 79,316.00
SC19-034	RESERVIOR/TANK IMPROVMENT	\$ 685,000.00	685,000.00	3,286.00	3,286.00	33,794.00	\$ 647,920.00
SC19-035	CORROSION CONTROL-TRAN MAINS	\$ 50,000.00	50,000.00	-	-	-	\$ 50,000.00
SC19-038	LARGE WTR METER >3" REPL	\$ 100,000.00	100,000.00	-	8,200.00	35,526.00	\$ 56,274.00
SC19-046	TANK INSPECTION & REPAIRS	\$ 50,000.00	50,000.00	-	92,122.00	5,695.00	\$ (47,817.00)
SC19-048	RIGHT OF WAY/EASEMENT ACQUISIT	\$ 5,000.00	5,000.00	-	-	-	\$ 5,000.00
		\$ 18,260,000.00	\$ 18,260,000.00	\$ 1,775,551.00	\$ 5,995,228.80	\$ 8,093,517.00	\$ 4,171,254.20

**Sacramento Suburban Water District
Debt
6/30/2019**

Principal Current Month

	Series 2009A 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>\$ 15,385,000</u>	<u>\$ 17,295,000</u>	<u>\$ 74,680,000</u>

Principal Year-To-Date

	Series 2009A 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>\$ 15,385,000</u>	<u>\$ 17,295,000</u>	<u>\$ 74,680,000</u>

Interest Expense

	Current Month Actual	Year-To-Date Actual	Budget	Variance
Interest Expense	<u>\$ 213,654</u>	<u>\$ 1,149,586</u>	<u>\$ 1,425,000</u>	<u>\$ 275,414</u>

**Investments Outstanding and Activity
June 2019**



Managed Account Detail of Securities Held

For the Month Ending June 30, 2019

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	501.36	76,332.89	75,225.60
US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828Q78	175,000.00	AA+	Aaa	01/03/17	01/05/17	171,527.34	1.86	405.40	173,494.03	173,707.98
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	116.46	98,790.43	99,250.00
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	508.20	304,428.80	301,289.10
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	375,000.00	AA+	Aaa	04/03/17	04/05/17	377,900.39	1.82	2,506.79	376,456.78	376,992.00
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	900,000.00	AA+	Aaa	07/06/17	07/11/17	905,449.22	1.85	6,016.30	902,907.06	904,780.80
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	9,358.70	1,408,064.14	1,407,436.80
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	579.14	272,055.17	271,938.43
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	1,000.34	468,579.00	469,711.83
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	2,527.17	1,189,248.01	1,186,640.40
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	450,000.00	AA+	Aaa	12/04/17	12/06/17	445,324.22	2.12	1,421.54	446,944.70	451,810.35
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	1,579.48	495,777.73	502,011.50
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	3,001.02	928,082.99	953,821.85
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	3,316.92	1,026,719.89	1,054,224.15



Managed Account Detail of Securities Held

For the Month Ending June 30, 2019

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 08/15/2012 1.625% 08/15/2022	912828TJ9	1,150,000.00	AA+	Aaa	09/05/18	09/07/18	1,101,753.91	2.76	7,020.72	1,111,309.52	1,146,495.95
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	46.20	776,797.58	810,906.40
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	46.20	782,763.04	810,906.40
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	1,375,000.00	AA+	Aaa	01/30/19	01/31/19	1,353,193.36	2.55	79.40	1,355,427.07	1,393,745.38
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	1,800,000.00	AA+	Aaa	01/07/19	01/10/19	1,774,054.69	2.51	103.94	1,777,029.79	1,824,539.40
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	400,000.00	AA+	Aaa	04/01/19	04/05/19	389,109.38	2.32	550.55	389,711.79	398,422.00
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	700,000.00	AA+	Aaa	06/03/19	06/07/19	694,503.91	1.83	963.46	694,591.70	697,238.50
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	725,000.00	AA+	Aaa	05/01/19	05/03/19	707,554.69	2.25	997.87	708,222.20	722,139.88
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	950,000.00	AA+	Aaa	03/04/19	03/06/19	915,525.39	2.53	1,307.55	918,025.28	946,252.25
Security Type Sub-Total		16,925,000.00					16,637,986.34	2.28	43,954.71	16,681,759.59	16,979,486.95
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	899,119.61	895,475.70
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	702,900.68	701,736.00
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	224,698.36	227,928.15



Managed Account Detail of Securities Held

For the Month Ending June 30, 2019

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
Supra-National Agency Bond / Note											
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	9,052.08	748,775.91	763,861.50
Security Type Sub-Total		2,575,000.00					2,577,078.37	2.13	16,635.67	2,575,494.56	2,589,001.35
Federal Agency Collateralized Mortgage Obligation											
FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AODQ0	643.50	AA+	Aaa	10/07/15	10/30/15	649.94	1.08	0.88	643.50	642.31
FNMA SERIES 2015-M12 FA DTD 09/01/2015 2.914% 04/01/2020	3136AP3Z3	4,700.13	AA+	Aaa	09/10/15	09/30/15	4,698.44	0.54	46.99	4,700.13	4,692.67
FNA 2018-MS A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	184,842.54	AA+	Aaa	04/11/18	04/30/18	188,519.25	2.27	548.37	187,231.51	188,474.57
FHLMC SERIES K721 A2 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	201,144.16	205,234.74
FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	176,979.03	AA+	Aaa	12/07/18	12/17/18	176,978.49	3.11	472.39	176,978.50	179,959.11
Security Type Sub-Total		567,165.20					572,549.25	2.64	1,583.63	570,697.80	579,003.40
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	972,539.73	962,849.55
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	129,806.97	128,524.24
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	419,261.56	415,232.16
Security Type Sub-Total		1,525,000.00					1,516,925.30	1.28	7,647.31	1,521,608.26	1,506,605.95
Corporate Note											



Managed Account Detail of Securities Held

For the Month Ending June 30, 2019

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
Corporate Note											
CITIGROUP INC (CALLABLE) CORP NOTE DTD 01/10/2017 2.450% 01/10/2020	172967LF6	400,000.00	BBB+	A3	01/04/17	01/10/17	399,840.00	2.46	4,655.00	399,971.15	400,069.60
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	400,339.84	399,624.40
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	214,948.64	214,774.68
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	250,325.17	249,877.00
TOYOTA MOTOR CREDIT CORP DTD 04/17/2017 1.950% 04/17/2020	89236TDU6	275,000.00	AA-	Aa3	04/11/17	04/17/17	274,873.50	1.97	1,102.29	274,965.80	274,472.00
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	174,968.03	174,392.40
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	375,478.71	376,233.38
CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	14913Q2A6	275,000.00	A	A3	09/05/17	09/07/17	274,769.00	1.88	1,653.44	274,907.69	274,031.45
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	399,844.46	399,786.40
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	374,743.16	374,326.50
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	350,494.84	351,043.00
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	74,982.43	74,867.70
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	399,893.73	402,210.40



Managed Account Detail of Securities Held

For the Month Ending June 30, 2019

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
Corporate Note											
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	374,852.86	379,410.38
NATIONAL RURAL UTIL COOP NOTE 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	149,904.35	151,776.00
NATIONAL RURAL UTIL COOP NOTE 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	224,433.75	227,664.00
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	224,976.55	224,938.35
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	378,144.99	377,061.00
BANK OF AMERICA CORP NOTE DTD 04/19/2016 2.625% 04/19/2021	06051GFW4	35,000.00	A-	A2	11/01/17	11/03/17	35,271.60	2.39	183.75	35,144.08	35,218.16
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	350,602.96	350,655.90
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	224,798.46	225,066.60
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	199,949.33	198,938.20
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	149,934.29	152,568.90
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	109,817.94	109,713.34
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	249,995.08	254,841.00
BANK OF AMERICA CORP (CALLABLE) DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	240,000.00	A-	A2	09/13/17	09/18/17	240,000.00	2.33	1,396.80	240,000.00	239,709.60



Managed Account Detail of Securities Held

For the Month Ending June 30, 2019

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
Corporate Note											
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	374,850.39	384,667.13
PACCAR FINANCIAL CORP NOTE DTD 03/01/2019 2.850% 03/01/2022	69371RP75	150,000.00	A+	A1	02/22/19	03/01/19	149,868.00	2.88	1,425.00	149,882.15	152,786.40
BANK OF AMERICA CORP NOTES DTD 05/17/2018 3.499% 05/17/2022	06051GHH5	90,000.00	A-	A2	05/14/18	05/17/18	90,000.00	3.50	384.89	90,000.00	91,734.48
JPMORGAN CHASE & CO BONDS DTD 03/22/2019 3.207% 04/01/2023	46647PBB1	675,000.00	A-	A2	03/15/19	03/22/19	675,000.00	3.21	5,952.99	675,000.00	688,896.90
PNC BANK NA CORP NOTES DTD 01/23/2019 3.500% 01/23/2024	693475AV7	380,000.00	A-	A3	02/12/19	02/15/19	382,705.60	3.34	5,837.22	382,518.39	400,185.60
Security Type Sub-Total		8,545,000.00					8,560,916.35	2.51	58,687.83	8,550,669.22	8,611,540.85
Commercial Paper											
NATIXIS NY BRANCH COMM PAPER DTD 05/08/2019 0.000% 11/04/2019	63873KY43	400,000.00	A-1	P-1	05/08/19	05/09/19	394,908.44	2.59	0.00	396,416.00	396,724.80
MUFG BANK LTD/NY COMM PAPER DTD 04/18/2019 0.000% 01/13/2020	62479LAD7	800,000.00	A-1	P-1	04/18/19	04/18/19	784,280.00	2.67	0.00	788,588.45	790,098.40
MUFG BANK LTD/NY COMM PAPER DTD 05/06/2019 0.000% 01/31/2020	62479LAX3	375,000.00	A-1	P-1	05/07/19	05/07/19	367,714.58	2.65	0.00	369,204.17	369,984.00
Security Type Sub-Total		1,575,000.00					1,546,903.02	2.65	0.00	1,554,208.62	1,556,807.20
Certificate of Deposit											
CREDIT SUISSE NEW YORK CERT DEPOS DTD 02/08/2018 2.670% 02/07/2020	22549LFR1	375,000.00	A-1	P-1	02/07/18	02/08/18	375,000.00	2.67	13,989.69	375,000.00	376,023.38
UBS AG STAMFORD CT LT CD DTD 03/06/2018 2.900% 03/02/2020	90275DHG8	400,000.00	A-1	P-1	03/02/18	03/06/18	400,000.00	2.93	3,834.44	400,000.00	401,770.00
BANK OF NOVA SCOTIA HOUSTON CD DTD 06/07/2018 3.080% 06/05/2020	06417GU22	375,000.00	A-1	P-1	06/05/18	06/07/18	374,857.50	3.10	834.17	374,932.43	378,145.50



Managed Account Detail of Securities Held

For the Month Ending June 30, 2019

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
Certificate of Deposit											
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	624,126.88
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	19,710.66	670,000.00	674,659.18
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	2,719.53	379,929.85	385,861.12
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	697,936.40
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	662,845.95
MUFG BANK LTD/NY CERT DEPOS DTD 02/28/2019 2.980% 02/25/2022	55379WZU3	375,000.00	A	A1	02/27/19	02/28/19	375,000.00	3.01	3,818.13	375,000.00	384,280.73
Security Type Sub-Total		4,550,000.00					4,549,340.70	2.85	53,466.01	4,549,862.28	4,585,649.14
Asset-Backed Security											
JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	4,645.12	NR	Aaa	07/19/16	07/27/16	4,644.75	1.25	2.58	4,645.05	4,640.87
HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	4,017.91	AAA	Aaa	03/22/16	03/30/16	4,017.13	1.57	2.79	4,017.74	4,016.22
FORD ABS 2016-B A3 DTD 04/26/2016 1.330% 10/15/2020	34532EAD7	5,558.04	AAA	NR	04/19/16	04/26/16	5,557.52	1.33	3.29	5,557.94	5,553.16
HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	81,225.34	AAA	Aaa	09/14/16	09/21/16	81,214.41	1.30	46.57	81,221.65	80,950.30
ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	65,338.55	NR	Aaa	01/24/17	01/31/17	65,332.85	1.70	49.37	65,336.17	65,184.65
FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	259,641.01	NR	Aaa	01/18/17	01/25/17	259,640.05	1.67	192.71	259,640.66	258,859.08
ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	270,286.49	NR	Aaa	03/21/17	03/29/17	270,254.62	1.79	213.83	270,271.93	269,737.46



Managed Account Detail of Securities Held

For the Month Ending **June 30, 2019**

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											
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	324,996.39	329,284.25
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	324,958.00	331,176.59
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	399,978.59	403,763.04
CCCIT 2018-A1 A1 DTD 01/31/2018 2.490% 01/20/2023	17305EGK5	750,000.00	NR	Aaa	01/25/18	01/31/18	749,896.20	2.54	8,351.88	749,924.71	755,126.10
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	500.89	349,941.03	358,007.06
Security Type Sub-Total		2,840,712.46					2,840,409.68	2.65	10,781.24	2,840,489.86	2,866,298.78
Managed Account Sub-Total		39,102,877.66					38,802,109.01	2.40	192,756.40	38,844,790.19	39,274,393.62
Securities Sub-Total		\$39,102,877.66					\$38,802,109.01	2.40%	\$192,756.40	\$38,844,790.19	\$39,274,393.62
Accrued Interest											\$192,756.40
Total Investments											\$39,467,150.02

**Investment Activity
June 2019**



Managed Account Security Transactions & Interest

For the Month Ending June 30, 2019

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											
	06/03/19	06/07/19	US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	700,000.00	(694,503.91)	(217.55)	(694,721.46)			
Transaction Type Sub-Total					700,000.00	(694,503.91)	(217.55)	(694,721.46)			
INTEREST											
	06/01/19	06/25/19	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	185,509.90	0.00	551.10	551.10			
	06/01/19	06/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	178,004.72	0.00	475.12	475.12			
	06/01/19	06/25/19	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	200,000.00	0.00	515.00	515.00			
	06/01/19	06/25/19	FNMA SERIES 2015-M12 FA DTD 09/01/2015 2.914% 04/01/2020	3136AP3Z3	5,587.69	0.00	13.57	13.57			
	06/01/19	06/25/19	FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AOD00	10,733.17	0.00	14.72	14.72			
	06/03/19	06/03/19	MONEY MARKET FUND	MONEY0002	0.00	0.00	1,973.54	1,973.54			
	06/05/19	06/05/19	BANK OF NOVA SCOTIA HOUSTON CD DTD 06/07/2018 3.080% 06/05/2020	06417GU22	375,000.00	0.00	5,775.00	5,775.00			
	06/05/19	06/05/19	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			
	06/07/19	06/07/19	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			
	06/07/19	06/07/19	ROYAL BANK OF CANADA NY CD DTD 06/08/2018 3.240% 06/07/2021	78012UEE1	650,000.00	0.00	10,530.00	10,530.00			
	06/10/19	06/10/19	AMERICAN HONDA FINANCE CORP NOTES DTD 10/10/2018 3.375% 12/10/2021	02665WCP4	375,000.00	0.00	6,328.13	6,328.13			
	06/15/19	06/15/19	NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	350,000.00	0.00	939.17	939.17			
	06/15/19	06/15/19	TAOT 2018-B A3 DTD 05/16/2018 2.960% 09/15/2022	89238TAD5	325,000.00	0.00	801.67	801.67			
	06/15/19	06/15/19	FORD ABS 2016-B A3 DTD 04/26/2016 1.330% 10/15/2020	34532EAD7	9,339.87	0.00	10.35	10.35			



