

Agenda

Sacramento Suburban Water District Regular Board Meeting

3701 Marconi Avenue, Suite 100
Sacramento, California 95821

Monday, October 21, 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 September 16, 2019 Regular Board Meeting
Recommendation: Approve subject minutes.

2. Records Inspection, Retention and Disposal Policy (PL – Adm 002)
Recommendation: Approve subject policy with changes.
3. Rules for Proceedings of the Board of Directors (PL – BOD 002)
Recommendation: Approve subject policy with changes.

Items for Discussion and/or Action

4. Fiscal Year 2020 Budget – First Draft
Recommendation: Provide direction to staff in anticipation of Budget approval at the November regular Board meeting.

General Manager's Report

5. General Manager's Report
 - a. Placer County Water Agency Wholesale Water
 - b. Sacramento Region Collaboration Study Update
 - c. McClellan Business Park/County of Sacramento Agreement Update

Department/Staff Reports

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

7. District Activity Report
8. 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)

9. a. Regional Water Authority (President Jones)
None.

Regional Water Authority Executive Committee (General Manager York)
Agenda for the September 25, 2019 meeting.
- b. Sacramento Groundwater Authority (Director Thomas)
Agenda from the October 10, 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

10. 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)
None.

Information Items

11. ACWA Region Election Results

- 12. Moody’s Annual Issuer Comment Report
- 13. Well Efficiency Testing Annual Report
- 14. Legislative and Regulatory Update
- 15. Upcoming Water Industry Events

Director’s Comments/Staff Statements and Requests

The Board and District staff may ask questions for clarification, and make brief announcements and comments, and Board members may request staff to report back on a matter, or direct staff to place a matter on a subsequent agenda.

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

- 16. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); *Sacramento Suburban Water District v. United States*, United States Court of Federal Claims case no. 1:17-cv-00860-RHH, and *Sacramento Suburban Water District v. United States, et al.*, United States District Court for the Eastern District of California, case no. 2:17-cv-01353-TLN-AC.
- 17. Conference with legal counsel – potential litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(4); consideration of initiating litigation involving one case. – TCP
- 18. Public employee performance evaluation involving the General Manager under Government Code section 54954.5(e) and 54957.

Adjournment

Upcoming Meetings

Monday, November 18, 2019 at 6:00 p.m., Regular Board Meeting

I certify that the foregoing agenda for the October 21, 2019 meeting of the Sacramento Suburban Water District Board of Directors was posted by October 18, 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, September 16, 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, Kevin Thomas, and Robert Wichert.

Directors Absent: Kathleen McPherson.

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

Public Present: Legal Counsel Josh Horowitz, William Eubanks, Alan Driscoll, Avery Wiseman, Gregory Schneider, Vic Sher, Tim Sloane, Matt Edling, Vanessa Nishikawa and Brandon Rose.

Public Comment

Brandon Rose (Mr. Rose) introduced himself, provided some background information on himself and informed the Board that he was running for the Sacramento LAFCo Board and was requesting support.

Announcements

General Manager Dan York (GM York) announced:

- Director McPherson was absent due to the birth of her granddaughter.
- ACWA Region 4 event is on September 17th in Dixon, noting that President Jones would be attending.
- SSWD Second Annual Open House on Tuesday, October 8th at 5:30 p.m.
- Special Board Meeting on the Prop 218 Public Hearing on October 16th at 6:00 p.m.

Consent Items

1. **Minutes of the August 19, 2019 Regular Board Meeting**
2. **Water Banking and Transfer Policy (PL – BOD 006)**
3. **Directors' Compensation and Expense Reimbursement Policy (PL – BOD 003)**

4. **Resolution No. 19-12 Honoring Song Dang on His Upcoming Retirement**
5. **Resolution No. 19-13 Concurring the Nomination of San Juan Water District's Pam Tobin for Vice President of the Association of California Water Agencies (ACWA) Board of Directors**

Director Wichert requested to pull items 3 and 5.

Director Wichert moved to approve items 1, 2 and 4; Director Locke seconded. The motion passed by unanimous vote.

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

Regarding Item 3, Director Wichert requested clarification on what meetings were compensable.

Legal Counsel Josh Horowitz (Mr. Horowitz) provided clarification on the policy.

Director Thomas moved to approve item 3, Director Wichert seconded. The motion passed by unanimous vote.

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

Regarding item 5, Director Wichert expressed he was not in favor of supporting the item.

Director Thomas moved to approve the item, Director Locke seconded. The motion passed by a 3-1 vote. Director Wichert opposed.

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

Items for Discussion and/or Action

6. **Del Paso Manor Water District Operational Service Agreement**

GM York presented the staff report.

Director Wichert moved to approve the staff recommendation.

Director Locke recommended a 6 month agreement and noted that he was not ok with 2 years as he felt it was too long.

President Jones requested for GM York to provide an update every couple months in the General Manager’s Report section of the board packet.

The Board agreed that a 6 month agreement was appropriate.

Director Wichert amended his motion to include a 6 month agreement, Director Thomas seconded. The motion passed by unanimous vote.

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

7. No-Cost Exchange of Inactive Well 12 for Property at Seely Park

President Jones expressed that he was not comfortable with the proposal. He noted that he visited the site, noticed 8 trees, overhead power lines, was unsure of what infrastructure was there, and expressed that he was unsure if it was a good site. He requested the item be brought back to the Board with more information, including cost. He additionally suggested staff look into additional parks for potential sites.

Director Wichert commented that it didn’t seem like drilling a new well would be more cost effective then refurbishing the existing well.

Mr. Dean expressed that the current well was very old.

GM York expressed that staff would bring back the item with additional information.

Director Locke requested an aerial view map of the site as well as where existing surrounding wells are on the map.

8. District Revenues and Expenses Status and Trends

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

Director Wichert inquired about the colors on the legend versus the graph. Mr. Bills expressed that he would correct the colors between the two.

Mr. Bills answered some clarifying questions.

William Eubanks (Mr. Eubanks) commented that all of the new well replacements and developments have been in the North Service Area.

Avery Wiseman (Mr. Wiseman) expressed that he was concerned with how the information was being depicted as he was afraid that it would lead to justification for future rate increases.

9. Regional Collaboration Integration Study Update

GM York presented the staff report.

Mr. Eubanks expressed that he was disappointed with how the meeting went and stated that the vision of the group changed and suggested for the Board to re-evaluate if they wanted to continue in the Collaboration Integration Study at all. He additionally expressed that the South Service Area could not share or receive water with anyone other than City of Sacramento due to the fluoride in the South Service Area.

10. **City of Sacramento – Temporary Reduction in Price of Wholesale Surface Water Supply**

GM York presented the staff report.

Mr. Eubanks inquired why there was a cap of 9,500 acre feet.

GM York explained that the amount was based on what staff believed could be taken and that the amount taken would also depend on the demand of the District.

Mr. Eubanks congratulated GM York for achieving a negotiated rate with the City of Sacramento.

General Manager’s Report

11. **General Manager’s Report**

GM York presented the staff report.

a. *Director of Finance and Administration Recruitment Update*

GM York presented the staff report.

b. *Northern California Congressional Water Tour*

GM York presented the staff report.

Assistant General Manager’s Report

12. **Assistant General Manager’s Report**

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

a. *Strategic Plan - Implementation Plan*

AGM Huot presented the staff report.

b. *Regional Water Supply/Wheeling Opportunities*

AGM Huot presented the staff report.

Department/Staff Reports

13. **Financial Report**

A written report was provided.

- a. *Financial Highlights – August 2019*
A written report was provided.
- b. *Financial Statements – August 2019*
A written report was provided.
- c. *Investments Outstanding and Activity – August 2019*
A written report was provided.
- d. *Cash Expenditures – August 2019*
A written report was provided.
- e. *Credit Card Expenditures – August 2019*
A written report was provided.
- f. *District Reserve Balances – August 2019*
A written report was provided.
- g. *Information Required by LOC Agreement*
A written report was provided.
- h. *Financial Markets Report – August 2019*
A written report was provided.

14. **District Activity Report**
A written report was provided.

Mr. Eubanks withdrew his comment and requested to have Matt Underwood contact him for his questions.

15. **Engineering Report**
A written report was provided.

- a. *Major Capital Improvement Program (CIP) Projects*
A written report was provided.
- b. *Planning Documents*
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)

- 16. a. Regional Water Authority (President Jones)
The agenda for the September 12, 2019 meeting was provided.

Regional Water Authority Executive Committee (General Manager York)
The agenda for the August 28, 2019 meeting was provided.

- b. Sacramento Groundwater Authority (Director Thomas)
None.
- c. Water Caucus Meeting (General Manager York)
The agenda for the September 11, 2019 meeting was provided.
- d. Water Forum Successor Effort (General Manager York)
The agenda for the September 12, 2019 meeting was provided.
- e. Other Reports – AB 1234

President Jones provided an oral report on the SGA Meeting he attended on August 8, 2019.

Director Thomas provided an oral report on his meetings with the General Manager on August 20 and August 26, 2019. He also provided an oral report on the AeroJet CAG meeting he attended on September 11, 2019. He additionally provided an oral report on the City Council meeting he attended on September 10, 2019.

Committee Reports

- 17. 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)
The Draft Notes from the August 22, 2019 meeting were provided.

Mr. Eubanks withdrew his comment.

Information Items

- 18. **Legislative and Regulatory Update**
A written report was provided.

Mr. Horowitz provided additional background information.

- 19. **Upcoming Water Industry Events**
A written report was provided.

20. **Upcoming Policy Review**

A written report was provided.

- a. Records Inspection, Retention and Disposal Policy (PL – Adm 002)
A written report was provided.
- b. Rules for Proceedings of the Board of Directors (PL – BOD 002)
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 7:31 p.m. to discuss the following:

- 21. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); *Sacramento Suburban Water District v. United States*, United States Court of Federal Claims case no. 1:17-cv-00860-RHH, and *Sacramento Suburban Water District v. United States, et al.*, United States District Court for the Eastern District of California, case no. 2:17-cv-01353-TLN-AC.
- 22. Conference with legal counsel – potential litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(4); consideration of initiating litigation involving one case. – TCP
- 23. Conference with legal counsel – potential litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(4); consideration of initiating litigation involving the State Water Resources Control Board’s proceedings related to the California Water Fix and the Bay-Delta Water Quality Control Plan Update.

Return to Open Session

The Board convened in open session at 8:08 p.m. There was no reportable action.

Adjournment

President Jones adjourned the meeting at 8:09 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 2

Date: October 21, 2019

Subject: Records Inspection, Retention, and Disposal Policy (PL – Adm 002)

Staff Contact: Mike Huot, Assistant General Manager

Recommended Board Action:

Approve the updated Records Inspection, Retention, and Disposal Policy (PL – Adm 002) with changes.

Background:

On September 16, 2019, the Records Inspection, Retention, and Disposal Policy Update was brought to the Board for review. No comments have been received to date.

Discussion:

Staff recommends adopting the updated Records Inspection, Retention, and Disposal Policy. Both, a redline version (Attachment 1) and clean version (Attachment 2) are included for your reference. In summary, edits by staff and legal were made to the following sections:

Section 200.50 – Additional Public Records

- Added language to address personal devices - Writings involving official District business created, used, or retained on a personal electronic device owned, leased, or possessed by a District Director or employee are public records of the District and must be retained in accordance with this policy and all other applicable District policies. A Director or employee should avoid retaining District records on a personal device indefinitely to avoid inadvertent destruction or tampering, and should contact the District Secretary or his/her designee as soon as possible to arrange to transfer such records into the District’s records management system.

Section 300.20 – Records Retention Schedule

- Changes to the Records Retention Schedule for the following
 - Board of Directors and Committees
 - Agendas and Staff Reports – Changed from 3 years to 5 years
 - As-built plans/documents
 - Changed from 7 years to permanent or until facility is decommissioned and removed from service
 - Personal Property
 - Inventory and Maintenance and Inspection Logs – Changed from 4 years to 3 years

- Insurance
 - Memoranda of coverage, insurance policies, endorsements, certificates of insurance, coverage opinions, and surety/fidelity bonds - Changed from 5 years to 3 years
- Membership
 - Program participation agreements – Changed from 10 years to 7 years
- Personnel
 - Employment testing results (non-hires) – Changed from 2 years to 1 year

Similar adjustments are being made to staff's procedures.

Fiscal Impact:

Adopting the policy updates has a negligible fiscal impact.

Strategic Plan Alignment:

Goal B: Optimize Operational and Organizational Efficiencies

District customers benefit from an established records management program that increases efficiencies for storing documents and purging old documents.

Attachments:

1 – Records Inspection, Retention, and Disposal Policy - redlined

2 – Records Inspection, Retention, and Disposal Policy - clean

Sacramento Suburban Water District

Records Inspection, Retention, and Disposal Policy

Adopted: October 20, 2003

Revised: ~~January 23, 2006; January 28, 2008; August 17, 2009; November 21, 2011; October 21, 2013; December 16, 2013; December 21, 2015; October 16, 2017~~ Approved with Changes: October, XX, 2019

100.00 Purpose of the Policy

This document describes the Sacramento Suburban Water District's policy concerning records inspection, retention, destruction, and storage.

200.00 Inspection

200.10 Purpose and Scope

This section provides criteria for the inspection of records.

200.20 General

Public records of the District are open to inspection during normal office hours and any person has a right to inspect these records.

200.30 Definitions

As used in this section:

- a. "Public Records" includes any writing containing information relating to the conduct of public business prepared, owned, used, or retained by the District regardless of physical form or characteristics and which is not otherwise exempt from disclosure in accordance with applicable laws.
- b. "Writing" means handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing or any form of communication or representation, including letters, words, pictures, sounds or symbols, or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored. ~~and all papers, maps, magnetic or paper tapes, photographic films and prints, magnetic or punched cards, discs, or drives, drums, or other documents.~~ Writing does not include compilations of writings created outside the normal course of business.

200.40 Exemptions

Nothing in this section requires disclosure of the following records:

- a. Preliminary drafts, notes, or intra- or inter-agency memoranda not retained by the District in the ordinary course of business, if the public interest in withholding such records clearly outweighs the public interest in disclosure;
- b. Records pertaining to pending litigation in which the District is a party or to claims made pursuant to Division 3.6 (Commencing with Section 810) of Title 1 of the Government Code, until such litigation or claim has been finally adjudicated or otherwise settled;
- c. Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy or that is otherwise limited by law;
- d. Geological and geophysical data, plant production data, and similar information relating to utility systems development obtained in confidence from any source, related to groundwater well drilling/development;
- e. Test questions, scoring keys, and other examination data used to administer examinations for employment;
- f. The contents of real estate appraisals, engineering, or feasibility estimates and evaluations made for or by the District relative to the acquisition of property, or to prospective supply and construction contracts, until such time as the property has been acquired or the contract agreement has been obtained. The law of eminent domain will not be affected by this provision;
- g. Records exempted or prohibited from disclosure pursuant to provisions of Federal or State Law, including, but not limited to, provisions of the Evidence Code relating to privilege;
- h. Data, plans, drawings, schematics, manuals, and other documents related to the security and protection of the District's water supplies;
- i. Private information pertaining to any customer, director or employee that is explicitly exempt under Government Code sections 6254(c) and 6254.16 or that may be exempt because of personal safety and privacy concerns under Government Code section 6255, including, but not limited to, personal identifying information and private data such as social security numbers, home address, telephone number, credit history, water usage, and confidential personnel and financial records.
- j. Computer software developed by the District for internal use and not otherwise made available to the public except by selling, leasing, or licensing

such software for commercial or non-commercial use.—. The District’s proprietary computer software may include computer mapping systems, computer programs, and computer graphics systems.

- k. Information security, if disclosure of that information would reveal vulnerabilities of, or otherwise increase the potential for an attack on the District’s information technology system.—. This exemption in no way limits the District’s obligation to disclose otherwise public records stored within its information technology system; and
- l. Other records the disclosure of which is not required by law.

200.50 Additional Public Records

Notwithstanding the foregoing:

- a. Every employment contract between the District and a public official or public employee is a public record.
- b. An itemized statement of the total expenditures and disbursements of the District provided for in Article VI of the California Constitution will be open for inspection; and
- c. Documents concerning an open session item of a noticed public meeting that are provided to all or a majority of the Board or a committee less than 72 hours before that meeting are public records;
- e.d. Writings involving official District business created, used, or retained on a personal electronic device owned, leased, or possessed by a District Director or employee are public records of the District and must be retained in accordance with this policy and all other applicable District policies. A Director or employee should avoid retaining District records on a personal device indefinitely to avoid inadvertent destruction or tampering, and should contact the District Secretary or his/her designee as soon as possible to arrange to transfer such records into the District’s records management system.

200.60 Justification for Withholding of Records

The District will justify withholding a record by demonstrating the record is exempt under the express provisions of Government Code sections 6254 and 6254.16 and any other applicable statute (including the records listed above in section 200.40) or by demonstrating that the public interest served by not making the record available clearly outweighs the public interest served by disclosing the record. Written notice of intent to withhold records stating the reasons for withholding the records, the person making such determination, and an estimated time for when disclosable documents will be furnished will be provided to the person requesting the record within ten days, or later if good

cause requires, of the request for inspection as required by Government Code sections 6253, subdivision (c) and 6255, subdivision (b).

200.70 Confidentiality of Certain Records

While the District supports and implements the legal principles underlying the “government sunshine laws”, including the Public Records Act and Brown Act, it also recognizes the equally important constitutional principles underlying its customers’, directors’, and employees’ rights to privacy in their personal information. Such information includes those items described in Section 200.40(i) of this Policy. The District will not disclose private information of any customer, director, or employee unless compelled by a legally-authorized subpoena, court order or order of another government agency with the power to obtain such records or authorized by the customer, director, or employee in writing. In cases where there is no clear exemption from disclosure, the District will attempt to contact the customer, director, or employee whose private information is being requested, inform the customer, director, or employee of the request, and provide that person or entity with the opportunity to object to the request and if desired, to seek a court order to protect the private information being requested from disclosure.

200.80 Copies of Records

- a. A person may obtain copies of identifiable records, by written request on the District’s request form. Upon request, District staff will assist the requestor to identify records and complete the request form. The District Secretary is the custodian of the District’s records and will provide the requestor with copies of all requested records unless a record is in electronic form or in a specialized format, in which case the District will provide the most accurate copy possible within the limits of available technology and the requestor’s instructions and willingness to pay the appropriate costs to retrieve and reproduce copies of such non-standard records, if applicable. Officers, agents, and employees of the District are not required to request records in compliance with this section when acting within the course and scope of employment or office holding. If the District is unable to provide requested copies within ten days of the request, it will advise the requestor in writing of the date when the record will be provided.
- b. The charge for plain paper standard black and white letter or legal size photocopies will be in accordance with the Regulation 3 of the District’s Regulations Governing Water Service, which reflects the District’s direct copying costs. Large format documents, maps, color copies, and similar specialized documents will be charged at cost, which the District will determine and advise the requestor of and receive approval from the requestor before copying begins. Payment for all services is required at the time copies are provided, although the District may require a deposit as provided below in subdivision (c) before beginning copying and/or sending the job to an outside

copy service, in which case the copy service's actual charges will be passed through to the requestor. No charge will be imposed for research.

~~e. c.~~ The District Secretary or designee may require a person who desires to obtain ~~a copy~~ of ~~a record~~s to deposit an amount equal to the estimated fees for copying prior to ~~starting reproduction~~ receiving the record. The portion of the deposit not ~~required~~ use for the costs of reproduction will be refunded. If the deposit is insufficient, the District ~~may~~ will require the requestor to pay any balance of copying charges due before any records are released.

200.90 Public Counter Records

- a. Except for writings exempt from public disclosure, the District Secretary or designee will maintain a duplicate copy of the last approved Board meeting minutes and the agenda and written materials distributed to the Board for discussion or consideration at the next scheduled Board meeting. ~~These records will be maintained at the public counter located in the District's administrative office. Public records discussed during a public meeting but not previously available will be made available before the commencement of discussion at such meeting or as soon thereafter as practicable.~~
- b. Public counter records also include those public meeting documents described in subdivision (c) of section 200.50 of this Policy.
- c. No charge will be imposed for the use or review of the records described in this section. ~~However, the District will, however,~~ impose a copy charge if a copy of a public counter record is requested.
- d. The District also posts on its website copies of all public counter records, archived Board meeting minutes and agendas, current Board policies, and other important District documents. ~~Requestors are encouraged to view and obtain copies of available documents on the District's website by visiting: www.sswd.org.~~

200.95 Recording-Keeping

The District Secretary or designee will maintain a record of all requests for records filed with the District, including those ~~inspection~~ that are denied and the reasons for the denial.

300.00 Retention, Disposal, and Storage

300.10 Purpose and Scope

This section provides criteria for the retention, destruction, and storage of records.

300.20 Records Retention Schedule

This is the District's Records Retention Schedule, which has been adopted by the Board of Directors by Resolution 06-01 in accordance with Government Code sections 12236 and 60201, subdivision (b)(2), and reviewed at least biennially. –As provided by California law, the District will retain, store, and dispose of its records in accordance with this schedule and the requirements and procedures set forth in this policy. In accordance with Government Code sections 60201 and 60203, the District may keep a copy of any record listed in the schedule below either in its original form or as an electronic record stored in the District's Records Management System, which is a trusted system within the meaning of Government Code section 60203(a).

R = Legally required retention period.

<u>Title</u>	<u>Minimum Retention Period</u>	<u>Notes/Comments</u>
<u>Administration:</u>		
Correspondence	3 years	
Policy and Procedures	7 years after cancellation	
Formation/accreditation	Permanent	
Consumer confidence reports	10 years	R
Oaths of office/ballots/other official materials related to election or appointment of directors and officers	Term of Office + 7 years	R
Filings with Secretary of State	Permanent	R
Work Orders/-Time Sheets	3 years	
Form 700 Statements of Economic Interests	7 years after filing	R
Form 801 Gift to Agency	7 years after filing	R
Form 470 annual Financial Disclosure Statements	7 years after filing	R
<u>Board of Directors:</u>		
Agendas	53 years	
Meeting Notices	3 years	
Staff Reports	35 years	
Board and standing committee meeting minutes	Permanent	R
Ordinances and Resolutions	Permanent	R
Conflict of Interest Code	Current + 3 years	R
Board policies and procedures	Current + 3 years	R

Ethics Code	Current + 3 years	R
Proofs of Completion of Directors' and Designated Employees' Ethics Training	5 years	R
<u>Committees:</u>		
Agendas	53 years	
Meeting notices	3 years	
Minutes	Permanent	R
Staff Reports	53 years	

<u>Title</u>	<u>Minimum Retention Period</u>	<u>Notes/Comments</u>
<u>Contracts:</u>		
Agreements and contracts	7 years following end of contract	R
Requests for proposal and requests for qualifications	Contract Termination + 5 years	
Responses to requests for proposal and requests for qualifications	Contract Termination + 5 years <u>and 2 years for all unaccepted proposals and qualifications</u>	R
<u>Capital Improvements:</u>		
Capital improvement contracts	7 years following end of contract	R
Accepted <u>and proposed</u> bid documents	5 years	
As-built plans/-documents	<u>Permanent or until facility is decommissioned and removed from service</u> 7 years following end of contract	
Unaccepted construction bids and proposals	2 years	R
<u>Elections Materials:</u>		
General	3 years	
Special	3 years	
<u>Financial:</u>		
	<u>All categories below: Audit +</u>	<u>Records of Grant-reimbursed expenses must be kept until state DOF audit complete</u>
<u>Accounts payable</u>	<u>All categories below: -- Audit +</u> 2 years	
Correspondence	3 years	
A/P ledger/distribution journal	3 years	
Cash disbursements	3 years	
Payroll/stipend payments	3 years	R
Petty cash reports	3 years	R
Expense reports	3 years	R
Invoices	3 years	R
Purchase orders	3 years	R
Warrants	3 years	R
<u>Accounts Receivable</u>		
A/R register	3 years	

Aged trial balance	3 years	
Invoices	3 years	
<u>Title</u>	<u>Minimum Retention Period</u>	<u>Notes/Comments</u>
<u>Audit Reporting</u>		
Correspondence	3 years	
Reports	3 years	
State Controller's report	Permanent	R
Work papers	3 years	
<u>Banking</u>		
Correspondence	3 years	
Bank confirmations	3 years	
Bank reconciliations	3 years	
Bank statements	3 years	
Canceled and voided checks	3 years	
Deposit slips	3 years	
Signature authorization	3 years	
<u>Financial Reporting</u>		
Correspondence	7 years	
Reports and studies	7 years	
Charts of accounts	7 years	
Treasurer's reports	7 years	
Accountant reports	7 years	
<u>Ledgers</u>	All categories below - Audit + 2 years	
Account analysis		
Balance sheets		
General ledger		
Journal entries		
<u>Annual Budgets</u>	2 years	
<u>Issuance of Indebtedness:</u>	All categories below: 4 years after repayment	R
<u>Bond Insurance</u>	All categories below: 4 years after repayment	
Trust indentures	<u>4 years</u>	R
Funds management agreement	<u>4 years</u>	R
Other permanent bond records	<u>4 years</u>	R
Canceled checks for bond interest payments/redemption	10 years	
<u>Securities</u>		
Acquisition of securities	3 years	
Broker/-bank receipts	3 years	
Periodic statements	3 years	
<u>Personal Property</u>		

Inventory	4-3 years	
Maintenance and inspection logs	4-3 years	
<u>Title</u>	<u>Minimum Retention Period</u>	<u>Notes/Comments</u>
Computer licenses and documentation	Until eExpiration/obsolescence	
<u>Insurance:</u>		
Memoranda of coverage	Expiration + 5-3 years	
Insurance policies	Expiration + 5-3 years	
Endorsements	Expiration + 5-3 years	
Certificates of insurance	Expiration + 5-3 years	
Coverage opinions	Expiration + 5-3 years	
Surety/Fidelity Bonds	Expiration + 5-3 years	
Required to be maintained by insurer	10 years	
<u>Legal:</u>		
General correspondence	3 years	
Attorney correspondence	3 years	
Claims and claims records	2 years after close of claim	R
Minor's claims	2 years from age of 18	R
Litigation	2 years after litigation concludes	R
Opinions	7 years	R
<u>Membership:</u>		
Membership records	7 years	
Program participation agreements	7 10 years	
Appointment resolutions/letters	7 years	
<u>Personnel:</u>		
Personnel files	Permanent	R
Amount of compensation paid to Officers and Employees	7 years after date of payment	R
Reimbursements, advances, and credit card payment records for Officer and Employee travel and other District-related expenses	7 years after date of payment	R
Job descriptions	Current + 2 years	R
Time sheets	Current + 4 years	
Call reports and logs	Current + 4 years	
Employment Agreements	Expiration/Termination + 4 years	
Job applications and resumes (non-hires)	1 year	R
Position advertisements	2 years	R
Employment testing results (non-	1-2 years	R

300.30 Retention of Other Records

- a. The District must retain the following records, regardless of any different destruction policy or schedule as to any identified record or records specified in the records retention schedule set forth in section 2300.2 above:
 - i. Any record of the District that is the subject of a pending request made under the California Public Records Act, Government Code sections 6250 through 6276.48, until the District has either (A) complied with the request or (B) waited at least two years after the record was withheld and written notice denying the request was provided to the requestor; **(R)**
 - ii. Documents related to pending public works projects not accepted by the District or to which a stop notice claim may be legally presented; **-(R)**
 - iii. Documents related to any non-discharged District debt; and- **(R)**
 - iv. Any document that has not yet fulfilled the administrative, fiscal, or legal purpose for which it was created or received by the District-- **(R)**
- b. The District may dispose of the following records at any time, without maintenance of a copy:
 - i. Duplicates, the original_s, or a permanent photographic record of which is on file;
 - ii. ~~Rough d~~Working dDrafts, notes, and working papers prepared or kept by any employee or accumulated in the preparation of a communication, study or other document, unless of a formal nature contributing significantly to the preparation of the document, including but not limited to meter books after the contents thereof have been transferred to other records;
 - iii. Cards, listings, non-permanent indices, other papers used for controlling work and transitory files including letters of transmittal, suspense letters, and tracer letters;
 - iv. Canceled coupon sheets from registered bonds; and
 - v. Shorthand notebooks, telephone messages, and inter-departmental notes.

300.40 Records Storage

All of the records referenced in this section will be maintained at the District's Administrative office located at 3701 Marconi Avenue, Suite 100, Sacramento, California 95821; ~~District facilities at 5331 Walnut Avenue, Sacramento, California 95841; 7800 North Antelope Road, Antelope, California 95843;~~ and/or such other repository that the District may designate from time to time. -All records requests should be directed to the District's administrative office at 3701 Marconi Avenue, Suite 100, Sacramento, California 95821.

300.50 Records Disposal

The ~~General Manager~~District Secretary, or his or her designee, may destroy and discard, by any permanent method that protects the confidentiality of any privileged or confidential information contained therein, any District record after the expiration of the applicable retention period described in the above Records Retention Schedule.

400.00 Policy Review

This policy shall be reviewed at least biennially.

Sacramento Suburban Water District

Records Inspection, Retention, and Disposal Policy

Adopted: October 20, 2003
Approved with Changes: October, XX, 2019

100.00 Purpose of the Policy

This document describes the Sacramento Suburban Water District's policy concerning records inspection, retention, destruction, and storage.

200.00 Inspection

200.10 Purpose and Scope

This section provides criteria for the inspection of records.

200.20 General

Public records of the District are open to inspection during normal office hours and any person has a right to inspect these records.

200.30 Definitions

As used in this section:

- a. "Public Records" includes any writing containing information relating to the conduct of public business prepared, owned, used, or retained by the District regardless of physical form or characteristics and which is not otherwise exempt from disclosure in accordance with applicable laws.

"Writing" means handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing or any form of communication or representation, including letters, words, pictures, sounds or symbols, or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored. Writing does not include compilations of writings created outside the normal course of business. **200.40 Exemptions**

Nothing in this section requires disclosure of the following records:

- a. Preliminary drafts, notes, or intra- or inter-agency memoranda not retained by the District in the ordinary course of business, if the public interest in withholding such records clearly outweighs the public interest in disclosure;
- b. Records pertaining to pending litigation in which the District is a party or to claims made pursuant to Division 3.6 (Commencing with Section 810) of Title 1 of the Government Code, until such litigation or claim has been finally adjudicated or otherwise settled;
- c. Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy or that is otherwise limited by law;
- d. Geological and geophysical data, plant production data, and similar information relating to utility systems development obtained in confidence from any source, related to groundwater well drilling/development;
- e. Test questions, scoring keys, and other examination data used to administer examinations for employment;
- f. The contents of real estate appraisals, engineering, or feasibility estimates and evaluations made for or by the District relative to the acquisition of property, or to prospective supply and construction contracts, until such time as the property has been acquired or the contract agreement has been obtained. The law of eminent domain will not be affected by this provision;
- g. Records exempted or prohibited from disclosure pursuant to provisions of Federal or State Law, including, but not limited to, provisions of the Evidence Code relating to privilege;
- h. Data, plans, drawings, schematics, manuals, and other documents related to the security and protection of the District's water supplies;
- i. Private information pertaining to any customer, director or employee that is explicitly exempt under Government Code sections 6254(c) and 6254.16 or that may be exempt because of personal safety and privacy concerns under Government Code section 6255, including, but not limited to, personal identifying information and private data such as social security numbers, home address, telephone number, credit history, water usage, and confidential personnel and financial records.
- j. Computer software developed by the District for internal use and not otherwise made available to the public except by selling, leasing, or licensing such software for commercial or non-commercial use. The District's proprietary computer software may include computer mapping systems, computer programs, and computer graphics systems.

- k. Information security, if disclosure of that information would reveal vulnerabilities of, or otherwise increase the potential for an attack on the District's information technology system. This exemption in no way limits the District's obligation to disclose otherwise public records stored within its information technology system; and
- l. Other records the disclosure of which is not required by law.