Managed Account Security Transactions & Interest

For the Month Ending June 30, 2019

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											
	06/15/19	06/15/19	HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	325,000.00	0.00	855.83	855.83			
	06/15/19	06/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	288,412.26	0.00	401.37	401.37			
	06/15/19	06/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	92,405.52	0.00	99.34	99.34			
	06/15/19	06/15/19	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	73,081.51	0.00	103.53	103.53			
	06/15/19	06/15/19	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	298,132.35	0.00	442.23	442.23			
	06/15/19	06/15/19	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	7,521.44	0.00	7.83	7.83			
	06/15/19	06/15/19	ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	3,962.56	0.00	4.76	4.76			
	06/15/19	06/15/19	HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	7,635.03	0.00	9.93	9.93			
	06/15/19	06/15/19	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			
	06/15/19	06/15/19	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			
	06/30/19	06/30/19	US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	800,000.00	0.00	8,500.00	8,500.00			
	06/30/19	06/30/19	US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	1,375,000.00	0.00	14,609.38	14,609.38			
	06/30/19	06/30/19	US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	800,000.00	0.00	8,500.00	8,500.00			
	06/30/19	06/30/19	US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	1,800,000.00	0.00	19,125.00	19,125.00			
Transaction Type Sub-Total					9,630,326.02	0.00	88,210.32	88,210.32			
MATURITY											
	06/07/19	06/07/19	CITIGROUP INC CORP NOTES DTD 06/09/2016 2.050% 06/07/2019	172967KS9	145,000.00	145,000.00	0.00	145,000.00	75.40	0.00	



Managed Account Security Transactions & Interest

For the Month Ending June 30, 2019

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
Transaction Type Sub-Total					145,000.00	145,000.00	0.00	145,000.00	75.40	0.00	
PAYDOWNS											
06/01/19	06/25/19		FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	667.36	667.36	0.00	667.36	(13.27)	0.00	
06/01/19	06/25/19		FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AOD00	10,089.67	10,089.67	0.00	10,089.67	(101.04)	0.00	
06/01/19	06/25/19		FNMA SERIES 2015-M12 FA DTD 09/01/2015 2.914% 04/01/2020	3136AP3Z3	887.56	887.56	0.00	887.56	0.32	0.00	
06/01/19	06/25/19		FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	1,025.69	1,025.69	0.00	1,025.69	0.00	0.00	
06/15/19	06/15/19		ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	3,962.56	3,962.56	0.00	3,962.56	0.39	0.00	
06/15/19	06/15/19		HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	11,180.18	11,180.18	0.00	11,180.18	1.51	0.00	
06/15/19	06/15/19		ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	7,742.96	7,742.96	0.00	7,742.96	0.68	0.00	
06/15/19	06/15/19		ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	27,845.86	27,845.86	0.00	27,845.86	3.28	0.00	
06/15/19	06/15/19		HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	3,617.12	3,617.12	0.00	3,617.12	0.70	0.00	
06/15/19	06/15/19		FORD ABS 2016-B A3 DTD 04/26/2016 1.330% 10/15/2020	34532EAD7	3,781.83	3,781.83	0.00	3,781.83	0.36	0.00	
06/15/19	06/15/19		FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	28,771.25	28,771.25	0.00	28,771.25	0.11	0.00	
06/15/19	06/15/19		JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	2,876.32	2,876.32	0.00	2,876.32	0.23	0.00	
Transaction Type Sub-Total					102,448.36	102,448.36	0.00	102,448.36	(106.73)	0.00	
Managed Account Sub-Total						(447,055.55)	87,992.77	(359,062.78)	(31.33)	0.00	
Total Security Transactions						(\$447,055.55)	\$87,992.77	(\$359,062.78)	(\$31.33)	\$0.00	

**Cash Expenditures
June 2019**

AP Warrant List from 6/1/2019 to 6/30/2019

Group	Vendor Name	Amount	Description
Benefit			
	ACWA JPIA INSURANCE/EAP - Invoices:1	\$ 148.05	Miscellaneous Employee Benefits
	AFLAC - Invoices:2	\$ 1,498.40	Supplemental Insurance
	AMERITAS (VISION) - Invoices:2	\$ 4,029.36	Employee Benefit - Vision Insurance
	BASIC PACIFIC - Invoices:2	\$ 677.62	Miscellaneous Employee Benefits
	CIGNA GROUP INS LIFE/LTD - Invoices:1	\$ 4,345.73	Employee Benefit - LTD Insurance
	CIGNA-DENTAL INS - Invoices:1	\$ 13,171.28	Employee Benefit - Dental Insurance
	COLLECTION PLUS - Invoices:2	\$ 154.50	Miscellaneous Employee Benefits
	EMPLOYEE RELATIONS NETWORK - Invoices:1	\$ 197.65	Miscellaneous Employee Benefits
	Payroll -2	\$ 427,935.35	Payroll
	PERS PENSION - Invoices:9	\$ 109,733.05	Employee Benefit - PERS Retirement--ER SHARE
	SUTTER MEDICAL FOUNDATION - Invoices:1	\$ 958.00	Miscellaneous Employee Benefits
Construction			
	CENTRAL VALLEY ENG & ASPHALT - Invoices:1	\$ 37,875.00	Construction In Progress
	CITY OF SACRAMENTO/ ENCROACHMENT -	\$ 1,122.00	Construction In Progress
	COUNTY OF SAC PUBLIC WORKS - Invoices:2	\$ 4,156.00	Construction In Progress
	DOUG VEERKAMP GENERAL ENGR - Invoices:2	\$ 593,447.19	Construction In Progress
	ERC CONTRACTING - Invoices:1	\$ 19,387.50	Construction In Progress
	FERGUSON WATERWORKS - Invoices:1	\$ 215.50	Construction In Progress
	FLOWLINE CONTRACTORS INC - Invoices:4	\$ 675,123.95	Construction In Progress
	FRANK OLSEN COMPANY - Invoices:1	\$ 20,730.50	Construction In Progress
	GEI CONSULTANTS - Invoices:1	\$ 134,075.00	Construction In Progress
	GEOCON CONSULTANTS INC - Invoices:3	\$ 4,770.00	Construction In Progress
	GM CONSTRUCTION & DEVELOPERS - Invoices:5	\$ 31,127.32	Construction In Progress
	LUHDORFF & SCALMANINI - Invoices:3	\$ 32,708.71	Construction In Progress
	NATIONAL METER AND AUTOMATION INC -	\$ 306,184.05	Construction In Progress
	PACE SUPPLY CORP - Invoices:12	\$ 166,388.06	Construction In Progress
	QUINCY ENGINEERING INC - Invoices:1	\$ 3,286.25	Construction In Progress
	R & B COMPANY - Invoices:1	\$ 48,862.63	Construction In Progress
	S E AHLSTROM INSPECTION - Invoices:1	\$ 14,850.00	Construction In Progress
	SILICON VALLEY SHELVING AND EQUIP -	\$ 14,404.43	Construction In Progress
	US BANK CORPORATE PAYMENT SYSTEM -	\$ 13,192.62	Construction In Progress
	VANS CARPETS - Invoices:1	\$ 1,624.00	Construction In Progress
	WOOD RODGERS ENGINEERING - Invoices:1	\$ 8,304.83	Construction In Progress
Bank Services			
	SUMITOMO MITSUI BANKING CORPORATION -	\$ 94,580.00	2009A COP Interest Expense
	WELLS FARGO SWAP - Invoices:1	\$ 94,472.06	2009A COP Interest Expense
Financial Services			
	BARTEL ASSOCIATES LLC - Invoices:1	\$ 1,250.00	Audit Services
	BARTKIEWICZ KRONICK & SHANAHAN - Invoices:2	\$ 27,488.89	Legal Services
	GRANICUS - Invoices:1	\$ 787.50	Financial Services
	MUFG UNION BANK NA - Invoices:1	\$ 1,695.00	Financial Services
	PFM ASSET MANAGEMENT LLC - Invoices:1	\$ 3,657.18	Financial Services
	WESTAMERICA BANK ANALYSIS FEES - Invoices:1	\$ 6,108.30	Financial Services
	WESTAMERICA CARD PROCESSING STMT -	\$ 8,985.08	Financial Services
Other			
	A1 FABRICATION & WELDING - Invoices:4	\$ 2,350.00	Operating Supplies
	ABA DABA RENTAL - Invoices:1	\$ 31.53	Operating Supplies
	ABEL RAMIREZ - Invoices:1	\$ 215.00	Uniforms

ADP, INC - Invoices:3	\$	1,705.12	Consulting Services
AIRGAS USA LLC - Invoices:1	\$	27.52	Operating Supplies
ALL PRO BACKFLOW - Invoices:1	\$	3,876.00	Backflow Services
ANATOLIY BISKUPETS - Invoices:1	\$	460.00	BMP Rebates
ANSWERNET - Invoices:1	\$	417.33	Communication
ARMANDO ORTIZ - Invoices:1	\$	107.00	BMP Rebates
ARMORCAST PRODUCTS COMPANY - Invoices:1	\$	10,216.76	Inventory Restock
AT&T - Invoices:6	\$	7,891.74	Communication
ATLAS DISPOSAL - Invoices:2	\$	380.70	Building Service Expense - Office & Yard
BADGER METER INC - Invoices:2	\$	824.50	Communication
BARBARA TAYNE - Invoices:1	\$	150.00	BMP Rebates
BAY ALARM COMPANY - Invoices:1	\$	116.55	Building Service Expense - Office & Yard
BILLY T BESS - Invoices:1	\$	124.00	BMP Rebates
BROADRIDGE MAIL LLC - Invoices:16	\$	42,028.78	Contract Services
BROWER MECHANICAL - Invoices:2	\$	694.00	Building Maintenance - Office & Yard
BRYCE CONSULTING INC - Invoices:1	\$	800.00	Consulting Services
BUCKLEY PRODUCTIONS INC - Invoices:1	\$	69.09	Publication
BURTON ROB /BURT'S LAWN & GARDEN SERVICE -	\$	18,560.00	Contract Services
CALIFORNIA LABORATORY SERVICES - Invoices:2	\$	6,526.00	Inspection & Testing
CALIFORNIA STATE DISBURSEMENT UNIT -	\$	628.38	Garnishment
CDWG - Invoices:2	\$	23,836.88	Licenses, Permits & Fees
CELL ENERGY INC - Invoices:1	\$	135.36	Vehicle Maintenance Services
CINTAS - Invoices:16	\$	6,429.39	Building Maintenance - Office & Yard
CITRUS HEIGHTS WATER DISTRICT - Invoices:1	\$	136.33	Public Relations
CITY OF SACRAMENTO DEPT OF UTILITIES -	\$	33.93	Utilities
CITYWORKS AZTECA SYSTEMS INC - Invoices:1	\$	43,135.00	Licenses, Permits & Fees
CLEAR VISION WINDOW CLEANING - Invoices:1	\$	225.00	Building Service Expense - Office & Yard
COLLEGE OAK TOWING - Invoices:1	\$	125.00	Vehicle Maintenance Services
COMCAST - Invoices:1	\$	40.33	Communication
CONSOLIDATED COMMUNICATIONS - Invoices:1	\$	408.36	Communication
CORIX WATER PRODUCTS US INC. - Invoices:2	\$	4,318.62	Inventory Restock
COUNTY OF SAC UTILITIES - Invoices:4	\$	885.60	Utilities
CRAIG LOCKE - Invoices:1	\$	1,794.21	Travel Conferences
CROWN DISTRIBUTING - Invoices:2	\$	712.25	Building Maintenance - Office & Yard
CULLIGAN - Invoices:1	\$	68.00	Building Maintenance - Office & Yard
Customer Refunds: 10	\$	17,415.88	Refund Clearing Account
DATABANK IMX - Invoices:1	\$	1,435.00	Consulting Services
DAVID MARVIN FOLEY - Invoices:1	\$	150.00	BMP Rebates
DAWNE LANGE - Invoices:1	\$	150.00	BMP Rebates
DESMOND L PARRINGTON - Invoices:1	\$	117.00	BMP Rebates
DIRECT TV - Invoices:1	\$	5.00	Communication
ELEVATOR TECHNOLOGY INC - Invoices:2	\$	200.00	Building Service Expense - Office & Yard
ELIZABETH J JETT - Invoices:1	\$	650.00	BMP Rebates
EMIGH ACE HARDWARE - Invoices:6	\$	147.59	Contract Services
EUGENE A HAYES - Invoices:1	\$	150.00	BMP Rebates
EUROFINS EATON ANALYTICAL - Invoices:4	\$	25,956.00	Inspection & Testing
FASTENAL COMPANY - Invoices:3	\$	1,197.84	Operating Supplies
FIELDMAN ROLAPP & ASSOCIATES - Invoices:1	\$	835.00	Consulting Services
GEORGE LAMB - Invoices:1	\$	75.00	BMP Rebates
GRAINGER - Invoices:8	\$	1,200.35	Operating Supplies
GRAYBAR ELECTRIC CO - Invoices:1	\$	146.09	Operating Supplies

GREG BUNDESEN - Invoices:3	\$	168.12	Local Travel Cost
H2H PROPERTIES - Invoices:1	\$	1,270.00	H&D WALNUT PARKING LOT LEASE
HARRINGTON PLASTICS - Invoices:3	\$	10,297.78	Operating Supplies
HARROLD FORD - Invoices:14	\$	7,620.24	Vehicle Maintenance Services
HEATHER HERNANDEZ-FORT - Invoices:1	\$	95.60	Employee Retention/Morale
HERBURGER PUBLICATIONS INC - Invoices:2	\$	625.00	Public Relations
ICONIX WATERWORKS (US) INC - Invoices:3	\$	6,154.17	Operating Supplies
IN COMMUNICATIONS - Invoices:1	\$	6,784.36	Public Relations
INTEGRA CHEMICAL CO - Invoices:1	\$	6,784.56	Operating Supplies
IRON MOUNTAIN OFF SITE DATA PROTECTION -	\$	909.47	Equipment Maintenance Services
J&J LOCKSMITH - Invoices:1	\$	21.55	Operating Supplies
JACOB FISHER - Invoices:1	\$	150.00	BMP Rebates
JASON STROBEL - Invoices:1	\$	100.00	BMP Rebates
JEFFREY RILEY - Invoices:1	\$	150.00	BMP Rebates
KATHY MAYER - Invoices:1	\$	150.00	BMP Rebates
LAKE VUE ELECTRIC INC - Invoices:1	\$	628.00	Building Maintenance - Office & Yard
LANA SULLIVAN - Invoices:1	\$	76.00	BMP Rebates
LES SCHWAB TIRE CENTER/MADISON - Invoices:3	\$	4,517.81	Vehicle Maintenance Services
LIFEGUARD FIRST AID - Invoices:2	\$	200.36	Building Service Expense - Office & Yard
LOEWEN PUMP MAINTENANCE - Invoices:4	\$	23,275.00	Contract Services
MAITA TOYOTA - Invoices:1	\$	320.00	Vehicle Maintenance Services
MARIA C TRAPPE - Invoices:1	\$	75.00	BMP Rebates
MARK TAYLOR - Invoices:1	\$	55.00	Certification Reimbursement
MICHAEL PHILLIPS LANDSCAPE CORP - Invoices:9	\$	5,110.00	Building Service Expense - Office & Yard
NORMAC - Invoices:1	\$	22.06	Operating Supplies
OFFICE DEPOT INC - Invoices:4	\$	778.76	Office Supplies
ONE STOP TRUCK SHOP - Invoices:2	\$	826.48	Vehicle Maintenance Services
PEOPLEREADY - Invoices:10	\$	10,585.06	Temporary Help
PEST PROS - Invoices:1	\$	85.00	Building Service Expense - Office & Yard
PHOEBE SCHUELER - Invoices:1	\$	225.00	BMP Rebates
PITNEY BOWES LEASES - Invoices:1	\$	564.02	Equipment Rental/Lease
POLLARD WATER - Invoices:2	\$	316.84	Operating Supplies
PREMIER TRAINING NETWORK - Invoices:1	\$	3,300.00	Required uTraining
PROTECTION ONE - Invoices:1	\$	27.19	Building Maintenance - Office & Yard
PUMP EFFICIENCY TESTING SERVICES - Invoices:2	\$	17,500.00	Contract Services
RACHEL MIDDLESTEAD - Invoices:1	\$	416.34	Education Assistance
RAFTELIS - Invoices:3	\$	18,636.60	Consulting Services
RAWLES ENGINEERING - Invoices:3	\$	7,920.00	Construction Services
RAY MORGAN CO - Invoices:2	\$	658.05	Equipment Maintenance Services
REGIONALSAN - Invoices:1	\$	28,084.37	Annual Lease
RESOURCE TELECOM LLC - Invoices:1	\$	652.50	Equipment Maintenance Services
RODERIC S DOW - Invoices:1	\$	150.00	BMP Rebates
RODOLFO PULIDO - Invoices:1	\$	468.00	BMP Rebates
RUE EQUIPMENT INC - Invoices:13	\$	3,837.46	Equipment Maintenance Services
SARAH DAINS - Invoices:1	\$	117.05	Uniforms
SECUREWORKS - Invoices:1	\$	22,614.72	Licenses, Permits & Fees
SHRED-IT - Invoices:2	\$	633.83	Contract Services
SIGNS IN 1 DAY - Invoices:1	\$	102.37	Building Maintenance - Office & Yard
SONITROL - Invoices:3	\$	12,170.02	Building Service Expense - Office & Yard
STATE OF CA DEPT OF INDUSTRIAL RELATIONS -	\$	225.00	Licenses, Permits & Fees
TEE JANITORIAL & MAINTENANCE - Invoices:3	\$	9,670.50	Building Service Expense - Office & Yard