200.50 Additional Public Records

Notwithstanding the foregoing:

- a. Every employment contract between the District and a public official or public employee is a public record.
- b. An itemized statement of the total expenditures and disbursements of the District provided for in Article VI of the California Constitution will be open for inspection;
- c. Documents concerning an open session item of a noticed public meeting that are provided to all or a majority of the Board or a committee less than 72 hours before that meeting are public records;
- d. Writings involving official District business created, used, or retained on a personal electronic device owned, leased, or possessed by a District Director or employee are public records of the District and must be retained in accordance with this policy and all other applicable District policies. A Director or employee should avoid retaining District records on a personal device indefinitely to avoid inadvertent destruction or tampering, and should contact the District Secretary or his/her designee as soon as possible to arrange to transfer such records into the District's records management system.

200.60 Justification for Withholding of Records

The District will justify withholding a record by demonstrating the record is exempt under the express provisions of Government Code sections 6254 and 6254.16 and any other applicable statute (including the records listed above in section 200.40) or by demonstrating that the public interest served by not making the record available clearly outweighs the public interest served by disclosing the record. Written notice of intent to withhold records stating the reasons for withholding the records, the person making such determination, and an estimated time for when disclosable documents will be furnished will be provided to the person requesting the record within ten days, or later if good cause requires, of the request for inspection as required by Government Code sections 6253, subdivision (c) and 6255, subdivision (b).

200.70 Confidentiality of Certain Records

While the District supports and implements the legal principles underlying the “government sunshine laws”, including the Public Records Act and Brown Act, it also recognizes the equally important constitutional principles underlying its customers’, directors’, and employees’ rights to privacy in their personal information. Such information includes those items described in Section 200.40 (i) of this Policy. The District will not disclose private information of any customer, director, or employee unless compelled by a legally-authorized subpoena, court order or order of another government agency with the power to obtain such records or authorized by the customer, director, or employee in writing. In cases where there is no clear exemption from disclosure, the District will attempt to contact the customer, director, or employee whose private information is being requested, inform the customer, director, or employee of the request, and provide that person or entity with the opportunity to object to the request and if desired, to seek a court order to protect the private information being requested from disclosure.

200.80 Copies of Records

- a. A person may obtain copies of identifiable records, by written request on the District’s request form. Upon request, District staff will assist the requestor to identify records and complete the request form. The District Secretary is the custodian of the District’s records and will provide the requestor with copies of all requested records unless a record is in electronic form or in a specialized format, in which case the District will provide the most accurate copy possible within the limits of available technology and the requestor’s instructions and willingness to pay the appropriate costs to retrieve and reproduce copies of such non-standard records, if applicable. Officers, agents, and employees of the District are not required to request records in compliance with this section when acting within the course and scope of employment or office holding. If the District is unable to provide requested copies within ten days of the request, it will advise the requestor in writing of the date when the record will be provided.
- b. The charge for plain paper standard black and white letter or legal size photocopies will be in accordance with the Regulation 3 of the District’s Regulations Governing Water Service, which reflects the District’s direct copying costs. Large format documents, maps, color copies, and similar specialized documents will be charged at cost, which the District will determine and advise the requestor of and receive approval from the requestor before copying begins. Payment for all services is required at the time copies are provided, although the District may require a deposit as provided below in subdivision (c) before beginning copying or sending the job to an outside copy service, in which case the copy service’s actual charges will be passed through to the requestor. No charge will be imposed for research.
- c. The District Secretary or designee may require a person who desires to obtain copies of records to deposit an amount equal to the estimated fees for copying prior to starting reproduction. The portion

of the deposit not use for the costs of reproduction will be refunded. If the deposit is insufficient, the District will require the requestor to pay any balance of copying charges due before any records are released.

200.90 Public Counter Records

- a. Except for writings exempt from public disclosure, the District Secretary or designee will maintain a duplicate copy of the last approved Board meeting minutes and the agenda and written materials distributed to the Board for discussion or consideration at the next scheduled Board meeting. These records will be maintained at the public counter located in the District's administrative office. Public records discussed during a public meeting but not previously available will be made available before the commencement of discussion at such meeting or as soon thereafter as practicable.
- b. Public counter records also include those public meeting documents described in subdivision (c) of section 200.50 of this Policy.
- c. No charge will be imposed for the use or review of the records described in this section. However, the District will impose a copy charge if a copy of a public counter record is requested.
- d. The District also posts on its website copies of all public counter records, archived Board meeting minutes and agendas, current Board policies, and other important District documents. Requestors are encouraged to view and obtain copies of available documents on the District's website by visiting: www.sswd.org.

200.95 Recording-Keeping

The District Secretary or designee will maintain a record of all requests for records filed with the District, including those that are denied and the reasons for the denial.

300.00 Retention, Disposal, and Storage

300.10 Purpose and Scope

This section provides criteria for the retention, destruction, and storage of records.

300.20 Records Retention Schedule

This is the District's Records Retention Schedule, which has been adopted by the Board of Directors by Resolution 06-01 in accordance with Government Code sections 12236 and 60201, subdivision (b)(2), and reviewed at least biennially. As provided by California law, the District will retain, store, and dispose of its records in accordance with this schedule and the requirements and procedures set forth in this policy. In accordance with Government Code sections 60201 and 60203, the District may keep a

copy of any record listed in the schedule below either in its original form or as an electronic record stored in the District's Records Management System, which is a trusted system within the meaning of Government Code section 60203(a).

R = Legally required retention period.

<u>Title</u>	<u>Minimum Retention Period</u>	<u>Notes/Comments</u>
<u>Administration:</u>		
Correspondence	3 years	
Policy and Procedures	7 years after cancellation	
Formation	Permanent	
Consumer confidence reports	10 years	R
Oaths of office/ballots/other official materials related to election or appointment of directors and officers	Term of Office + 7 years	R
Filings with Secretary of State	Permanent	R
Work Orders/Time Sheets	3 years	
Form 700 Statements of Economic Interests	7 years after filing	R
Form 801 Gift to Agency	7 years after filing	R
Form 470 annual Financial Disclosure Statements	7 years after filing	R
<u>Board of Directors:</u>		
Agendas	5 years	
Meeting Notices	3 years	
Staff Reports	5 years	
Board meeting minutes	Permanent	R
Ordinances and Resolutions	Permanent	R
Conflict of Interest Code	Current + 3 years	R
Board policies and procedures	Current + 3 years	R
Ethics Code	Current + 3 years	R
Proofs of Completion of Directors' and Designated Employees' Ethics Training	5 years	R
<u>Committees:</u>		
Agendas	5 years	
Meeting notices	3 years	
Minutes	Permanent	R
Staff Reports	5 years	

<u>Title</u>	<u>Minimum Retention Period</u>	<u>Notes/Comments</u>
<u>Contracts:</u>		
Agreements and contracts	7 years following end of contract	R
Requests for proposal and requests for qualifications	Contract Termination + 5 years	
Responses to requests for proposal and requests for qualifications	Contract Termination + 5 years and 2 years for all unaccepted proposals and qualifications	R
<u>Capital Improvements:</u>		
Capital improvement contracts	7 years following end of contract	R
Accepted and proposed bid documents	5 years	
As-built plans/documents	Permanent or until facility is decommissioned and removed from service	
Unaccepted construction bids and proposals	2 years	R
<u>Elections Materials:</u>		
General	3 years	
Special	3 years	
<u>Financial:</u>		
	All categories below: Audit +	Records of grant-reimbursed expenses must be kept until state DOF audit complete
<u>Accounts payable</u>	2 years	
Correspondence	3 years	
A/P ledger/distribution journal	3 years	
Cash disbursements	3 years	
Payroll/stipend payments	3 years	R
Petty cash reports	3 years	R
Expense reports	3 years	R
Invoices	3 years	R
Purchase orders	3 years	R
Warrants	3 years	R
<u>Accounts Receivable</u>		
A/R register	3 years	
Aged trial balance	3 years	
Invoices	3 years	

<u>Title</u>	<u>Minimum Retention Period</u>	<u>Notes/Comments</u>
<u>Audit Reporting</u>		
Correspondence	3 years	
Reports	3 years	
State Controller's report	Permanent	R
Work papers	3 years	
<u>Banking</u>		
Correspondence	3 years	
Bank confirmations	3 years	
Bank reconciliations	3 years	
Bank statements	3 years	
Canceled and voided checks	3 years	
Deposit slips	3 years	
Signature authorization	3 years	
<u>Financial Reporting</u>		
Correspondence	7 years	
Reports and studies	7 years	
Charts of accounts	7 years	
Treasurer's reports	7 years	
Accountant reports	7 years	
<u>Ledgers</u>		
	All categories below - Audit + 2 years	
Account analysis		
Balance sheets		
General ledger		
Journal entries		
<u>Annual Budgets</u>		
	2 years	
<u>Issuance of Indebtedness:</u>		
<u>Bond Insurance</u>		
	All categories below: 4 years after repayment	
Trust indentures	4 years	R
Funds management agreement	4 years	R
Other permanent bond records	4 years	R
Canceled checks for bond interest payments/redemption	10 years	
<u>Securities</u>		
Acquisition of securities	3 years	
Broker/bank receipts	3 years	
Periodic statements	3 years	
<u>Personal Property</u>		
Inventory	3 years	
Maintenance and inspection logs	3 years	

<u>Title</u>	<u>Minimum Retention Period</u>	<u>Notes/Comments</u>
Computer licenses and documentation	Until expiration/obsolescence	
<u>Insurance:</u>		
Memoranda of coverage	Expiration + 3 years	
Insurance policies	Expiration + 3 years	
Endorsements	Expiration + 3 years	
Certificates of insurance	Expiration + 3 years	
Coverage opinions	Expiration + 3 years	
Surety/Fidelity Bonds	Expiration + 3 years	
Required to be maintained by insurer	10 years	
<u>Legal:</u>		
General correspondence	3 years	
Attorney correspondence	3 years	
Claims and claims records	2 years after close of claim	R
Minor's claims	2 years from age of 18	R
Litigation	2 years after litigation concludes	R
Opinions	7 years	R
<u>Membership:</u>		
Membership records	7 years	
Program participation agreements	7 years	
Appointment resolutions/letters	7 years	
<u>Personnel:</u>		
Personnel files	Permanent	R
Amount of compensation paid to Officers and Employees	7 years after date of payment	R
Reimbursements, advances, and credit card payment records for Officer and Employee travel and other District-related expenses	7 years after date of payment	R
Job descriptions	Current + 2 years	R
Time sheets	Current + 4 years	
Call reports and logs	Current + 4 years	
Employment Agreements	Expiration/Termination + 4 years	
Job applications and resumes (non-hires)	1 year	R
Position advertisements	2 years	R
Employment testing results (non-hires)	1 year	R

<u>Title</u>	<u>Minimum Retention Period</u>	<u>Notes/Comments</u>
OSHA logs and records	5 years	
Safety and training records	Employment + 4 years	
Drug & alcohol program records	5 years	
Form DE 34-New Employee Report	4 years	
Form I9-Employment Eligibility	3 years after hire or 1 year after termination, whichever is later	
Harassment Training Records	2 years	
<u>Real Property:</u>		
Deeds and other documents related to real property interests	Permanent	R
Eminent domain	Permanent	R
Annexation and detachment	Permanent	R
<u>Tax-Related:</u>		
Auditor's assessed valuation certificates	5 years	R
District tax collection information	5 years	R
<u>Miscellaneous:</u>		
Other records Board determines to be of significant and lasting historical, administrative, financial, legal, or research value	Permanent	R
Records not prepared or received nor required to be maintained pursuant to state or federal law	2 years	
Other records prepared or received pursuant to state or federal law, but not expressly required to be maintained	3 years	
Board meeting tape recordings	After approval of minutes by Board or 30 days, whichever is later, if District chooses to record	R

300.30 Retention of Other Records

- a. The District must retain the following records, regardless of any different destruction policy or schedule as to any identified record or records specified in the records retention schedule set forth in section 300.2 above:
 - i. Any record of the District that is the subject of a pending request made under the California Public Records Act, Government Code sections 6250 through 6276.48, until the District has either (A) complied with the request or (B) waited at least two years after the record was withheld and written notice denying the request was provided to the requestor; **(R)**
 - ii. Documents related to pending public works projects not accepted by the District or to which a stop notice claim may be legally presented; **(R)**
 - iii. Documents related to any non-discharged District debt; and **(R)**
 - iv. Any document that has not yet fulfilled the administrative, fiscal, or legal purpose for which it was created or received by the District. **(R)**
- b. The District may dispose of the following records at any time, without maintenance of a copy:
 - i. Duplicates, the original or a permanent photographic record of which is on file;
 - ii. Working drafts, notes, and working papers prepared or kept by any employee or accumulated in the preparation of a communication, study or other document, unless of a formal nature contributing significantly to the preparation of the document, including but not limited to meter books after the contents thereof have been transferred to other records;
 - iii. Cards, listings, non-permanent indices, other papers used for controlling work and transitory files including letters of transmittal, suspense letters, and tracer letters;
 - iv. Canceled coupon sheets from registered bonds; and
 - v. Shorthand notebooks, telephone messages, and inter-departmental notes.

300.40 Records Storage

All of the records referenced in this section will be maintained at the District's Administrative office located at 3701 Marconi Avenue, Suite 100, Sacramento, California 95821; District facilities at 5331 Walnut Avenue, Sacramento, California 95841; and/or such other repository that the District may designate from time to time.

All records requests should be directed to the District's administrative office at 3701 Marconi Avenue, Suite 100, Sacramento, California 95821.

300.50 Records Disposal

The District Secretary, or his or her designee, may destroy and discard, by any permanent method that protects the confidentiality of any privileged or confidential information contained therein, any District record after the expiration of the applicable retention period described in the above Records Retention Schedule.

400.00 Policy Review

This policy shall be reviewed at least biennially.



Agenda Item: 3

Date: October 15, 2019

Subject: Rules for Proceeding of the Board of Directors (PL – BOD 002)

Staff Contact: Dan York, General Manager

Recommended Board Action:

Approve the updated Rules for Proceeding of the Board of Directors (PL – BOD 002) with changes.

Background:

On September 16, 2019, the Rules for Proceeding of the Board of Directors Policy update was brought to the Board for review. No comments have been received to date. Legal counsel reviewed the subject policy.

Discussion:

Staff recommends adopting the updated Rules for Proceeding of the Board of Directors Policy. Both, a redline version (Attachment 1) and clean version (Attachment 2) are included for your reference. In summary, edits by staff and legal were made to the following sections:

Rule 7 – Conflicts of Interest, page 3, minor changes to confirm the language to the recently amended Fair Political Practices Commission conflict of interest regulations. Those changes also delete some redundant language.

Fiscal Impact:

Adopting the policy updates does not have a fiscal impact.

Strategic Plan Alignment:

Goal B: Optimize Operational and Organizational Efficiencies

This policy is a benefit for District customers as it provides fundamental principles of parliamentary law, protects the rights of Board members and those they represent, sets the deliberative process so their views are heard, and protects against instability.

Attachment:

1 – Rules for Proceeding of the Board of Directors Policy – redlined

2 - Rules for Proceeding of the Board of Directors Policy – clean

Sacramento Suburban Water District

**Rules for Proceedings of the
Board of Directors**

Adopted: February 20, 2002

~~Revised/Approved with Changes: November 12, 2007; September 15, 2008; September 20, 2010; December 19, 2011; December 16, 2013; January 25, 2016; October 16~~XX~~, 2019~~7~~.~~

Introduction

These are the rules for proceedings of the Board of Directors of Sacramento Suburban Water District. (See Water Code section 30530.) The purposes of these rules are to facilitate public participation during meetings of the Board, protect the rights of all Directors and to provide a process for conducting Board meetings in an orderly and efficient manner. The provisions of the County Water District Law (see Water Code sections 30000, *et seq.*), Brown Act (Government Code section 54950, *et seq.*) and any other applicable law will control over any inconsistent provision contained in these rules.

Rule 1 – Selection of Officers

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

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

may be reopened only by a motion, second and majority vote to reopen them; (6) after nominations have been closed and before the vote, the public should be provided an opportunity to comment on the agenda item; (7) the President then should call for votes on the nominees by a roll call vote on each nominee, and each Director should cast his or her yea or nay vote on each nominee, e.g., “For the first nominee for President, Director X, please state your vote by yea or nay;” (8) nominees should be voted on in the order in which they are nominated and the process should continue until there is a majority approval of one of the nominees; and (9) as soon as one of the nominees receives a majority vote, the President should declare that person elected to the office and no vote is taken on any remaining nominees.

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

Rule 2 – Duties of President of the Board

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

Rule 3 – Time and Place for Regular Meetings

The regular monthly meeting of the Board of Directors will be held in the Boardroom at the District's administrative office (3701 Marconi Avenue, Suite 100, Sacramento, California) on the third Monday of each month, commencing at 6:30 p.m. (6:00 p.m. starting January 2018) except that the January regular Board meeting will be held on the fourth Monday of that month due to the Martin Luther King, Jr. Holiday and the February meeting will be held on the Monday following President's Day Holiday. The location, day and time for holding regular meetings may be changed by the Board of Directors from time to time by resolution. If a regular meeting falls on a different holiday (as listed in Government Code section 6700), the meeting will be held on the day designated by the Board by minute order. (See Government Code section 54954(a).)

Rule 4 – Quorum Requirements

The Board of Directors consists of five members. Three members of the Board will constitute a quorum for the transaction of business. (See Water Code section 30524 and Resolution 04-09, adopted April 19, 2004).

Rule 5 – Majority Vote

Three members of the Board will be required to approve any ordinance, resolution or motion, unless a different voting requirement to approve a particular action is specified under State law. (See Water Code section 30525.)

Rule 6 – What Constitutes an Affirmative Vote

Unless a Director is not voting because of a conflict of interest, a Director who is present for a vote on a matter before the Board will be deemed to have voted in the affirmative on a matter unless the Director votes against the measure by casting a "no" vote. An "abstain" vote will constitute an "aye" vote. (See *Dry Creek Valley Association, Inc. v. Board of Supervisors* (1977) 67 Cal.App.3d 839.) When calling for the vote on a motion, the President of the Board may (a) call for "aye" and "no" votes, or (b) ask if there are any "no" votes, since the remaining Directors present will be deemed to have voted in the affirmative unless they are not voting due to a conflict of interest.

Rule 7 – Conflicts of Interest

A member of the Board may not make, participate in making or in anyway attempt to use his or her official position to influence a decision of the Board of Directors in which he or she knows or has reason to know that he or she has a financial interest. (Government Code section 87100.) Generally, a Director has a financial interest in a matter if it is reasonably foreseeable that the Board decision would have a material financial effect, ~~(as defined and analyzed under by the Fair Political Practices Commission's ["FPPC"] regulations,~~) that is distinguishable from the effect on the public generally, involving the dollar amounts set by FPPC regulations from time to time, on (a) a business entity in which the Director has a direct or indirect investment ~~in the amount specified in FPPC regulations,~~ (b) real property in which the Director has a direct or indirect investment interest, ~~with a worth in the amount specified in FPPC regulations,~~ (c) a source of income of the Director, ~~in the amount specified in FPPC regulations,~~ within twelve months before the Board decision, (d) a source of gifts to the Director, ~~in the amount specified in FPPC regulations,~~ within twelve months before the Board decision, or (e) a business entity in which the Director holds a position as a director, trustee, officer, partner, manager or employee. An "indirect interest" means any investment or interest owned by the spouse or dependent child of the Director, by an agent on behalf of the Director, or by a business entity or trust in which the Director, or the Director's spouse, dependent child or agent owns directly, indirectly or beneficially a ten percent interest or greater. (Government Code section 87103.)

If a member of the Board believes he or she may be disqualified from participation in the discussion, deliberations or vote on a particular matter due to a conflict of interest, the following procedure will be used: (a) if the Director becomes aware of the potential conflict of interest before the Board meeting at which the matter will be discussed or acted on, the Director will notify the General Manager of the potential conflict of interest, so that a determination can be made whether it is a disqualifying conflict of interest; (b) if it is not possible for the Director to discuss the potential conflict with the General Manager before the meeting, or if the Director does not become aware of the potential conflict until during the meeting, the Director will

immediately disclose the potential conflict during the Board meeting, so that there can be a determination whether it is a disqualifying conflict of interest; and (c) upon a determination that there is a disqualifying conflict of interest, the Director (1) will not participate in the discussion, deliberation or vote on the matter for which a conflict of interest exists, and (2) leave the Board room until after the discussion, vote and any other disposition of the matter has been concluded, unless the matter has been placed on the consent agenda, except that the Director may speak on the matter during the time that the general public speaks on the matter. In such a case, the Board minutes will state: –“Due to a potential conflict of interest, Director _____ did not participate in the discussion, deliberation or vote on this matter.”

A Board member also is prohibited from having a financial interest in a contract with the District, or be purchaser at a sale by the District or a vendor at a purchase made by the District, unless the Board member’s participation is authorized under Government Code section 1090, 1091 or 1091.5, or other provisions of law. Any Director who has a prohibited interest in a contract proposed to be made by the District should declare the conflict as soon as it becomes known and the Board will not consider or take any further action in regard to such contract.

Rule 8 – Motions

The three steps for bringing a motion before the Board are: (a) a Director makes a motion, (b) another Director seconds the motion, and (c) the President states the motion. Once the motion has been stated by the President, it is open to formal discussion. While only one motion can be considered at a time, and a motion must be disposed of before any other question is considered, (a) a motion may be amended before it is voted on, either by the consent of the Directors who moved and seconded, or by a new motion and second, which is then approved by the Board, or (b) a motion may be tabled before it is voted on by motion made to table, which is then seconded and approved by the Board, or (c) a motion may be rejected without further discussion of or action on the motion by a motion of “objection to consideration,” which is then seconded and approved by the Board, or (d) further discussion of a motion can be terminated by a motion “to call the question,” which is then seconded and approved by the Board. Any Director, including the President, may make or second a motion.

Rule 9 – Protection of Rights of Directors

One of the primary purposes for these rules of procedure is to protect the rights of all Directors. The President will allow each Director a reasonable opportunity to discuss a motion, after it has been made and seconded, and before it has been voted on. The President can set reasonable time limits for discussion of a motion. A Director can object to a procedural ruling by the President by stating: “Mister/Madam President, I rise to a point of order.” The President must then ask the Director to state the point of order. The President will then rule on the point of order. The President’s ruling on a point of order may be appealed by a motion made and seconded to appeal the decision, which is then voted on by the Board.

Rule 10 – Record of Vote

Except where action is taken by the unanimous vote of all Board members present and

voting, the ayes and noes taken upon the passage of all ordinances, resolutions or motions will be entered upon the minutes. (See Water Code section 30526.)

Rule 11 – Ordinances

The enacting clause of all ordinances passed by the Board will be: "Be it ordained by the Board of Directors of Sacramento Suburban Water District as follows:" (See Water Code section 30527.) All ordinances will be signed by the President and attested by the Secretary. (See Water Code section 30528.)

Rule 12 – Agenda and Agenda Materials

In consultation with the Board President, the General Manager will be responsible for preparing the agenda for regular Board meetings and meetings of standing and *ad hoc* committees (see Government Code section 54952 and Rule 22), and having the agenda for regular Board meetings and standing committee meetings posted at the District office in a location freely accessible to the public no later than seventy-two hours before a regular meeting and on the District's website. The agenda will specify the time and location of the meeting and contain a brief, general description of each item of business to be transacted or discussed at the meeting, including closed session items. (See Government Code section 54954.2.) Any member of the Board may request the General Manager to place an item for discussion or action on the agenda. In order to allow sufficient time to prepare the agenda and back-up materials, the deadline for adding items to the agenda for a regular meeting will be at 4 p.m., seven working days before the meeting. Any member of the public may make a request to the Board at any regular meeting to place an item for discussion on a future agenda, but such a request will be honored only if a majority of the Board approves by motion or consensus.

An agenda for a regular or special Board meeting will contain the following statements: (a) "The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item." (See Government Code section 54954.3(a).); (b) "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." (See Government Code section 54957.5(b)(2).); and (c) "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 [insert the name and telephone number of the person designated by the General Manager]. Requests must be made as early as possible, and at least one-full business day before the start of the meeting." (See Government Code section 54954.2(a).).

Rule 13 – Requests for Copies of Agendas and Agenda Materials

Any person may request the District to mail or electronically mail him or her a copy of the agenda or agenda packet for any meeting of the Board. When the District receives such a request, the General Manager or his/her designee will distribute copies of the requested materials (except for documents that are exempt from disclosure under the Public Records Act) to the

requesting party at the time that the agenda is posted or when the agenda packets are distributed to a majority of the Board members, whichever occurs first. Any request for copies of agendas or agenda packets for all Board meetings in a given year will be valid for the calendar year in which the request is submitted, and the request must be renewed after January 1 of each year in which it is to remain in effect. (Government Code section 54954.1.)

Documents that are distributed to all or a majority of the members of the Board by any person in connection with a matter subject to discussion or consideration at a regular or special meeting of the Board will be disclosable public records under the California Public Records Act (commencing with Government Code section 6250), and will be made available upon request by a member of public without delay, except as to documents that are exempt from disclosure under the Public Records Act. Any public documents related to an open session agenda item that are distributed to all or a majority of Board members by staff or any third party less than 72 hours before a regular Board meeting will be made available for public inspection at the same time. Such documents will be available for public inspection in the customer service area of the District's Administrative Office. Documents that are distributed during a regular or special Board meeting that are subject to disclosure under the Public Records Act will be made available for public inspection at the meeting, if prepared by the District or a member of the Board, or after the meeting, if prepared by some other person. The District may charge a fee for responding to requests for copies of agendas, agenda packets or other documents, which fee will be limited to the District's copying and postage costs as provided in the District's Records Inspection, Retention, and Disposal, ~~and~~ Storage Policy (PL - Adm 002). (See Government Code section 54957.5(a) and (b).)

Upon request, the agenda and other documents referred to in this rule will be made available in an appropriate alternative format to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. section 12132) and the federal rules and regulations adopted in implementation thereof. (See Government Code sections 54954.1, 54954.2(a) and 54957.5(b).) The District will not charge a special surcharge to provide documents requested in an alternative format by a person with a disability in accordance with the Americans with Disabilities Act and its implementing regulations. (See Government Code section 54957.5(c).)

If the District records the meeting, it will retain the recording for at least thirty days following the meeting, after which it may be erased or destroyed. The public may inspect the recording on a computer made available by the District, without charge. (See Government Code section 54953.5(b).)

Rule 14 – Authority to Act on Matters Not on the Agenda

The Board will not take action on or discuss any item not appearing on the posted agenda, except under the following conditions, in which cases the item will be publicly identified before discussion begins: (a) upon a determination by a majority of the Board that an emergency situation exists, as further described in Rule 25 hereof; (b) upon a determination by a two-thirds vote of the Board members present at the meeting, or, if less than two-thirds of the members of the Board are present, a unanimous vote of those members present, that the need to take

immediate action became apparent after the agenda was posted; or (c) the item was posted for a prior meeting of the Board occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken. (See Government Code sections 54954.2 and 54956.5.)

Rule 15 – Consent Agenda

The General Manager may list on the agenda a “consent agenda,” which will consist of routine matters on which there is generally no opposition or need for discussion. Examples of consent agenda items might include approval of minutes, financial reports and routine resolutions. Any matter may be removed from the consent agenda and placed on the regular agenda at the request of any member of the Board. The entire consent agenda may be approved by a single motion made, seconded and approved by the Board.

Rule 16 – Oral Informational Reports

Any member of the Board may make an oral report at a regular meeting for the purpose of informing the Board of any matter of interest to the District. Regular meeting agendas will include specific items for Directors’ reports and comments. The Board also may call on the General Manager, District staff or District legal counsel for oral informational reports on matters not on the agenda. Unless the Board makes the determinations required under Rule 14, there will be no more than limited discussion, and no action, on matters covered in such oral reports. (See Government Code section 54954.2(a).)

Rule 17 – ~~Public Forum and Comment~~ Participation

Every agenda for a regular meeting will provide an opportunity for members of the public to directly address the Board on items of interest that are within the subject matter jurisdiction of the Board and that do not appear on the agenda. This agenda item will be described substantially as follows: “Opportunity for public comment on non-agenda items within the Board’s jurisdiction.” During the Public Forum, the Board may, at its discretion, not respond, briefly respond to statements made or questions posed by the public, or ask District staff for clarification, refer the matter to District staff or ask District staff to report back at a future meeting. (See Government Code sections 54954.2 and 54954.3.) The Board will not take action on any matter raised during the Public Forum, unless the Board first makes the determinations set forth in Rule 14. In order to facilitate public participation during the Public Forum session of the meeting, the Board may limit the total amount of time allocated for public comment on a particular issue (ten minutes or less normally will be standard), and may limit the time allocated for public comment by an individual speaker (three minutes or less normally will be standard). The President may declare any comment as out of order, irrelevant, repetitious or disruptive. (See Government Code section 54954.3.)

It is the general policy of the Board to refer to the General Manager for resolution complaints received from members of the public. If the complaint cannot be resolved, the General Manager will place it on a future meeting agenda for consideration by the Board.

The public may address the Board concerning an agenda item during a regular or special Board meeting, including commenting on the closed session agenda prior to the Board adjourning into closed session, either before or during the Board's consideration of that agenda item. (See Government Code section 54954.3(a).)

These rules are not intended to prohibit public criticism of policies, procedures, programs or services of the District, or of the acts or omissions of the Board. (See Government Code section 54954.3(c).)

In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting infeasible, and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the Board may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, will be allowed to attend any session held pursuant to this section. Nothing in this section will prohibit the Board from readmitting an individual or individuals not responsible for disturbing the orderly conduct of the meeting. (See Government Code section 54957.9.)

Rule 18 – Public Hearings

The procedure for conducting public hearings during a meeting of the Board will be as follows: (a) no earlier than the time set for the public hearing, the President of the Board will declare the public hearing open; (b) the President will ask the General Manager whether notice of the public hearing has been given in the manner required by law; (c) the President will ask the General Manager whether written comments on the subject matter of the public hearing have been received; (d) the President will ask whether any member of the public wishes to present written or oral comments on the subject of the public hearing; (e) in its discretion, the Board may set time limits on the amount of time an individual speaker is allowed to comment orally during the public hearing; and (f) following the close of presentation of comments and before any Board discussion and action on the subject matter, the President will declare the public hearing closed. The Board may continue a public hearing from time to time. ~~A public hearing may be continued~~ in accordance with the procedures described in Rule 19. (See Government Code section 54955.1.)

Rule 19 – Adjournment

A meeting of the Board will be adjourned by (a) loss of a quorum, (b) by declaration of the President that the meeting is adjourned when the agenda has been completed and there is no further business to come before the Board, or (c) by motion made, seconded and approved to adjourn the meeting. A regular or special meeting of the Board may also be adjourned for the purpose of continuing it to a specific day and time (a) by motion made, seconded and approved by a majority of the Board, (b) by approval of less than a quorum if a quorum is not present, or (c) by the Secretary of the Board if all members are absent from any regular or adjourned regular meeting. A copy of the order or notice of adjournment to continue a meeting to another date will be conspicuously posted on or near the door of the District office where the meeting was held

within twenty-four hours after the time of adjournment. (See Government Code section 54955.)

Rule 20 – Special Meetings

A special meeting may be called at any time by the President or by a majority of the members of the Board, by delivering personally or by any other means, including mail, facsimile and electronic mail, written notice to each member and to each newspaper, radio or television station requesting notice in writing. Such notice must be received at least twenty-four hours before the time of such meeting as specified in the notice to constitute notice of the special meeting (except as to emergency meetings, in which case, the notice requirements specified in Rule 25 will be followed). Electronic mail will constitute notice of a special meeting only if the recipient confirms receipt, and it will be deemed to be received at the time of such confirmation. The call and notice for a special meeting must specify the time and place of the special meeting and the business to be transacted, and must include the statements specified in Rule 12. No other business will be considered at such meeting. The written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the District Secretary a written waiver of notice. Waiver may be given in person or by mail, facsimile, electronic mail or telegram. Such written notice may also be dispensed with as to any member who was actually present at the meeting at the time it convenes. Notice of a special meeting must also be posted at least twenty-four hours before the meeting in a location freely accessible to the public and on the District's website. (See Government Code sections 54954.3(a) and 54956.)