TERENCE MINTON - Invoices:1	\$	150.00	BMP Rebates
THOR ALLEN BENZING - Invoices:1	\$	150.00	BMP Rebates
TINA LYNN DESIGN - Invoices:5	\$	887.50	Contract Services
TRUE POINT SOLUTIONS LLC - Invoices:1	\$	1,980.00	Required uTraining
TULLY & YOUNG - Invoices:1	\$	3,600.00	Consulting Services
USA REPLACEMENT AUTO GLASS CO - Invoices:1	\$	213.14	Vehicle Maintenance Services
VALLEY BATTERY - Invoices:1	\$	432.98	Operating Supplies
VALLEY REDWOOD & YARD SUPPLY - Invoices:1	\$	94.82	Operating Supplies
VERIZON WIRELESS/DALLAS TX - Invoices:2	\$	5,558.52	Communication
VICKI SPRAGUE - Invoices:1	\$	21.44	Operating Supplies
VOYAGER FLEET SYSTEMS - Invoices:1	\$	9,827.34	Operating Supplies
WASTE MANAGEMENT - Invoices:3	\$	460.85	Building Service Expense - Office & Yard
WATERWISE CONSULTING, INC. - Invoices:1	\$	2,800.00	Consulting Services
WOLF CONSULTING - Invoices:1	\$	1,500.00	Licenses, Permits & Fees
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CITY OF SACRAMENTO WATER - Invoices:1	\$	455.17	Purchased Water-City of Sacramento
PG&E - Invoices:4	\$	2,723.48	Utilities
PLACER COUNTY WATER AGENCY - Invoices:1	\$	122,010.00	Water
SIERRA CHEMICAL COMPANY - Invoices:6	\$	28,205.00	HFA, Chemical & Delivery
SMUD - Invoices:4	\$	117,001.91	Electrical Charges
	\$	<u>3,678,220.94</u>	

**Credit Card Expenditures
June 2019**

Sacramento Suburban Water District
 US Bank Purchasing Card Program
 CalCard Expenditures
 June 2019

Vendor Name	Description	Amount	Proj/GLAcct
AKA WHITE HOUSE HOTEL	DAN YORK HOTEL REIMBURSEMENT	\$ (1,166.74)	02-55001
ACWA	ACWA REG FOR DAVE JONES - REIMBURSEMENT	\$ (650.00)	01-55001
CSDA	DAVE JONES CSDA REGISTRATION	\$ 625.00	01-55001
BATH AND BODY WORKS	OFFICE SUPPLIES - SOAP ON SALE	\$ 28.02	03-52108
PORTOLA HOTEL	DAN YORK ACWA HOTEL	\$ 1,437.26	02-55001
US POST OFFICE	MAILINGS FOR FINANCE	\$ 72.34	04-53003
COSTCO	OFFICE SUPPLIES - SALT AND PEPPER	\$ 9.68	03-52108
RALEY'S	ALL HANDS - COMMUNICATIONS MEETING REFRESHMENTS	\$ 18.17	02-51403
NOAH'S BAGELS	ALL HANDS - COMMUNICATIONS MEETING REFRESHMENTS	\$ 93.00	02-51403
CSDA	2019 GENERAL MANAGER'S LEADERSHIP SUMMIT- MIKE HUOT	\$ 625.00	02-55001
SOUTHWEST AIRLINES	MIKE HUOT'S FLIGHT TO ORANGE COUNTY FOR 2019 GENERAL MANAGER'S LEADERSHIP SUMMIT	\$ 193.95	02-55001
AMAZON MARKETPLACE	WIRELESS THERMOMETER FOR TEMPERATURE AND HUMIDITY FOR SERVER ROOM	\$ 82.99	18-52101
DIGICERT INC	2 YEAR RENEWAL OF SSL CERTIFICATES FOR CITYWORKS	\$ 376.00	18-54509
DIGICERT INC	2 YEAR RENEWAL OF SSL CERTIFICATES FOR TRUECIP, GREAT PLAINS, EXCHANGE	\$ 937.00	18-54509
AMAZON MARKETPLACE	HDMI TO S VIDEO CONVERTER FOR BOARD ROOM	\$ 31.99	18-52101
LOGMEIN	YEARLY MAINTENANCE RENEWAL FOR LOGMEIN INGNITION	\$ 349.99	18-54509
AMAZON MARKETPLACE	HDMI SPLITTER FOR BOARDROOM	\$ 10.99	18-52101
AMAZON MARKETPLACE	REFUND FOR INCORRECT CONVERTER	\$ (24.96)	18-52101
AMAZON MARKETPLACE	SVIDEO TO HDMI CONVERTER FOR BOARDROOM	\$ 29.99	18-52101
HOME DEPOT	WAREHOUSE SUPPLIES	\$ 17.21	05-52101
HOME DEPOT	"SPRINKER SPRUCE UP" EVENT SUPPLIES	\$ 233.12	13-53001
CAPITOL SAND & GRAVEL	MULCH MADNESS	\$ 4,104.00	13-53001
HOME DEPOT	DEEP SOCKET	\$ 3.97	08-52101
HOME DEPOT	CONTRACTORS MEASURING WHEEL	\$ 64.08	07-52101
GIBSON RANCH PARK	REFUND- CANCELLATION COMPANY PICNIC	\$ (175.00)	02-51403
HOME DEPOT	WAREHOUSE SUPPLIES	\$ 238.88	05-52101
GEOTECH	PRODUCTION SUPPLIES- (ENVIROMENTAL COMPLIANCE)	\$ 53.45	06-52101
FRED PRYOR	TRAINING- SALES & USE TAX, SARAH DAINS	\$ 119.00	03-51407
PAYPAL	REFUND- PUBLIC SECTOR EXCELLENCE, MIKE JENNER	\$ (155.00)	06-51407
CLA-VAL	TRAINING-PUMP CONTROL VALVES, AARON KING & SHAWN SHEDENHELM	\$ 400.00	06-51406
SOUTHWEST AIRLINES	AIRFARE REFUND- AARON KING	\$ (539.96)	06-51406
SOUTHWEST AIRLINES	AIRFARE REFUND- SHAWN SHEDENHELM	\$ (539.96)	06-51406
SOUTHWEST AIRLINES	AIRFARE- AARON KING	\$ 539.96	06-51406
SOUTHWEST AIRLINES	AIRFARE-SHAWN SHEDENHELM	\$ 539.96	06-51406
THE HOME DEPOT	FLOORING FOR MARCONI KITCHEN	\$ 1,428.04	12-54008
THE HOME DEPOT	JIGSAW BLADE, JIG SAW, CUT IN BOX, DREMEL FLUSH CUT BLADE	\$ 113.17	12-52101
SAUBER MFG. CO.	OEM HITCH EXTENSION FOR NEW TRAILER	\$ 779.09	12-54003

THE HOME DEPOT	"O" RINGS FOR SNAP COUPLERS	\$	10.69	12-54004
PERFORMANCE MOBILE DETAILING	INT. DETAIL/EXT. WASH #16 - INT. DETAIL/EXT. POLISH REMOVE BONDED MAGNET	\$	520.00	12-54005
THE HOME DEPOT	TRANSITION STRIP AND SUPPLIES TO INSTALL AT MARCONI (KITCHEN)	\$	48.89	12-54008
CAPITAL AIR TOOL, LLC	SERVICE REPAIR - WHCKER #68 AND #69	\$	798.31	12-54003
PEP BOYS	DEF FOR DIESEL VEHICLES	\$	80.81	12-54006
THE HOME DEPOT	SAW BLADE TO CUT CORNER FOR HR'S WORKSTATION & SAMPLE WALL BASE	\$	27.06	12-52101
PERFORMANCE MOBILE DETAILING	#45 EXTERIOR DETAIL TO BUFF OUT SCRATCH/#58 FULL DETAIL	\$	485.00	12-54005
CAPITAL AIR TOOL, LLC	AIR HOSE REPAIR - VEHICLE #66	\$	82.60	12-54005
VARIDESK	THREE (3) DUAL-MONITOR ARM - TO COMPLY WITH ERGONOMIC SURVEY	\$	630.33	SF19-467
AWARD INTERIORS	PAD DRIVER'S SIDE SEAT VEHICLE #46	\$	200.00	12-54005
COUNTY OF SACRAMENTO	PARKING - PERMIT DEPARTMENT	\$	5.25	12-52101
		Totals: \$	13,192.62	

**Directors Compensation and Expense Accounting –
Through June 2019**

Sacramento Suburban Water District
Board of Directors Meetings Attended (1)
Pay Rate per Diem is \$100.00
2nd Quarter 2019

Director Thomas:

04/03/2019 Meeting with Dan York
04/08/2019 McClellan Forum
04/11/2019 SGA Meeting
04/13/2019 Creek Week Community Outreach
04/15/2019 SSWD Regular Board Meeting
04/22/2019 Meeting with Dan York
05/20/2019 SSWD Regular Board Meeting
05/22/2019 Brown Bag Seminar, Chesapeake Bat
05/31/2019 Meeting with Dan York
06/07/2019 Meeting with Dan York
06/13/2019 SGA Meeting
06/14/2019 Meeting with Dan York
06/17/2019 SSWD Regular Board Meeting

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Director Jones:

04/08/2019 Meeting with Dan York - Agenda
04/11/2019 SGA Meeting
04/13/2019 Creek Week Community Outreach
04/15/2019 SSWD Regular Board Meeting
04/24/2019 Future of Calif. Water Meeting
05/16/2019 SAWWA Drought Preparedness
06/03/2019 Meeting with Dan York – DPM
06/04/2019 Del Paso Manor (DPM) Board Meeting
06/14/2019 Fulton El Camino Presentation
06/17/2019 SSWD Regular Board Meeting
06/20/2019 2 X 2 Meeting

Director McPherson:

04/01/2019 SSWD Finance and Audit Committee Meeting
04/04/2019 Meeting with GM re Ad hoc Committee
04/15/2019 SSWD Regular Board Meeting
04/19/2019 Kaiser Earth Day Community Outreach

Director Locke:

04/08/2019 McClellan Forum
04/25/2019 Meet with Dan York - Subcommittees
05/06/2019 ACWA/JPIA Town Hall Meeting
05/07/2019 ACWA Conference
05/08/2019 ACWA Conference
05/09/2019 ACWA Conference
05/21/2019 Audio of F&A and March Board Meeting
05/31/2019 DPM Emergency Meeting
06/03/2019 Meeting with Rob Roscoe – DPM Future
06/05/2019 Collaboration Meeting with San Juan Water District
06/17/2019 SSWD Regular Board Meeting

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 2019
Current Quarter**

Event/Purpose	Jones	Locke	McPherson	Thomas	Wichert	Total
Local Meeting Mileage						-
Reimbursed by District	30.00	519.79		77.20		626.99
Local Meeting Expenses						-
Reimbursed by District						-
Paid Directly by District						-
Conferences						-
Reimbursed by District	39.00	1,794.21	47.56			1,880.77
Paid Directly by District	200.00		545.00			745.00
Total	269.00	2,314.00	592.56	77.20	-	1,371.99

**Directors Expense Report
2019 Year to Date**

Event/Purpose	Jones	Locke	McPherson	Thomas	Wichert	Total
Local Meeting Mileage						-
Reimbursed by District		48.15		77.20		125.35
Local Meeting Expenses						-
Reimbursed by District						-
Paid Directly by District						-
Conferences						-
Reimbursed by District	39.00					39.00
Paid Directly by District	2,160.00	725.00	1,270.00			4,155.00
Total	2,199.00	773.15	1,270.00	77.20	-	4,319.35

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

**District Reserve Balances
June 30, 2019**

**Sacramento Suburban Water District
Reserve Fund Balance**

	<u>June 30, 2019</u>	<u>December 31, 2018</u>
Debt Service Reserve	\$ -	\$ -
Facilities Reimbursement	-	-
Emergency/Contingency	11,542,750	11,255,000
Operating	7,665,250	7,390,000
Rate Stabilization	6,652,000	6,244,500
Interest Rate Risk	-	-
Grant	137,500	-
Capital Asset	20,715,299	20,160,655
TOTAL	<u><u>\$ 46,712,799</u></u>	<u><u>\$ 45,050,155</u></u>

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

	<u>June 30, 2019</u>	<u>December 31, 2018</u>
Cash and Cash Equivalents	\$ 8,780,446	\$ 7,585,118
Water Transfer Fund Receivable ¹	-	872,280
Investments	37,717,586	36,369,025
Interest Receivable	214,708	215,917
Restricted Cash	59	7,814
TOTAL	<u><u>\$ 46,712,799</u></u>	<u><u>\$ 45,050,155</u></u>

Information Required by Bond Agreement

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

As Of

	<i>Actual Year-To-Date 6/30/2019</i>	<i>Budget Year-To-Date 6/30/2019</i>
REVENUES		
Water sales charges	\$8,432,493.54	\$8,824,273.00
Capital facilities charge	11,900,223.01	11,955,000.00
Facility development charges	91,615.00	150,000.00
Interest and investment income	426,037.86	466,002.00
Rental & other income	253,681.46	199,998.00
TOTAL REVENUES	21,104,050.87	21,595,273.00
EXPENSES		
Source of supply	1,379,339.99	1,619,857.00
Pumping	1,769,717.99	2,406,413.50
Transmission and distribution	2,332,812.31	2,249,765.58
Water conservation	201,255.09	235,375.14
Customer accounts	629,831.78	699,058.94
Administrative and general	3,387,229.72	4,360,837.13
TOTAL EXPENSES	9,700,186.88	11,571,307.29
NET REVENUE	11,403,863.99	10,023,965.71

Sacramento Suburban Water District
 6 - Months Debt Service Schedule
 6/30/2019

Month	Total SSWD Debt Service				Debt Service
	Principal	Interest Adjustable/Fixed/Swap	Facility Fee	Remarketing	
Jul-19	-	96,199.64	-	-	96,199.64
Aug-19	-	96,199.64	-	-	96,199.64
Sept-19	-	96,199.64	50,400.00	13,125.00	159,724.64
Oct-19	4,625,000.00	712,924.64	-	-	5,337,924.64
Nov-19	-	96,199.64	-	-	96,199.64
Dec-19	-	96,199.64	50,400.00	13,125.00	159,724.64

Month	Series 2012A Fixed Rate Bonds (\$23,440,000.00)				Debt Service
	Principal	Interest - Fixed 4.25%			
Jul-19	\$ -	\$ -	\$ -	\$ -	\$ -
Aug-19	-	-	-	-	-
Sept-19	-	-	-	-	-
Oct-19	2,160,000.00	339,013.00	-	-	2,499,013.00
Nov-19	-	-	-	-	-
Dec-19	-	-	-	-	-

Month	Series 2009A Adjustable Rate COPs (\$42,000,000.00)				Debt Service
	Principal	Interest, Adjustable 1.43%	Facility Fee 0.480%	Remarketing 0.125%	
Jul-19	\$ -	\$ 50,050.00	-	-	\$ 50,050.00
Aug-19	-	50,050.00	-	-	50,050.00
Sept-19	-	50,050.00	50,400.00	13,125.00	113,575.00
Oct-19	-	50,050.00	-	-	50,050.00
Nov-19	-	50,050.00	-	-	50,050.00
Dec-19	-	50,050.00	50,400.00	13,125.00	113,575.00

Month	Series 2018A Fixed Rate COPs (\$27,915,000)				Debt Service
	Principal	Interest - Fixed 3.45%			
Jul-19	\$ -	\$ -	\$ -	\$ -	\$ -
Aug-19	-	-	-	-	-
Sept-19	-	-	-	-	-
Oct-19	2,465,000.00	277,712.00	-	-	2,742,712.00
Nov-19	-	-	-	-	-
Dec-19	-	-	-	-	-

Month	2012 SWAP Interest, Net (\$33,000,000.00)				Debt Service
	Principal	Interest, Swap Net (3.283-1.43995- .18)%			
Jul-19	-	\$ 46,149.64	-	-	46,149.64
Aug-19	-	\$ 46,149.64	-	-	46,149.64
Sept-19	-	\$ 46,149.64	-	-	46,149.64
Oct-19	-	\$ 46,149.64	-	-	46,149.64
Nov-19	-	\$ 46,149.64	-	-	46,149.64
Dec-19	-	\$ 46,149.64	-	-	46,149.64

Financial Markets Report June 30, 2019

Summary of District's Debt Portfolio:

Debt	Original Par	Outstanding	Issuance	Credit Enhancement	Final Maturity
2009A	\$ 42,000,000	\$ 42,000,000	Adjustable Rate Revenue COP's	Sumitomo Bank*	11/1/2034
2012A	\$ 29,200,000	\$ 15,385,000	Fixed Rate Revenue Bond		11/1/2027
2018A	\$ 19,615,000	\$ 17,295,000	Fixed Rate Revenue Bond		11/1/2028
	<u>\$ 90,105,000</u>	<u>\$ 74,680,000</u>			

* Credit enhancement expires 6/30/2023

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

Debt	Outstanding	Credit Enhancement	Bank Owned	Sold in Market	Market Rate
2009A	\$42,000,000	Sumitomo Bank LOC	None	\$42,000,000	2.035%
Swap	Notional Amount \$33,300,000	Counterparty Wells Fargo Bank, N.A.	FMV (\$6,807,082)	Receive Rate 1.620%	Fixed Rate 3.283%

Current Status of District's Investment Portfolio (June 30, 2019):

Fair Market Value	Security Type	Yield
\$ 601,253.22	Money Market	2.06%
3,264,988.85	LAIF	2.45%
1,556,807.20	commercial paper	2.65%
2,866,298.78	Asset-Backed Securities/CMOs	2.65%
4,585,649.14	Certificates of Deposit	2.85%
8,611,540.85	Corporate Notes	2.51%
1,506,605.95	Federal Agency Securities Bonds/Notes	1.28%
579,003.40	Federal Agency Collateralized Mortgage Obligation	2.64%
2,589,001.35	Supra-National Agency Bond	2.13%
16,979,486.95	Treasury Bonds/Notes	2.28%
\$ 43,140,635.69		2.40%

Market:

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

Current Bond Markets

- U.S. Treasury yields declined across the curve with the yield on longer maturities falling more than 30 basis points (bps) (0.30%) in May. Long maturity yields are now down more than 100 bps from their highs of last November
- The yield curve reached its greatest level of inversion since 2007 as the spread between the 10-year and 3-month Treasuries reached -25 bps (-0.25%). The shorter-term Treasury Bill curve is also now inverted, reinforcing the market's expectation for a lower Fed rate policy in the near term.
- As a result of falling yields, bond returns were very strong in May, with Treasury benchmarks generating some of their best monthly performance over the last five years. The increasing inversion also meant that longer duration indexes outperformed shorter ones.

PFM Outlook

- Our asset allocation and duration recommendations are largely unchanged from April. We continue to construct and balance portfolios seeking to achieve superior income and reduce risk when compared with benchmarks.
- We believe neutral durations are appropriate due to the uncertainty with regard to the timing and magnitude of Fed actions to affect interest rates. While it may be obvious that the Fed will cut rates if the economy indeed weakened, the key questions of "when?" and "how much?" remain unanswered.
- The prospect of a weaker economy has pushed corporate bond spreads wider, and dragged performance vs. Treasuries, but the equity market strength and the modest widening do not signal an exit sign to us. We are maintaining a modest over-weight to credit, but we have a bias to higher quality issuers as a counterweight to the slowing. Our emphasis will be on the debt of companies with strong balance sheets and lesser exposure to potential fall-out from tariffs and trade disputes.
- In an oft-repeated theme, spreads of federal agency securities and supra-nationals remained tight during the month amid little new issuance. The sectors offered only modest incremental income, but just enough to eke out positive excess returns.
- Rising volatility and the sharp rally in Treasuries had a negative impact on the returns of MBS. Recent underperformance, however, may provide an attractive entry point to increase allocations to MBS in portfolios. Our preference is for issues with less prepayment volatility risk, such as more seasoned issues and commercial MBS (CMBS).

- In the money market space much of the juice has evaporated from the high quality credit sector, but issue-specific opportunities remain.

(Source: PFMAM June 2019 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.

Financial Markets Report June 30, 2019

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
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	<u>\$ 90,105,000</u>	<u>\$ 74,680,000</u>			

* Credit enhancement expires 6/30/2023

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

Debt	Outstanding	Credit Enhancement	Bank Owned	Sold in Market	Market Rate
2009A	\$42,000,000	Sumitomo Bank LOC	None	\$42,000,000	2.035%
	Notional Amount	Counterparty	FMV	Receive Rate	Fixed Rate
Swap	\$33,300,000	Wells Fargo Bank, N.A.	(\$6,807,082)	1.620%	3.283%

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\$ 601,253.22	Money Market	2.06%
3,264,988.85	LAIF	2.45%
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16,979,486.95	Treasury Bonds/Notes	2.28%
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- The yield curve reached its greatest level of inversion since 2007 as the spread between the 10-year and 3-month Treasuries reached -25 bps (-0.25%). The shorter-term Treasury Bill curve is also now inverted, reinforcing the market's expectation for a lower Fed rate policy in the near term.
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PFM Outlook

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- We believe neutral durations are appropriate due to the uncertainty with regard to the timing and magnitude of Fed actions to affect interest rates. While it may be obvious that the Fed will cut rates if the economy indeed weakened, the key questions of "when?" and "how much?" remain unanswered.
- The prospect of a weaker economy has pushed corporate bond spreads wider, and dragged performance vs. Treasuries, but the equity market strength and the modest widening do not signal an exit sign to us. We are maintaining a modest over-weight to credit, but we have a bias to higher quality issuers as a counterweight to the slowing. Our emphasis will be on the debt of companies with strong balance sheets and lesser exposure to potential fall-out from tariffs and trade disputes.
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- Rising volatility and the sharp rally in Treasuries had a negative impact on the returns of MBS. Recent underperformance, however, may provide an attractive entry point to increase allocations to MBS in portfolios. Our preference is for issues with less prepayment volatility risk, such as more seasoned issues and commercial MBS (CMBS).

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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: 16

Date: July 5, 2019

Subject: District Activity Report

Staff Contact: Matt Underwood, Operations Manager

This report describes significant District Activities and milestones over the past month. Included in this report are (1) the Monthly Water Production, (2) the Water Operations Activity Report, (3) District Claims Update Report, (4) Water Quality Report, (5) Customers Service Monthly Activity, and (6) Community Outreach.

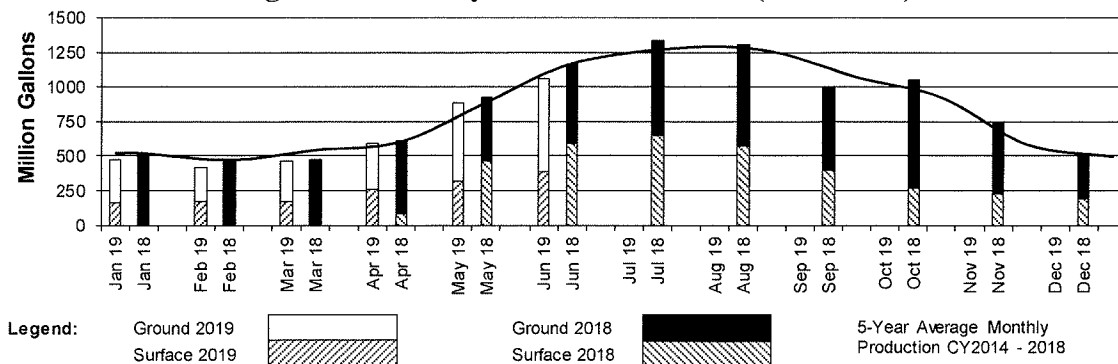
1. Monthly Water Production - Surface Water and Groundwater

Figure 1 shows tabulated data for 2019 and Figure 2 shows total water production graphically for 2018 and 2019.

Figure 1. Monthly Water Production – 2019

Month	North Service Area *			South Service Area **			Total North & South Service Areas (MG)	Average MG/Day
	Surface (MG)***	Ground (MG)	Sub Total (MG)	Surface (MG)	Ground (MG)	Sub Total (MG)		
Jan	158.366	118.459	276.825	0.000	200.316	200.316	477.141	15.392
Feb	175.760	69.922	245.682	0.000	166.040	166.040	411.722	14.704
Mar	170.371	108.115	278.486	0.000	183.788	183.788	462.274	14.912
Apr	255.292	79.591	334.883	0.000	253.755	253.755	588.638	19.621
May	317.319	174.190	491.509	0.000	388.650	388.650	880.159	28.392
Jun	385.637	209.202	594.839	0.000	465.198	465.198	1,060.037	34.195
July								
Aug								
Sep								
Oct								
Nov								
Dec								
MG	1,462.745	759.479	2,222.224	0.000	1,657.747	1,657.747	3,879.971	21.436
AF	4,489.000	2,330.755	6,819.755	0.000	5,087.439	5,087.439	11,907.194	65.786

Figure 2. Monthly Water Production (2018-2019)



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

** South Service Area (Town and Country and Arden-Arcade)

***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.

2. Water Operations Activity Report

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

<u>June</u>	<u>Monthly Avg</u>	<u>Total</u>	<u>Total # in</u>	<u>Goal</u>	<u>% of Goal Completed in</u>
<u>2019</u>	<u>CY 2019</u>	<u>CY 2019</u>	<u>System</u>	<u>CY 2019</u>	<u>CY 2019</u>

Production Department

Service Orders

Water Quality

Complaints	0	1	3		
Taste & Odor Complaints	0	0	0		

Distribution Department

Service Orders

Main Leaks	3	4	24		
Service Line Leaks	6	5	29		
Water Main Shutdown					
– Emergency	1	3	18		
– Scheduled	1	1	6		

Preventive Maintenance Program

Fire Hydrants Inspected	73	71	424	6,200	1,240	34.2%
Fire Hydrant Valves Inspected	72	66	394	5,450	1,090	36.1%
Fire Hydrant Valves Exercised	68	61	364	5,450	1,090	33.4%
Mainline Valves Inspected	172	183	1097	12,435	2,487	44.1%
Mainline Valves Exercised	137	140	837	12,435	2,487	33.7%
Blow Off Valves Inspected	1	1	8	1,045	209	3.8%
ARV/CARV Inspected	1	0	1	280	56	1.8%

Field Services Department

Meters

PM - Meters Tested (3 - 10 inch)	16	18	106	455	120	88.3%
PM - Meters Replaced (⁶ / ₈ - 1 inch)	0	2	13	39,050	1,000	1.3%
PM - Meter Re-Builds (1 ¹ / ₂ - 2 inch)	38	37	223	2,453	245	91.0%
Customer Pressure Inquiries	16	11	63			

Field Operations Department

After Hours Activity (On-Call Technician)

Calls Received Distribution	64	40	237		
Calls Responded Distribution	47	31	184		
Calls Received Production	23	14	81		
Calls Responded Production	6	5	32		

District Claims Update Report

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.

The District’s Claims Processing Policy requires claims in excess of \$10,000 be brought to the Board for approval or rejection. 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.

Claims Status: No claims under investigation and no claims approved by the General Manager in June 2019.

3. Water Quality Report

Nothing new to report for the month of June 2019.

4. Customer Service Monthly Activity Report

Customer Service Activity Report for the month of June 2019.

Total Calls	Calls Abandoned	% of Calls Abandoned	Average Wait on Queue	Max Wait on Queue	Average Talk Time
3036	41	1.35%	40s	5m, 58s	3m, 13s

5. Community Outreach Report

August Envelope Message

The August envelope gives information on the Consumer Confidence Report. The envelope will begin on July 22, 2019, and continue until August 25, 2019.

August Envelope Message



Join Us for Our Fall Speaker’s Series

Water Supplies and Pressure 101:

The Highs and Lows of Pressure at Your Home or Business

Friday, September 27th from 12:00 p.m. to 1:00 p.m.

SSWD Administrative Office Boardroom:
3701 Marconi Ave. in Sacramento

Get all the details at sswd.org or by calling 916.972.7171.



August Bill Insert

The August bill insert will begin on July 22, 2019, and continue until August 25, 2019. A sample of the bill insert shown below.

August Bill Insert

00225865

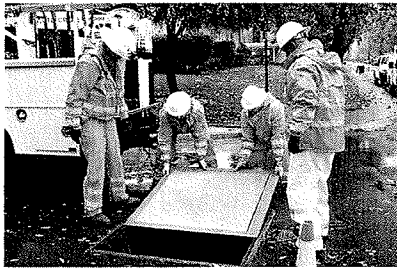


H₂O on the Go

August 2019

SSWD Considers Water Rate Adjustment Recommendations

The SSWD Board of Directors is currently considering recommendations found in SSWD's 2019 Water Rate Study, which provides a detailed review of the District's costs and the rates needed to support the delivery of safe, high-quality and reliable water service.



The yearlong study, prepared by independent financial consulting firm Raftelis, includes an in-depth look at current revenues, operation and maintenance costs, capital investment plan, and reserves. The study found that SSWD

is in a strong financial position, and recommends modest revenue adjustments over the next five years, primarily to cover the costs of inflation.

There are several ways to learn more and provide your feedback to the SSWD Board as they consider the rate adjustment recommendations over the next several months:

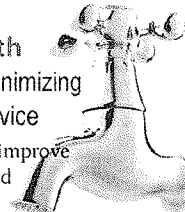
Learn more: The 2019 Water Rate Study and its recommendations are available on our website at sswd.org. Detailed information about the proposed changes and how recommendations would affect water bills will be mailed directly to customers and posted to sswd.org in August. In addition, SSWD will be hosting an Open House on October 8, 2019 at from 5:30 p.m. to 7:30 p.m. in the SSWD Boardroom at 3701 Marconi Avenue, Suite 100, Sacramento, CA 95821 where you can learn more about SSWD's operations and programs.

Provide input: The Board of Directors will host a public hearing to collect input from customers and consider the study's recommendations on Tuesday, October 15, 2019 at 6:00 p.m. in the SSWD Board room at 3701 Marconi Avenue, Suite 100, Sacramento, CA 95821. Customers may appear at the public hearing to provide verbal or written comments. You may also mail or deliver comments to the SSWD Main Office at 3701 Marconi Avenue, Suite 100, Sacramento, CA 95821.