Rule 21 – Board Workshop Meetings

From time to time, the Board may set a regular or special meeting to be conducted as a “workshop meeting,” during which the Board would have the opportunity to receive presentations on and discuss matters identified on the agenda, but the Board would not normally take action on those items. Nothing in this rule is intended to prevent the Board from taking action on a matter during a workshop session if it is identified as an item for possible action on the agenda for that meeting.

Rule 22 – Board Committees

Board committees will be composed of less than three Directors, and may be either standing committees or *ad hoc* advisory committees. A Board standing committee has continuing subject matter jurisdiction. (See Government Code section 54952.) In accordance with Rule 12, standing committee meetings will be open to the public (except for authorized closed sessions), and the agenda for those meetings will be posted in the same manner as the agenda for regular Board meetings. In addition, the President may from time to time establish, and appoint the members of, *ad hoc* advisory committees to serve a limited or single purpose, which committees are to be dissolved once their specific task is completed. The meetings of an *ad hoc* advisory committee are not required to be open to the public, and notice of such meetings is not required to be posted. (See Government Code sections 54951 and 54952.)

Directors who are not members of a standing committee may attend a standing committee meeting only as observers, and they may not participate in the committee meeting, ask questions

or sit with the committee members at the Board table. (See subsection (c)(6) of Government Code section 54952.2.) Directors who are not members of an *ad hoc* committee may not attend an *ad hoc* committee meeting.

Rule 23 – Closed Sessions

A closed session may be held on any subject authorized under the Brown Act. The agenda for a regular or special meeting will contain a brief, general description of the purpose of a closed session, in substantially the following form:

a. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); _____ v. _____ [insert name of case, e.g., *Jones v. District*].

b. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); case name unspecified because _____ [insert either “disclosure would jeopardize service of process” or “disclosure would jeopardize existing settlement negotiations”].

c. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(2) and (3); significant exposure to litigation involving _____ [describe].

d. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(4); consideration of initiation of litigation involving _____ [describe or specify only number of cases if confidentiality is required or deemed necessary].

e. Public employee appointment involving _____ [insert position(s) to be filled]; Government Code sections 54954.5(e) and 54957(b)(1).

f. Public employee performance evaluation involving _____ [insert position(s) being reviewed]; Government Code sections 54954.5(e) and 54957(b)(1).

g. Public employee discipline/dismissal/release; Government Code sections 54954.5(e) and 54957(b). [No additional information required.]

h. Conference with labor negotiator involving _____ [insert name of District negotiator] and _____ [insert name of employee organization involved in negotiation]; Government Code sections 54954.5(f) and 54957.6.

i. Conference with labor negotiator involving _____ [insert name of District negotiator] and unrepresented employee(s) in position(s) of _____ [insert position(s) of unrepresented employee(s) involved in negotiation]; Government Code sections 54954.5(f) and 54957.6.

j. Conference with real property negotiator involving the purchase, sale, lease or exchange of _____ [insert street address or other description of property], _____ and _____ [insert name of District negotiator(s)], District negotiator(s), will negotiate with _____ [insert name of other party(ies)]. Instructions to the negotiator(s) may include price, terms of payment, or both. (See Government Code sections 54954.5(b) and 54956.8.)

k. Closed session consultation [insert the name, if applicable, of a law enforcement agency, and the title of the officer, or the name of an applicable agency representative (legal counsel or security officer) and title] concerning a threat to public services or facilities, or for the assessment of the security vulnerability of public facilities. (See Government Code sections 54954.5(e) and 54957(a).)

The Board will not keep minutes of its closed sessions. (See Government Code section 54957.2.) In the closed session, the Board will consider only those matters covered in its statement of reasons for holding the closed session. (See Government Code section 54957.7.)

Before holding a closed session to consider complaints or charges against a particular employee (as distinguished from evaluation of performance unrelated to any specific complaint or charge), the District will provide twenty-four hours' advance written notice to the employee of his or her right to have the matter heard in open session. If the employee requests, the complaint or charges must be heard in open session. (See Government Code section 54957(b)(2).)

A closed session may be held to meet with the District's negotiator regarding the salary and benefits of District officers and employees, but not including elected officials, but the District's available funds, funding priorities or budget will not be discussed during the closed session except to the extent necessary to permit the Board to provide instructions to its designated labor negotiator(s). (See Government Code section 54957.6.)

Following every closed session, the Board will reconvene to open session and publicly report any action and vote during the closed session in accordance with the following guidelines:

a. For action concerning final approval of a real property purchase, sale or exchange agreement or lease, report in open session at the same meeting the action taken (including the substance of the agreement) and vote, except that, if final approval rests with another party, the report may be deferred until the other party's approval. (See Government Code section 54957.1(a)(1).)

b. Approval given to legal counsel to defend or initiate a lawsuit, or seek appellate review will be reported in open session at the public meeting during which the closed session was held. (See Government Code section 54957.1(a)(2).)

c. Approval given to legal counsel to settle pending litigation or action taken to dispose of a claim will be reported in open session as soon as the settlement or claim disposition becomes final. (See Government Code section 54957.1(a)(3) and (4).)

d. For action to appoint, employ or dismiss, accept the resignation of, or otherwise affect the employment status of an employee, the Board will report in open session at the same meeting the action taken (including identity of employee or position and any change in compensation) and vote, except that, for any dismissal or non-renewal of a contract, the report back may be deferred until the first meeting after the exhaustion of administrative remedies. (See Government Code section 54957.1(a)(5).)

e. For action concerning a labor MOU, after the MOU has been approved by both parties, the Board will report in open session the action taken and vote. (See Government Code section 54957.1(a)(6).)

The District will make available after a closed session to anyone who has requested them in advance, agreements or other documents approved in closed session, unless the document needs to be revised, in which case it will be provided as soon as possible. After the closed session, changes to the agreement will be orally summarized if anyone present so requests. (See Government Code section 54957.1(b).)

A Director is not authorized, without prior approval of the Board of Directors, to disclose information that qualifies as confidential information under applicable provisions of law to a person not authorized to receive it, that (1) has been received for, or during, a closed session meeting of the Board, (2) is protected from disclosure under the attorney/client or other evidentiary privilege, or (3) is not required or authorized to be disclosed under the California Public Records Act.

A Director is not prohibited from taking the following actions in regard to a closed session of the Board: (1) making a confidential inquiry or complaint to a district attorney or grand jury concerning a perceived violation of law, including disclosing facts to a district attorney or grand jury that are necessary to establish the alleged illegality of an action taken by the Board, (2) expressing an opinion concerning the propriety or legality of actions taken by the Board in closed session, including disclosure of the nature and extent of the allegedly illegal action, or (3) disclosing information acquired by being present in a closed session that is not confidential information. Prior to disclosing confidential information pursuant to (1) or (2), above, however, a Board member will first bring the matter to the attention of either the President of the Board or the full Board, to provide the Board an opportunity to cure an alleged violation.

A Director's violation of the duty to protect closed session confidences may be remedied as provided in Government Code section 54963(c). A Director who willfully and knowingly discloses for pecuniary gain confidential information received by him or her in the course of his or her official duties may be guilty of a misdemeanor under Government Code section 1098.

(See Government Code section 54963, and 76 Ops.Cal.Atty.Gen. 289, 290 (1993) and 80 Ops.Cal.Atty.Gen. 231 (1997).)

Rule 24 – Meetings by Teleconference

The Board may hold meetings by teleconference. (See Government Code section

54953(b).) For purposes of this rule, “meetings by teleconference” include meetings at which one or more Board member attends and participates in the meeting by telephone, video conferencing or any other electronic means using live audio or video, or both. For any meeting by teleconference conducted by the Board, the following requirements will apply:

a. At least a quorum of the Board must participate in the teleconference meeting from locations within the District’s boundaries and each teleconference location (i.e., the location from which one or more Board members attends and participates in a meeting by teleconference) will be accessible to the public.

b. When meetings by teleconference are held by telephone, speaker phones that allow all persons attending the meeting to hear and be heard will be used at the main meeting location and at any teleconference location where there are members of the public in attendance.

c. All votes taken at a meeting by teleconference will be by roll call.

d. The Board will conduct the meeting by teleconference in a manner that protects the statutory and constitutional rights of parties and the public to attend and participate in the meeting.

e. Each teleconference location will be identified in the regular meeting agenda or special meeting notice, and the agenda or notice will state that members of the public will have the opportunity to address the Board from any teleconference location.

f. Notice of any meeting by teleconference will be included in the meeting agenda or special meeting notice in substantially the following form:

“All or portions of this meeting will be conducted by teleconference in accordance with Government Code section 54953(b). The teleconference location(s) for the meeting are as follows: _____.
Each teleconference location is accessible to the public, and members of the public may address the Board of Directors from any teleconference location.”

g. In addition to the usual notice and agenda requirements, the regular meeting agenda or special meeting notice will be posted at all teleconference locations at least seventy-two hours before regular meetings or twenty-four hours before special meetings.

Rule 25 – Emergency Meetings

Under Government Code section 54956.5, a meeting to address an emergency may be held if a majority of the Board determines that a situation exists which involves matters upon which prompt action is necessary. An emergency situation is defined as: (1) a work stoppage, crippling activity, or other activity that severely impairs public health, safety, or both; or (2) a dire emergency, which shall be defined as a crippling disaster, mass destruction, terrorist act, or threatened terrorist activity that poses peril so immediate and significant that requiring the Board

to provide one-hour notice before holding an emergency meeting may endanger the public health, safety, or both.

As a condition of holding an emergency meeting, the Board President or his/her designee shall provide notice of the meeting by telephone to each local newspaper of general circulation, radio station and television station that has requested notice of special meetings. For a meeting for a “non-dire emergency” (Definition 1, above), the telephone notice must be provided at least one hour prior to the emergency meeting. In the case of a meeting for a “dire emergency” (Definition 2, above), the telephone notice must be provided to the media at or near the same time as notice is given to the members of the Board. In the event that telephone services are not functioning, the notice requirements of this section shall be deemed waived, and the legislative body, or designee of the legislative body, shall notify those newspapers, radio stations, or television stations of the fact of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

The Board may meet in closed session upon approval by a two-thirds vote of the Board (or the unanimous vote of the Board if less than two-thirds are present) to discuss security or employment matters related to the emergency situation. (See Government Code sections 54956.5(c) and 54957.)

With the exception of the 24-hour notice and posting requirements and any other exceptions provided in herein, all special meeting requirements described in Rule 20 shall be applicable to an emergency meeting called pursuant to this Rule.

The draft minutes of an emergency meeting called under this Rule must be posted in a public place for a minimum of 10 days as soon after the meeting as possible, and include a list of persons who the Board President or his/her designee notified or attempted to notify of the meeting, if applicable, any actions taken at the meeting, and a recording of any votes taken by roll call. (See Government Code section 54956.5(e).)

Rule 26 – Amendment of Rules

By motion made, seconded and approved, the Board in its discretion may at any meeting (a) temporarily suspend these rules in whole or in part, (b) amend these rules in whole or in part, or (c) both, as long as any amendment or suspension is otherwise consistent with the Brown Act and other applicable laws. Unless amended earlier, District staff will review these Rules for Proceedings biennially and recommend changes for Board consideration and action.

Sacramento Suburban Water District

**Rules for Proceedings of the
Board of Directors**

Adopted: February 20, 2002
Approved with Changes: October XX, 2019.

Introduction

These are the rules for proceedings of the Board of Directors of Sacramento Suburban Water District. (See Water Code section 30530.) The purposes of these rules are to facilitate public participation during meetings of the Board, protect the rights of all Directors and to provide a process for conducting Board meetings in an orderly and efficient manner. The provisions of the County Water District Law (see Water Code sections 30000, *et seq.*), Brown Act (Government Code section 54950, *et seq.*) and any other applicable law will control over any inconsistent provision contained in these rules.

Rule 1 – Selection of Officers

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

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

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

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

Rule 2 – Duties of President of the Board

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

Rule 3 – Time and Place for Regular Meetings

The regular monthly meeting of the Board of Directors will be held in the Boardroom at the District's administrative office (3701 Marconi Avenue, Suite 100, Sacramento, California) on the third Monday of each month, commencing at 6:30 p.m. (6:00 p.m. starting January 2018) except that the January regular Board meeting will be held on the fourth Monday of that month due to the Martin Luther King, Jr. Holiday and the February meeting will be held on the Monday following President's Day Holiday. The location, day and time for holding regular meetings may be changed by the Board of Directors from time to time by resolution. If a regular meeting falls on a different holiday (as listed in Government Code section 6700), the meeting will be held on the day designated by the Board by minute order. (See Government Code section 54954(a).)

Rule 4 – Quorum Requirements

The Board of Directors consists of five members. Three members of the Board will constitute a quorum for the transaction of business. (See Water Code section 30524 and Resolution 04-09, adopted April 19, 2004).

Rule 5 – Majority Vote

Three members of the Board will be required to approve any ordinance, resolution or motion, unless a different voting requirement to approve a particular action is specified under State law. (See Water Code section 30525.)

Rule 6 – What Constitutes an Affirmative Vote

Unless a Director is not voting because of a conflict of interest, a Director who is present for a vote on a matter before the Board will be deemed to have voted in the affirmative on a matter unless the Director votes against the measure by casting a "no" vote. An "abstain" vote will constitute an "aye" vote. (See *Dry Creek Valley Association, Inc. v. Board of Supervisors* (1977) 67 Cal.App.3d 839.) When calling for the vote on a motion, the President of the Board may (a) call for "aye" and "no" votes, or (b) ask if there are any "no" votes, since the remaining Directors present will be deemed to have voted in the affirmative unless they are not voting due to a conflict of interest.

Rule 7 – Conflicts of Interest

A member of the Board may not make, participate in making or in anyway attempt to use his or her official position to influence a decision of the Board of Directors in which he or she knows or has reason to know that he or she has a financial interest. (Government Code section 87100.) Generally, a Director has a financial interest in a matter if it is reasonably foreseeable that the Board decision would have a material financial effect, as defined and analyzed under the Fair Political Practices Commission's ["FPPC"] regulations, that is distinguishable from the effect on the public generally, involving the dollar amounts set by FPPC regulations from time to time, on (a) a business entity in which the Director has a direct or indirect investment, (b) real property in which the Director has a direct or indirect investment interest, (c) a source of income of the Director, within twelve months before the Board decision, (d) a source of gifts to the Director, within twelve months before the Board decision, or (e) a business entity in which the Director holds a position as a director, trustee, officer, partner, manager or employee. An "indirect interest" means any investment or interest owned by the spouse or dependent child of the Director, by an agent on behalf of the Director, or by a business entity or trust in which the Director, or the Director's spouse, dependent child or agent owns directly, indirectly or beneficially a ten percent interest or greater. (Government Code section 87103.)

If a member of the Board believes he or she may be disqualified from participation in the discussion, deliberations or vote on a particular matter due to a conflict of interest, the following procedure will be used: (a) if the Director becomes aware of the potential conflict of interest before the Board meeting at which the matter will be discussed or acted on, the Director will notify the General Manager of the potential conflict of interest, so that a determination can be made whether it is a disqualifying conflict of interest; (b) if it is not possible for the Director to discuss the potential conflict with the General Manager before the meeting, or if the Director does not become aware of the potential conflict until during the meeting, the Director will immediately disclose the potential conflict during the Board meeting, so that there can be a determination whether it is a disqualifying conflict of interest; and (c) upon a determination that

there is a disqualifying conflict of interest, the Director (1) will not participate in the discussion, deliberation or vote on the matter for which a conflict of interest exists, and (2) leave the Board room until after the discussion, vote and any other disposition of the matter has been concluded, unless the matter has been placed on the consent agenda, except that the Director may speak on the matter during the time that the general public speaks on the matter. In such a case, the Board minutes will state: "Due to a potential conflict of interest, Director _____ did not participate in the discussion, deliberation or vote on this matter."

A Board member also is prohibited from having a financial interest in a contract with the District, or be purchaser at a sale by the District or a vendor at a purchase made by the District, unless the Board member's participation is authorized under Government Code section 1090, 1091 or 1091.5, or other provisions of law. Any Director who has a prohibited interest in a contract proposed to be made by the District should declare the conflict as soon as it becomes known and the Board will not consider or take any further action in regard to such contract.

Rule 8 – Motions

The three steps for bringing a motion before the Board are: (a) a Director makes a motion, (b) another Director seconds the motion, and (c) the President states the motion. Once the motion has been stated by the President, it is open to formal discussion. While only one motion can be considered at a time, and a motion must be disposed of before any other question is considered, (a) a motion may be amended before it is voted on, either by the consent of the Directors who moved and seconded, or by a new motion and second, which is then approved by the Board, or (b) a motion may be tabled before it is voted on by motion made to table, which is then seconded and approved by the Board, or (c) a motion may be rejected without further discussion of or action on the motion by a motion of "objection to consideration," which is then seconded and approved by the Board, or (d) further discussion of a motion can be terminated by a motion "to call the question," which is then seconded and approved by the Board. Any Director, including the President, may make or second a motion.

Rule 9 – Protection of Rights of Directors

One of the primary purposes for these rules of procedure is to protect the rights of all Directors. The President will allow each Director a reasonable opportunity to discuss a motion, after it has been made and seconded, and before it has been voted on. The President can set reasonable time limits for discussion of a motion. A Director can object to a procedural ruling by the President by stating: "Mister/Madam President, I rise to a point of order." The President must then ask the Director to state the point of order. The President will then rule on the point of order. The President's ruling on a point of order may be appealed by a motion made and seconded to appeal the decision, which is then voted on by the Board.

Rule 10 – Record of Vote

Except where action is taken by the unanimous vote of all Board members present and voting, the ayes and noes taken upon the passage of all ordinances, resolutions or motions will be entered upon the minutes. (See Water Code section 30526.)

Rule 11 – Ordinances

The enacting clause of all ordinances passed by the Board will be: "Be it ordained by the Board of Directors of Sacramento Suburban Water District as follows:" (See Water Code section 30527.) All ordinances will be signed by the President and attested by the Secretary. (See Water Code section 30528.)

Rule 12 – Agenda and Agenda Materials

In consultation with the Board President, the General Manager will be responsible for preparing the agenda for regular Board meetings and meetings of standing and *ad hoc* committees (see Government Code section 54952 and Rule 22), and having the agenda for regular Board meetings and standing committee meetings posted at the District office in a location freely accessible to the public no later than seventy-two hours before a regular meeting and on the District's website. The agenda will specify the time and location of the meeting and contain a brief, general description of each item of business to be transacted or discussed at the meeting, including closed session items. (See Government Code section 54954.2.) Any member of the Board may request the General Manager to place an item for discussion or action on the agenda. In order to allow sufficient time to prepare the agenda and back-up materials, the deadline for adding items to the agenda for a regular meeting will be at 4 p.m., seven working days before the meeting. Any member of the public may make a request to the Board at any regular meeting to place an item for discussion on a future agenda, but such a request will be honored only if a majority of the Board approves by motion or consensus.

An agenda for a regular or special Board meeting will contain the following statements: (a) "The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item." (See Government Code section 54954.3(a).); (b) "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." (See Government Code section 54957.5(b)(2).); and (c) "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 [insert the name and telephone number of the person designated by the General Manager]. Requests must be made as early as possible, and at least one-full business day before the start of the meeting." (See Government Code section 54954.2(a).).

Rule 13 – Requests for Copies of Agendas and Agenda Materials

Any person may request the District to mail or electronically mail him or her a copy of the agenda or agenda packet for any meeting of the Board. When the District receives such a request, the General Manager or his/her designee will distribute copies of the requested materials (except for documents that are exempt from disclosure under the Public Records Act) to the requesting party at the time that the agenda is posted or when the agenda packets are distributed to a majority of the Board members, whichever occurs first. Any request for copies of agendas or agenda packets for all Board meetings in a given year will be valid for the calendar year in

which the request is submitted, and the request must be renewed after January 1 of each year in which it is to remain in effect. (Government Code section 54954.1.)

Documents that are distributed to all or a majority of the members of the Board by any person in connection with a matter subject to discussion or consideration at a regular or special meeting of the Board will be disclosable public records under the California Public Records Act (commencing with Government Code section 6250), and will be made available upon request by a member of public without delay, except as to documents that are exempt from disclosure under the Public Records Act. Any public documents related to an open session agenda item that are distributed to all or a majority of Board members by staff or any third party less than 72 hours before a regular Board meeting will be made available for public inspection at the same time. Such documents will be available for public inspection in the customer service area of the District's Administrative Office. Documents that are distributed during a regular or special Board meeting that are subject to disclosure under the Public Records Act will be made available for public inspection at the meeting, if prepared by the District or a member of the Board, or after the meeting, if prepared by some other person. The District may charge a fee for responding to requests for copies of agendas, agenda packets or other documents, which fee will be limited to the District's copying and postage costs as provided in the District's Records Inspection, Retention, and Disposal Policy (PL - Adm 002). (See Government Code section 54957.5(a) and (b).)

Upon request, the agenda and other documents referred to in this rule will be made available in an appropriate alternative format to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. section 12132) and the federal rules and regulations adopted in implementation thereof. (See Government Code sections 54954.1, 54954.2(a) and 54957.5(b).) The District will not charge a special surcharge to provide documents requested in an alternative format by a person with a disability in accordance with the Americans with Disabilities Act and its implementing regulations. (See Government Code section 54957.5(c).)

If the District records the meeting, it will retain the recording for at least thirty days following the meeting, after which it may be erased or destroyed. The public may inspect the recording on a computer made available by the District, without charge. (See Government Code section 54953.5(b).)

Rule 14 – Authority to Act on Matters Not on the Agenda

The Board will not take action on or discuss any item not appearing on the posted agenda, except under the following conditions, in which cases the item will be publicly identified before discussion begins: (a) upon a determination by a majority of the Board that an emergency situation exists, as further described in Rule 25 hereof; (b) upon a determination by a two-thirds vote of the Board members present at the meeting, or, if less than two-thirds of the members of the Board are present, a unanimous vote of those members present, that the need to take immediate action became apparent after the agenda was posted; or (c) the item was posted for a prior meeting of the Board occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action

is being taken. (See Government Code sections 54954.2 and 54956.5.)

Rule 15 – Consent Agenda

The General Manager may list on the agenda a “consent agenda,” which will consist of routine matters on which there is generally no opposition or need for discussion. Examples of consent agenda items might include approval of minutes, financial reports and routine resolutions. Any matter may be removed from the consent agenda and placed on the regular agenda at the request of any member of the Board. The entire consent agenda may be approved by a single motion made, seconded and approved by the Board.

Rule 16 – Oral Informational Reports

Any member of the Board may make an oral report at a regular meeting for the purpose of informing the Board of any matter of interest to the District. Regular meeting agendas will include specific items for Directors’ reports and comments. The Board also may call on the General Manager, District staff or District legal counsel for oral informational reports on matters not on the agenda. Unless the Board makes the determinations required under Rule 14, there will be no more than limited discussion, and no action, on matters covered in such oral reports. (See Government Code section 54954.2(a).)

Rule 17 – Public Participation

Every agenda for a regular meeting will provide an opportunity for members of the public to directly address the Board on items of interest that are within the subject matter jurisdiction of the Board and that do not appear on the agenda. This agenda item will be described substantially as follows: “Opportunity for public comment on non-agenda items within the Board’s jurisdiction.” During the Public Forum, the Board may, at its discretion, not respond, briefly respond to statements made or questions posed by the public, or ask District staff for clarification, refer the matter to District staff or ask District staff to report back at a future meeting. (See Government Code sections 54954.2 and 54954.3.) The Board will not take action on any matter raised during the Public Forum, unless the Board first makes the determinations set forth in Rule 14. In order to facilitate public participation during the Public Forum session of the meeting, the Board may limit the total amount of time allocated for public comment on a particular issue (ten minutes or less normally will be standard), and may limit the time allocated for public comment by an individual speaker (three minutes or less normally will be standard). The President may declare any comment as out of order, irrelevant, repetitious or disruptive. (See Government Code section 54954.3.)

It is the general policy of the Board to refer to the General Manager for resolution complaints received from members of the public. If the complaint cannot be resolved, the General Manager will place it on a future meeting agenda for consideration by the Board.

The public may address the Board concerning an agenda item during a regular or special Board meeting, including commenting on the closed session agenda prior to the Board adjourning into closed session, either before or during the Board’s consideration of that agenda

item. (See Government Code section 54954.3(a).)

These rules are not intended to prohibit public criticism of policies, procedures, programs or services of the District, or of the acts or omissions of the Board. (See Government Code section 54954.3(c).)

In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting infeasible, and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the Board may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, will be allowed to attend any session held pursuant to this section. Nothing in this section will prohibit the Board from readmitting an individual or individuals not responsible for disturbing the orderly conduct of the meeting. (See Government Code section 54957.9.)

Rule 18 – Public Hearings

The procedure for conducting public hearings during a meeting of the Board will be as follows: (a) no earlier than the time set for the public hearing, the President of the Board will declare the public hearing open; (b) the President will ask the General Manager whether notice of the public hearing has been given in the manner required by law; (c) the President will ask the General Manager whether written comments on the subject matter of the public hearing have been received; (d) the President will ask whether any member of the public wishes to present written or oral comments on the subject of the public hearing; (e) in its discretion, the Board may set time limits on the amount of time an individual speaker is allowed to comment orally during the public hearing; and (f) following the close of presentation of comments and before any Board discussion and action on the subject matter, the President will declare the public hearing closed. The Board may continue a public hearing from time to time in accordance with the procedures described in Rule 19. (See Government Code section 54955.1.)

Rule 19 – Adjournment

A meeting of the Board will be adjourned by (a) loss of a quorum, (b) by declaration of the President that the meeting is adjourned when the agenda has been completed and there is no further business to come before the Board, or (c) by motion made, seconded and approved to adjourn the meeting. A regular or special meeting of the Board may also be adjourned for the purpose of continuing it to a specific day and time (a) by motion made, seconded and approved by a majority of the Board, (b) by approval of less than a quorum if a quorum is not present, or (c) by the Secretary of the Board if all members are absent from any regular or adjourned regular meeting. A copy of the order or notice of adjournment to continue a meeting to another date will be conspicuously posted on or near the door of the District office where the meeting was held within twenty-four hours after the time of adjournment. (See Government Code section 54955.)

Rule 20 – Special Meetings

A special meeting may be called at any time by the President or by a majority of the members of the Board, by delivering personally or by any other means, including mail, facsimile and electronic mail, written notice to each member and to each newspaper, radio or television station requesting notice in writing. Such notice must be received at least twenty-four hours before the time of such meeting as specified in the notice to constitute notice of the special meeting (except as to emergency meetings, in which case, the notice requirements specified in Rule 25 will be followed). Electronic mail will constitute notice of a special meeting only if the recipient confirms receipt, and it will be deemed to be received at the time of such confirmation. The call and notice for a special meeting must specify the time and place of the special meeting and the business to be transacted, and must include the statements specified in Rule 12. No other business will be considered at such meeting. The written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the District Secretary a written waiver of notice. Waiver may be given in person or by mail, facsimile, electronic mail or telegram. Such written notice may also be dispensed with as to any member who was actually present at the meeting at the time it convenes. Notice of a special meeting must also be posted at least twenty-four hours before the meeting in a location freely accessible to the public and on the District's website. (See Government Code sections 54954.3(a) and 54956.)

Rule 21 – Board Workshop Meetings

From time to time, the Board may set a regular or special meeting to be conducted as a “workshop meeting,” during which the Board would have the opportunity to receive presentations on and discuss matters identified on the agenda, but the Board would not normally take action on those items. Nothing in this rule is intended to prevent the Board from taking action on a matter during a workshop session if it is identified as an item for possible action on the agenda for that meeting.

Rule 22 – Board Committees

Board committees will be composed of less than three Directors, and may be either standing committees or *ad hoc* advisory committees. A Board standing committee has continuing subject matter jurisdiction. (See Government Code section 54952.) In accordance with Rule 12, standing committee meetings will be open to the public (except for authorized closed sessions), and the agenda for those meetings will be posted in the same manner as the agenda for regular Board meetings. In addition, the President may from time to time establish, and appoint the members of, *ad hoc* advisory committees to serve a limited or single purpose, which committees are to be dissolved once their specific task is completed. The meetings of an *ad hoc* advisory committee are not required to be open to the public, and notice of such meetings is not required to be posted. (See Government Code sections 54951 and 54952.)

Directors who are not members of a standing committee may attend a standing committee meeting only as observers, and they may not participate in the committee meeting, ask questions or sit with the committee members at the Board table. (See subsection (c)(6) of Government Code section 54952.2.) Directors who are not members of an *ad hoc* committee may not attend

an *ad hoc* committee meeting.

Rule 23 – Closed Sessions

A closed session may be held on any subject authorized under the Brown Act. The agenda for a regular or special meeting will contain a brief, general description of the purpose of a closed session, in substantially the following form:

a. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); _____ v. _____ [insert name of case, e.g., *Jones v. District*].

b. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); case name unspecified because _____ [insert either “disclosure would jeopardize service of process” or “disclosure would jeopardize existing settlement negotiations”].

c. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(2) and (3); significant exposure to litigation involving _____ [describe].

d. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(4); consideration of initiation of litigation involving _____ [describe or specify only number of cases if confidentiality is required or deemed necessary].

e. Public employee appointment involving _____ [insert position(s) to be filled]; Government Code sections 54954.5(e) and 54957(b)(1).

f. Public employee performance evaluation involving _____ [insert position(s) being reviewed]; Government Code sections 54954.5(e) and 54957(b)(1).

g. Public employee discipline/dismissal/release; Government Code sections 54954.5(e) and 54957(b). [No additional information required.]

h. Conference with labor negotiator involving _____ [insert name of District negotiator] and _____ [insert name of employee organization involved in negotiation]; Government Code sections 54954.5(f) and 54957.6.

i. Conference with labor negotiator involving _____ [insert name of District negotiator] and unrepresented employee(s) in position(s) of _____ [insert position(s) of unrepresented employee(s) involved in negotiation]; Government Code sections 54954.5(f) and 54957.6.

j. Conference with real property negotiator involving the purchase, sale, lease or exchange of _____ [insert street address or other description of property],

_____ and ____ [insert name of District negotiator(s)], District negotiator(s), will negotiate with _____ [insert name of other party(ies)]. Instructions to the negotiator(s) may include price, terms of payment, or both. (See Government Code sections 54954.5(b) and 54956.8.)

k. Closed session consultation [insert the name, if applicable, of a law enforcement agency, and the title of the officer, or the name of an applicable agency representative (legal counsel or security officer) and title] concerning a threat to public services or facilities, or for the assessment of the security vulnerability of public facilities. (See Government Code sections 54954.5(e) and 54957(a).)

The Board will not keep minutes of its closed sessions. (See Government Code section 54957.2.) In the closed session, the Board will consider only those matters covered in its statement of reasons for holding the closed session. (See Government Code section 54957.7.)

Before holding a closed session to consider complaints or charges against a particular employee (as distinguished from evaluation of performance unrelated to any specific complaint or charge), the District will provide twenty-four hours' advance written notice to the employee of his or her right to have the matter heard in open session. If the employee requests, the complaint or charges must be heard in open session. (See Government Code section 54957(b)(2).)

A closed session may be held to meet with the District's negotiator regarding the salary and benefits of District officers and employees, but not including elected officials, but the District's available funds, funding priorities or budget will not be discussed during the closed session except to the extent necessary to permit the Board to provide instructions to its designated labor negotiator(s). (See Government Code section 54957.6.)