Rate Adjustment | page 2

Delivering With Every Turn | Minimizing Disruptions to Service

As SSWD works to improve its infrastructure and transition more customers to metered accounts, we do our best to minimize service disruptions and inconveniences.



Water Main Installation

One of our most important improvement projects is the installation of new water mains to replace those that have reached the end of their service life. New mains are no longer placed in backyards, but are located beneath a roadway. This allows us to keep the existing water main in service while the new main, meter and service lines are constructed. The only disturbance to water service occurs when the new main is linked to your home's service connection.

Meter Installation

Prior to installing a new meter, SSWD contacts each customer to let

Delivering With Every Turn | page 2

sswd.org

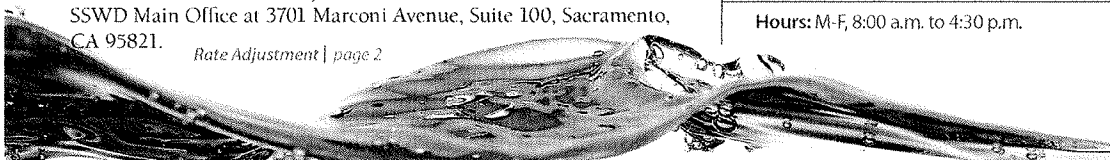
Phone: 916.972.7171

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.



August Bill Insert

Rate Adjustment | from page 1

If you have any questions about the Rate Study, its recommendations or how to provide input, please call the office at 916.972.7171 or send an email to feedback@sswd.org.

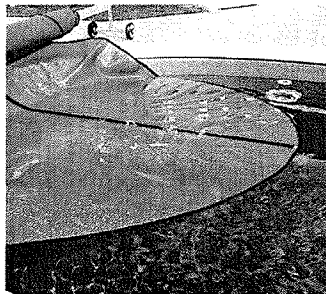
Saving Water Saves Energy

According to the California Energy Commission, nearly a fifth of all the electricity produced in California goes toward water-related uses. From treating, pumping and delivering water to your home, to heating it up for your morning shower or washing machine, it all adds up to a lot of energy used. In fact, energy costs are one of SSWD's highest costs.

You can make a difference by following these tips:

1) Check and Save

Check the soil moisture level before you run your sprinklers. Most of the water we use goes towards watering our yards and about 30 percent of that is wasted due to overwatering and evaporation.



2) Cover Your Pool

Covering your pool when not in use can reduce evaporation by 95 percent, saving thousands of gallons of water a year and reducing the amount of money you spend on heating.

3) Upgrade Your Sprinkler System

Installing a WaterSense-labeled weather-based sprinkler timer and efficient rotator sprinklers can save you thousands of gallons of water a year and help you have a healthier yard.

4) Look for the WaterSense Label

WaterSense-labeled fixtures and appliances are certified to be 20 percent more water efficient than average products in that category. By using water more efficiently, your water heater has less water to heat, reducing the amount of energy needed.

2019 Fall Speaker's Series | Water Supplies and Pressure 101: The Highs and Lows of Pressure at Your Home or Business

Join us on Friday, September 27th from 12:00 P.M. to 1:00 P.M., as SSWD's Engineering team shares the art and science of providing high-quality water to your home or business.

The team will provide an overview of the District's water sources, water system and improvements projects, and discuss water pressure—the factors that impact pressure and what you can do if it's too high or low.

The talk will take place in the Boardroom at the District's Administrative office at 3701 Marconi Avenue.

Delivering With Every Turn | from page 1

them know the work will be taking place. Our staff then works with the customer to determine where the new meter should be placed and reconnected to the existing service. We notify customers in advance about when the work will begin and any projected shutdowns. After installation, we then return the landscape to its original condition.

Replacing existing mains provides many benefits, including improving system efficiency and reliability and increasing flow capacity. Water meters help customers and SSWD better manage water usage and are an invaluable tool for detecting leaks.

For more information visit our website at <http://www.sswd.org/capitalimprovementprogram>.

2019 Strategic Plan Our Vision for the Future

SSWD has developed a new Strategic Plan outlining our goals and vision for the next five years. The plan was developed to support our core mission of providing a high-quality, reliable water supply and superior customer service at the lowest responsible rate, and created with input from staff, management and external shareholders.

You can review the 2019 Strategic Plan online at: sswd.org/about/strategicplan.





Agenda Item: 13

Date: June 6/July 5, 2019
Subject: District Activity Report
Staff Contact: Matt Underwood, Operations Manager

Described below are Agenda Item: X

This report describes significant District Activities and milestones over the past month. The included in this report is separated into are (1) the following sections: Monthly Water Production, (2) the Water Operations and Exception Activity Report, (3) District Claims Update Report, (4) Water Quality Report, Water Conservation and Regional Water Efficiency Program Report, Customer (5) Customers Service Report Monthly Activity, and (6) Community Outreach Report.

Water Operations And Exceptions Report

1. Monthly Water Production - Surface Water and Groundwater

Figure 1 shows tabulated data for 2019 and Figure 2 shows total water production graphically for 2018 and 2019.

i. Figure 1. Monthly Water Production – Attachment WO-12019

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 2018 and 2019. As a result of above average 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.

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

** South Service Area (Town and Country and Arden-Arcade)

***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.

District Activity Report

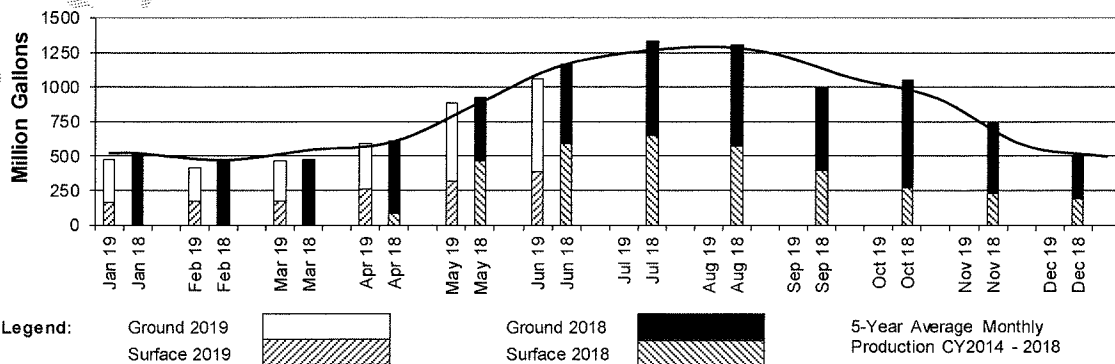
June 6/July 5, 2019

Page 2 of 14

Month	North Service Area *			South Service Area **			Total North & South Service Areas (MG)	Average MG/Day
	Surface (MG)***	Ground (MG)	Sub Total (MG)	Surface (MG)	Ground (MG)	Sub Total (MG)		
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May	317.319	174.190	491.509	0.000	388.650	388.650	880.159	28.392
Jun	385.637	209.202	594.839	0.000	465.198	465.198	1,060.037	34.195
July								
Aug								
Sep								
Oct								
Nov								
Dec								
MG	1,462.745	759.479	2,222.224	0.000	1,657.747	1,657.747	3,879.971	21.436
AF	4,489.000	2,330.755	6,819.755	0.000	5,087.439	5,087.439	11,907.194	65.786

Figure 2. Monthly Water Production (2018-2019)

ii.2. Water Operations Activity – Attachment WO-2 Report



District Activity Report

June 6 July 5, 2019

Page 3 of 14

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

<u>June</u>	<u>Monthly Avg</u>	<u>Total</u>	<u>Total # in</u>	<u>Goal</u>	<u>% of Goal Completed in</u>
<u>2019</u>	<u>CY 2019</u>	<u>CY 2019</u>	<u>System</u>	<u>CY 2019</u>	<u>CY 2019</u>

Production Department

Service Orders

Water Quality

Complaints	0	1	3		
Taste & Odor Complaints	0	0	0		

Distribution Department

Service Orders

Main Leaks	3	4	24		
Service Line Leaks	6	5	29		
Water Main Shutdown					
-- Emergency	1	3	18		
-- Scheduled	1	1	6		

Preventive Maintenance Program

Fire Hydrants Inspected	73	71	424	6,200	1,240	34.2%
Fire Hydrant Valves Inspected	72	66	394	5,450	1,090	36.1%
Fire Hydrant Valves Exercised	68	61	364	5,450	1,090	33.4%
Mainline Valves Inspected	172	183	1097	12,435	2,487	44.1%
Mainline Valves Exercised	137	140	837	12,435	2,487	33.7%
Blow Off Valves Inspected	1	1	8	1,045	209	3.8%
ARV/CARV Inspected	1	0	1	280	56	1.8%

Field Services Department

Meters

PM - Meters Tested (3 - 10 inch)	16	18	106	455	120	88.3%
PM - Meters Replaced (⁵ / ₈ - 1 inch)	0	2	13	39,050	1,000	1.3%
PM - Meter Re-Builds (1 ¹ / ₂ - 2 inch)	38	37	223	2,453	245	91.0%
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Field Operations Department

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Calls Received Production	23	14	81		
Calls Responded Production	6	5	32		

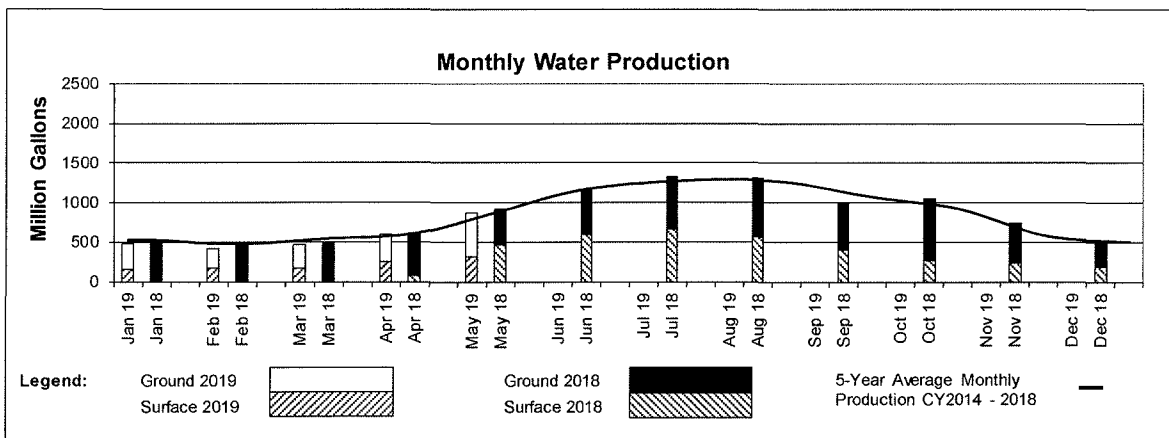
iii.3. District Claims Update — Attachment WO-3 Report

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.

OLD VERSION REDLINE

Monthly Water Production 2019

Month	North Service Area *			South Service Area **			Total North & South Service Areas (MG)	Average MG/Day
	Surface (MG)***	Ground (MG)	Sub Total (MG)	Surface (MG)	Ground (MG)	Sub Total (MG)		
Jan	158.366	118.459	276.825	0.000	200.316	200.316	477.141	15.392
Feb	175.760	69.922	245.682	0.000	166.040	166.040	411.722	14.704
Mar	170.371	108.115	278.486	0.000	183.788	183.788	462.274	14.912
Apr	255.292	79.591	334.883	0.000	253.755	253.755	588.638	19.621
May	317.319	174.190	491.509	0.000	388.650	388.650	880.159	28.392
Jun								
July								
Aug								
Sep								
Oct								
Nov								
Dec								
MG	1,077.108	550.277	1,627.385	0.000	1,192.549	1,192.549	2,819.934	18.675
AF	3,305.523	1,688.738	4,994.261	0.000	3,659.798	3,659.798	8,654.060	57.312



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

** South Service Area (Town and Country and Arden-Arcade)

***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 value of 176.172 MG for the North Service Area surface water in February 2019 was corrected to 175.760 MG.

OLD

Water Operations Activity

	<u>May</u>	<u>Monthly Avg</u>	<u>Total</u>	<u>Goal</u>	<u>% of Goal Completed in</u>
	<u>2019</u>	<u>CY 2019</u>	<u>CY 2019</u>	<u>CY 2019</u>	<u>CY 2019</u>
<u>Production Department</u>					
<u>Service Orders</u>					
<u>Water Quality</u>					
<u>Complaints</u>	3	1	3		
<u>Inquiries</u>	10	10	52		
<u>Taste & Odor Complaints</u>	0	0	0		
<u>Taste & Odor Inquiries</u>	5	6	30		
<u>Distribution Department</u>					
<u>Service Orders</u>					
<u>Main Leaks</u>	2	4	21		
<u>Service Line Leaks</u>	9	5	23		
<u>Water Main Shutdown</u>					
<u>-- Emergency</u>	1	3	17		
<u>-- Scheduled</u>	0	1	5		
<u>Preventive Maintenance Program</u>					
<u>Fire Hydrants Inspected</u>	118	70	351	1,240	28.3%
<u>Fire Hydrant Valves Inspected</u>	115	64	322	1,090	29.5%
<u>Fire Hydrant Valves Exercised</u>	97	59	296	1,090	27.2%
<u>Mainline Valves Inspected</u>	164	185	925	2,487	37.2%
<u>Mainline Valves Exercised</u>	84	140	700	2,487	28.1%
<u>Blow Off Valves Inspected</u>	2	1	7	209	3.3%
<u>ARV/CARV Inspected</u>	0	0	0	56	0.0%
<u>Field Services Department</u>					
<u>Meters</u>					
<u>PM - Meters Tested (3 - 10 inch)</u>	36	18	90	113	79.6%
<u>PM - Meters Replaced (⁵/₈ - 1 inch)</u>	2	3	13	1,000	1.3%
<u>PM - Meter Re-Builds (1¹/₂ - 2 inch)</u>	71	37	185	244	75.8%
<u>Customer Pressure Inquiries</u>	13	9	47		
<u>Field Operations Department</u>					
<u>Service Requests Generated</u>	2,151	2,202	11,011		
<u>Work Orders Generated</u>	1,331	1,442	7,210		
<u>After Hours Activity (On-Call Technician)</u>					
<u>Calls Received Distribution</u>	22	35	173		
<u>Calls Responded Distribution</u>	19	27	137		
<u>Overtime Hours Distribution</u>	38	48	242		
<u>Calls Received Production</u>	9	12	58		
<u>Calls Responded Production</u>	3	5	26		
<u>Overtime Hours Production</u>	10	13	66		

Attachment WO-3

Date: June 6, 2019

Subject: Claims Update

Staff Contact: Matt Underwood, Operations Manager

On December 21, 2009, the District adopted a The District's Claims Processing Policy. The Policy requires any ~~claim~~ claims in excess of \$10,000 be brought ~~before~~ to 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 Status: No 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 ~~and~~ no claims approved or rejected by the General Manager during this time in June 2019.

~~CLAIMS UNDER REVIEW/INVESTIGATION~~

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

4. Water Quality Report

Nothing new to report for May.

~~Water Conservation and Regional Water Efficiency Program Report~~

~~i. Program Overview for May 2019~~

The District continues to message water conservation and use efficiency to its customers. The District's website reflects the current water use restrictions and Regulation No. 15, which is the District's Water Shortage Contingency Plan that outlines water use prohibitions for each Water Conservation Stage approved by the Board month of Directors. The District adopted Normal Water Supply conditions for 2019. Staff will continue engaging customers to ensure they are aware of the current water use efficiency practices and water conservation programs offered by the District and other local and state agencies. The following is a list of District water conservation related activities for May 2019.

a. ~~On April 15, 2019, the District's Board of Directors declared Normal Water Supply conditions but called on District customers to use water as efficiently as possible. The District set an overall water conservation goal of 10%. The District reduced water use by 32.9% in May 2019 (when compared to May 2013), exceeding the District's 10% monthly goal. Since June 2015, the District has maintained a cumulative water use reduction of 24% when compared to 2013¹2019.~~

b. ~~Customer Leak Notifications~~—Through the District's Advanced Metering Infrastructure, staff sent out 537 leak notification post cards to customers regarding 72-hour continuous flow events in May 2019. Staff conducted 2 customer leak investigations as a result of the post cards.

c. ~~Public Outreach~~—The District utilized informational graphics for public outreach in May 2019. 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 422 clicks and left 194,143 impressions. The District's primary focus for May 2019 was advertising Sprinkler Spruce Up month and checking for leaks.

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

~~District staff continues to promote water conservation. During May 2019, District staff and the District's contract company performed 46 Single Family Residential Water Wise House Calls and 1 Multi-Family WWHC.~~

~~Staff received 26 reports of water waste from the public (10 calls and 16 reports via the District's website). Staff issued 21 Information Only Water Waste Notices and 15 Notices of Violation.~~

~~The District issued rebates for 2 toilets, 2 clothes washer, and 1 Irrigation Efficiency Upgrade and 4 weather based irrigation controllers in May 2019.~~

~~iii.~~ **Upcoming Events**

~~None.~~

Customer Service Report

i.5. Customer Service Monthly Activity ~~Attachment CS-1~~ Report

~~1. Customer Service Activity Report shows Customer Service activity for the month of May~~June 2019.

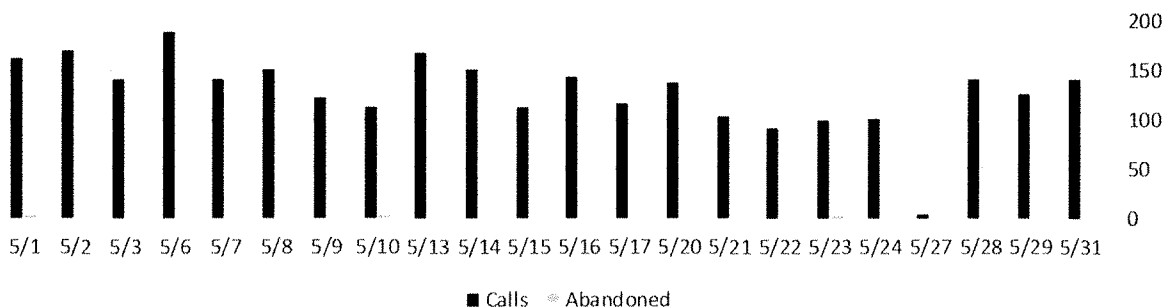
¹The cumulative water savings since June 2015 is 11,391 million gallons (34,960 acre feet).

Attachment CS-1

	<u>May 2019</u>		<u>Calendar Year 2019</u>	
Billing				
Connections-Total Active	46,794			
E-billing	3800			
Payments				
Cash/Check	1,066	2.8%	5,485	2.7%
Credit Card	729	1.9%	3,815	1.9%
Web	5,520	14.3%	27,882	14.0%
Auto-Pay (Checking)	4,492	11.7%	22,230	11.1%
Auto-Pay (Credit Card)	4,489	11.6%	22,461	11.3%
IVR (Auto Phone)	1,590	4.1%	8,470	4.2%
Online Banking	10,310	26.8%	52,792	26.5%
LockBox	10,346	26.8%	56,421	28.3%

Monthly Calls

Date	Total Calls	Calls Abandoned	% of Calls Abandoned	Avg Wait On Queue	Max Wait on Queue	Avg Talk Time
5/1/2019	162	5	3.09%	20s	3m, 0s	2m, 40s
5/2/2019	169	3	1.78%	27s	5m, 30s	2m, 35s
5/3/2019	141	2	1.42%	47s	7m, 5s	2m, 51s
5/6/2019	189	4	2.12%	41s	4m, 33s	3m, 0s
5/7/2019	141	2	1.42%	18s	4m, 1s	3m, 14s
5/8/2019	151	2	1.32%	23s	3m, 29s	3m, 6s
5/9/2019	122	2	1.64%	28s	7m, 28s	2m, 52s
5/10/2019	112	1	0.89%	17s	2m, 59s	2m, 33s
5/13/2019	167	1	0.60%	24s	4m, 22s	3m, 15s
5/14/2019	151	1	0.66%	40s	4m, 44s	3m, 28s
5/15/2019	113	4	3.54%	13s	1m, 48s	3m, 9s
5/16/2019	143	0	0.00%	20s	4m, 39s	2m, 48s
5/17/2019	117	1	0.85%	39s	6m, 15s	3m, 8s
5/20/2019	138	0	0.00%	13s	3m, 55s	2m, 24s
5/21/2019	104	1	0.96%	23s	4m, 3s	2m, 36s
5/22/2019	91	0	0.00%	9s	35s	2m, 56s
5/23/2019	99	1	1.01%	12s	1m, 22s	3m, 4s
5/24/2019	101	0	0.00%	19s	3m, 21s	2m, 39s
5/27/2019	4	0	0.00%	0s	0s	0s
5/28/2019	142	4	2.82%	20s	2m, 43s	3m, 17s
5/29/2019	126	2	1.59%	16s	3m, 31s	3m, 42s
5/31/2019	142	0	0.00%	24s	4m, 7s	2m, 47s
Group Total	2825	36	1.27%	40s	5m, 58s	3m, 13s



<u>Total Calls</u>	<u>Calls Abandoned</u>	<u>% of Calls Abandoned</u>	<u>Average Wait on Queue</u>	<u>Max Wait on Queue</u>	<u>Average Talk Time</u>
3036	41	1.35%	40s	5m, 58s	3m, 13s

6. Community Outreach Report

i. July-August Envelope Message — Attachment CO-1

The July-August envelope gives information on the Consumer Confidence Report. The envelope will begin on June-24-July 22, 2019, and continue until July-21-August 25, 2019.

July

August Envelope Message



Join Us for Our Fall Speaker's Series Water Supplies and Pressure 101: The Highs and Lows of Pressure at Your Home or Business

Friday, September 27th from 12:00 p.m. to 1:00 p.m.

SSWD Administrative Office Boardroom:
 3701 Marconi Ave. in Sacramento

Get all the details at sswd.org or by calling 916.972.7171.



ii. August Bill Insert — Attachment CO-2

The July-August bill insert will begin on June-24-July 22, 2019, and continue until July-21-August 25, 2019. A sample of the bill insert has been included with this report shown below.

Community Meetings/Events

Staff, representing SSWD, attended the following agency meetings, community meetings, and events in May 2019:

<u>Date:</u>	<u>Meeting:</u>	<u>Staff:</u>
04/30-05/3/19	Cap to Cap Washington DC Trip	Dan York
05/6-09/2019	ACWA Spring Conference	Dan York
05/6-10/2019	ACWA Spring Conference	Mike Huot
05/13/19	RWA Executive Committee Special Board Meeting	Dan York
05/14/19	Ground Water Substitution Meeting	Mike Huot
05/16/19	SAWWA Meeting	Dan York
05/22/19	RWA Executive Committee Meeting	Dan York
05/23/19	Hinkle Reservoir Relining Project Operations Meeting	York/Huot

Attachment CO-1

2018 Consumer Confidence Report | Now Available

The report contains information on the:

✓ Quality of Your **Water** ✓ Source of Your **Water** ✓ Composition of Your **Water**

Look for the report in the mail or visit sswd.org/2018ccr



Attachment CO-2

July August Bill Insert

OLD VERSION RED

00225864



H₂O on the Go

July 2019



2019: A Historic Season for Rain and Snow

California received a record amount of rain and snow this year. The snowpack in May was at 188 percent of normal, one of the largest amounts of snow in recorded history.

While this is great news, it is also important to remember that droughts are a regular

occurrence and it is critical to be prepared for the next one. That is why SSWD has been investing in the infrastructure needed to expand our access to a variety of water sources and promoting efficiency.

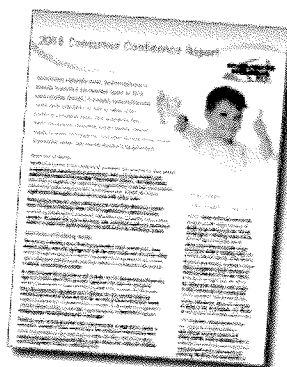
Our customers make vital contributions to SSWD's water supply reliability each and every day. Your efforts at using water efficiently have made a huge difference both during the drought and even now. SSWD customers used 20 percent less water in 2018 compared to 2013, and many of you have taken advantage of our rebate program for water-efficient improvements.

We thank you for your continuing efforts to be efficient even during years with plenty of rain and snow like this one.

Consumer Confidence Report

SSWD's Consumer Confidence Report (CCR) is now available. The CCR is an annual report that provides information on the quality of water we provide, its sources, composition and other required information.

The CCR is based on samples we take of the water supply on a regular basis throughout the year. You can view the new CCR and previous reports online at <http://www.sswd.org/publications/reports/consumer-confidence-reports>.



SSWD Rate Study Now Available

Every five years, Sacramento Suburban Water District is required by law to undergo a detailed review of its costs and the rates needed to support the delivery of safe, high-quality and reliable water service.

This process—called a Water Rate Study—is led by an independent, third-party financial expert and includes an in-depth look at the District's current revenues, operation and maintenance costs, capital investment plan and reserves (essentially the District's savings account). The study also makes recommendations for any needed rate adjustments for the public's review and consideration by the District's Board of Directors.

The ultimate goal is to identify rates and connection fees that are fair, reflect the cost of providing service, encourage efficiency, are simple to understand and meet the District's revenue requirements, including bond obligations. The

SSWD Rate Study | page 2

sswd.org

Phone: 916.972.7171

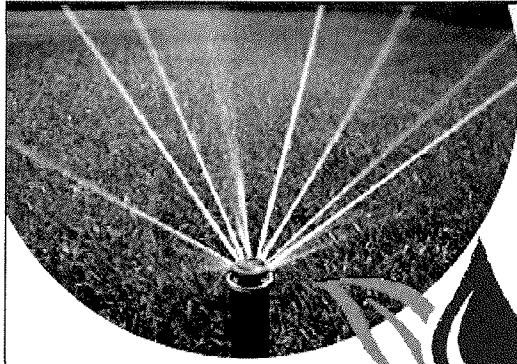
Fax: 916.972.7639

3701 Marconi Avenue, Suite 100

Sacramento, CA 95821-5346

Hours: M-F, 8:00 a.m. to 4:30 p.m.





JULY SMART IRRIGATION MONTH

Smart Irrigation Month

July is Smart Irrigation Month, and it's a great time to make improvements to your sprinkler system. Most household water in the Sacramento region is used to water our yards and landscapes and up to 30 percent of it is wasted. You can be more efficient in how you use water outdoors by making some simple improvements to your sprinkler system.*

Here are some easy changes and steps to consider:

Upgrade your sprinkler system with high-efficiency rotator sprinklers. They deliver water at a slower rate, which allows it to be better absorbed by the soil so that less water is lost to evaporation or run off. High-efficiency rotator sprinklers are estimated to use 30 percent less water than traditional spray sprinklers. Visit BeWaterSmart.info to see a helpful video showing how easy it is to do this upgrade.

Replace existing sprinkler bodies with WaterSense-labeled sprinkler bodies with built-in pressure regulating features. In many sprinkler systems the water pressure is often higher than the recommended operating pressure for the sprinkler nozzle. This can lead to an uneven spray, misting or excessive flow. WaterSense-labeled sprinkler bodies regulate the pressure to ensure a consistent flow rate so that water is delivered evenly to a yard.

Install a WaterSense-labeled weather-based sprinkler timer. These controllers adjust sprinkler run times according to the weather and the needs of your landscape. A weather-based sprinkler timer can save you thousands of gallons of water a year and make sure your plants get the right amount of water.

And always remember to check the soil moisture before you water to make sure your plants need it. SSWD has complimentary moisture meters available at the District office.

**SSWD has rebates available for sprinkler system upgrades. Complete details are at sswd.org/rebates.*

SSWD Rate Study | from page 1

Study also provides customers with an opportunity to more fully understand the District's costs and to have a voice in setting rates.

The District recently completed a yearlong Study, which is now available online at sswd.org. Future articles will explore the study's findings, recommendations and opportunities for our customers to provide input.

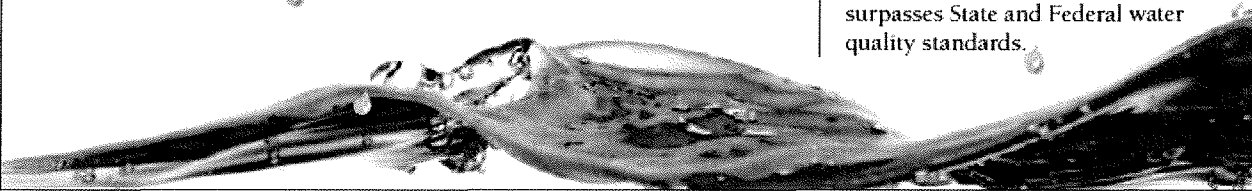
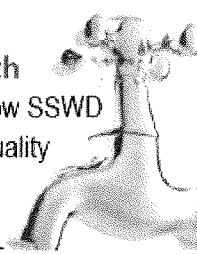
Delivering With Every Turn | How SSWD Monitors Water Quality

One of SSWD's top priorities is making sure we deliver high-quality water to you every day.

We monitor water quality frequently to ensure it meets State and Federal standards. Our state-certified treatment and distribution staff collect water samples regularly at a variety of points throughout our system. These locations include groundwater well sites before and after treatment, at customer service connections and at dedicated sampling stations. We also take samples at points where repairs have been made to confirm that the water supply hasn't been affected.

SSWD tests your drinking water for over 130 constituents. Independent and State-certified laboratories conduct the testing.

We are proud of our record of maintaining water quality and the efforts of our dedicated and professional staff to provide you with drinking water that meets or surpasses State and Federal water quality standards.



August Bill Insert

Rate Adjustment | from page 1

If you have any questions about the Rate Study, its recommendations or how to provide input, please call the office at 916.972.7171 or send an email to feedback@sswd.org.

Saving Water Saves Energy

According to the California Energy Commission, nearly a fifth of all the electricity produced in California goes toward water-related uses. From treating, pumping and delivering water to your home, to heating it up for your morning shower or washing machine, it all adds up to a lot of energy used. In fact, energy costs are one of SSWD's highest costs.

You can make a difference by following these tips:

1) Check and Save

Check the soil moisture level before you run your sprinklers. Most of the water we use goes towards watering our yards and about 30 percent of that is wasted due to overwatering and evaporation.



2) Cover Your Pool

Covering your pool when not in use can reduce evaporation by 95 percent, saving thousands of gallons of water a year and reducing the amount of money you spend on heating.

3) Upgrade Your Sprinkler System

Installing a WaterSense-labeled weather-based sprinkler timer and efficient rotator sprinklers can save you thousands of gallons of water a year and help you have a healthier yard.

4) Look for the WaterSense Label

WaterSense-labeled fixtures and appliances are certified to be 20 percent more water efficient than average products in that category. By using water more efficiently, your water heater has less water to heat, reducing the amount of energy needed.

2019 Fall Speaker's Series | Water Supplies and Pressure 101: The Highs and Lows of Pressure at Your Home or Business

Join us on Friday, September 27th from 12:00 P.M. to 1:00 P.M., as SSWD's Engineering team shares the art and science of providing high-quality water to your home or business.

The team will provide an overview of the District's water sources, water system and improvements projects, and discuss water pressure—the factors that impact pressure and what you can do if it's too high or low.

The talk will take place in the Boardroom at the District's Administrative office at 3701 Marconi Avenue.

Delivering With Every Turn | from page 1

them know the work will be taking place. Our staff then works with the customer to determine where the new meter should be placed and reconnected to the existing service. We notify customers in advance about when the work will begin and any projected shutdowns. After installation, we then return the landscape to its original condition.

Replacing existing mains provides many benefits, including improving system efficiency and reliability and increasing flow capacity. Water meters help customers and SSWD better manage water usage and are an invaluable tool for detecting leaks.