Following every closed session, the Board will reconvene to open session and publicly report any action and vote during the closed session in accordance with the following guidelines:

a. For action concerning final approval of a real property purchase, sale or exchange agreement or lease, report in open session at the same meeting the action taken (including the substance of the agreement) and vote, except that, if final approval rests with another party, the report may be deferred until the other party's approval. (See Government Code section 54957.1(a)(1).)

b. Approval given to legal counsel to defend or initiate a lawsuit, or seek appellate review will be reported in open session at the public meeting during which the closed session was held. (See Government Code section 54957.1(a)(2).)

c. Approval given to legal counsel to settle pending litigation or action taken to dispose of a claim will be reported in open session as soon as the settlement or claim disposition becomes final. (See Government Code section 54957.1(a)(3) and (4).)

d. For action to appoint, employ or dismiss, accept the resignation of, or otherwise affect the employment status of an employee, the Board will report in open session at the same

meeting the action taken (including identity of employee or position and any change in compensation) and vote, except that, for any dismissal or non-renewal of a contract, the report back may be deferred until the first meeting after the exhaustion of administrative remedies. (See Government Code section 54957.1(a)(5).)

e. For action concerning a labor MOU, after the MOU has been approved by both parties, the Board will report in open session the action taken and vote. (See Government Code section 54957.1(a)(6).)

The District will make available after a closed session to anyone who has requested them in advance, agreements or other documents approved in closed session, unless the document needs to be revised, in which case it will be provided as soon as possible. After the closed session, changes to the agreement will be orally summarized if anyone present so requests. (See Government Code section 54957.1(b).)

A Director is not authorized, without prior approval of the Board of Directors, to disclose information that qualifies as confidential information under applicable provisions of law to a person not authorized to receive it, that (1) has been received for, or during, a closed session meeting of the Board, (2) is protected from disclosure under the attorney/client or other evidentiary privilege, or (3) is not required or authorized to be disclosed under the California Public Records Act.

A Director is not prohibited from taking the following actions in regard to a closed session of the Board: (1) making a confidential inquiry or complaint to a district attorney or grand jury concerning a perceived violation of law, including disclosing facts to a district attorney or grand jury that are necessary to establish the alleged illegality of an action taken by the Board, (2) expressing an opinion concerning the propriety or legality of actions taken by the Board in closed session, including disclosure of the nature and extent of the allegedly illegal action, or (3) disclosing information acquired by being present in a closed session that is not confidential information. Prior to disclosing confidential information pursuant to (1) or (2), above, however, a Board member will first bring the matter to the attention of either the President of the Board or the full Board, to provide the Board an opportunity to cure an alleged violation.

A Director's violation of the duty to protect closed session confidences may be remedied as provided in Government Code section 54963(c). A Director who willfully and knowingly discloses for pecuniary gain confidential information received by him or her in the course of his or her official duties may be guilty of a misdemeanor under Government Code section 1098.

(See Government Code section 54963, and 76 Ops.Cal.Atty.Gen. 289, 290 (1993) and 80 Ops.Cal.Atty.Gen. 231 (1997).)

Rule 24 – Meetings by Teleconference

The Board may hold meetings by teleconference. (See Government Code section 54953(b).) For purposes of this rule, "meetings by teleconference" include meetings at which one or more Board member attends and participates in the meeting by telephone, video

conferencing or any other electronic means using live audio or video, or both. For any meeting by teleconference conducted by the Board, the following requirements will apply:

a. At least a quorum of the Board must participate in the teleconference meeting from locations within the District's boundaries and each teleconference location (i.e., the location from which one or more Board members attends and participates in a meeting by teleconference) will be accessible to the public.

b. When meetings by teleconference are held by telephone, speaker phones that allow all persons attending the meeting to hear and be heard will be used at the main meeting location and at any teleconference location where there are members of the public in attendance.

c. All votes taken at a meeting by teleconference will be by roll call.

d. The Board will conduct the meeting by teleconference in a manner that protects the statutory and constitutional rights of parties and the public to attend and participate in the meeting.

e. Each teleconference location will be identified in the regular meeting agenda or special meeting notice, and the agenda or notice will state that members of the public will have the opportunity to address the Board from any teleconference location.

f. Notice of any meeting by teleconference will be included in the meeting agenda or special meeting notice in substantially the following form:

“All or portions of this meeting will be conducted by teleconference in accordance with Government Code section 54953(b). The teleconference location(s) for the meeting are as follows: _____.
Each teleconference location is accessible to the public, and members of the public may address the Board of Directors from any teleconference location.”

g. In addition to the usual notice and agenda requirements, the regular meeting agenda or special meeting notice will be posted at all teleconference locations at least seventy-two hours before regular meetings or twenty-four hours before special meetings.

Rule 25 – Emergency Meetings

Under Government Code section 54956.5, a meeting to address an emergency may be held if a majority of the Board determines that a situation exists which involves matters upon which prompt action is necessary. An emergency situation is defined as: (1) a work stoppage, crippling activity, or other activity that severely impairs public health, safety, or both; or (2) a dire emergency, which shall be defined as a crippling disaster, mass destruction, terrorist act, or threatened terrorist activity that poses peril so immediate and significant that requiring the Board to provide one-hour notice before holding an emergency meeting may endanger the public health, safety, or both.

As a condition of holding an emergency meeting, the Board President or his/her designee shall provide notice of the meeting by telephone to each local newspaper of general circulation, radio station and television station that has requested notice of special meetings. For a meeting for a “non-dire emergency” (Definition 1, above), the telephone notice must be provided at least one hour prior to the emergency meeting. In the case of a meeting for a “dire emergency” (Definition 2, above), the telephone notice must be provided to the media at or near the same time as notice is given to the members of the Board. In the event that telephone services are not functioning, the notice requirements of this section shall be deemed waived, and the legislative body, or designee of the legislative body, shall notify those newspapers, radio stations, or television stations of the fact of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

The Board may meet in closed session upon approval by a two-thirds vote of the Board (or the unanimous vote of the Board if less than two-thirds are present) to discuss security or employment matters related to the emergency situation. (See Government Code sections 54956.5(c) and 54957.)

With the exception of the 24-hour notice and posting requirements and any other exceptions provided in herein, all special meeting requirements described in Rule 20 shall be applicable to an emergency meeting called pursuant to this Rule.

The draft minutes of an emergency meeting called under this Rule must be posted in a public place for a minimum of 10 days as soon after the meeting as possible, and include a list of persons who the Board President or his/her designee notified or attempted to notify of the meeting, if applicable, any actions taken at the meeting, and a recording of any votes taken by roll call. (See Government Code section 54956.5(e).)

Rule 26 – Amendment of Rules

By motion made, seconded and approved, the Board in its discretion may at any meeting (a) temporarily suspend these rules in whole or in part, (b) amend these rules in whole or in part, or (c) both, as long as any amendment or suspension is otherwise consistent with the Brown Act and other applicable laws. Unless amended earlier, District staff will review these Rules for Proceedings biennially and recommend changes for Board consideration and action.



Agenda Item: 4

Date: October 15, 2019

Subject: Fiscal Year 2020 Budget – First Draft

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

Recommended Board Action:

Direct staff as appropriate.

Discussion:

Attached is the proposed Fiscal Year 2020 Budget – 1st Draft. This initial draft of the Budget is consistent with the estimated expenditures for 2020 as discussed in detail as part of the Comprehensive Water Cost of Service Study (Study) that has been discussed with the Board and Public for much of 2019; culminating in a Public Hearing on October 16, 2019.

Estimated 2020 expenditures from the Study versus those included in the attached Budget compare as follows:

	Cost of Service Study	2020 Proposed Budget
Operations & Maintenance	\$ 23,952,753	\$ 22,995,000
Capital Improvement Program	20,765,000	20,515,000
Operating Capital Program	1,080,000	1,080,000
Debt Service	<u>7,426,107</u>	<u>7,426,000</u>
Total Expenditures	<u>\$ 53,223,860</u>	<u>\$ 52,016,000</u>

The 2020 Budget and 2021 Forecast materials are presented in the following order in the attached PowerPoint presentation:

1. District Goals and Budget Process
2. 2020 Key Assumptions
3. 2019 Highlights and 2020 Goals
4. Proposed 2020 Budget and 2021 Forecast
5. Total Revenue, Expense and Reserve Balance Analysis
6. Operation & Maintenance (O&M) Budget
7. Capital Improvement Program (CIP) Budget
8. Operating Capital Budget (OCB)
9. Debt Service Forecast

As required by the District's Budget Policy (PL Fin-012), the proposed 2020 Budget is balanced (revenues equaling expenses) when \$2,127,000 of reserves are utilized. The reserve balance is projected to be \$40.4 million at the end of 2020. As discussed with the Board as part of the Study, if the proposed customer water rates are adopted as recommended by the Study, Reserves will continue to be utilized as part of balancing the Budget through 2021.

Fiscal Impact:

If adopted as presented, the 2020 O&M budget would be \$23.0 million (including funding other post-employment benefits of \$0.91 million); the 2020 CIP budget would be \$20.5 million; the 2020 OCB budget would be \$1.1 million, and the 2020 debt service forecast would be \$7.4 million. The total of all four budgets would be \$52.0 million. Revenues are projected to be \$49.9 million (if customer rates per the Study are adopted on October 16, 2019) resulting in a potential drawdown of reserves of \$2.1 million.

Strategic Plan Alignment:

Goal C – Ensure Fiscal Responsibility and Affordable Rates.

2020 Budget First Draft

October 21, 2019



Mission Statement

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

2020 Budget Development Process

- July Board Meeting – 07/15/19, 6:30 pm
 - Budget Preparation Timeline Approved
- August Board Meeting – 08/19/19, 6:30 pm
 - Approve Budget Assumptions; Provide Direction to Staff
- October Board Meeting – 10/21/19, 6:30 pm
 - First Draft Presentation; Provide Direction to Staff
- November Board Meeting – 11/18/19, 6:30 pm
 - Budget Approval

Budget Periods

- O&M and OCB Budget
 - Projects and Budget Adopted for One Year

- CIP Budget
 - Projects Approved for Two Year Period
 - Budget Adopted for one Year

2020 Budget Assumptions

Key Assumptions	2018		2019		2020	
1Rate Increase (D)	4.00%	\$1,800,000	0.00%		Proposed	5.00%
2No Change in SSWD Service Boundaries						
3New Service Connections (Growth)	Increase	0.52%	Increase	0.52%	Increase	0.52%
4Water Production: (A)	<u>Cost/AF</u>	<u>AF</u>	<u>Cost/AF</u>	<u>AF</u>	<u>Cost/AF</u>	<u>AF</u>
a. Water Supply Forecast Based on 5 Year Average						
b. SSA Surface Water (City) (F)	\$ 483.50	0 AF	\$ 505.55	0 AF	\$ 120.00	7,700 AF
c. SSA Groundwater (City)			\$ -	3,800 AF		
d. SSA Groundwater (Variable costs)	\$ 121.24	13,300 AF	\$ 126.99	9,200 AF	\$ 148.31	6,250 AF
e. NSA Surface Water (PCWA)	\$ 36.65	12,000 AF	\$ 40.67	12,000 AF	\$ 42.70	12,000 AF
f. NSA Surface Water (Bureau)	\$ 21.26	12,000 AF	\$ 23.40	12,000 AF	\$ 24.57	12,000 AF
g. NSA Surface Water (SJWD Treatment)	\$ 176.49	12,150 AF	\$ 192.37	12,150 AF	\$ 209.68	12,000 AF
h. NSA Groundwater (Variable costs)	\$ 108.76	7,350 AF	\$ 107.59	7,100 AF	\$ 114.84	6,050 AF
i. NSA Bureau 215 Water	\$ 74.55	150 AF	\$ 80.26	150 AF	\$ 88.29	0
j. NSA Wheel Water to Cal-AM, RLEVWD (Revenue)	\$ (356.14)	2,000 AF	\$ (371.26)	1,500 AF	\$ (328.57)	2,000 AF
5Anticipated Outside Water Sales, Net	\$ 684,000	4,000 AF	None	None	None	None
6Investment Yield		2.00%		2.00%		2.15%
7Variable Debt Interest Rate		3.86%		3.86%		3.86%
8Electrical Cost Increase		2.50%		2.00%		3.75%
9COLA (As of June 30)		3.00%		(E)		2.90%
10Merit Program		3.00%		(E)		4.00%
11Construction Inflation (B)		3.00%		8.00%		1.70%
12Health Care Cost (C)		2.33%		2.00%		6.40%
13Tier 1 Pension Cost (% of Salaries)	\$ 470,000	22.37%	\$ 582,000	23.00%	\$ 654,000	23.65%
14Tier 2 Pension Cost (% of Salaries)	\$ 12,500	16.64%	\$ 18,000	17.10%	\$ 23,000	17.66%
15Tier 3 Pension Cost (% of Salaries)	\$ 500	7.30%	\$ 900	7.30%	\$ 1,900	7.34%
16New Hires				3		
17Funding of Post Retirement Benefits		\$ 560,000		* \$892,480		\$ 908,433
Footnotes:						(G)
(A) SSA = South Service Area; NSA = North Service Area			* Original Budget \$580,000			
(B) 20 Cities CCI Index, Source: ENR						
(C) From UnitedHealthcare to HealthNet Smart Care HMO						
(D) Proposed Rate Hearing Scheduled for October						
(E) Adjusted to Market Median in 2019						
(F) City Rate at \$120/AF on a trial basis of 9,500 AF from Oct -2019 to Sept 2020 (Estimate 1,800 AF in 2019 & 7,700 AF in 2020)						
(G) Actuarial - \$909,000 in 2020; Additional \$312,000 for 2019						

2019 Projected Actual and Highlights

	Approved 2019 Budget \$ Millions	Projected 2019 Actual \$ Millions	Projected Unspent %
Operations & Maintenance Budget	\$23.2	\$21.6	(7)
Capital Improvement Program Budget	18.3	17.8	(3)
Operating Capital Program Budget	1.0	1.0	-
Debt Service Budget	<u>7.4</u>	<u>7.2</u>	<u>(3)</u>
Total	<u>\$49.9</u>	<u>\$47.6</u>	<u>(5)</u>

2019 Projected Results:

- Water Deliveries of 31,550 AF
 - Comprised of 30,130 AF to Customers and Wheeled Water Deliveries of 1,420 AF
- Follow modified asset management plans for replacing water infrastructure assets, to include:
 - Replace 4.7 miles of Distribution Main Lines, including approximately 322 Water Meters
 - Install (Retrofit) an additional 1,580 Water Meters
 - Replace 1,250 Old Water Meters that have outlived their useful life
 - Replace 8,700 Endpoints that have outlived their useful life or failed
 - Complete Palm Well – Site Work and Pumping Facility Construction
 - Continue Design and Construction of Butano and Verner Wells
 - Destroy 4 Abandoned Well Sites
 - Begin Multi-Year Process to Acquire Future Well Sites

2020 Goals

Budget Will Allow the District to Accomplish the Following:

- Water Deliveries of 32,000 AF
 - 30,000 AF to Customers
 - 2,000 AF Wheeled to Cal-American
- Review and assess modified asset management plans for replacing water infrastructure assets, to include:
 - For 2020 replace up to 4.4 miles of Distribution Main Lines, including approximately 246 Water Meters
 - Install (Retrofit) an Additional 1,030 Water Meters
 - Replace 1,300 Old Water Meters that have outlived their useful life
 - Replace 7,500 Endpoints that have outlived their useful life or failed
 - Complete Butano Well; Continue Work on Verner Well
 - Destroy 5 Abandoned Well Sites
 - Continue Multi-Year Process to Acquire Future Well Sites

2020 Budget

	9 Month Actual As Of 9/30/19	2019 Projected	2019 Approved Budget	2020 Proposed Budget	2020 Budget Per Rate Study
Water Sales Charge	\$ 9,802,335	\$ 12,989,955	\$ 13,304,000	\$ 13,598,000	\$ 45,758,787
Water Service Charge	4,642,365	6,368,283	6,492,000	6,666,000	-
Capital Facilities/Debt Repayment	18,017,129	24,502,658	24,571,000	25,650,000	-
Wheeling Water Charge	504,048	621,461	730,000	651,000	730,000
Other Charges for Services	795,976	1,054,288	1,074,000	1,104,000	1,074,000
Income From Customers	33,761,853	45,536,645	46,171,000	47,669,000	47,562,787
Water Transfers	-	-	-	-	-
Interest Income	733,248	975,000	932,000	970,000	543,333
Other Income (Leases, Cells, Etc.)	516,554	560,000	400,000	450,000	479,361
Facility Development Charges	239,104	300,000	300,000	300,000	-
Grant Income	13,691	275,000	275,000	500,000	-
Total Other Income	1,502,597	2,110,000	1,907,000	2,220,000	1,022,694
Total Revenue	\$ 35,264,450	\$ 47,646,645	\$ 48,078,000	\$ 49,889,000	\$ 48,585,481
Budgets:					
Operations and Maintenance	14,579,636	21,595,000	23,241,000	22,995,000	23,952,753
Capital Improvement Program	9,877,440	17,805,000	18,260,000	20,515,000	20,765,000
Operating Capital Program	259,467	950,000	950,000	1,080,000	1,080,000
Debt Service (Forecast)	1,918,781	7,220,000	7,420,000	7,426,000	7,426,107
Total Costs	26,635,324	47,570,000	49,871,000	52,016,000	53,223,860
Change in Reserve Balance	8,629,126	76,645	(1,793,000)	(2,127,000)	(4,638,379)
Reserve (Cash) Balance	\$ 47,671,060	\$ 45,128,753	\$ 41,566,409	\$ 40,401,753	\$ 33,417,612
McClellan Settlement	\$ -	\$ (2,600,000)			
	\$ 47,671,060	\$ 42,528,753	\$ 41,235,205	\$ 40,401,753	\$ 33,417,612

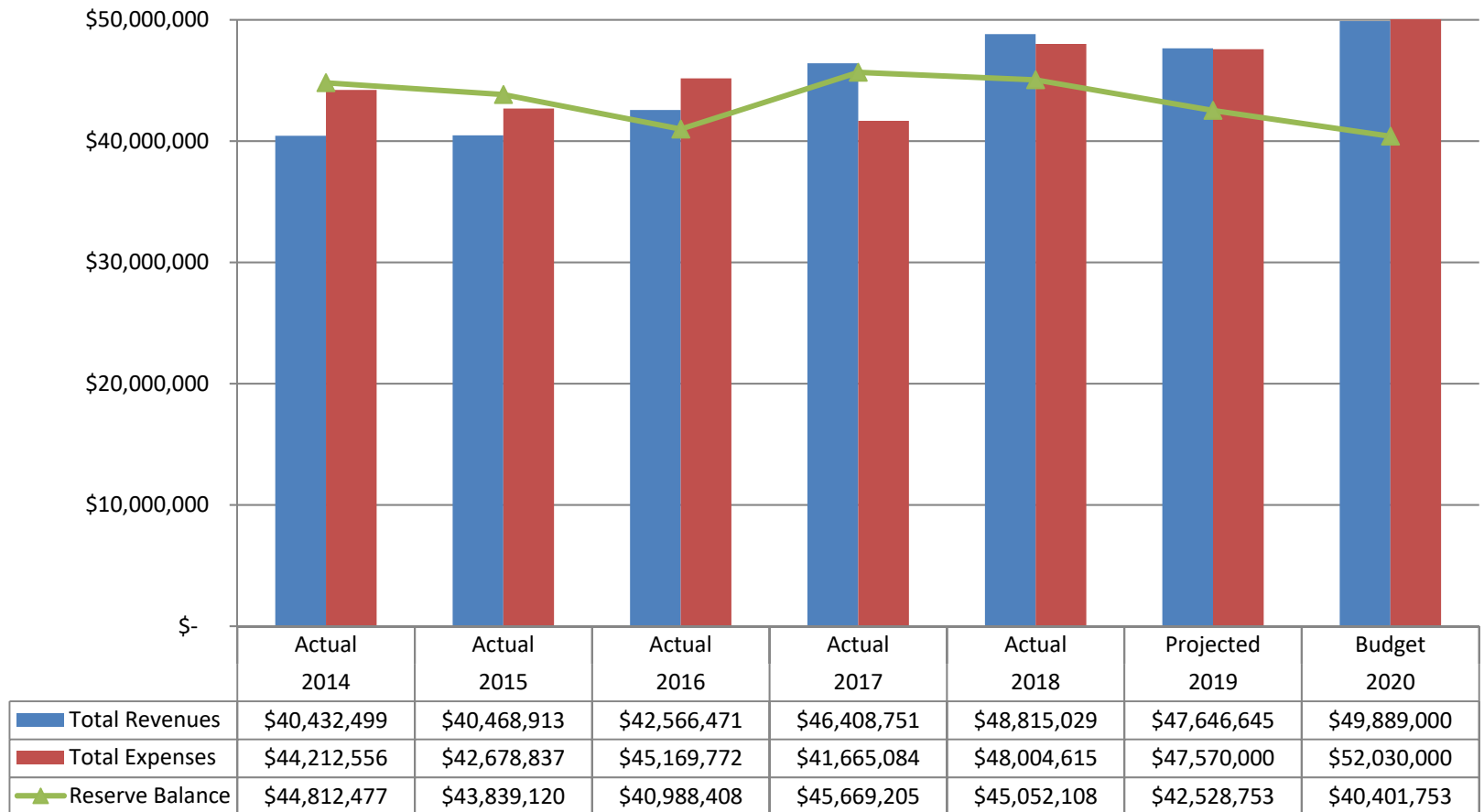
Note: Bolded lines are the Budgets – O&M, CIP, OCB, and Debt Service Forecast

2020 Budget Changes

2020 Budget Changes Relative to 2019 Projected Actual

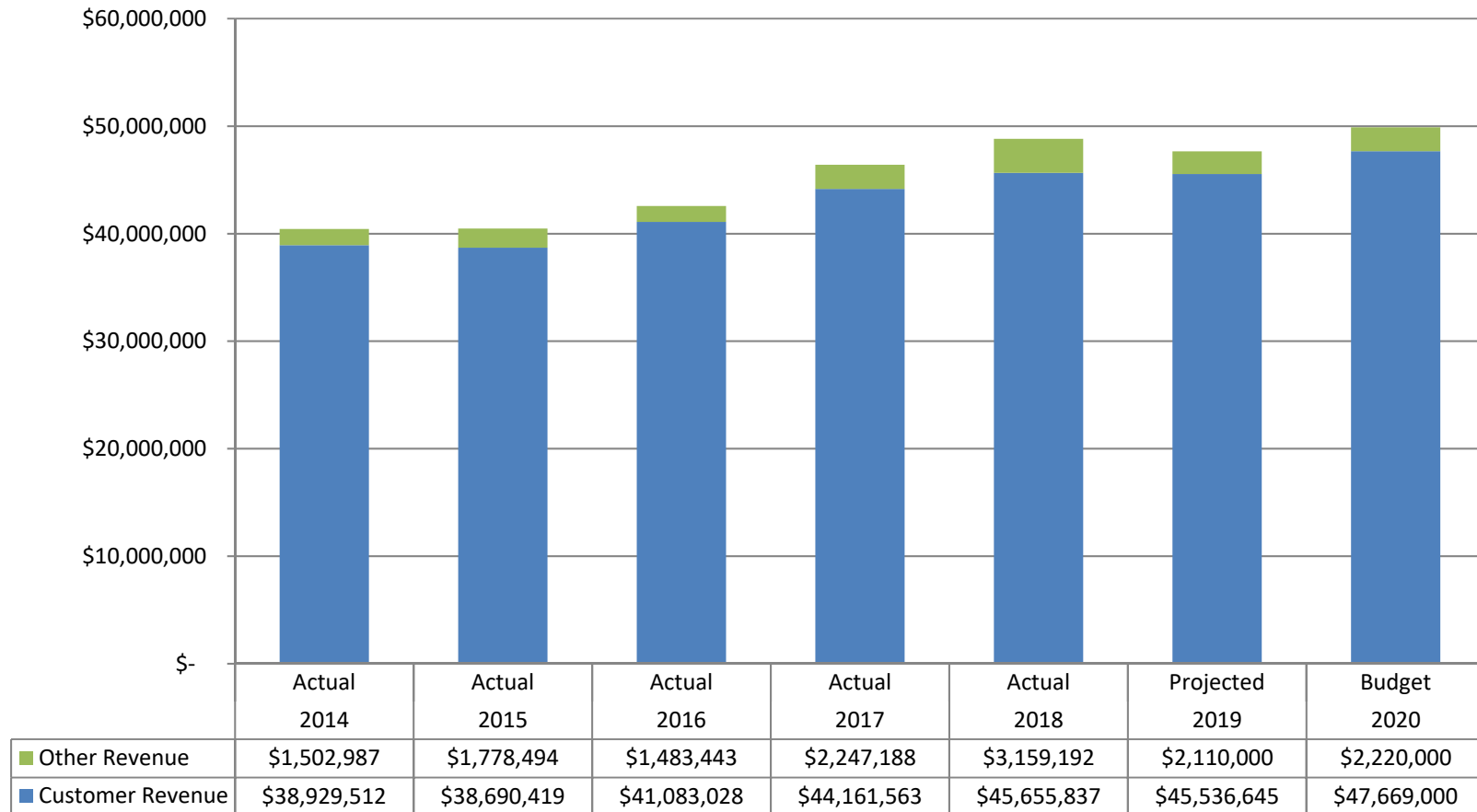
- Operations and Maintenance (O&M) – Increasing by \$1.2 Million
 - NSA Surface Water (SW) Treatment Costs increasing by \$21/AF (\$595,000)
 - SSA SW cost increasing due to volume increase. Cost remains at \$120/AF
 - GW related electrical/chemical costs decreasing due to reduction in GW pumped (\$45,000)
 - Salaries increasing due to Merit & COLA (\$359,000); No new positions
 - Employee Benefits increasing – Medical (\$27,000) and Pension (\$164,000)
- Capital Improvement Program (CIP) – Increasing by \$2.7 million
 - Increase is primarily in Distribution and Well Projects
- Operating Capital Budget (OCB) – Increasing by \$130,000
 - Increase is primarily due to updating Asset Management Plans

Total Revenues Vs Total Expenditures 2014 to 2020



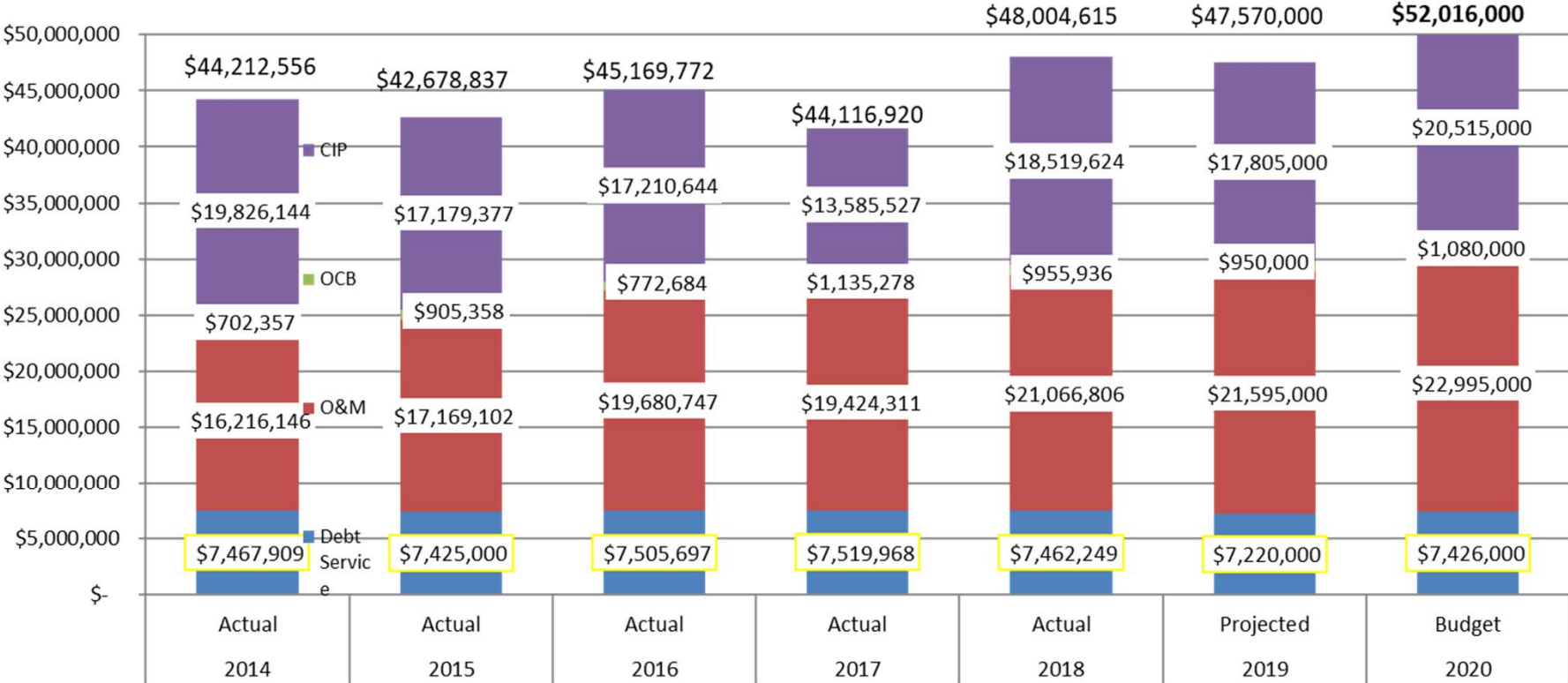
Reserves projected to decrease in 2020 and 2021 before turning around as discussed in the 2019 Water Rate Study. 10

Total Revenues 2014 to 2020



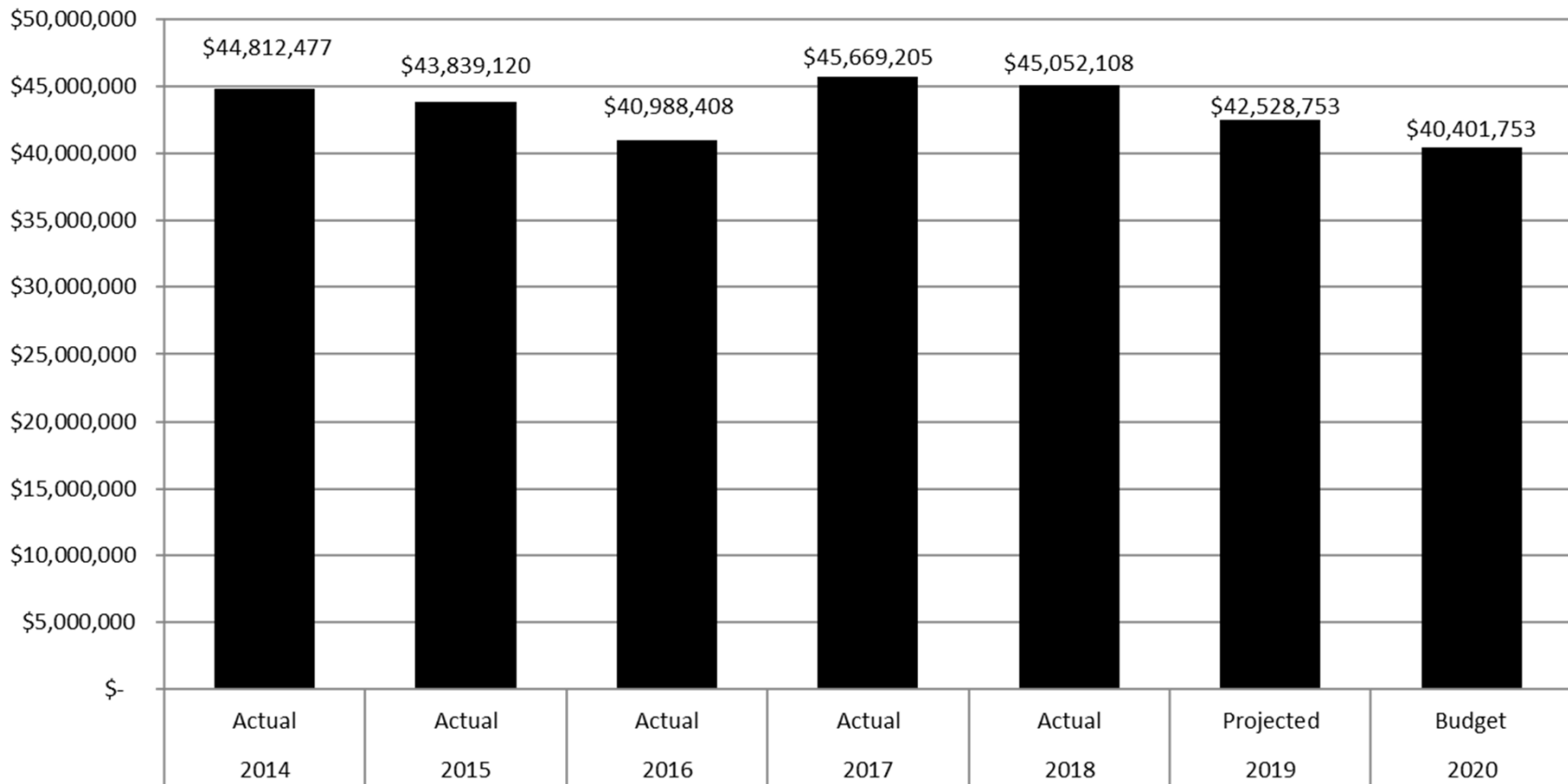
Notable Items: 2018 includes \$1.8 million for water transfer and 4.0% rate increase; 2019 no rate increase; 2020 5.0% rate increase.

Total Expenditures 2014 to 2020



The 2020 increase is primarily due to increase in south SW volume and north area SW cost per AF – \$1.2 million. 2020 CIP Projects increasing by \$2.7 million.

Reserve Balance 2014 to 2020



From a high of \$57.7 million at the end of 2009, the Board has strategically lowered the reserve balance to roughly \$40 million.

Reserve Balance Detail

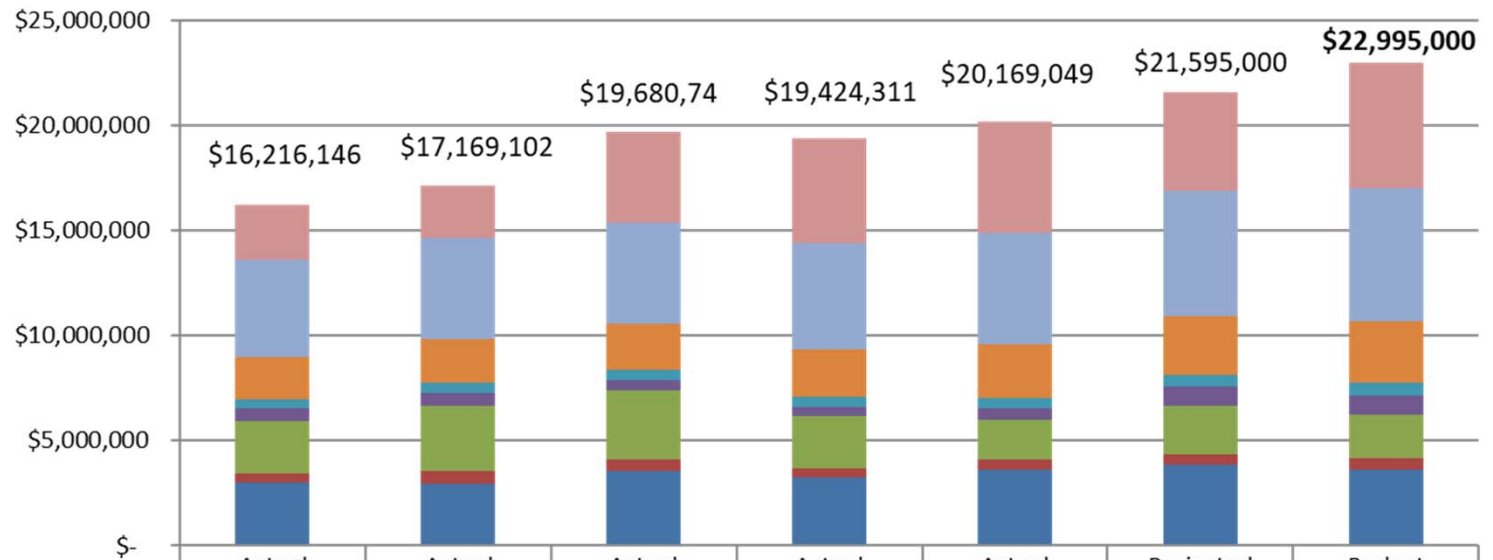
2014 to 2020

	Actual	Actual	Actual	Actual	Actual	Projected	Budget
	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>
Debt Service Reserve	\$ 3,540,082	\$ 3,523,427	\$ 3,540,038	\$ 3,548,170	\$ -	\$ -	\$ -
Facilities Reimbursement	21,873	21,873	-	-	-	-	-
Emergency/Contingency	10,758,000	10,758,000	10,387,000	10,931,500	11,255,000	11,905,048	10,664,175
Operating	6,468,857	6,468,857	6,490,750	7,270,250	7,390,000	8,594,277	7,605,250
Rate Stabilization	5,870,000	5,870,000	5,630,000	5,976,000	5,044,500	4,656,400	4,759,300
Grant	654,000	654,000	1,068,000	210,000	-	-	610,000
Capital Asset	17,499,665	16,542,963	13,872,620	17,733,285	21,362,608	17,373,028	16,763,028
TOTAL	<u>\$ 44,812,477</u>	<u>\$ 43,839,120</u>	<u>\$ 40,988,408</u>	<u>\$ 45,669,205</u>	<u>\$ 45,052,108</u>	<u>\$ 42,528,753</u>	<u>\$ 40,401,753</u>

Individual reserve account changes for 2019 and 2020 based on Reserve Policy approved on June 17, 2019. Actual fluctuations (2014 to 2017) are due to changes in CIP costs and/or Consumption Revenues. Reduction in 2018 due to pay-off of 2009B COP and liquidation of DSRF - \$3.5 million.

O&M Budget

O&M Expenses 2014 to 2020

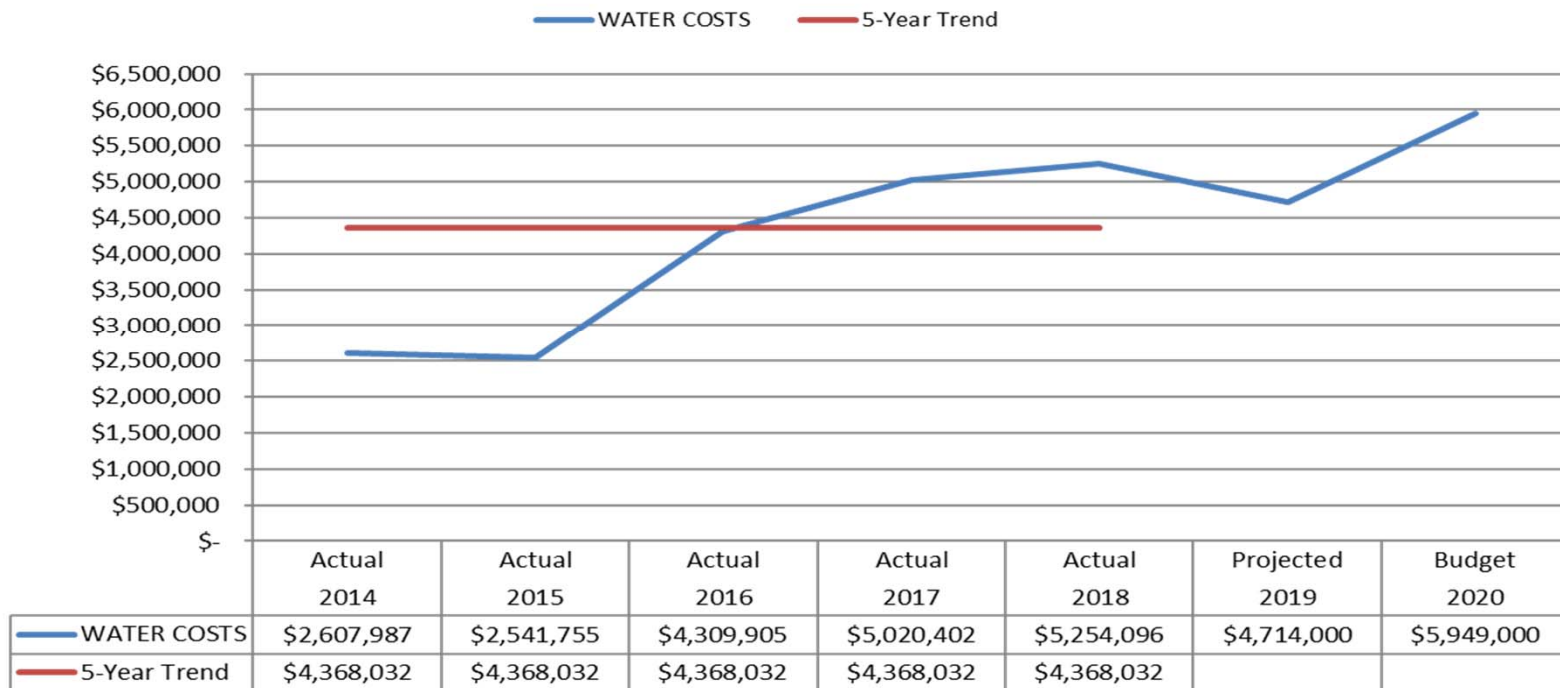


	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Projected 2019	Budget 2020
■ WATER COSTS	\$2,607,987	\$2,541,755	\$4,309,905	\$5,020,402	\$5,254,096	\$4,714,000	\$5,949,000
■ SALARIES	\$4,633,287	\$4,794,117	\$4,833,627	\$5,031,276	\$5,320,890	\$5,978,000	\$6,342,000
■ EMPLOYEE BENEFITS	\$1,980,390	\$2,096,685	\$2,187,134	\$2,267,113	\$2,559,284	\$2,800,000	\$2,969,000
■ EMPLOYER TAXES & INSURANCE	\$439,159	\$460,746	\$458,614	\$476,780	\$495,982	\$529,000	\$584,000
■ OPEB	\$592,700	\$591,000	\$470,000	\$472,200	\$557,934	\$892,000	\$908,000
■ ENGINEERING & CONSTRUCTION SERVICES	\$2,501,575	\$3,102,132	\$3,314,420	\$2,449,179	\$1,884,291	\$2,306,000	\$2,056,000
■ PUBLIC OUTREACH & CONSERVATION	\$469,571	\$641,111	\$565,157	\$427,633	\$464,092	\$540,090	\$540,000
■ OTHER	\$2,991,477	\$2,941,556	\$3,541,890	\$3,279,728	\$3,632,480	\$3,835,910	\$3,647,000

Discussion of individual line items variances appear on subsequent pages.

O&M Expense Detail

Water Costs

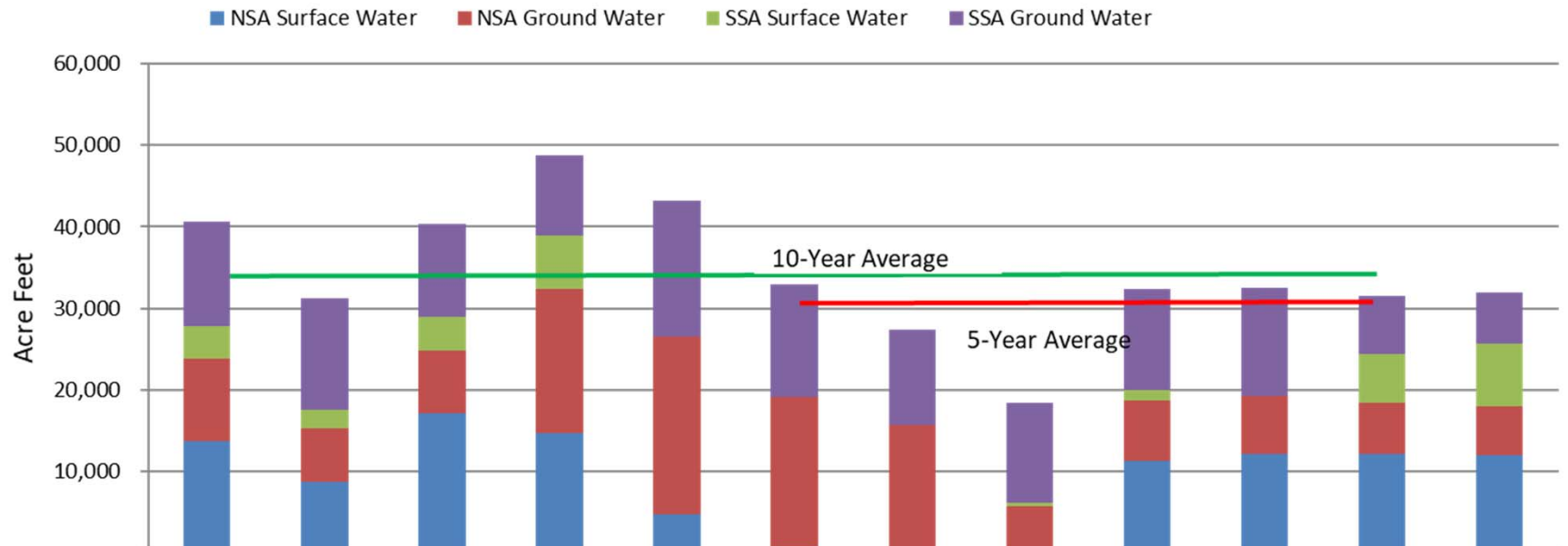


Water costs fluctuate based on hydrological conditions. Due to the conditions in 2014 - 2015, SW was largely unavailable. 2019 water costs are less than 2018 and 2020 primarily due to 1) 2019 is a wet year and is expected to use 1,000 AF less than 2018, 2) in 2019, 3,800 AF will be supplied by City at no cost (credit from water transfer in 2018), 3) SW cost increases \$21 per AF in 2020. 2020 assumes the purchase of 19,700 AF of SW (SSA - 7,700 AF and NSA 12,000 AF). GW pumping is expected to produce 12,300 AF, (SSA - 6,250 AF and NSA - 6,050 AF).

SW = Surface Water; GW = Ground Water

O&M Expense Detail

Water Production

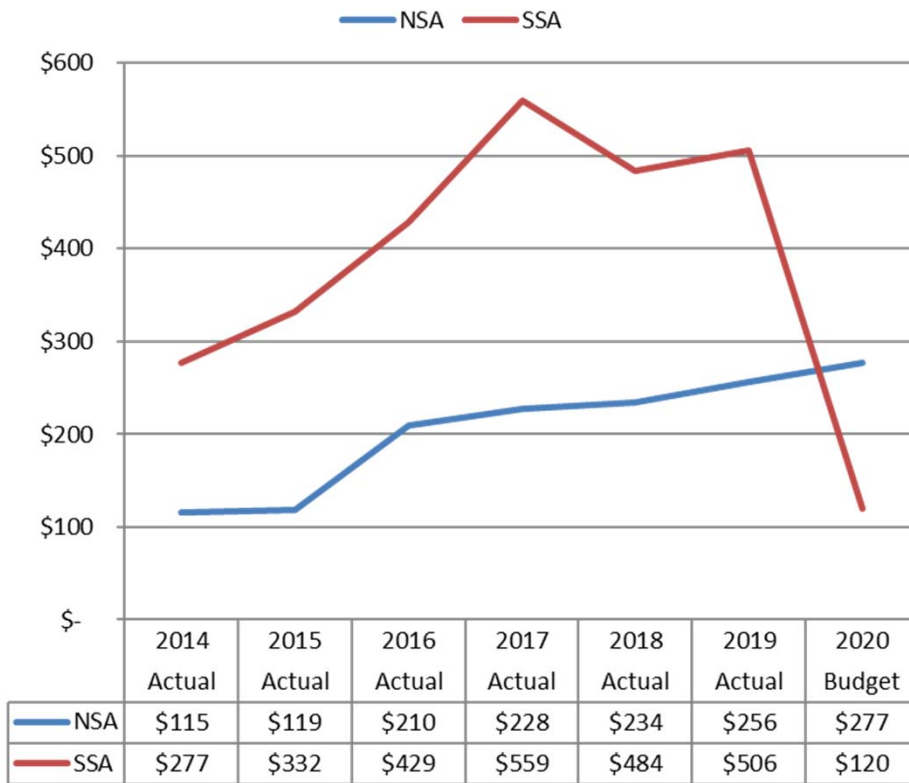


	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Projected	2020 Proposed
SSA Ground Water	12,818	13,656	11,380	9,833	16,607	13,771	11,719	12,185	12,427	13,339	7,165	6,250
SSA Surface Water	3,872	2,289	4,084	6,463	-	-	-	423	1,301	-	5,972	7,700
NSA Ground Water	10,203	6,522	7,741	17,697	21,886	18,790	15,702	5,678	7,364	7,085	6,258	6,050
NSA Surface Water	13,697	8,799	17,150	14,729	4,705	409	11	131	11,289	12,155	12,159	12,000

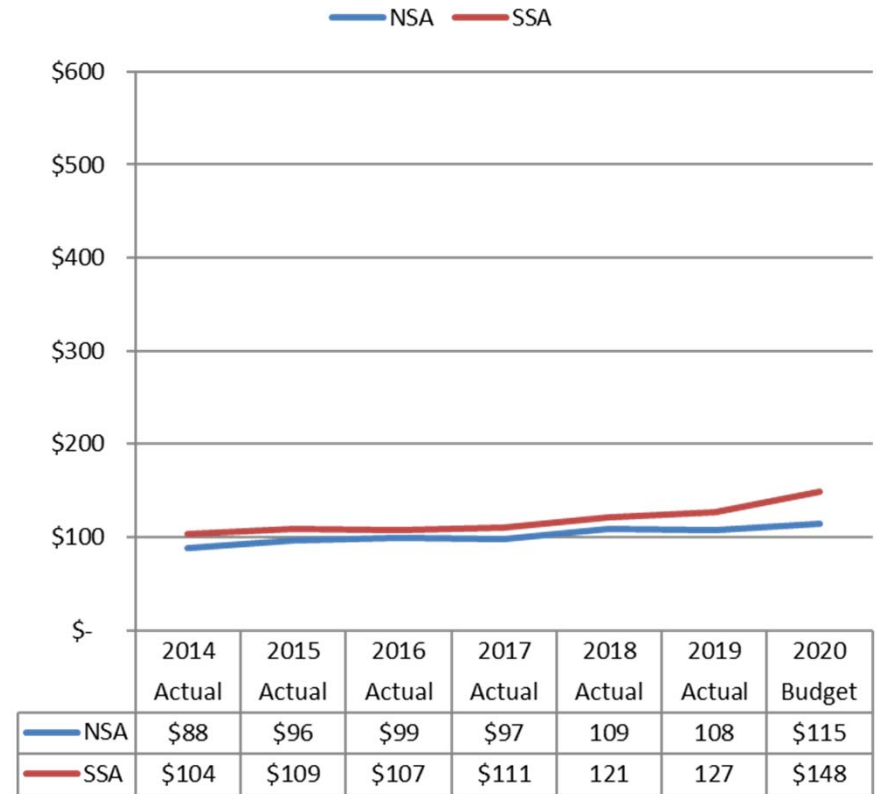
2018 Actual Production – 32,580 AF;
 2019 Budget Production – 33,000 AF; Projected Actual – 31,540 AF.
 2020 Estimated Production – 32,000 AF.

Surface Water vs Ground Water Costs

Variable Surface Water Costs



Variable Ground Water Costs



SSA - SW cost is \$120/AF with City of Sacramento for 1 year trial basis (Oct. 2019 – Sept. 2020) up to 9,500 AF.

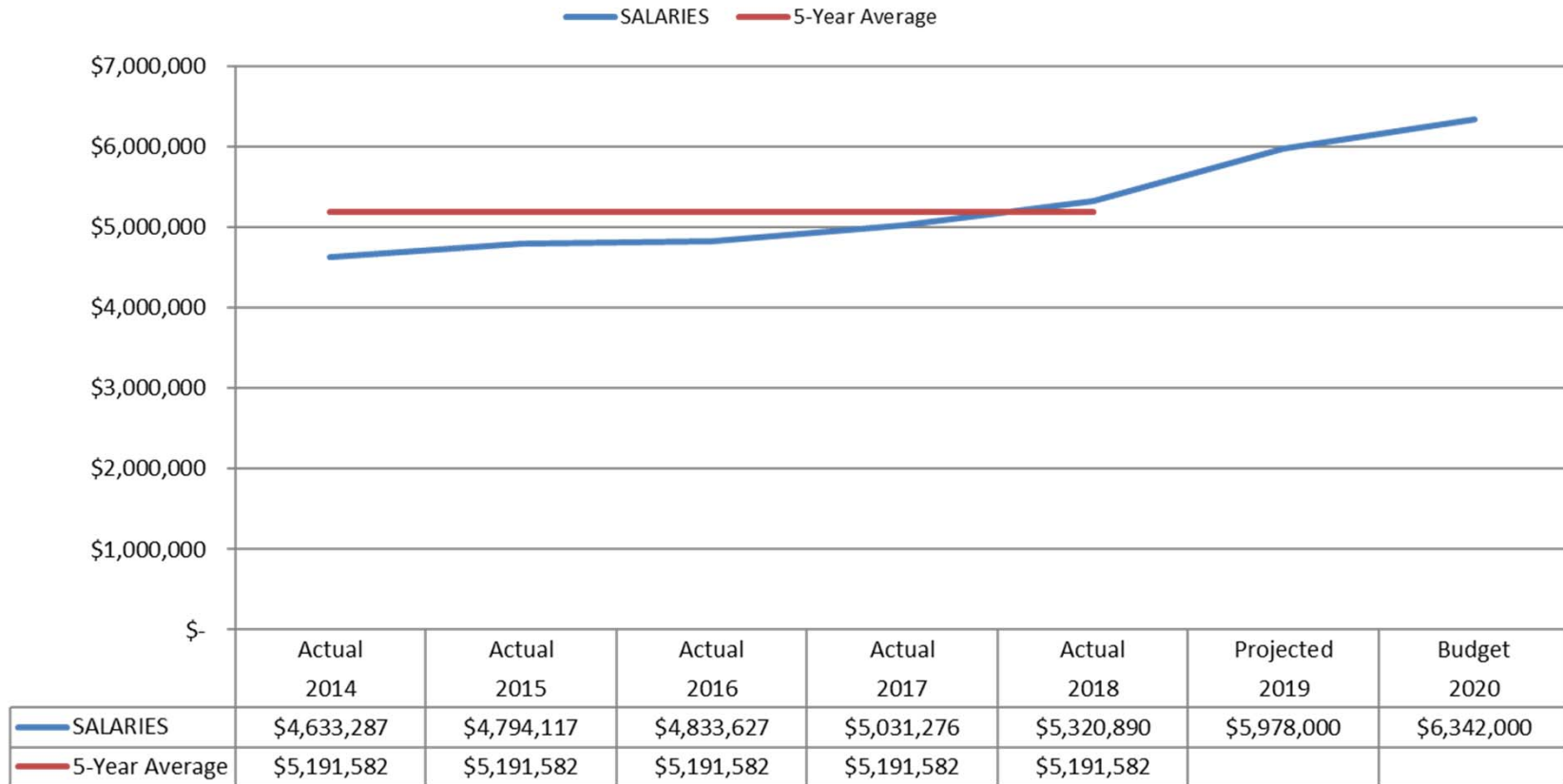
NSA –SW cost for 2020 expected to be \$277/AF, compared to \$256/AF in 2019.

SSA/NSA - GW costs increasing due to - 3.75% electricity cost increases.

SW = Surface Water; GW = Ground Water

O&M Expense Detail

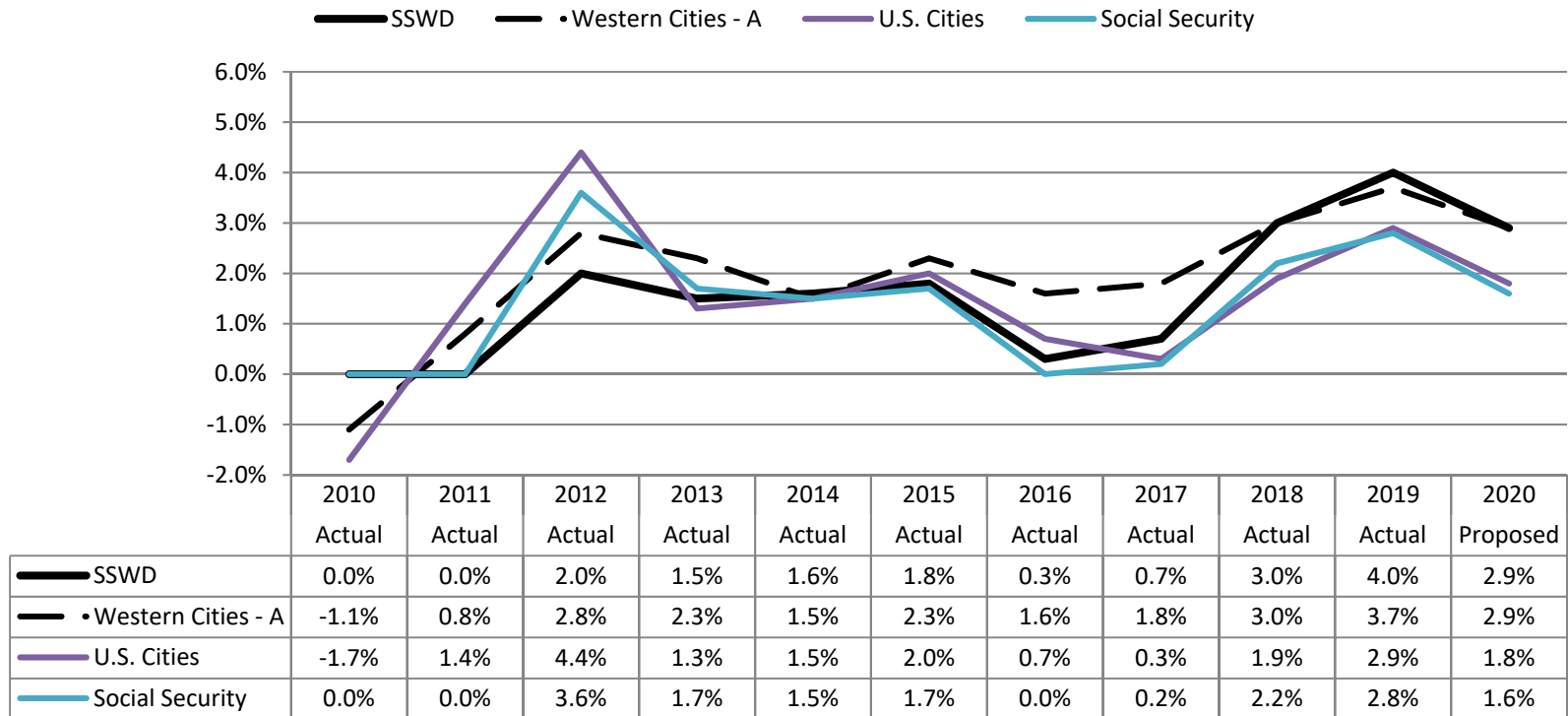
Salaries



2019 Base Salary - \$5,680,000. 2020 increase due to 2.9% COLA and 4.0% Merit (\$359,000).

O&M Expense Detail

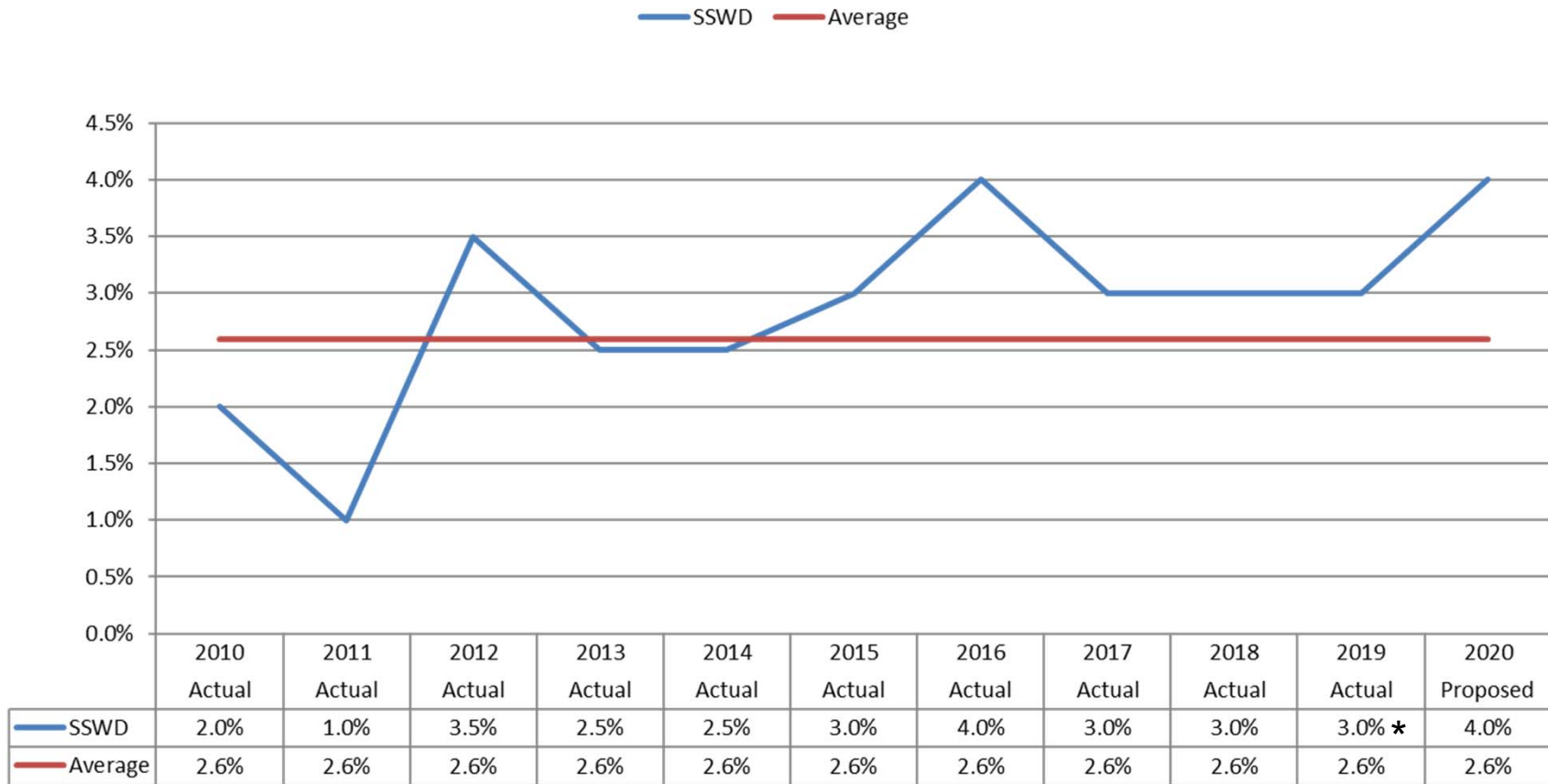
COLA



As was done prior to 2019, SSWD COLA is proposed to equal the Western Cities – A Index as published by the US Bureau of Labor Statistics.