For more information visit our website at <http://www.sswd.org/capitalimprovementprogram>.

2019 Strategic Plan Our Vision for the Future

SSWD has developed a new Strategic Plan outlining our goals and vision for the next five years. The plan was developed to support our core mission of providing a high-quality, reliable water supply and superior customer service at the lowest responsible rate, and created with input from staff, management and external shareholders.

You can review the 2019 Strategic Plan online at: sswd.org/about/strategicplan.





Agenda Item: 17

Date: June 25, 2019

Subject: Engineering Report

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

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

a. Major Capital Improvement Program (CIP) Projects

The District continues to deliver CIP projects consistent with the Board’s approved funding program.

1) Supply – New Production Wells

The table below shows stages of the current projects. Overall, projects are on-track for completion consistent with planning.

Well	Completion Target	
	Design	Construction
N6A Palm	Complete	Summer 2019
78 Butano / Cottage	Fall 2019	Summer 2020
79 Verner / Panorama ¹	Spring 2020	Fall 2021

¹Funding is being pursued with RWA via the *2019 Proposition 1 Integrated Regional Water Management Implementation Grant*.

2) Distribution

Main Replacement Program

The table below shows stages of the current major main replacement projects. Overall, projects are on-track for completion consistent with planning.

Project	Completion Target	
	Design	Construction
Jonas	Complete	Winter 2019
Thor	Winter 2019	Winter 2020

Meter Retrofit Program

The Meter Retrofit Program is on track for completion by 2022 before the State deadline of January, 2025. Projects through 2020 are shown in the table below and are on schedule.

Project	Completion Target	
	Design	Construction
2019 Project – Grant Funded	Complete	Complete
2019 Project	Complete	Fall 2019
2020 Project	Fall 2019	Fall 2020

b. Planning Documents

The District has planning documents (e.g., Asset Management Plans – AMPs and Master Plans – MPs) for all of its infrastructure categories. Plans are updated on a staggered schedule and the update frequencies range from 3 to 7 years. The table below lists the plans scheduled for updates in the near future:

Plan	Completion Target
Buildings and Structures AMP	2019
Distribution Main AMP	
Fleet & Facilities AMP	
Groundwater Wells AMP	
Transmission Main AMP	
Meter AMP	2020
SCADA MP	
Water System Master Plan Update ¹	
2020 Urban Water Management Plan ²	2021

¹Preliminary Schedule.

² Schedule is set by the California Department of Water Resources.

c. Other

Major Activities Related to Existing Wells

The table below shows the existing wells undergoing work this year.

Well	Activity	Status
69 Hillsdale / Cooper	Rehabilitation	In Progress
N20 Cypress	Rehabilitation	In Progress
N34 Cottage	Condition Assessment	In Progress

Safety Upgrades for the Administration Building’s Backup Electrical System

This project will provide the District an electrical distribution panel compliant with National Fire Protection Association’s Standard 70E (*Standard for Electrical Safety in the Workplace*).



Agenda Item: 14

Date: June 20, 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 Planning Documents; and c) Other.

a. Major Capital Improvement Program (CIP) CIP Projects

The District continues to deliver CIP projects at a steady rate to support operations and ensure the readiness of District supply and facilities is consistent with the Board's approved funding program.

1) Supply – New Production Wells

The table below shows stages of the current projects. Overall, projects are on-track for completion consistent with planning.

<u>Well</u>	<u>Completion Target</u>	
	<u>Design</u>	<u>Construction</u>
<u>N6A Palm</u>	<u>Complete</u>	<u>Summer 2019</u>
<u>78 Butano / Cottage</u>	<u>Fall 2019</u>	<u>Summer 2020</u>
<u>79 Verner / Panorama (1)</u>	<u>Spring 2020</u>	<u>Fall 2021</u>

(1) Funding is being pursued with RWA via the 2019 Proposition 1 Integrated Regional Water Management Implementation Grant.

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 in summer 2019.

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

- Well construction is complete.
- Pumping plant design is anticipated to be completed in fall 2019.
- Pumping plant construction is anticipated to begin in late fall 2019.
- The well is anticipated to be on line in summer 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 summer 2020.
- The well is anticipated to be on line in fall 2021.

2) Distribution

Main Replacement Program

The table below shows stages of the current major main replacement projects. Overall, projects are on-track for completion consistent with planning.

<u>Project</u>	<u>Completion Target</u>	
	<u>Design</u>	<u>Construction</u>
<u>Jonas</u>	<u>Complete</u>	<u>Winter 2019</u>
<u>Thor</u>	<u>Winter 2019</u>	<u>Winter 2020</u>

Jonas Main Replacement Project

This is the 2019 Main Replacement Program project. This project began in January 2019 and is currently 30% complete and anticipated to be completed in late 2019.

Meter Retrofit Program Projects

The 2019 Meter Retrofit Program project has been split into two projects to control costs due to the grant funding component this year, as follows: is on track for completion in either 2021 or 2022, which complies with the State deadline of January 1, 2025.

Current projects are shown in the table below and are on-track for completion consistent with the planning.

<u>Project</u>	<u>Completion Target</u>	
	<u>Design</u>	<u>Construction</u>
<u>2019 Project</u>	<u>Complete</u>	<u>Fall 2019</u>
<u>2019 Project – Grant Funded</u>	<u>Complete</u>	<u>Complete</u>
<u>2020 Project</u>	<u>Fall 2019</u>	<u>Fall 2020</u>

Grant-Funded Project

This project has been completed by Flowline Contractors, Inc.

Non Grant-Funded Project

This project is the first in a 3 to 5 year Master Services Contract (MSC) that was awarded to Flowline via competitive bid. Flowline has begun meter retrofits on this project and is anticipated to be completed in October 2019.

b. Asset Management Plans Planning Documents

The District has planning documents (e.g., Asset Management Plans – (AMPs, and) Master Plans – MP) for all of its infrastructure categories. Plans are generally updated on a staggered schedule and the update frequencies of the AMPs range between from 3 to and 7 years.

Following is a summary of the table below lists the AMP's plans scheduled for updates this in the near future calendar year:

<u>Plan</u>	<u>Completion Target</u>
<u>Buildings and Structures AMP</u>	2019
<u>Distribution Main AMP</u>	
<u>Fleet & Facilities AMP</u>	
<u>Groundwater Wells AMP</u>	
<u>Transmission Main AMP</u>	
<u>Meter AMP</u>	2020
<u>SCADA MP</u>	
<u>2020 Urban Water Management Plan (1)</u>	2021

—Schedule is set by the California Department of Water Resources.

(1)

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

District AMPs do not contain a comprehensive 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 brought a CA Outline to the Board for their review and comment at their April 2019 meeting. The Board's comments were positive and staff is bringing the draft CA to the Board at this meeting under a separate agenda item. The CA would then be incorporated into the AMP. After the CA is approved as part of the Distribution Main AMP, it will then be a template for use in the other AMPs.

- Transmission Main AMP — Scheduled and in progress to be updated in late 2019.
- AMP Summary Report — This report is being reviewed for its utility as a tool for staff to communicate CIP items to the Board. Staff anticipates bringing their recommendations to the F&O Committee or Board in summer 2019 as to whether to continue, modify, or discontinue this AMP.
- Groundwater Well Facility AMP — Scheduled and in progress to be updated in 2019.
- Buildings and Structures AMP — Scheduled and in progress to be updated in 2019.

c. Other

Major Activities Related to Existing Wells

The table below shows the existing wells that have already or are planned to undergo work this year.

<u>Well</u>	<u>Activity</u>	<u>Status</u>
4B Bell / Marconi	Condition Assessment	Completed
38 Watt / Auburn	Destruction	Not Started
40 Auburn / Yard	Destruction	Not started
69 Hilldale / Cooper	Rehabilitation	In Progress
N11 Diablo	Destruction	In Progress
N20 Cypress	Rehabilitation	In Progress
N34 Cottage	Condition Assessment	In Progress

Well Investigation and 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 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 summer 2019.

• Well N20 Cypress

This well is offline. The pump is pulled so the well can be inspected to determine an approach to mitigate elevated levels of manganese. It is 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 as early as summer 2019.

• Well N36 Verner

This well remains offline. The well has been modified by plugging the lower part of the well where groundwater contains manganese. Indication from test results at a flow rate of up to 1,000 gallons per minute is favorable that the modification was successful. 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 will return to service in summer 2019.

Safety Upgrades for the Administration Building's Backup Electrical System

This project will provide the District an electrical distribution panel compliant with National Fire Protection Association's Standard NFPA 70E (Standard for Electrical Safety in the Workplace). The project is anticipated to include permitting and coordinating 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. Work is expected to be complete between late 2019 and early 2020.

AGENDA ITEM: 18 a.

REGIONAL WATER AUTHORITY REGULAR MEETING OF THE BOARD OF DIRECTORS

Thursday, July 11, 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. The Board of Directors may consider any agenda item at any time during the meeting.

1. CALL TO ORDER AND ROLL CALL

2. PUBLIC COMMENT

3. CONSENT CALENDAR

- a. Minutes from the June 13, 2019 RWA regular board meeting

Action: Approve June 13, 2019 RWA Board meeting minutes

4. EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS

- a. Information: Final minutes of the May 22, 2019 Executive Committee meeting

5. EXECUTIVE DIRECTOR'S INTRODUCTORY COMMENTS

Information Presentation: James Peifer, Executive Director

6. REGIONAL WATER RELIABILITY PLAN

Information Update: Rob Swartz, Manager of Technical Services

Action: Approve Resolution 2019-09 to Adopt the RWRP

7. WATER EFFICIENCY PROGRAM UPDATE

Information Update: Amy Talbot, Senior Project Manager

8. EXECUTIVE DIRECTOR'S REPORT

9. DIRECTORS' COMMENTS

ADJOURNMENT

Upcoming meetings:

Next Executive Committee Meetings – Wednesday, July 24, 2019, 8:30 a.m. and August 28, 2019, 8:30 a.m. at the RWA office.

Next RWA Board of Directors' Meetings – September 12, 2019, 9:00 a.m. and November 14, 2019, 9:00 a.m. at the RWA office.

The RWA Board Meeting electronic packet is available on the RWA website at <https://rwah2o.org/meetings/board-meetings/> to access and print the RWA Board electronic packet.

REGIONAL WATER AUTHORITY EXECUTIVE COMMITTEE AGENDA

June 26, 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. The Executive Committee may consider any agenda item at any time during 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 May 22, 2019 Executive Committee meeting
Action: Approve the May 22, 2019 Executive Committee meeting minutes
4. **LEGISLATIVE/REGULATORY UPDATE**

Information Update: Ryan Ojakian, Legislative and Regulatory Affairs Manager
Action: Ratification of the Oppose Unless Amended Position on AB 402.
Action: Ratification of Letters Related to Safe Drinking Water.
Action: Ratification of Letter opposing SB 1 Unless Amended.
Action: Take a support position on Federal Drought Resiliency and Water Supply Infrastructure Act.
5. **BAY-DELTA WATER QUALITY CONTROL PLAN VOLUNTARY SETTLEMENT AGREEMENTS**

Information and Discussion: Jim Peifer, Incoming Executive Director, and Ryan Bezerra, General Counsel
6. **RWA STRATEGIC PLAN UPDATE**

Information and Discussion: Rob Swartz, Interim Executive Director
Action: Recommend RWA Board Approval of Amendments to the RWA Strategic Plan
7. **REGIONAL WATER RELIABILITY PLAN**

Information Update: Rob Swartz, Interim Executive Director
Action: Recommend RWA Board Approval of Resolution 2019-09 to Adopt the RWA RWRP

8. **RWA JULY 11, 2019 BOARD OF DIRECTORS MEETING AGENDA**
Action: Approve July 11, 2019 Board of Directors Meeting Agenda
9. **EXECUTIVE DIRECTOR'S REPORT**
10. **DIRECTORS' COMMENTS**

ADJOURNMENT

Upcoming meetings:

Upcoming Executive Committee Meetings – July 24, 2019 and August 28, 2019 at 8:30 a.m. at the RWA office

Next RWA Board of Directors' Meeting – Thursday, July 11, 2019, at 9:00 a.m. at the RWA office

The RWA Executive Committee Meeting electronic packet is available on the RWA website at <https://rwah2o.org/meetings/board-meetings/> to access and print the RWA Board electronic packet.

AGENDA ITEM: 18 b.

SACRAMENTO GROUNDWATER AUTHORITY REGULAR MEETING OF THE BOARD OF DIRECTORS

Thursday, June 13, 2019; 1:00 p.m.

5620 Birdcage Street, Suite 110

Citrus Heights, CA 95610

(916) 967-7692

Agenda

The Board will discuss all items on this agenda, and may take action on any of those items, including information items and continued items. The Board may also discuss other items that do not appear on this agenda, but will not act on those items unless action is urgent, and a resolution is passed by a two-thirds (2/3) vote declaring that the need for action arose after posting of this agenda.

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

1. CALL TO ORDER AND ROLL CALL

2. **PUBLIC COMMENT:** Members of the public who wish to address the Board may do so at this time. Please keep your comments to less than three minutes.

3. CONSENT CALENDAR

Minutes of April 11, 2019 meeting

Action: Approve April 11, 2019 meeting minutes

4. GROUNDWATER MANAGEMENT PROGRAM UPDATE

Information Update: Rob Swartz, Interim Executive Director

5. EXECUTIVE DIRECTOR'S REPORT

6. DIRECTORS' COMMENTS

7. CLOSED SESSION – PUBLIC EMPLOYEE APPOINTMENT

(Government Code §§ 54954.5(e) AND 54957(b)(1))

Title: Executive Director

8. REPORT FROM CLOSED SESSION

9. EXECUTIVE DIRECTOR APPOINTMENT AND EMPLOYMENT AGREEMENT

Action: Approve Executive Director Appointment and Employment Agreement

ADJOURNMENT

Next SGA Board of Director's Meeting – August 8, 2019, 9:00 a.m. at the RWA/SGA office, 5620 Birdcage Street, Ste. 110, Citrus Heights.

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

AGENDA ITEM: 19. c.

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

Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821

Thursday, June 20, 2019
4:00 p.m.

Call to Order

Director Jones called the meeting to order at 4:00 p.m.

Pledge of Allegiance

Director Jones led the Pledge of Allegiance.

Roll Call

Committee Members: Marty Hanneman, SJWD Director
Ted Costa, SJWD Director
Craig Locke, SSWD Director
Dave Jones, SSWD Director

Staff Present: Paul Helliker, SJWD General Manager
Mike Huot, SSWD Assistant General Manager

Public Present: Steve Nugent, CWD General Manager
Chris Nelson, CWD
Hilary Straus, CHWD General Manager
John Lenahan, DPMWD Director
Marissa Burt, DPMWD Director
Greg Zlotnick, SJWD
Kathleen McPherson, SSWD Director
Kevin Thomas, SSWD Director
Paul Olmstead
William Eubanks
Debra Sedwick

Public Comment

William Eubanks (Mr. Eubanks) inquired if the Phase 2B study was being reinstated from the original consolidation discussion.

Director Jones explained that the Phase 2B study objective was to accumulate information necessary to assist in making the most responsible decision, whether to move forward with consolidation discussions, or to review other options. He further noted the current plan was to complete the Phase 2B study with additional modifications.

Director Costa expressed that a few years ago, the San Juan Water District (SJWD) Board approved a resolution to work with any interested local water districts on merger discussions. He noted that SJWD requested letters of interest and the Sacramento Suburban Water District (SSWD) was the only district that submitted a letter.

Director Hanneman expressed that the SSWD Board never adopted the Phase 2A study like SJWD did in 2015. He further noted that the next anticipated steps were to provide the SSWD Board with the Phase 2A study, and to discuss the scope of work to potentially hire a consultant to conduct a Phase 2B study.