O&M Expense Detail

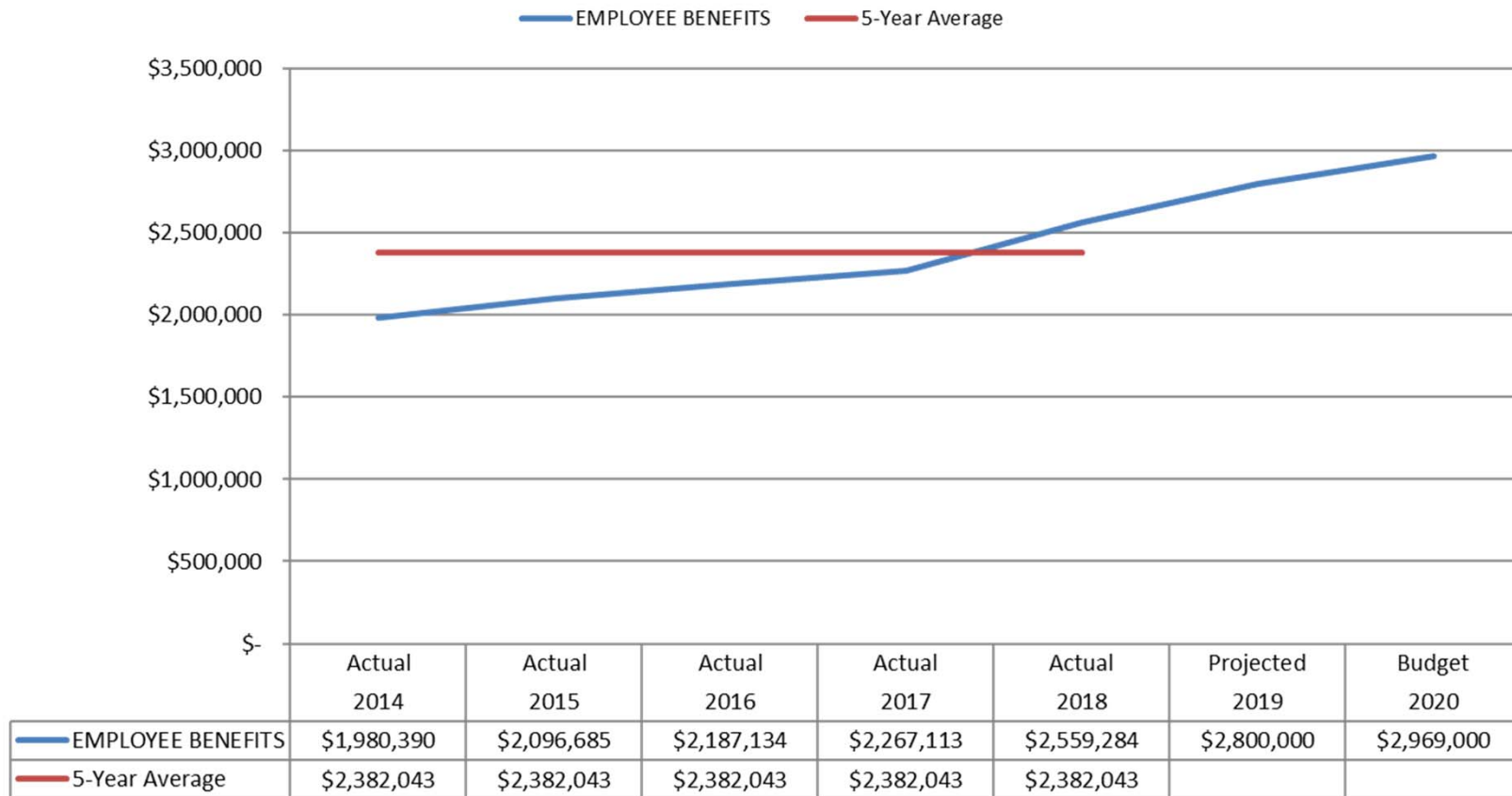
Merit



* 2019 increase based on market median as per compensation study.

O&M Expense Detail

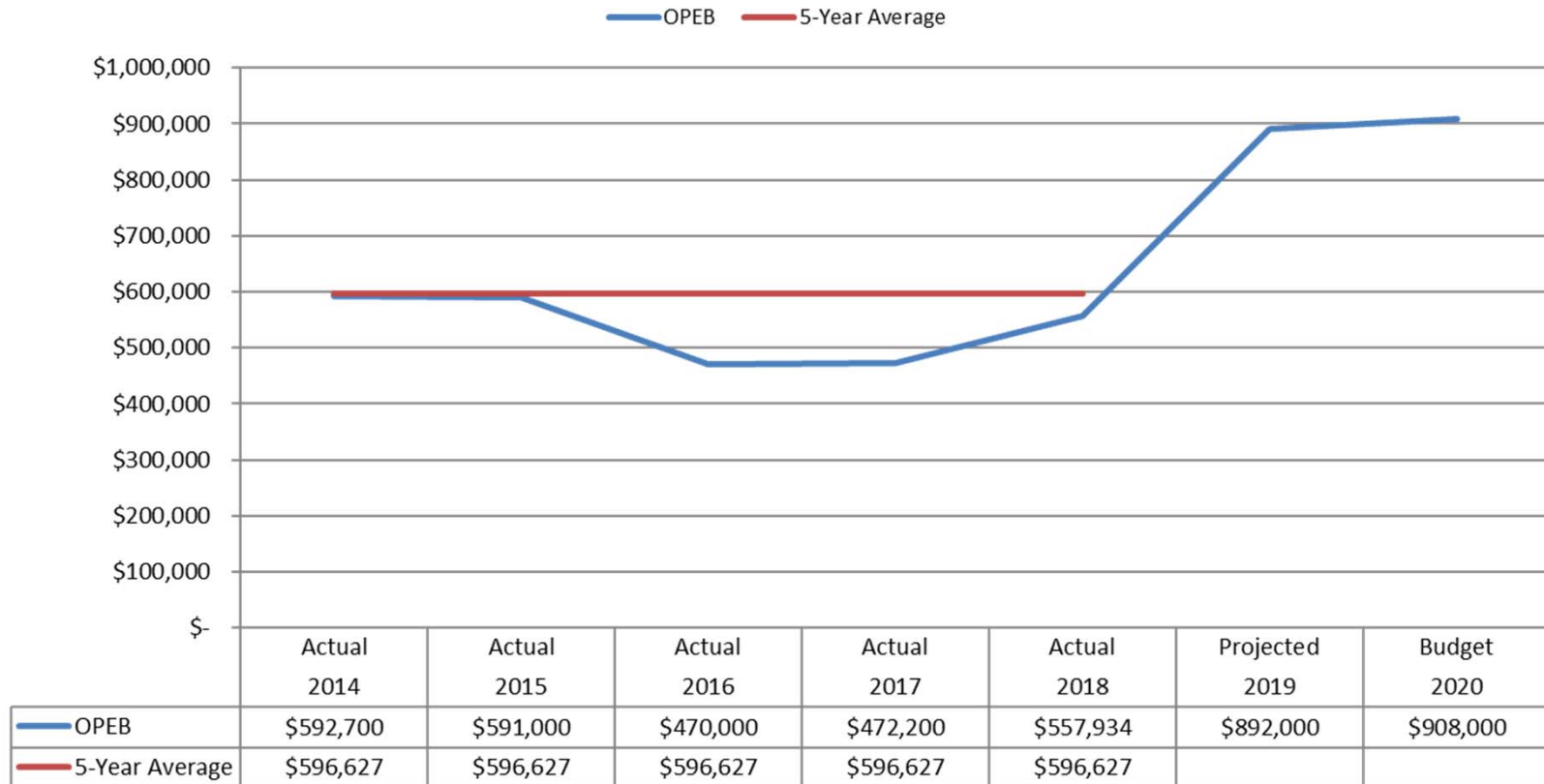
Employee Benefits



2020 increase due primarily to full year of staffing and increased pension costs and health care costs.

O&M Expense Detail

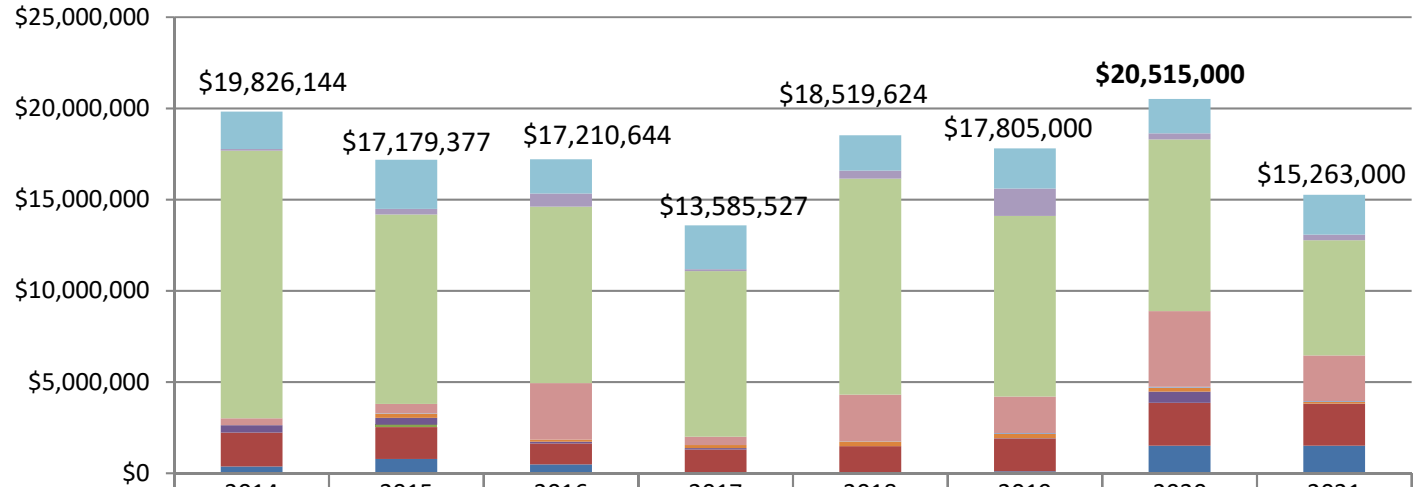
OPEB



2016 - 2017 reduction due to a combination of – reduced projected liability and higher earnings inception-to-date; offset by a reduced UAAL amortization from 22 years down to 10 years. 2018 increase due to a reduced discount rate (7.0% in 2015, 6.5% in 2018); 2019 and 2020 increase due to implementation of GASB 75 and new actuarial analysis; increased health care costs; increased participants, and a change in demographic assumptions.

CIP Budget

CIP Project Costs 2014 to 2020

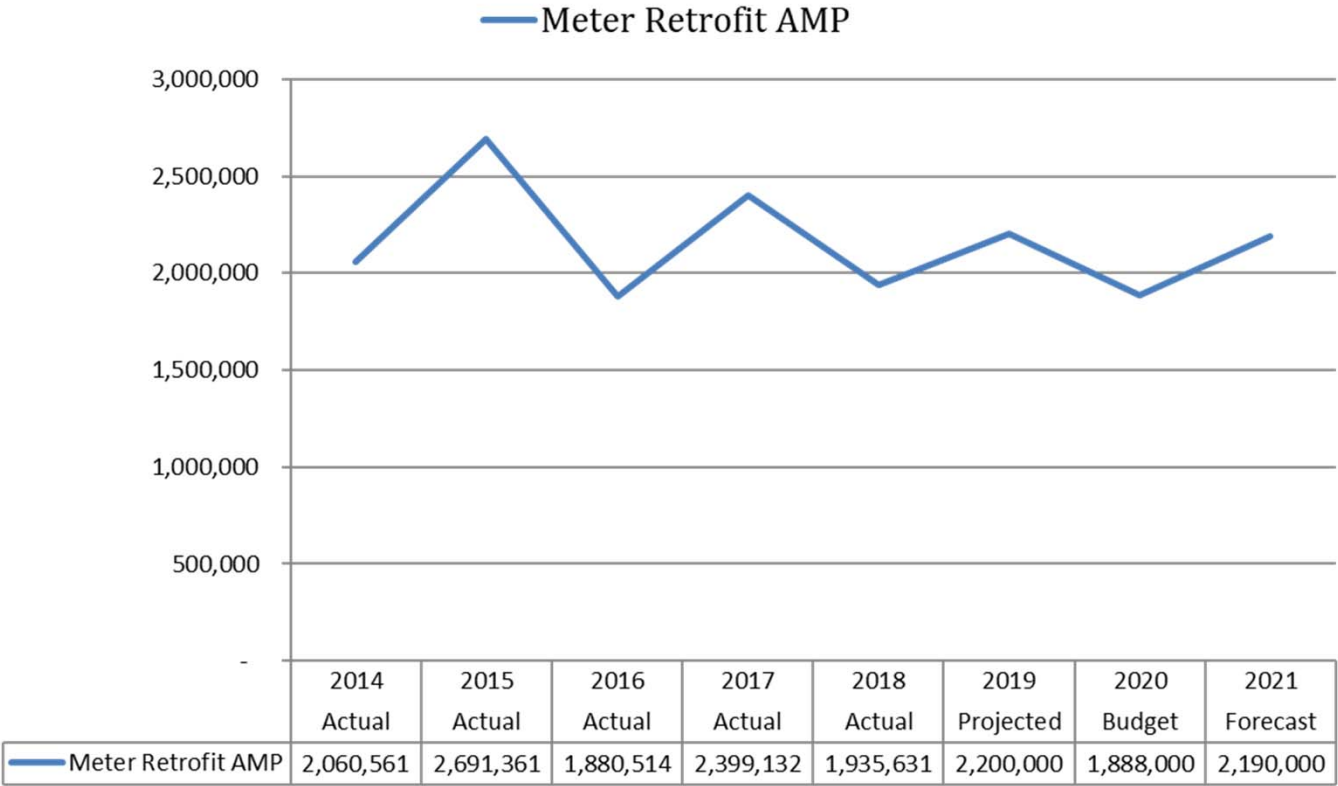


	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Projected	2020 Budget	2021 Forecast
■ Meter Retrofit AMP	2,060,561	2,691,361	1,880,514	2,399,132	1,935,631	2,200,000	1,888,000	2,190,000
■ Meter Replacement & Repair AMP	80,975	307,870	715,337	107,278	439,174	1,500,000	330,000	300,000
■ Dist. Main Replacement AMP	14,672,460	10,381,851	9,674,096	9,077,465	11,839,880	9,900,000	9,414,000	6,318,000
■ Well Replacement AMP	377,974	507,393	3,099,875	460,816	2,546,339	2,000,000	4,150,000	2,500,000
■ Transmission Main AMP	-	31,866	-	-	17,831	60,000	50,000	50,000
■ Reservoir and Booster P.S. AMP	-	221,300	116,901	160,494	255,892	220,000	210,000	90,000
■ Buildings and Structures AMP	-	-	-	-	-	-	-	-
■ SCADA AMP	404,802	378,687	94,243	85,495	-	20,000	615,000	10,000
■ From 2009 Water System Master Plan	-	133,676	-	-	-	-	-	-
■ Other Re-Occurring Annual Capital Costs	1,859,724	1,745,028	1,149,924	1,241,934	1,443,073	1,800,000	2,353,000	2,300,000
■ Other Capitalized Projects	369,648	780,345	479,754	52,913	41,804	105,000	1,505,000	1,505,000

Discussion of individual line items appears on subsequent pages.

CIP Budget

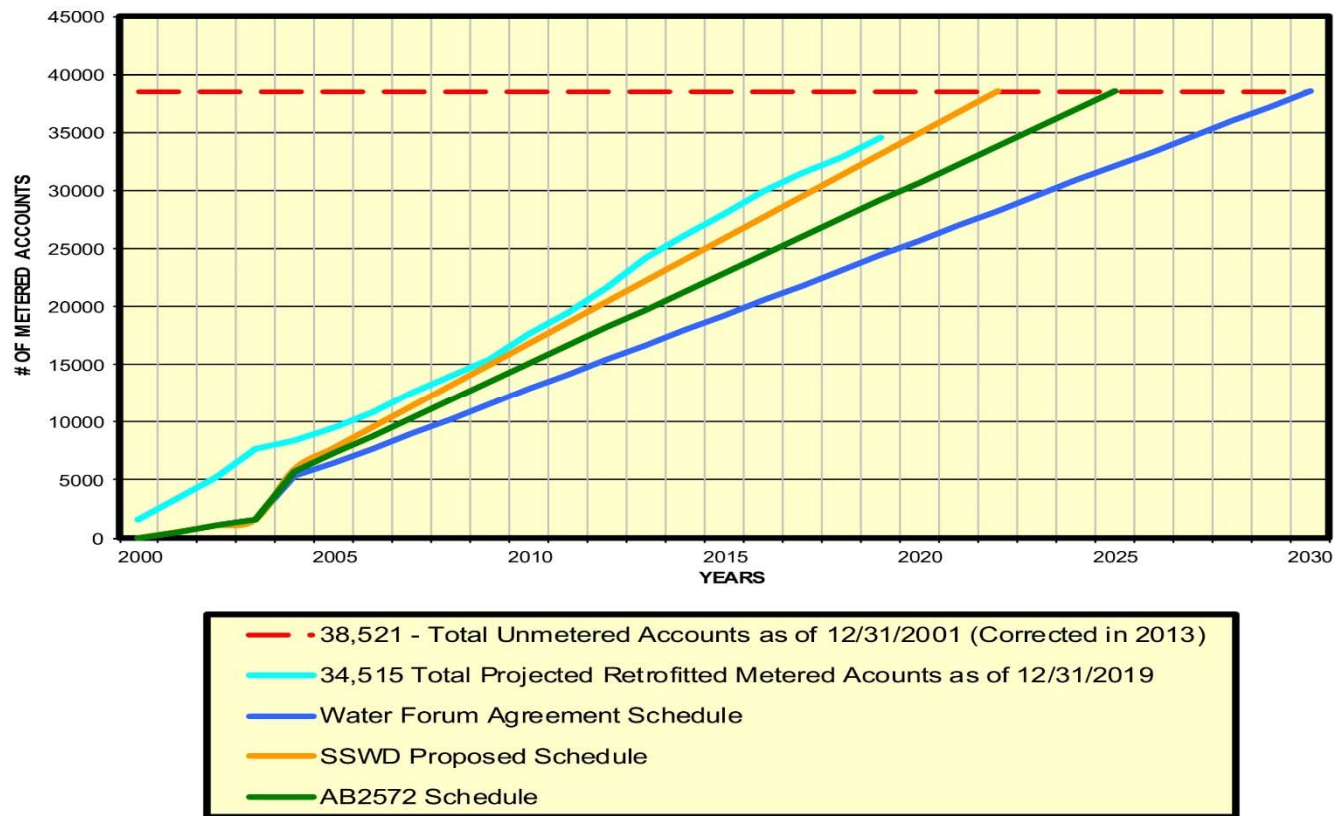
Water Meter Retrofit Program



Meter retrofits installed in 2019 are expected to be 1,580. Meters expected to be installed in 2020 and 2021 are 1,030 and 1,100, respectively. Retrofit project to be substantially complete in 2022.

Water Meter Retrofit Program

SSWD 30 YEAR METERING PLAN (RESIDENTIAL)



2019 Meters added – 1,900; 1,580 meter retrofit program and 320 main replacement project.
 2020 Meters added – 1,280; 1,030 meter retrofit program and 250 main replacement project.

CIP Project Detail

Meter Replacement & Repair Costs

5-Year Low	5-Year High	5-Year Average	AMP 2020	Budget 2020	Forecast 2021
\$ 80,975	\$ 715,337	\$ 330,100	\$ 321,028	\$ 330,000	\$ 300,000

2020/21 Projects

Replace obsolete large meters (>3")	80,000	50,000
Replace 1,300 water meters that outlived their useful life each year (1,250 meters are expected to be replaced in 2019)	250,000	250,000
	\$ 330,000	\$ 300,000

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

CIP Project Detail

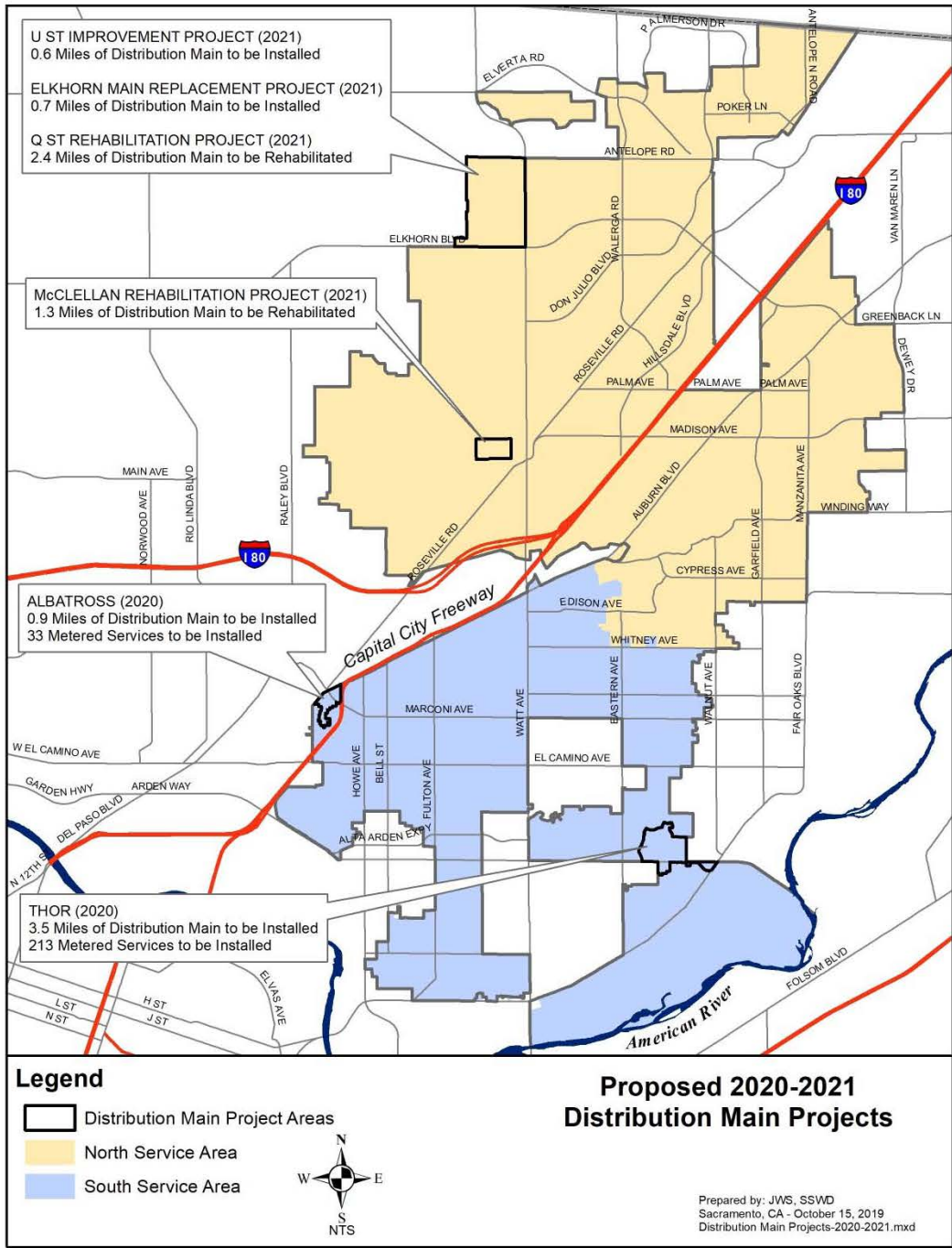
Distribution Main Replacement Costs

5-Year Low	5-Year High	5-Year Average	AMP 2020	Budget 2020	Forecast 2021
\$ 9,077,465	\$ 14,672,460	\$ 11,129,200	\$ 12,802,101	\$ 9,414,000	\$ 6,318,000

2020/21 Projects

Thor (Area 90B/C/D)	6,073,000	-
Albatross (Area 42B)	1,817,000	-
ODS Main Remnants Replacement	460,000	-
Arcade Creek Cross Repair	260,000	-
McClellan line replacements	49,000	1,614,000
Area X Main Replacement (contingent on Condition Assessment)	70,000	1,537,000
Area Y Main Rehab (contingent on Condition Assessment)	25,000	955,000
U Street Improvement Project	55,000	941,000
Other Miscellaneous Main Replacement Projects	105,000	771,000
Condition Assessment of Main Replacement Areas	500,000	500,000
	\$ 9,414,000	\$ 6,318,000

See next slide for further details



CIP Project Detail

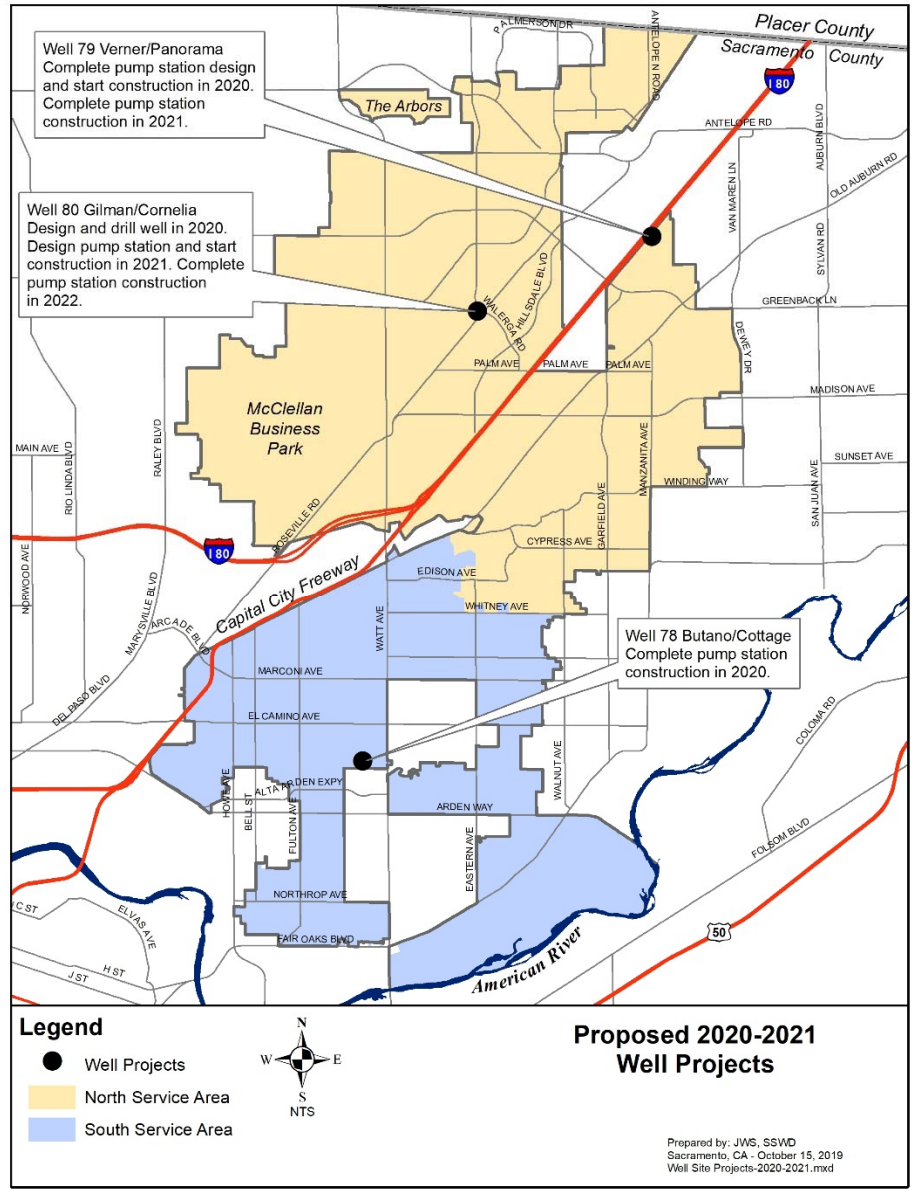
Well Replacement Costs

5-Year Low	5-Year High	5-Year Average	AMP 2020	Budget 2020	Forecast 2021
\$ 377,974	\$ 3,099,875	\$ 1,398,500	\$ 1,047,445	\$ 4,150,000	\$ 2,500,000

2020/21 Projects

Well #78 - Butano/Cottage	\$ 1,890,000	\$ -
Well #79 - Verner/Panorama	610,000	2,000,000
Well #80 - Gilman/Comelia	700,000	500,000
Property Acquisitions (TBD)	950,000	-
	<u>\$ 4,150,000</u>	<u>\$ 2,500,000</u>

See next slide for further details



Well Design and Construction Planned for 2020 and 2021 are shown in the Map above.

CIP Project Detail

Transmission Main Costs

5-Year Low	5-Year High	5-Year Average	AMP 2020	Budget 2020	Forecast 2021
\$ -	\$ 31,866	\$ 9,900	\$ 174,574	\$ 50,000	\$ 50,000

2020/21 Projects

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

\$	50,000	\$	50,000
<u>\$</u>	<u>50,000</u>	<u>\$</u>	<u>50,000</u>

Corrosion Control on Transmission Mains is comprised of planning activities in 2020 and construction in 2021.

CIP Project Detail

SCADA System Costs

5-Year Low	5-Year High	5-Year Average	AMP 2020	Budget 2020	Forecast 2021
\$ -	\$ 404,802	\$ 192,600	\$ -	\$ 615,000	\$ 10,000

2020/21 Projects

SCADA Radio Upgrades	\$ 200,000	\$ -
Reservoir Operational Retrofit - Enterprise, Antelope, and Wat/Elkhorn Res.	300,000	-
Upgrade Well Site Electrical Component - Well N8	105,000	-
Upgrade Tesco PLC for 20 Sites	10,000	10,000
	\$ 615,000	\$ 10,000

CIP Project Detail

Reservoir and Booster P.S. Costs

5-Year Low	5-Year High	5-Year Average	AMP 2020	Budget 2020	Forecast 2021
\$ -	\$ 255,892	\$ 150,900	-	\$ 210,000	\$ 90,000

2020/21 Projects

Reservoir Operational Retrofit - Valves /Mechanical	\$ 170,000	\$ -
Hydropneumatic Tanks Interior Coating	40,000	40,000
Tank Inspections, repair and modify to storage facilities as needed	-	50,000
	\$ 210,000	\$ 90,000

CIP Project Detail

Other Re-Occurring Capital Costs

5-Year Low	5-Year High	5-Year Average	Estimate 2020	Budget 2020	Forecast 2021
\$ 1,149,924	\$ 1,859,724	\$ 1,487,900	\$ 3,654,418	\$ 2,353,000	\$ 2,300,000

2020/21 Projects

Well Rehabilitation - Rehab well 68, 70, N5, N38 & N22 in 2020 and well 18, 20A, N3 & N24 in 2021; Remove natural gas engines at well 47 & N20 in 2020	\$	1,453,000	\$	1,150,000
Fluoride Analyzers - 10 wells each year		400,000		500,000
Destroy 5 abandoned wells each year		500,000		650,000
	\$	2,353,000	\$	2,300,000

CIP Project Detail

Other Capitalized Project Costs

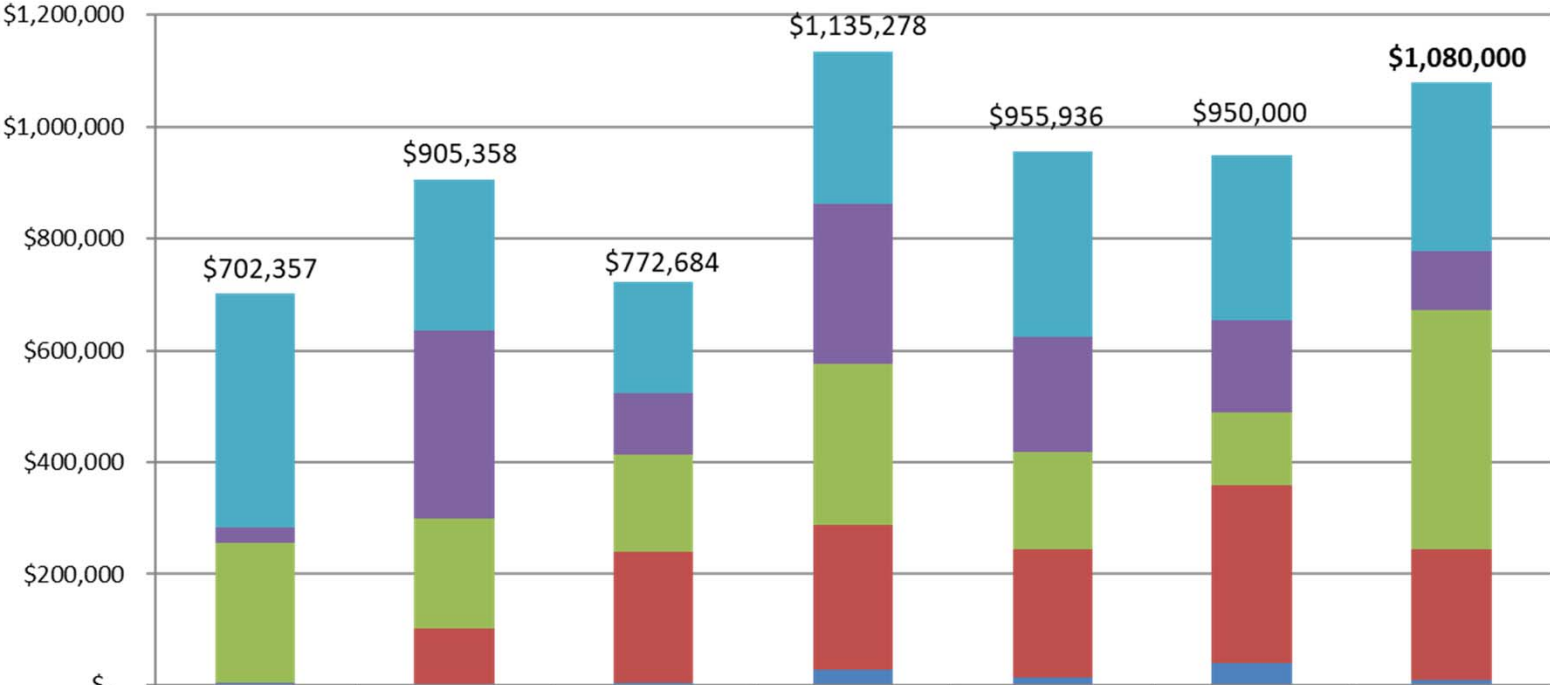
5-Year Low	5-Year High	5-Year Average	Estimate 2020	Budget 2020	Forecast 2021
\$ 41,804	\$ 780,345	\$ 344,900	\$ 2,909,568	\$ 1,505,000	\$ 1,505,000

2020/21 Projects

Adjust valves boxes for county projects	\$ 200,000	\$ 200,000
Right of way/easement acquisitions	5,000	5,000
AMI Endpoint Replacements	<u>1,300,000</u>	<u>1,300,000</u>
	<u>\$ 1,505,000</u>	<u>\$ 1,505,000</u>

OCB Budget

OCB Project Costs 2014 to 2020



	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Projected	2020 Budget
Information Technology	\$419,552	\$269,607	\$200,060	\$273,286	\$331,331	\$296,000	\$302,000
Maintenance	\$27,660	\$336,293	\$109,647	\$286,800	\$205,428	\$164,000	\$105,000
Operations	\$251,745	\$197,310	\$171,914	\$287,120	\$173,674	\$131,000	\$429,000
Vehicles/Fleet	\$-	\$99,729	\$235,576	\$260,890	\$232,721	\$319,000	\$235,000
Office Furniture/Equipment	\$3,400	\$2,419	\$5,487	\$27,182	\$12,782	\$40,000	\$9,000

Discussion of individual line items appear on subsequent pages.

OCB Project Detail Information Technology Costs

5-Year Low	5-Year High	5-Year Average	Budget 2020
\$ 200,060	\$ 419,552	\$ 298,800	\$ 302,000

2020 Projects

Hardware Refresh Program	\$ 167,000
Software Enhancements/Modules	110,000
Board Package Software	25,000
	\$ 302,000

2019 Budget was \$296,000

OCB Project Detail Maintenance

5-Year Low	5-Year High	5-Year Average	Budget 2020
\$ 27,660	\$ 336,293	\$ 193,200	\$ 105,000

2020 Projects

Customer Service Area Safety & Security Improvement	\$ 75,000
HVAC/Roof/Building Repairs	30,000
	\$ 105,000

2019 Budget was \$164,000.

OCB Project Detail

Operations Project Costs

	5-Year Low		5-Year High		5-Year Average		Budget 2020
\$	171,914	\$	287,120	\$	216,400	\$	429,000

2020 Projects

Fence Replacement - 2 Well Sites		\$	14,000
Upgrade SCADA Master Plan to the Asset Management			150,000
Update Urban Water Management Plan			100,000
Update Building & Structure Asset Management Plan			60,000
Update Ground Water Well Asset Management Plan			22,000
Risk & Resiliency Assessment and Emergency Response Plan			83,000
		\$	429,000

2019 Budget was \$131,500. Increase in 2020 primarily due to updating Asset Management Plans.

OCB Project Detail

Vehicles/Fleet

5-Year Low	5-Year High	5-Year Average	Budget 2020
\$ -	\$ 260,890	\$ 165,800	\$ 235,000

2020 Projects

Vehicle Replacement - Truck #46	\$ 32,000
Vehicle Replacement - Truck #49	47,000
Vehicle Replacement - Truck # 54	47,000
Vehicle Replacement - Truck # 56	47,000
Vehicle Replacement - Truck # 4	31,000
Vehicle Replacement - Truck # 16	31,000
	\$ 235,000

2019 Budget was \$319,000 – Replaced six trucks, two trailers and added two new trucks for new positions.

OCB Project Detail

Office Furniture & Equipment

5-Year Low	5-Year High	5-Year Average	Budget 2020
\$ 2,419	\$ 27,182	\$ 10,300	\$ 9,000

2020 Projects

Office Furniture/Workstations	\$	5,000
Board Room Wall Map		4,000
	\$	9,000

2019 Budget was \$40,000 for Walnut Facility remodel and new staff.

Debt Service Forecast

Debt Service Forecast

5-Year Low	5-Year High	5-Year Average	Budget 2020
\$ 7,425,000	\$ 7,509,550	\$ 7,474,081	\$ 7,426,000

	2014	2015	2016	2017	2018	2019	2020
Principal	\$ 3,675,000	\$ 3,795,000	\$ 3,945,000	\$ 4,060,000	\$ 4,425,000	\$ 4,570,000	\$ 4,790,000
Interest	3,792,909	3,630,000	3,560,697	3,449,550	3,037,249	2,650,000	2,636,000
Total Debt Service	<u>\$ 7,467,909</u>	<u>\$ 7,425,000</u>	<u>\$ 7,505,697</u>	<u>\$ 7,509,550</u>	<u>\$ 7,462,249</u>	<u>\$ 7,220,000</u>	<u>\$ 7,426,000</u>

2020 forecast assumes a variable interest rate of 3.86%.

2018 and 2019 reflect the refunding of the 2009B COP and the issuance of the 2018A Bond.

2020 Budget Summary

	9 Month Actual As Of 9/30/19	2019 Projected	2019 Approved Budget	2020 Proposed Budget	2020 Budget Per Rate Study
Income From Customers	\$ 33,761,853	\$ 45,536,645	\$ 46,171,000	\$ 47,669,000	\$ 47,562,787
Water Transfers	-	-	-	-	-
Total Other Income	1,502,597	2,110,000	1,907,000	2,220,000	1,022,694
Total Revenue	\$ 35,264,450	\$ 47,646,645	\$ 48,078,000	\$ 49,889,000	\$ 48,585,481
Budgets:					
Operations and Maintenance	14,579,636	21,595,000	23,241,000	22,995,000	23,952,753
Capital Improvement Program	9,877,440	17,805,000	18,260,000	20,515,000	20,765,000
Operating Capital Program	259,467	950,000	950,000	1,080,000	1,080,000
Debt Service (Forecast)	1,918,781	7,220,000	7,420,000	7,426,000	7,426,107
Total Costs	26,635,324	47,570,000	49,871,000	52,016,000	53,223,860
Change in Reserve Balance	8,629,126	76,645	(1,793,000)	(2,127,000)	(4,638,379)
Reserve (Cash) Balance	\$ 47,671,060	\$ 45,128,753	\$ 41,566,409	\$ 40,401,753	\$ 33,417,612
McClellan Settlement	\$ -	\$ (2,600,000)			
	\$ 47,671,060	\$ 42,528,753	\$ 41,235,205	\$ 40,401,753	\$ 33,417,612



Agenda Item: 5

Date: October 10, 2019

Subject: General Manager's Report

Staff Contact: Dan York, General Manager

a. Placer County Water Agency Wholesale Water

The District currently has a surface water contract with Placer County Water Agency (PCWA) that allows the District to take up to 29,000 acre feet (af) of their surface water supplies. However, there is a mandatory take or pay amount of 12,000 af in wet years when water is available. There have been instances where the District has been unable to take the 12,000 af of surface water in the North Service Area (NSA), mainly due to lower water supply demands. The District's General Manager and Assistant General Manager met with PCWA's General Manager and executive team on September 30, 2019 to discuss with them a consideration to lower the take or pay amount to 8,000 af when water is available. Following a thorough discussion between those in attendance, PCWA verbally agreed to lower the take or pay amount to 8,000 af. If approved, the District can still pay for and receive water above 8,000 af, but the reduction in the take or pay will still ensure the District's conjunctive use program remains active and also allows the District an opportunity to save a substantial amount of funds compared to current requirements.

In addition, PCWA discussed a potential need to provide water to Placer Vineyards (housing development) in Roseville. They anticipate a demand between 10-15 million gallons per day (mgd) at buildout of Placer Vineyards. Currently, the District has 50 mgd of shoulder capacity in the Cooperative Transmission Pipeline (CTP). The intent is for PCWA to pay San Juan Water District (SJWD) to treat the water and pay the District a wheeling charge to deliver the water from SJWD to the service boundary of Roseville.

The two discussion points mentioned above are in its inception, and of course must be approved by both Boards. However, in the meantime, staff from both agencies will begin discussing capacity issues/concerns, costs, rates, etc.

b. Sacramento Region Collaboration Study Update

The Request for Proposals (RFP) were sent to eleven consulting firms on Friday, October 4, 2019. Set forth in the RFP are the following dates and tasks pertaining to the consultant selection process:

- October 15th – Mandatory proposers meeting
- October 23rd – Deadline for questions
- October 29th – Distribution of answers to questions

- November 4th – Proposal deadline
- November 22nd – Consultant selected
- December 2019 – Consultant negotiations
- January 2020 – Execute consultant contract

As previously 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 Management Committee, composed of at least one executive from each of the Agencies. The consultant will meet with the Management 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 an ad hoc committee of members of each Board of Directors or City Council of each of the participating organizations (3 meetings total). The consultant will present the final results of the study to a facilitated joint meeting of the Boards of Directors/City Councils of the Agencies.

c. McClellan Business Park/County of Sacramento Agreement Update

At the April 2019, regular Board meeting the General Manager was authorized to execute the Successor Agreement with McClellan Business Park (MBP) and issue a check for \$2.6 Million upon execution of the Successor Agreement. In order for the Successor Agreement to become effective, the County of Sacramento (County) needs to terminate the 1999 agreement. The County has been working on their own successor agreements with SSWD and MBP. Once all the Successor Agreements are in final form, the County is planning on bringing the 1999 agreement to the County Board for termination, and at the same time, make the Successor Agreements effective.

The County Successor Agreements remain in draft form. Staff has been in constant contact with the County to help get the Successor Agreements in final draft form. However, the progress is very slow involving the County. On Wednesday, October 15, I emailed the County to remind them of the importance to expedite the process. I was informed that a draft County/MBP Agreement would be sent to MBP on October 16, 2019.



Agenda Item: 6

Date: October 15, 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 – September 2019
- Financial Statements – September 2019
- Investments Outstanding and Activity – September 2019
- Cash Expenditures – September 2019
- Credit Card Expenditures – September 2019
- Directors Compensation and Expense Accounting – Third Quarter 2019
- District Reserve Balances – September 2019
- Information Required by LOC Agreement
- Financial Markets Report – September 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 about the same with its prior year balance at the same date; investments are \$2.3 million more than on September 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 \$6.8 million in the last 12 months as the District continues to replace its capital infrastructure without incurring additional debt. Operating revenues increased \$0.1 million compared to the same period a year ago due to the increase in wholesale water consumption demand compared to the same period a year ago. There is no rate increase for 2019. Operating expenses increased \$0.4 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 administrative costs due to addition of three new approved positions during 2019.

Statements of Net Position:

District cash and cash equivalents increased to \$12.5 million as of September 30, 2019, up \$4.9 million from \$7.6 million at December 31, 2018. Cash held in the District’s bank accounts (\$5.6

million as of September 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 \$2.1 million to a total of \$38.5 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 \$11.4 million to \$486.6 million as of September 31, 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 \$261.2 million as of September 30, 2019, compared to \$251.3 million at December 31, 2018 for an increase of \$9.9 million.

Statements of Revenues, Expenses and Changes in Net Position:

The net position increase of \$9.9 million in 2019 is \$1.0 million more than the first nine months of 2018. Net changes are comprised of:

1. Water Consumption Sales decreased by \$0.1 million compared to the same period in 2018 due primarily to cooler temperatures and Spring rains in 2019 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 water was not available for wholesale wheeling in the first three months of 2018.
2. Operating expenses increased by \$0.4 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) increased administrative costs due to addition of three new positions approved for 2019.
3. Investment income increased by \$1.3 million compared to the same period a year ago primarily due to unrealized holding gains in the first nine month of 2019.
4. Interest expense and debt related costs decreased \$0.4 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 September 2019 came in less than the approved budget by \$3.0 million primarily due to savings in the production and cost of water. Other positive variances are due to 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 September were \$105,164; \$259,467 year-to-date. The total budget for the year is \$0.95 million.

The District's capital improvement project (CIP) budget for 2019 is \$18.3 million. For the first nine months of 2019, \$9.9 million has been spent while \$5.6 million is under contract. Expenditures continue to be primarily in distribution system replacements, meter retrofit projects and meter reading end-point replacements.

Debt – September 2019

This report shows district activity in repaying its long-term debt obligations. Scheduled 2019 principal payments of \$4.6 million will be paid at the end of October. Total principal outstanding as of September 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 eight months of 2019, the District has incurred interest expense of \$1,661,424 versus a forecast of \$2,137,500 or a \$476,076 positive variance. This is primarily due to expected Federal Reserve interest rate increases not occurring as anticipated.

Investments Outstanding and Activity – September 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. Both market portfolio and LAIF are currently earning 2.34% per annum. District staff monitors investment assets quarterly and reviews/approves the effective duration of the District's portfolio against its benchmark index on a quarterly basis as well.

During the month of September, the District purchased one Corporate Note for \$0.4 million (par). One Asset-Backed Security for \$0.8 million (par) and one Certificate of Deposit for \$0.4 million (par) were purchased in August, but not settled until September. The District received principal paydowns on two Federal Agency Collateralized Mortgage Obligations of \$7,027 (par) and four Asset-Backed Security Obligations of \$72,305 (par). The District sold five U.S. Treasury Notes for \$1.5 million. 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 – September 2019

During the month of September, the District made cash payments totaling \$2.8 million. The primary expenditures were – \$0.1 million for debt service, \$1.4 million for 2019 capital improvement projects, \$0.2 million for water costs including pumping and chemical costs, \$0.2 for materials and supplies, \$0.1 million for customer billing, printing and postage, and \$0.7 million for payroll, pension and health benefits.

Purchasing Card Expenditures – September 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 \$17,390 for various purchases on the six District purchasing cards. Details by vendor and purpose are included in this report.

Directors Compensation and Expense Accounting – Third Quarter 2019

Director meetings attended during the 3rd 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 September 30, 2019 are \$51,283,667 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
September 30, 2019

Sacramento Suburban Water District
 Financial Highlights
 Period Ended

STATEMENTS OF NET POSITION

	Year-To-Date 9/30/2019	Year-To-Date 9/30/2018
LIQUIDITY		
Cash and cash equivalents	\$12,543,788.96	\$12,518,837.38
INVESTMENT		
Investments	38,492,275.77	36,221,711.28
CAPITAL ASSETS		
Property, plant and equipment	488,757,908.93	469,279,170.71
Accumulated depreciation	(189,971,348.03)	(177,573,067.17)
	298,786,560.90	291,706,103.54
LIABILITIES		
Long Term Debt	(80,992,021.15)	(85,998,952.95)
NET POSITION		
Net Position	261,189,411.62	254,341,389.02

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Month 9/30/2019	Year-To-Date 9/30/2019	Month 9/30/2018	Year-To-Date 9/30/2018
NET INCOME				
Operating Revenue	4,812,260.19	33,761,852.49	4,583,186.91	33,685,158.23
Operating Expense	(1,195,266.76)	(14,577,389.52)	(1,762,357.62)	(14,135,087.70)
Other, Net	(1,156,433.97)	(9,269,062.04)	(892,426.52)	(10,640,133.81)
Change in Net Position	\$2,460,559.46	\$9,915,400.93	\$1,928,402.77	\$8,909,936.72

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

	<i>As Of</i>	<u>Month End</u>	<u>Year End</u>
		<u>9/30/2019</u>	<u>12/31/18</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		\$12,543,729.95	\$7,585,118.00
Restricted Cash and cash equivalents		59.01	9,767.92
Accounts receivable, net of allowance for uncollectible accounts		3,168,267.90	2,841,401.63
Interest receivable		247,602.39	215,917.07
Grants receivables		0.01	0.01
Other receivables			945,572.10
Inventory		721,104.09	495,142.20
Prepaid expenses and other assets		<u>1,224,356.60</u>	<u>924,083.21</u>
TOTAL CURRENT ASSETS		<u>17,905,119.95</u>	<u>13,017,002.14</u>
NONCURRENT ASSETS			
Investments		38,492,275.77	36,369,025.38
Fair value of interest rate swaps		<u>1,564,723.00</u>	<u>1,564,723.00</u>
TOTAL NONCURRENT ASSETS		<u>40,056,998.77</u>	<u>37,933,748.38</u>
Property, plant and equipment		488,757,908.93	477,342,701.03
Accumulated depreciation		<u>(189,971,348.03)</u>	<u>(180,222,436.62)</u>
TOTAL CAPITAL ASSETS		<u>298,786,560.90</u>	<u>297,120,264.41</u>
TOTAL ASSETS		<u>356,748,679.62</u>	<u>348,071,014.93</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on long-term debt refunding		5,528,665.85	6,024,224.12
Pension contribution subsequent to measurement date		2,223,442.00	2,223,442.00
Other post-employment benefits		<u>24,450.00</u>	<u>24,450.00</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		<u><u>364,525,237.47</u></u>	<u><u>356,343,131.05</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Current portion of long-term debt and capital leases		4,625,000.00	4,625,000.00
Accounts payable		1,130,969.95	3,411,438.20
Accrued interest		513,937.15	269,683.50
Deferred revenue and other liabilities		1,991,247.86	1,165,830.41
Accrued expenses		<u>737,775.42</u>	<u>840,578.24</u>
TOTAL CURRENT LIABILITIES		<u>8,998,930.38</u>	<u>10,312,530.35</u>
NONCURRENT LIABILITIES			
Long-term debt		76,367,021.15	76,804,132.00
Compensated absences		968,367.32	950,951.01
Net pension liability		8,812,373.00	8,812,373.00
Net other post-employment benefits liability		<u>5,856,340.00</u>	<u>5,856,340.00</u>
TOTAL NONCURRENT LIABILITIES		<u>92,004,101.47</u>	<u>92,423,796.01</u>
TOTAL LIABILITIES		<u>101,003,031.85</u>	<u>102,736,326.36</u>
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		<u>39,464,287.17</u>	<u>29,548,886.24</u>
TOTAL NET POSITION		<u>261,189,411.62</u>	<u>251,274,010.69</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION		<u><u>364,525,237.47</u></u>	<u><u>356,343,131.05</u></u>

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>9/30/2019</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2018</u>
OPERATING REVENUES				
Water consumption sales	\$2,122,380.14	\$9,802,335.07	\$1,912,332.52	\$9,889,238.07
Water service charge	525,082.83	4,642,365.17	537,523.69	4,743,791.26
Capital facilities charge	2,040,470.66	18,017,128.70	2,040,010.27	18,029,403.07
Wheeling water charge	22,587.14	504,048.04	790.02	262,780.64
Other charges for services	101,739.42	795,975.51	92,530.41	759,945.19
TOTAL OPERATING REVENUES	4,812,260.19	33,761,852.49	4,583,186.91	33,685,158.23
OPERATING EXPENSES				
Source of supply	338,275.62	2,318,173.75	337,202.39	2,158,451.53
Pumping	350,741.97	2,832,271.97	360,591.01	3,022,954.69
Transmission and distribution	(276,419.73)	2,861,837.16	447,404.06	2,642,909.81
Water conservation	34,342.77	315,408.44	35,803.07	298,932.87
Customer accounts	115,232.91	1,008,386.69	114,534.54	926,842.32
Administrative and general	633,093.18	5,243,557.98	463,056.05	5,075,396.58
TOTAL OPERATING EXPENSES	1,195,266.72	14,579,635.99	1,758,591.12	14,125,487.80
Operating income before depreciation	3,616,993.47	19,182,216.50	2,824,595.79	19,559,670.43
Depreciation and amortization	(1,082,863.64)	(9,748,911.41)	(1,037,584.75)	(9,351,047.17)
OPERATING INCOME	2,534,129.83	9,433,305.09	1,787,011.04	10,208,623.26
NON-OPERATING REV. (EXP.)				
Rental income	18,739.87	369,235.10	16,378.49	179,615.17
Interest and investment income	(28,489.56)	1,545,554.43	(16,302.61)	244,468.57
Interest expense and debt related costs	(208,244.95)	(1,977,228.00)	(208,819.64)	(2,397,242.43)
Other non-operating revenues	4,952.77	116,498.95	33.50	151,916.04
Other non-operating expenses		(243.96)		12,086.72
Gain(loss) on disposal of capital assets		30,820.00		27,030.00
NON-OPERATING REV. (EXP.)	(213,041.87)	84,636.52	(208,710.26)	(1,782,125.93)
NET INCOME (LOSS) BEFORE CAPITAL	2,321,087.96	9,517,941.61	1,578,300.78	8,426,497.33
CAPITAL CONTRIBUTIONS				
Facility development charges	138,970.00	239,104.00		116,284.00
Developer contributions		144,664.30	350,101.99	350,101.99
Federal, state and local capital grants	501.50	13,691.02		17,053.40
TOTAL CAPITAL CONTRIBUTIONS	139,471.50	397,459.32	350,101.99	483,439.39
CHANGE IN NET POSITION	2,460,559.46	9,915,400.93	1,928,402.77	8,909,936.72
Net position at beginning of period	258,728,852.16	251,274,010.69	252,412,986.25	245,431,452.30
NET POSITION AT END OF PERIOD	261,189,411.62	261,189,411.62	254,341,389.02	254,341,389.02

Sacramento Suburban Water District
Operations and Maintenance Budget
Period Ended

	<i>Month Of September</i>			<i>2019 YTD</i>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<i>BUDGETED OPERATING EXPENSES</i>						
Board of Directors	\$708.56	\$5,961.16	\$5,252.60	\$30,151.25	\$53,650.44	\$23,499.19
Administrative	241,982.14	197,412.47	(44,569.67)	1,592,975.66	1,776,712.23	183,736.57
Finance	76,670.80	98,294.90	21,624.10	757,256.58	888,642.10	131,385.52
Customer Services	115,232.91	116,720.93	1,488.02	1,008,386.69	1,048,536.41	40,149.72
Field Operations	42,977.99	48,703.00	5,725.01	389,218.13	590,677.00	201,458.87
Production	689,017.59	775,378.50	86,360.91	5,150,445.72	6,422,398.00	1,271,952.28
Distribution	224,897.54	208,912.04	(15,985.50)	1,687,639.61	1,880,208.36	192,568.75
Field Services	(507,504.87)	140,640.39	648,145.26	1,108,159.07	1,492,049.51	383,890.44
Maintenance	63,634.13	58,068.48	(5,565.65)	470,707.21	522,616.72	51,909.51
Water Conservation	34,342.77	48,735.44	14,392.67	315,408.44	398,506.46	83,098.02
Engineering	117,828.98	127,509.19	9,680.21	1,004,645.67	1,149,912.71	145,267.04
GIS/CAD	25,213.56	25,777.28	563.72	223,530.83	239,195.52	15,664.69
Human Resources	13,923.46	14,168.29	244.83	129,936.93	236,506.48	106,569.55
Information Technology	56,341.16	85,607.89	29,266.73	711,174.20	933,617.01	222,442.81
<i>TOTAL OPERATING EXPENSES</i>	<u>1,195,266.72</u>	<u>1,951,889.96</u>	<u>756,623.24</u>	<u>14,579,635.99</u>	<u>17,633,228.95</u>	<u>3,053,592.96</u>

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SACRAMENTO SUBURBAN WATER DISTRICT
 OPERATING CAPITAL AMENDED BUDGET
 9/30/2019

Project Number	Project Name	Original Budget	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	\$ -	\$ -	\$ 6,900.00	\$ 14,100.00
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		31,307.00	475.00	\$ (782.00)
SF19-463	VEHICLE REPL - TRUCK #45	\$ 31,000.00	31,000.00		30,646.00	-	\$ 354.00
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	3,781.00	43,023.00	-	\$ (3,023.00)
SF19-468	WELL SITE/BUILD STRUCTURE MAINT	\$ 60,000.00	60,000.00	-	3,840.00	5,900.00	\$ 50,260.00
SF19-469	HVAC/ROOF/BUILD REPAIRS	\$ 50,000.00	50,000.00	28,781.00	39,383.00	10,224.00	\$ 393.00
SF19-470	REMOVING ANTELOPE GARDEN	\$ 54,000.00	54,000.00	-	3,835.00	-	\$ 50,165.00
SF19-471	HARDWARE REFESH PROGRAM	\$ 107,000.00	107,000.00	64,720.00	71,450.00	9,923.00	\$ 25,627.00
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	2,149.00	3,170.00	-	\$ 31,830.00
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	-	3,115.00	-	\$ 9,885.00
SF19-478	SERVER ROOMS - WALNUT/MARCONI	\$ 42,000.00	42,000.00	5,733.00	14,399.00	-	\$ 27,601.00
SF19-482	UPDATING ASSETS MANAGEMENT PLANS	\$ -	-	1,717.00	1,717.00	-	\$ (1,717.00)
TOTAL		\$ 950,000.00	\$ 950,000.00	\$ 105,164.00	\$ 259,467.00	\$ 248,839.00	# \$ 441,694.00

**Sacramento Suburban Water District
Capital Improvement Project Amended Budget
9/30/2019**

Project No.	Project Name	Original Budget	Changes	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	1,000,000 ¹	\$1,790,000.00	\$ 19,136.00	\$ 441,812.00	\$927,042.00	\$ 421,146.00
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	19,243.00	795,973.00	965,606.00	\$ 1,038,421.00
SC19-013	ELECTRICAL IMPROV @WELL SITES	\$ 220,000.00		220,000.00		-	-	\$ 220,000.00
SC19-018	DISTRIBUTION MAIN REPLACEMENTS	\$ 9,300,000.00	400,000 ¹	9,700,000.00	1,110,525.00	6,813,329.80	2,248,096.00	\$ 638,574.20
SC19-019	DIST MAIN IMPRV/EXT/INTERTIES	\$ 1,400,000.00	(1,000,000) ¹	400,000.00	11,734.00	70,028.00	80,010.00	\$ 249,962.00
SC19-020	MCCLELLAN LINE REPL	\$ 80,000.00		80,000.00		-	-	\$ 80,000.00
SC19-022	WTR RELATED STREET IMPRV	\$ 220,000.00	(100,000) ¹	120,000.00	31,050.00	99,057.00	3,450.00	\$ 17,493.00
SC19-024	METER RETROFIT PROGRAM	\$ 2,500,000.00	(300,000) ¹	2,200,000.00	159,431.00	1,430,791.00	1,384,900.00	\$ (615,691.00)
SC19-034	RESERVIOR/TANK IMPROVMENT	\$ 685,000.00		685,000.00	21,907.00	80,457.00	10,594.00	\$ 593,949.00
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	10,710.00	53,870.00	22,795.00	\$ 23,335.00
SC19-046	TANK INSPECTION & REPAIRS	\$ 50,000.00		50,000.00		92,122.00	5,400.00	\$ (47,522.00)
SC19-048	RIGHT OF WAY/EASEMENT ACQUISIT	\$ 5,000.00		5,000.00		-	-	\$ 5,000.00
SF19-480	AMI REPLACEMENTS	-		-		1,078,728.00	13,694.00	\$ (1,092,422.00)
SF19-481	AMI SENSUS FLEXNET	-		-		-		\$ -
		<u>\$ 18,260,000.00</u>	<u>-</u>	<u>\$ 18,260,000.00</u>	<u>\$ 1,383,736.00</u>	<u>\$ 9,877,439.80</u>	<u>\$ 5,647,893.00</u>	<u>\$ 1,642,245.20</u>

**Sacramento Suburban Water District
Debt
9/30/2019**

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>\$ 173,156</u>	<u>\$ 1,661,424</u>	<u>\$ 2,137,500</u>	<u>\$ 476,076</u>

**Investments Outstanding and Activity
September 2019**



Managed Account Detail of Securities Held

For the Month Ending **September 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	127.75	76,133.45	75,263.70
US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828O78	175,000.00	AA+	Aaa	01/03/17	01/05/17	171,527.34	1.86	1,006.96	173,696.50	174,036.10
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	462.09	98,946.68	99,437.50
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	2,016.39	303,853.07	301,394.40
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	900,000.00	AA+	Aaa	07/06/17	07/11/17	905,449.22	1.85	1,532.97	902,576.30	905,554.80
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	1,375,000.00	AA+	Aaa	06/27/17	06/29/17	1,389,985.35	1.73	2,342.03	1,382,017.97	1,383,486.50
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	250,000.00	AA+	Aaa	08/01/17	08/03/17	245,205.08	1.72	1,307.74	247,604.70	247,968.75
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	475,000.00	AA+	Aaa	10/05/17	10/10/17	463,997.07	1.85	2,484.71	469,254.02	471,140.63
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	6,277.17	1,190,380.78	1,190,250.00
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	135,000.00	AA+	Aaa	01/03/18	01/04/18	133,286.13	2.18	1,059.27	133,957.77	135,912.33
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	7,454.14	929,949.42	956,420.10
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	8,238.79	1,028,703.29	1,057,095.90
US TREASURY NOTES DTD 08/15/2012 1.625% 08/15/2022	912828TJ9	500,000.00	AA+	Aaa	09/05/18	09/07/18	479,023.44	2.76	1,037.70	484,482.66	500,664.00
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	4,296.20	778,382.86	813,656.00