Director Locke explained that he believed the Phase 2A study was not accepted by the SSWD Board because they felt that it was not inclusive to the other local water purveyors. He explained that, at that time, the SSWD Board directed the General Manager to reach out to the other local water purveyors to discuss interest with their General Managers. He noted that it didn't appear that there was the same level of interest among the other local water purveyors.

Paul Helliker, SJWD General Manager (Mr. Helliker) explained that the current discussion was to make the present study a multi-agency project, so whether or not the original Phase 2A study was approved the SSWD Board, each one of the boards would need to decide if they wanted to participate in a multi-agency study, which could include information from the original 2A study.

1. 2X2 Committee Structure/Participation

Director Costa inquired what the difference was between the steering committee and the current committee.

Mr. Helliker explained that based off the direction from the SSWD and SJWD 2x2 Water Management / Re-Organization Committee (the Committee) at the October meeting, the two General Managers were directed to work with the General Manager's from the local water purveyors to come up with a scope of work, develop a project proposal, and then go to each board to find out if they were interested in participating. He further explained that a steering committee would be the group that made sure progress was happening. He additionally explained that the approach was that any agency that was interested in participating in the project was welcome, and anyone that did participate, would have one representative on the steering committee.

Director Costa requested to be placed on the steering committee to ensure that there was structure. He further explained that he was not confident that it was productive, and suggested having a Chair and Vice Chair, or look into hiring an Executive Director for the Committee.

Director Locke agreed with having a President and Vice President to provide oversight to the Committee.

Mr. Helliker explained that the Committee was set up with two representatives from each board serving as an Ad Hoc Committee in an effort for the Directors to gain a more in-depth knowledge of the topic.

Director Jones expressed that he believed the steering committee should be comprised of the Board President and General Manager of each entity, with the President of the Committee being SSWD on even years, and SJWD on odd years.

Director Hanneman expressed that the steering committee should be made up of two of the Directors from the existing Committee.

Director Locke expressed that he was unsure how creating another committee would benefit the group. He further suggested meeting more regularly, which would perhaps satisfy Director Costa's concerns.

Director Costa moved for the current Committee to act as the steering committee and give guidance to the staff; Director Hanneman seconded. The motion passed by unanimous vote.

AYES:	Costa, Hanneman, Jones, and Locke.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Director Costa requested for any additional agencies that were interested in participating, to send a letter of interest.

The Committee agreed to meet at 4:00 p.m. on the third Thursday of every other month, starting in August, regardless if all committee members could attend or not. They agreed that the August meeting would be at San Juan Water District, and alternate offices thereafter.

Director Jones stated that the title of the Committee would remain the original Ad Hoc title.

2. Notes from the December 10, 2018 SSWD/SJWD Water Management/Re-organization Meeting

Director Hanneman moved approve the minutes; Director Locke seconded. The motion passed by unanimous vote.

AYES:	Costa, Hanneman, Jones, and Locke.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

3. SSWD/SJWD Water Management/Re-organization Update

Mr. Helliker introduced the item and provided a summary of the staff report.

Director Costa requested SSWD staff to poll the SSWD Board, inquiring if any Director had any issues with the Phase 2A report.

Mike Huot, SSWD Assistant General Manager (Mr. Huot) expressed that staff could discuss Director Costa’s concern with the SSWD Board and report back to the group.

Steve Nugent, General Manager with the Carmichael Water District (Mr. Nugent) expressed that the Phase 2B study was not the direction that was desired from the General Manager’s group, and that most would not support that direction. He further stated that there would be much more support for the RFP as proposed in the staff report.

Hilary Straus, General Manager with the Citrus Heights Water District (Mr. Straus) echoed Mr. Nugent’s statements, and further inquired if there was a commitment from the committee to look into all options equally, or if there was more emphasis on one specific direction.

Director Hanneman expressed that he was open to exploring all options.

Director Costa expressed that he believed the long term solution was ultimately consolidation.

Director Jones echoed Director Hanneman, and further stated that he believed that eventually all water districts would be consolidated into one. He further commented that they should collect all of the information possible to make the best decision for the region as a whole.

Director Locke agreed with continuing in the proposed direction and echoed Director Jones by stating he believed eventually there would be only one water agency in the region.

Mr. Straus stated he planned to bring the RFP and cost sharing documents to an upcoming regular Board meeting of the CHWD. He additionally expressed that he was in favor of a more broad steering committee.

Director Costa stated he believed any reorganization discussions between agencies should be on a voluntary basis.

The Committee agreed to work to have confirmation and any changes to the RFP completed by August, in order to be ready to issue in September 2019, with the intention of having a consultant by spring 2020.

Mr. Eubanks recommended for the Committee to spend the appropriate funds to hire a noteworthy consultant.

Director Locke requested for each agency to appoint alternates to the Committee.

4. Next Meeting

The Committee directed staff to schedule the next Committee meeting for either the third, or fourth Thursday in August, depending on availability.

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



Agenda Item: 20

Date: June 24, 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 one Water Conservation Representative, two engineering interns, and two office assistants.

Current full-time vacancies are as follows:

1. Production Foreman
2. Production Operator (2 vacancies)
3. Distribution Operator
4. ¹Vacant Position

2. Completed/Ongoing Work of Note

- a) 2018 Compensation Study was completed. New salary bands and pay rates for staff were implemented with the approved budget, effective January 2019.
- b) Began 2020 Benefits Renewal Analysis; current plan and provider up for renewal is VSP (Ameritas). All other plans are set to renew in 2021.
- c) Completed review of 2020 medical plans and premium rates (CalPERS, ACWA/JPIA, and Special District Risk Management Authority [SDRMA]); prepared Board report and resolution recommending the District continue in the CalPERS program in 2020.
- d) Completed hiring process and orientations for four new full-time staff, including Assistant Engineer, Customer Services Manager, IT Analyst, and Safety Risk Officer.
- e) Completed orientations for two new temporary staff, including Water Conservation Representative and one engineering intern.
- f) Ongoing review of class specification/job descriptions.
- g) Strategic Plan is completed and approved by the Board. Staff is currently meeting to discuss the implementation plan.

¹ Following the retirement of the Distribution Superintendent in November 2018, the position has remained vacant. Effective June 2019, the District reorganized the Operations Department, temporarily removing this vacant position from the Organizational Chart. Staff's plans are to reassess the needs of the District in the following months to determine where the vacant position is best allocated.

3. Succession Plan Update

To date, District succession planning efforts have been successful in filling four positions, including the Customer Services Manager position, vacated by long-term employee Annette O'Leary in April 2019.

Staff is now preparing for the upcoming vacancy of the Senior Inspector position, incumbent is retiring in October 2019. Interested staff have been provided an opportunity to cross-train with our Senior Inspector. This has improved staff's awareness of the position's roles and functions as well as provided them an opportunity for career advancement. Cross-training was also identified in our new Strategic Plan as an objective to help the District meet one of our goals which is to "Retain And Recruit A Qualified And Stable Workforce".

In addition, staff is in the process of reviewing our current training curriculum to help assess the gaps the District faces when developing staff. A key component of this will be Succession Planning and how to develop potential leaders in order to prepare them for key roles within the District.



Agenda Item: 21

Date: July 1, 2019

Subject: Legislative and Regulatory Update

Staff Contact: Greg Bundesen, Water Conservation Supervisor

1. RWA Government Affairs Committee

The California Legislature reconvened on January 7, 2019. During March, Legislative committees heard and amended existing bills being considered for the 2019 and 2020 Legislative session. Table 1 below shows the Assembly Bills (AB) and Senate Bills (SB) staff will track this year. The table is organized to show the bill number, name, voting results, District's recommended position regarding the bill (favor, not favor, watch), the Sacramento Regional Water Authority's (RWA) position, and the Association of California Water Agencies' (ACWA) position. Staff works with RWA and ACWA to update Table 1 each month. Due to the high number of bills, staff has updated the table to track only the bills tracked by RWA's Advocacy Committee and ACWA's Legislative Committee.

2. Notable Updates

- a. **Safe Drinking Water Fund, Budget Trailer Bill:** The California Budget no longer contains information regarding a water tax as a budget trailer bill.
- b. **SB 200:** Amended to include an annual funding allocation from the Green House Gas Fund and General Fund to the Safe and Affordable Drinking Water Fund.
- c. **AB 217:** Amended to remove language associated with the Safe Drinking Water Fund.
- d. **AB 134:** Amended to include information regarding the funding needs of at risk water systems in need of financial assistance from the Safe and Affordable Drinking Water Fund.

3. Correspondence

- a. **HR 2313** – The District signed on to an Alliance for Water Efficiency (AWE) support letter for HR 2313 that would amend the IRS Tax code to exempt rebates received for water conservation and use efficiency from taxation.
- b. **SB 200** – The District signed on to an ACWA support letter for the Safe Drinking Water Plan that would allocate funding to the Safe Drinking Water Fund that does not include a water tax.

4. Ongoing Bill Implementation

- a. **SB 998:** Discontinuing Residential Water Service implementation continues. Staff has been meeting with regional stakeholders to determine the best course for implementing this bill. The next regional stakeholder meeting is in July 2019. The District has until February 1, 2020, to comply. This bill establishes exemptions of discontinuing water service for non-payment and requires information regarding the discontinuation to be

made available to the public. Staff will continue reviewing District regulations and provide updates to the Board as necessary.

- b. **AB 1668 and SB 606:** Requires State Water Resource 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 estimate indoor water use (55 gallons per person per day), outdoor water use (measured by satellite), water loss (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 engaged in the rule making process. DWR has published a primer of how the indoor and outdoor water use standard will be calculated. The next step is to begin calculating the outdoor standards by taking landscape measurements via satellite.

DWR has created several workgroups to help develop the water conservation framework regulations over the next several years. The various groups include:

1. Wholesale Water Loss;
2. Water Use Studies;
3. Standards, Methodologies;
4. Urban Water Management Plan Guidebook;
5. Annual Water Supply and Demand Assessment; and,
6. Data Streamlining

Staff will continue to engage DWR and these workgroups regarding framework implementation and report back to the Board regarding any progress or significant updates.

- c. **AB 401:** In 2015, AB 401 was signed by the Governor establishing the Low-Income Water Rate Assistance Act, which requires SWRCB to develop a plan for a Low-Income Rate Assistance Program and report to the legislature its findings. AB 401 has the intention of establishing a program to assist low-income households in paying their water bills. In January 2019, SWRCB released a draft report - "Options for Implementation of a Statewide Water Rate Assistance Program" - with a 30 day public review period. ACWA submitted a comment letter that focused on the program basis, revenue source, benefit distribution, program tier structure, and local rate structures.

Table 1: Assembly and Senate Bill Tracking

Bill Number	Name	District Position	RWA Position	ACWA Position	Result
AB 134	Safe, Clean, Affordable, and Accessible Drinking Water	Watch	Watch	Watch	
AB 171	Employment: Sexual Harassment	Watch	Watch	Watch	
AB 217	Safe and Affordable Drinking Water Fund	Watch	Watch	Watch	Not approved
AB 223	California Safe Drinking Water Act: Microplastics	Watch	Watch	Watch	
AB 382	Integrated Regional Water Management Plans: Grant Funding: Upper Watershed Health	Watch	Watch	Watch	
AB 405	Sales and Use Taxes: Exemption: Water Treatment	Watch	Watch	Watch	
AB 417	Agriculture and Rural Prosperity Act	Watch	Watch	Watch	
AB 441	Water: Underground Storage	Favor	Favor	Watch	
AB 533	Income Tax: Water Conservation or Efficiency Programs	Favor	Favor	Watch	
SB 45	Wildfire, Drought, and Flood Protection Bond Act of 2020	Favor if Amended	Watch	Favor if Amended	
SB 134	Water Conservation: Water Loss Performance Standards	Watch	Watch	Watch	
SB 135	Family Care and Paid Leave	Watch	NA	NA	
SB 200	Safe and Affordable Drinking Water Fund	Watch	Watch	Watch	
SB 414	Small Water Systems Authority Act	Watch	NA	NA	
SB 669	Water Quality: Safe Drinking Water Fund	Watch	Watch	Watch	
ACA 3	Water: Minimum Funding Guarantee	Watch	Watch	Watch	
Budget Trailer Bill	Water Tax	Opposed Unless Amended	Oppose Unless Amended	Oppose Unless Amended	Removed from budget



Agenda Item: 22

Date: July 3, 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. SGA Board Meeting
August 8, 2019
RWA Office
<http://www.sgah2o.org/meetings/board-meetings/>

2. RWA Board Meeting
September 12, 2019
RWA Office
<http://rwah2o.org/>

3. CSDA Annual Conference and Exhibitor Showcase
September 25-28, 2019
Anaheim, CA
https://members.csda.net/iMIS1/CSDA2/Shared_Content/Higher_Logic/HLEvents_Calendar.aspx

4. SSWD Open House
October 8, 2019
SSWD
www.sswd.org

5. SGA Board Meeting
October 10, 2019
RWA Office
<http://www.sgah2o.org/meetings/board-meetings/>
6. 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
7. Water Education Foundation’s 2019 Water Summit
October 30, 2019
Sacramento, CA
<https://www.acwa.com/events/water-education-foundations-2019-water-summit/>
8. RWA Board Meeting
November 14, 2019
RWA Office
<http://rwah2o.org/>
9. ACWA Fall Conference
December 3-6, 2019
San Diego, CA
<https://www.acwa.com/events/2019-fall-conference-exhibition/>
10. 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 at 7:00 p.m.
- Citrus Heights Water District: <http://chwd.org/> - Every 3rd Wednesday of the month at 6:30 p.m.
- Del Paso Manor Water District: <https://www.delpasomanorwd.org/> (916)487-0419 - Every 1st Tuesday of the month at 6:30 p.m.
- El Dorado County Water Agency - <http://www.edlafco.us/> - Every 4th Wednesday of the month at 5:30 p.m.
- El Dorado Irrigation District - <http://www.eid.org/> - Every 2nd and 4th Monday's of the month at 9:00 a.m.
- Fair Oaks Water District: <http://www.fowd.com/> - Every 2nd Monday of the month at 6:30 p.m.
- Natomas Mutual Water Company - <http://natomaswater.com/> - Every 2nd Tuesday of the month at 9:00 a.m.
- Orangevale Water Company - <https://orangevalewater.com/> - Every 1st Tuesday of the month at 4:00 p.m.
- Placer County Water Agency: <https://pcwa.net/> - Every 1st and 3rd Thursdays of the month at 2:00 p.m.
- Rio Linda/Elverta Community WD: <http://www.rlecwd.com/> - Every 3rd Monday of the month at 6:30 p.m.
- San Juan Water District: <http://www.sjwd.org/> - Every 4th Wednesday of the month at 6:00 p.m.



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Agenda Item: 23

Date: July 2, 2019

Subject: Upcoming Policy Review – Workplace Dishonesty Policy (PL - Adm 006)

Staff Contact: Daniel A. Bills, Director of Finance and Administration

The Workplace Dishonesty Policy (PL - Adm 006) is scheduled for its biennial review. The subject policy was originally adopted by the Board in December 2007 and last revised in November 2017.

Staff and legal counsel are recommending only minor, housekeeping changes to the policy – see section 200.00.

The policy is scheduled for Board consideration and adoption at the August 2019 regular Board meeting. If a Director wishes to comment on the policy, please provide those comments to staff by Monday, August 5, 2019. If no comments are received by any Director, this policy will be placed on the consent agenda.

Sacramento Suburban Water District

Workplace Dishonesty Policy

Adopted: December 17, 2007

Revised: ~~December 21, 2009; November 21, 2011; December 16, 2013; December 21, 2015;~~
November 20, 2017 Approve with Changes: August XX, 2019

100.00 Purpose of the Policy

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

200.00 Policy

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

200.10 Prohibited Conduct and Activities

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

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

200.20 Investigation of Fraud

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

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

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

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

300.00 Establishment of Internal Controls

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

400.00 Reporting Dishonest Acts or Conduct – Whistleblower Protection

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

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

500.00 Policy Review

This policy shall be reviewed at least biennially.