Managed Account Detail of Securities Held

For the Month Ending September 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 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	4,296.20	783,944.82	813,656.00
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	7,384.09	1,356,773.51	1,398,471.25
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	9,666.44	1,778,611.00	1,830,726.00
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	2,184.43	390,345.45	400,781.20
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	575,000.00	AA+	Aaa	03/04/19	03/06/19	554,133.79	2.53	3,140.11	556,834.21	576,122.98
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	3,822.75	694,928.21	701,367.10
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	3,959.27	709,256.86	726,415.93
US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023	912828T91	650,000.00	AA+	Aaa	07/01/19	07/03/19	645,708.98	1.78	4,420.18	645,946.74	651,396.20
Security Type Sub-Total		15,310,000.00					15,066,189.46	2.25	78,517.38	15,116,580.27	15,411,217.37
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	741.48	899,301.89	898,018.20
INTER-AMERICAN DEVELOPMENT BANK DTD 11/08/2013 2.125% 11/09/2020	4581X0CD8	700,000.00	AAA	Aaa	10/02/17	10/10/17	706,488.37	1.81	5,867.36	702,371.05	702,164.40
INTER-AMERICAN DEVELOPMENT BANK NOTE DTD 04/19/2018 2.625% 04/19/2021	4581X0DB1	225,000.00	AAA	Aaa	04/12/18	04/19/18	224,505.00	2.70	2,657.81	224,739.33	227,911.50



Managed Account Detail of Securities Held

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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	3,895.83	748,920.92	763,882.50
Security Type Sub-Total		2,575,000.00					2,577,078.37	2.13	13,162.48	2,575,333.19	2,591,976.60
Federal Agency Collateralized Mortgage Obligation											
FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	176,433.18	AA+	Aaa	04/11/18	04/30/18	179,942.63	2.27	523.42	178,431.49	179,700.99
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	201,027.64	204,542.06
FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	169,568.62	AA+	Aaa	12/07/18	12/17/18	169,568.10	3.11	452.61	169,568.11	172,492.90
Security Type Sub-Total		546,001.80					551,213.86	2.66	1,491.03	549,027.24	556,735.95
Federal Agency Bond / Note											
FHLB GLOBAL NOTE DTD 07/14/2016 1.125% 07/14/2021	3130A8Q55	975,000.00	AA+	Aaa	07/14/16	07/15/16	969,071.03	1.25	2,346.09	972,838.81	965,549.33
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	198.61	129,829.37	129,026.69
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	641.67	419,347.25	416,855.46
Security Type Sub-Total		1,525,000.00					1,516,925.30	1.28	3,186.37	1,522,015.43	1,511,431.48
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	2,205.00	399,984.88	400,270.80
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	1,457.22	400,193.76	399,879.20



Managed Account Detail of Securities Held

For the Month Ending September 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 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	367.89	214,967.65	215,033.54
TOYOTA MOTOR CORP NOTES DTD 03/12/2015 2.150% 03/12/2020	89236TCF0	250,000.00	AA-	Aa3	03/23/15	03/27/15	252,220.00	1.96	283.68	250,209.15	250,261.25
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	2,442.92	274,976.50	275,020.90
HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020	437076B04	175,000.00	A	A2	05/24/17	06/05/17	174,898.50	1.82	1,015.00	174,976.60	174,764.10
WELLS FARGO & COMPANY NOTES DTD 07/22/2015 2.600% 07/22/2020	94974BGM6	375,000.00	A-	A2	09/01/15	09/04/15	377,103.75	2.48	1,868.75	375,366.54	376,770.38
CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	14913O2A6	275,000.00	A	A3	09/05/17	09/07/17	274,769.00	1.88	381.56	274,927.15	274,632.60
APPLE INC CORP NOTES 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	3,066.67	399,872.60	400,839.20
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	2,097.92	374,786.83	375,832.88
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	1,416.53	350,413.63	351,683.50
IBM CORP CORP NOTES DTD 02/06/2018 2.650% 02/05/2021	44932HAG8	400,000.00	A	A2	02/01/18	02/06/18	399,804.00	2.67	1,648.89	399,910.11	403,550.80
JOHN DEERE CAPITAL CORP NOTES DTD 03/13/2018 2.875% 03/12/2021	24422EUD9	375,000.00	A	A2	03/08/18	03/13/18	374,745.00	2.90	569.01	374,874.05	379,859.63
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	193.33	149,918.05	151,879.20
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	290.00	224,514.78	227,818.80
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	2,075.00	224,979.77	225,698.40



Managed Account Detail of Securities Held

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Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
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	4,322.92	377,691.73	377,872.88
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	413.44	35,124.46	35,312.59
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	2,053.13	224,825.27	225,798.08
HERSHEY COMPANY CORP NOTES DTD 05/10/2018 3.100% 05/15/2021	427866BA5	150,000.00	A	A1	05/03/18	05/10/18	149,896.50	3.12	1,756.67	149,942.85	152,505.75
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	786.50	109,841.71	110,012.21
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	2,934.03	249,995.71	255,156.25
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	2,793.60	240,000.00	240,269.04
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	356.25	149,892.81	152,808.15
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	1,172.17	90,000.00	91,785.51
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	11,364.81	675,000.00	691,448.40
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	2,512.22	382,390.46	401,196.40
MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BDO6	375,000.00	BBB+	A3	07/19/19	07/23/19	396,483.75	2.59	6,135.42	395,688.59	398,936.25
AMERICAN HONDA FINANCE CORP NOTE DTD 06/27/2019 2.400% 06/27/2024	02665WCZ2	375,000.00	A	A2	07/11/19	07/15/19	373,140.00	2.51	2,350.00	373,216.04	379,042.88



Managed Account Detail of Securities Held

For the Month Ending September 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											
GOLDMAN SACHS GROUP INC BONDS DTD 07/08/2014 3.850% 07/08/2024	38141EC23	375,000.00	BBB+	A3	07/08/19	07/11/19	392,467.50	2.84	3,328.65	391,738.66	396,968.25
BB&T CORPORATION CORP BONDS DTD 07/29/2019 2.500% 08/01/2024	05531FBH5	400,000.00	A-	A2	08/01/19	08/05/19	400,664.00	2.46	1,722.22	400,644.80	403,209.20
WALT DISNEY COMPANY/THE DTD 09/06/2019 1.750% 08/30/2024	254687FK7	400,000.00	A	A2	09/03/19	09/06/19	398,368.00	1.84	486.11	398,389.75	396,058.40
Security Type Sub-Total		9,470,000.00					9,521,252.10	2.48	65,867.51	9,509,254.89	9,592,175.42
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	399,032.89	399,178.80
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	793,944.89	795,123.20
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	371,695.83	372,324.75
Security Type Sub-Total		1,575,000.00					1,546,903.02	2.65	0.00	1,564,673.61	1,566,626.75
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	16,492.81	375,000.00	375,966.38
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	902.22	400,000.00	401,628.40
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	3,721.67	374,950.49	378,211.13
WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	625,000.00	A-1+	P-1	08/03/17	08/07/17	625,000.00	2.05	1,921.88	625,000.00	626,308.13
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 08/03/2018 3.190% 08/03/2020	06370REU9	670,000.00	A-1	P-1	08/01/18	08/03/18	670,000.00	3.23	3,384.06	670,000.00	675,687.63



Managed Account Detail of Securities Held

For the Month Ending **September 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											
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	6,011.60	379,943.23	386,221.36
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	6,091.17	700,000.00	701,313.90
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	6,669.00	650,000.00	665,539.55
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	6,673.96	375,000.00	385,338.75
NORDEA BANK ABP NEW YORK CERT DEPOS DTD 08/29/2019 1.850% 08/26/2022	65558TLL7	400,000.00	AA-	Aa3	08/27/19	08/29/19	400,000.00	1.87	678.33	400,000.00	400,440.40
SKANDINAV ENSKILDA BANK LT CD DTD 09/03/2019 1.860% 08/26/2022	83050PDR7	400,000.00	A+	Aa2	08/29/19	09/03/19	400,000.00	1.88	578.67	400,000.00	400,554.80
Security Type Sub-Total		5,350,000.00					5,349,340.70	2.70	53,125.37	5,349,893.72	5,397,210.43
Asset-Backed Security											
HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	49,168.79	AAA	Aaa	09/14/16	09/21/16	49,162.17	1.30	28.19	49,166.92	49,084.28
ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	43,574.79	NR	Aaa	01/24/17	01/31/17	43,570.99	1.70	32.92	43,573.44	43,520.29
FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	176,735.77	NR	Aaa	01/18/17	01/25/17	176,735.12	1.67	131.18	176,735.57	176,467.36
ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	188,795.20	NR	Aaa	03/21/17	03/29/17	188,772.94	1.79	149.36	188,786.38	188,577.27
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	324,996.66	328,707.44
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	324,960.85	331,432.82
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	399,980.04	403,559.80



Managed Account Detail of Securities Held

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Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Asset-Backed Security											
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	3,683.13	749,929.28	755,517.68
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	349,944.61	357,885.85
COMET 2019-A2 A2 DTD 09/05/2019 1.720% 08/15/2024	14041NFU0	800,000.00	AAA	NR	08/28/19	09/05/19	799,798.56	1.73	993.78	799,802.20	796,775.76
Security Type Sub-Total		3,408,274.55					3,407,788.13	2.51	6,936.78	3,407,875.95	3,431,528.55
Managed Account Sub-Total		39,759,276.35					39,536,690.94	2.37	222,286.92	39,594,654.30	40,058,902.55
Securities Sub-Total		\$39,759,276.35					\$39,536,690.94	2.37%	\$222,286.92	\$39,594,654.30	\$40,058,902.55
Accrued Interest											\$222,286.92
Total Investments											\$40,281,189.47

**Investment Activity
September 2019**



Managed Account Security Transactions & Interest

For the Month Ending September 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											
	08/28/19	09/05/19	COMET 2019-A2 A2 DTD 09/05/2019 1.720% 08/15/2024	14041NFU0	800,000.00	(799,798.56)	0.00	(799,798.56)			<i>Agreed</i>
	08/29/19	09/03/19	SKANDINAV ENSKILDA BANK LT CD DTD 09/03/2019 1.860% 08/26/2022	83050PDR7	400,000.00	(400,000.00)	0.00	(400,000.00)			<i>Agreed</i>
	09/03/19	09/06/19	WALT DISNEY COMPANY/THE DTD 09/06/2019 1.750% 08/30/2024	254687FK7	400,000.00	(398,368.00)	0.00	(398,368.00)			<i>Agreed</i>
Transaction Type Sub-Total					1,600,000.00	(1,598,166.56)	0.00	(1,598,166.56)			
INTEREST											
	09/01/19	09/01/19	PACCAR FINANCIAL CORP NOTE DTD 03/01/2019 2.850% 03/01/2022	69371RP75	150,000.00	0.00	2,137.50	2,137.50			
	09/01/19	09/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	169,845.14	0.00	453.34	453.34			
	09/01/19	09/25/19	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	183,183.68	0.00	563.28	563.28			
	09/01/19	09/25/19	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	200,000.00	0.00	515.00	515.00			
	09/03/19	09/03/19	MONEY MARKET FUND	MONEY0002	0.00	0.00	149.99	149.99			
	09/03/19	09/03/19	AMERICAN EXPRESS CREDIT (CALLABLE) NOTE DTD 03/03/2017 2.200% 03/03/2020	0258M0EE5	215,000.00	0.00	2,365.00	2,365.00			
	09/03/19	09/03/19	UBS AG STAMFORD CT LT CD DTD 03/06/2018 2.900% 03/02/2020	90275DHG8	400,000.00	0.00	5,896.67	5,896.67			
	09/04/19	09/04/19	CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	14913O2A6	275,000.00	0.00	2,543.75	2,543.75			
	09/12/19	09/12/19	INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	900,000.00	0.00	7,029.00	7,029.00			
	09/12/19	09/12/19	JOHN DEERE CAPITAL CORP NOTES DTD 03/13/2018 2.875% 03/12/2021	24422EUD9	375,000.00	0.00	5,390.63	5,390.63			
	09/12/19	09/12/19	TOYOTA MOTOR CORP NOTES DTD 03/12/2015 2.150% 03/12/2020	89236TCF0	250,000.00	0.00	2,687.50	2,687.50			
	09/15/19	09/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	203,610.83	0.00	283.36	283.36			



Managed Account Security Transactions & Interest

For the Month Ending September 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											
	09/15/19	09/15/19	NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	350,000.00	0.00	939.17	939.17			
	09/15/19	09/15/19	TAOT 2018-B A3 DTD 05/16/2018 2.960% 09/15/2022	89238TAD5	325,000.00	0.00	801.67	801.67			
	09/15/19	09/15/19	NATIONAL RURAL UTIL COOP NOTE DTD 02/26/2018 2.900% 03/15/2021	63743HER9	225,000.00	0.00	3,262.50	3,262.50			
	09/15/19	09/15/19	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	214,891.79	0.00	318.76	318.76			
	09/15/19	09/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	59,620.48	0.00	64.09	64.09			
	09/15/19	09/15/19	HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	325,000.00	0.00	855.83	855.83			
	09/15/19	09/15/19	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	50,456.58	0.00	71.48	71.48			
	09/15/19	09/15/19	NATIONAL RURAL UTIL COOP NOTE DTD 02/26/2018 2.900% 03/15/2021	63743HER9	150,000.00	0.00	2,175.00	2,175.00			
	09/15/19	09/15/19	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			
Transaction Type Sub-Total					5,421,608.50	0.00	39,503.52	39,503.52			
PAYDOWNS											
	09/01/19	09/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	276.52	276.52	0.00	276.52	0.00	0.00	
	09/01/19	09/25/19	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	6,750.50	6,750.50	0.00	6,750.50	(134.27)	0.00	
	09/15/19	09/15/19	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	26,875.06	26,875.06	0.00	26,875.06	0.10	0.00	
	09/15/19	09/15/19	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	6,881.79	6,881.79	0.00	6,881.79	0.60	0.00	
	09/15/19	09/15/19	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	10,451.69	10,451.69	0.00	10,451.69	1.41	0.00	
	09/15/19	09/15/19	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	26,096.59	26,096.59	0.00	26,096.59	3.08	0.00	



Managed Account Security Transactions & Interest

For the Month Ending September 30, 2019

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
Transaction Type Sub-Total				77,332.15	77,332.15	0.00	77,332.15	(129.08)	0.00	
SELL										
08/28/19	09/05/19	US TREASURY NOTES DTD 08/15/2012 1.625% 08/15/2022	912828TJ9	650,000.00	653,833.98	602.75	654,436.73	31,103.51	24,485.18	FIFO
08/29/19	09/03/19	US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	35,000.00	35,373.24	224.69	35,597.93	736.91	596.68	FIFO
08/29/19	09/03/19	US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	365,000.00	368,892.39	2,343.24	371,235.63	8,526.18	6,790.73	FIFO
09/03/19	09/06/19	US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	25,000.00	25,256.84	8.24	25,265.08	(15.62)	124.73	FIFO
09/03/19	09/06/19	US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	375,000.00	378,852.54	123.63	378,976.17	952.15	2,515.90	FIFO
Transaction Type Sub-Total				1,450,000.00	1,462,208.99	3,302.55	1,465,511.54	41,303.13	34,513.22	
Managed Account Sub-Total						(58,625.42)	42,806.07	(15,819.35)	41,174.05	34,513.22
Total Security Transactions						(\$58,625.42)	\$42,806.07	(\$15,819.35)	\$41,174.05	\$34,513.22

**Cash Expenditures
September 2019**

AP Warrant List from 9/1/2019 to 9/30/2019

Group	Vendor Name	Amount	Description
	ACWA JPIA INSURANCE/EAP - Invoices:1	\$ 157.45	Miscellaneous Employee Benefits
	AFLAC - Invoices:1	\$ 749.20	Supplemental Insurance
	AMERITAS (VISION) - Invoices:1	\$ 2,053.80	Employee Benefit - Vision
	CIGNA GROUP INS LIFE/LTD - Invoices:1	\$ 4,480.27	Employee Benefit - LTD Insurance
	CIGNA-DENTAL INS - Invoices:1	\$ 14,455.98	Employee Benefit - Dental
	PERS HEALTH - Invoices:2	\$ 96,678.48	Employee Benefit - Health
	COLLECTION PLUS - Invoices:1	\$ 111.96	Miscellaneous Employee Benefits
	EMPLOYEE RELATIONS NETWORK - PAYROLL	\$ 457,270.60	Payroll
	PERS PENSION - Invoices:6	\$ 77,272.49	Employee Benefit - PERS
	SUTTER MEDICAL FOUNDATION -	\$ 2,252.00	Miscellaneous Employee Benefits
	BAY CITIES PAVING & GRADING -	\$ 31,050.00	Construction In Progress
	BENNETT ENGINEERING SERVICES -	\$ 11,734.15	Construction In Progress
	BROWER MECHANICAL - Invoices:9	\$ 27,449.00	Construction In Progress
	CDWG - Invoices:4	\$ 64,159.94	Construction In Progress
	COUNTY OF SAC PUBLIC WORKS -	\$ 6,487.00	Construction In Progress
	DOMENCHELLI & ASSOCIATES - Invoices:2	\$ 15,499.71	Construction In Progress
	DOUG VEERKAMP GENERAL ENGR -	\$ 741,769.61	Construction In Progress
	ERC CONTRACTING - Invoices:1	\$ 19,062.50	Construction In Progress
	FERGUSON WATERWORKS - Invoices:3	\$ 1,079.23	Construction In Progress
	FLOWLINE CONTRACTORS INC - Invoices:2	\$ 317,318.05	Construction In Progress
	GEOCON CONSULTANTS INC - Invoices:3	\$ 4,335.00	Construction In Progress
	GM CONSTRUCTION & DEVELOPERS -	\$ 29,562.25	Construction In Progress
	MURRAYSMITH INC - Invoices:2	\$ 35,193.20	Construction In Progress
	NATIONAL BUSINESS FURNITURE -	\$ 2,148.86	Construction In Progress
	PACE SUPPLY CORP - Invoices:8	\$ 37,043.34	Construction In Progress
	PG&E - SERVICE PLANNING - Invoices:1	\$ 2,500.00	Construction In Progress
	R & B COMPANY - Invoices:1	\$ 1,826.36	Construction In Progress
	RIVER CITY PAINTING - Invoices:1	\$ 3,910.00	Construction In Progress
	S E AHLSTROM INSPECTION - Invoices:1	\$ 14,490.00	Construction In Progress
	SILICON VALLEY SHELVING AND EQUIP -	\$ 1,798.73	Construction In Progress
	BARTKIEWICZ KRONICK & SHANAHAN -	\$ 14,351.03	Legal Services
	ADP, INC - Invoices:4	\$ 1,985.93	Financial Services
	WESTAMERICA BANK ANALYSIS FEES -	\$ 7,444.18	Financial Services
	WESTAMERICA CARD PROCESSING STMT -	\$ 8,609.90	Financial Services
	WORLDPAY INTEGRATED PAYMENTS -	\$ 603.55	Financial Services
	GRANICUS - Invoices:1	\$ 787.50	Financial Services
	NATIONAL ANALYTICAL LABORATORIES -	\$ 425.00	Insurance Services
	SERVPRO - Invoices:2	\$ 10,981.86	Building Service Expense - Office &
	SUMITOMO MITSUI BANKING	\$ 36,979.86	2009A COP Interest Expense

WELLS FARGO SWAP - Invoices:1	\$	55,031.67	2009A COP Interest Expense
AIRGAS USA LLC - Invoices:1	\$	28.64	Operating Supplies
ALL PRO BACKFLOW - Invoices:1	\$	51.00	Backflow Services
AM CONSERVATION GROUP INC -	\$	2,285.04	Operating Supplies
ANDREGG PSOMAS - Invoices:1	\$	1,327.50	Consulting Services
ANSWERNET - Invoices:1	\$	601.89	Communication
ASCENT ENVIRONMENTAL - Invoices:1	\$	2,000.00	Consulting Services
ASSISTANCE LEAGUE OF SACRAMENTO -	\$	132.00	BMP Rebates
AT&T CALNET 3 - Invoices:2	\$	3,654.94	Communication
ATLAS DISPOSAL - Invoices:2	\$	380.70	Building Service Expense - Office &
ATLAS FENCE - Invoices:1	\$	1,125.00	Contract Services
BADGER METER INC - Invoices:1	\$	22.25	Communication
BASIC PACIFIC - Invoices:2	\$	677.62	Retiree Cobra
BAY CITIES PAVING & GRADING -	\$	2,221.34	Hydrant Permit Refund
BROADRIDGE MAIL LLC - Invoices:15	\$	36,685.62	Contract Services
BRYCE CONSULTING INC - Invoices:1	\$	1,200.00	Consulting Services
BURTON ROB /BURT'S LAWN & GARDEN	\$	7,730.00	Contract Services
CA/NV AWWA - Invoices:1	\$	300.00	Public Relations
CARMICHAEL RECREATION & PARK	\$	75.00	Public Relations
CELL ENERGY INC - Invoices:2	\$	433.29	Vehicle Maintenance Services
CENTRAL VALLEY ENG & ASPHALT -	\$	28,982.00	Misc. Repairs
CINTAS - Invoices:9	\$	3,688.65	Building Maintenance - Office &
CITRUS HEIGHTS WATER DISTRICT -	\$	11,301.00	Consulting Services
CITY OF SACRAMENTO DEPT OF UTILITIES	\$	21.16	Utilities
CLARK SULLIVAN - Invoices:1	\$	1,941.54	Hydrant Permit Refund
CLEAR VISION WINDOW CLEANING -	\$	225.00	Building Service Expense - Office &
COLLEGE OAK TOWING - Invoices:1	\$	95.00	Vehicle Maintenance Services
COMCAST - Invoices:1	\$	40.33	Communication
CONSOLIDATED COMMUNICATIONS -	\$	407.27	Communication
COUNTY OF SAC CLERK RECORDER -	\$	40.00	Licenses, Permits & Fees
COUNTY OF SAC ENVIRO MGT - Invoices:2	\$	320.00	Licenses, Permits & Fees
COUNTY OF SAC ENVIRO MGT DEPT -	\$	533.00	Licenses, Permits & Fees
COUNTY OF SAC MUNICIPAL SERVICES -	\$	25.00	Building Service Expense - Office &
COUNTY OF SAC UTILITIES - Invoices:3	\$	610.44	Utilities
CULLIGAN - Invoices:1	\$	69.50	Building Maintenance - Office &
Customer Refunds: 60	\$	15,347.68	Refund Clearing Account
DAN YORK - Invoices:1	\$	146.39	Local Travel Cost
DANA DEAN - Invoices:1	\$	256.91	Employment Expenses
DARYL VINAVONG - Invoices:1	\$	108.33	Other Training
DAWSON OIL CO - Invoices:1	\$	2,806.58	Operating Supplies
DIRECT TV - Invoices:1	\$	5.00	Communication
ELEVATOR TECHNOLOGY INC - Invoices:2	\$	200.00	Building Service Expense - Office &
EMCOR SERVICES - Invoices:2	\$	1,973.00	Contract Services
EMIGH ACE HARDWARE - Invoices:5	\$	163.45	Misc. Repairs
FASTENAL COMPANY - Invoices:3	\$	247.04	Operating Supplies

FORENSIC ANALYTICAL CONSULTING	\$	2,700.00	Required Training
GRAINGER - Invoices:1	\$	90.89	Operating Supplies
GRAYSON MOYSE - Invoices:1	\$	1,835.55	Required Training
GREGORY TAGERT - Invoices:1	\$	650.00	BMP Rebates
H2H PROPERTIES - Invoices:1	\$	1,270.00	H&D WALNUT PARKING LOT LEASE
HACH COMPANY - Invoices:2	\$	731.43	Operating Supplies
HARRINGTON PLASTICS - Invoices:5	\$	9,275.90	Operating Supplies
HARROLD FORD - Invoices:7	\$	3,947.50	Vehicle Maintenance Services
ICONIX WATERWORKS (US) INC -	\$	766.14	Operating Supplies
IRON MOUNTAIN OFF SITE DATA	\$	507.89	Equipment Maintenance Services
IVA LEE FREI - Invoices:1	\$	150.00	BMP Rebates
JAMES ARENZ - Invoices:1	\$	476.43	Operating Supplies
JAMES BYRD SMOKE TESTING - Invoices:1	\$	195.00	Vehicle Maintenance Services
KELLEN CHAMBERLAIN - Invoices:1	\$	225.00	BMP Rebates
KENDALL CORDER - Invoices:1	\$	103.00	BMP Rebates
LAKE VUE ELECTRIC INC - Invoices:1	\$	2,800.00	Building Maintenance - Office &
LES SCHWAB TIRE CENTER/MADISON -	\$	1,669.71	Vehicle Maintenance Services
LIFEGUARD FIRST AID - Invoices:1	\$	86.84	Building Service Expense - Office &
MARCUS BROWN - Invoices:1	\$	150.00	BMP Rebates
MARK RODEBAUGH - Invoices:1	\$	150.00	BMP Rebates
MARQUEE FIRE PROTECTION - Invoices:1	\$	660.00	Inspection & Testing
MICHAEL PHILLIPS LANDSCAPE CORP -	\$	3,791.00	Building Service Expense - Office &
NATIONAL METER AND AUTOMATION INC -	\$	192,707.16	Materials & Supplies
NORCAL ENVIRONMENT - Invoices:1	\$	2,293.16	Hydrant Permit Refund
NORMAC - Invoices:1	\$	71.05	Misc. Repairs
NORTHERN CALIF WATER ASSOCIATION -	\$	5,083.76	Consulting Services
OFFICE DEPOT INC - Invoices:2	\$	1,128.73	Office Supplies
PACIFIC RIVER SUPPLY CO INC - Invoices:1	\$	302.03	Uniforms
PEOPLEREADY - Invoices:7	\$	6,187.60	Temporary Help
PEST PROS - Invoices:2	\$	180.00	Building Service Expense - Office &
PG&E - Invoices:2	\$	38.00	Utilities
PITNEY BOWES EASYPERMIT POSTAGE -	\$	147.03	Postage/Shipping/UPS/Fed Ex
PITNEY BOWES LEASES - Invoices:1	\$	564.38	Equipment Rental/Lease
RAFTELIS - Invoices:1	\$	365.27	Consulting Services
RAMOS ENVIRONMENTAL - Invoices:1	\$	1,595.00	Hazardous Waste Disposal
RANDY BATES - Invoices:1	\$	2,245.44	Hydrant Permit Refund
RAWLES ENGINEERING - Invoices:2	\$	19,910.00	Construction Services
RAY MORGAN CO - Invoices:2	\$	700.06	Equipment Maintenance Services
REGIONAL WATER AUTHORITY - Invoices:1	\$	8,500.00	Consulting Services
RICHARD SMITH - Invoices:1	\$	75.00	BMP Rebates
RIVER CITY FIRE EQUIP CO INC -	\$	1,498.39	Building Service Expense - Office &
RUE EQUIPMENT INC - Invoices:4	\$	430.00	Equipment Maintenance Services
SACRAMENTO BEE - Invoices:1	\$	1,473.20	Public Relations
SACRAMENTO SUBURBAN WATER	\$	113.91	Office Supplies
SHAWN CHANEY - Invoices:1	\$	60.00	Required Training

SIGNS IN 1 DAY - Invoices:2	\$	302.52	Building Maintenance - Office &
SONITROL - Invoices:1	\$	1,486.03	Building Service Expense - Office &
TEE JANITORIAL & MAINTENANCE -	\$	6,447.00	Building Service Expense - Office &
TEICHERT CONSTRUCTION - Invoices:4	\$	1,330.58	Hydrant Permit Refund
THINK, INC - Invoices:1	\$	8,443.88	Printing
THOMAS FLOOD - Invoices:1	\$	150.00	BMP Rebates
TINA LYNN DESIGN - Invoices:4	\$	831.00	Contract Services
TULLY & YOUNG - Invoices:1	\$	2,872.50	Consulting Services
TURBO SHINE CAR WASH - Invoices:1	\$	2,087.30	Hydrant Permit Refund
ULINE SHIPPING SUPPLY SPECIALISTS -	\$	173.78	Operating Supplies
US BANK CORPORATE PAYMENT SYSTEM -	\$	17,390.18	Vehicle Maintenance Supplies
USPS - Invoices:1	\$	17,743.09	Postage/Shipping/UPS/Fed Ex
VERIZON WIRELESS/DALLAS TX -	\$	6,156.05	Communication
VOYAGER FLEET SYSTEMS - Invoices:1	\$	9,156.69	Operating Supplies
WASTE MANAGEMENT - Invoices:3	\$	356.17	Building Service Expense - Office &
WATERWISE CONSULTING, INC. -	\$	1,575.00	Licenses, Permits & Fees
WESTON WOOLSEY - Invoices:1	\$	113.00	BMP Rebates
SIERRA CHEMICAL COMPANY - Invoices:2	\$	11,850.23	HFA, Chemical & Delivery
SMUD - Invoices:2	\$	188,398.71	Electrical Charges
CITY OF SACRAMENTO WATER - Invoices:1	\$	455.17	Purchased Water-City of
	\$	2,847,126.27	

**Credit Card Expenditures
September 2019**

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

Vendor Name	Description	Amount	Proj/GLAcct
THE SANDWICH SPOT	LUNCH FOR INTERVIEW PANEL	\$ 31.75	17-56000
JPIA TRAINING DEPARTMENT	HUMAN RESOURCES GROUP MEETING- CASSIE CRITENDEN	\$ 35.00	17-51407
GRAC.ORG	GRACAST WBINAR - LATEST DEVELOPMENTS IN PFAS- DANA DEAN & STAFF	\$ 100.00	15-51406
SOUTHWEST	MIKE HUOT FLIGHT WITH UNUSED CREDIT FROM FROM PREVIOUS CANCELLED TRIP APPLIED	\$ 51.01	02-55001
GRAC.ORG	GRAC STAFF MEMBERSHIP FEES FOR 2019	\$ 1,035.00	02-52501
AMAZON	DESK CALCULATOR FOR JULIE NEMITZ	\$ 35.01	03-52108
CSDA	MIKE HUOT'S 2019 ANNUAL CONFERENCE REGISTRATION	\$ 655.00	02-55001
AMAZON	TOMMY MPOULTON - PELICAN LAPTOP CASE	\$ 62.67	15-52101
THAI CHEF'S HOUSE	GREG BUNDESEN'S - AWWA WATER USE EXAM COMMITTEE	\$ 66.97	13-56000
CSDA CAREER CENTER	ECT RECRUITMENT	\$ 105.00	17-51402
NEOGOV	ECT RECRUITMENT	\$ 175.00	17-51402
PAYPAL CWEA	ECT RECRUITMENT	\$ 290.00	17-51402
INTERNATION	ECT RECRUITMENT	\$ 100.00	17-51402
BROWN AND CALDWELL	ECT RECRUITMENT	\$ 200.00	17-51402
TRANSITALENT.COM	ECT RECRUITMENT	\$ 145.00	17-51402
SOUTHWEST	MIKE HUOT'S FLIGHT	\$ 366.96	02-55001
AWWA.ORG	GREG BUNDESEN AWWA G480-13 WATER CONSERVATION PROGRAM	\$ 53.50	13-52108
FOXFURY	REPAIR NOMAD LIGHTING	\$ 90.72	12-54003
THE HOME DEPOT	MISC SUPPLIES FOR ELECTRICAL	\$ 14.89	12-52101
HANLEY'S BLACKSMITH	REWORK THE SUSPENSION - VEHICLE #71	\$ 2,983.05	12-54005
NAPA AUTO PARTS	MARKER BULBS FOR VEHICLES	\$ 13.99	12-54006
BATTERIES & BULS	BATTERY FOR FIRE MONITORING SYSTEM - WALNUT	\$ 32.31	12-54008
THE HOME DEPOT	DEWALT 20 VOLT BATTERIES FOR CORDLESS TOOLS - DISTRIBUTION	\$ 160.55	12-52101
XPRESS TAGS	REPAIR TAGS FOR EQUIPMENT	\$ 37.94	12-52101
WEBSTRAURANTSTORE	SUPPLIES TO SANITIZE/CLEAN ICE MACHINES	\$ 199.17	12-52101
AMAZON.COM	6 EACH FIRST AID KITS FOR VEHICLES	\$ 265.14	12-54006
SACRAMENTO COUNTY TREASURER	PERMIT FEE TO INSTALL ELECTRICAL VEHICLE CHARGER AT MARCONI	\$ 219.56	12-54509
THE HOME DEPOT	SUPPLIES TO MOUNT SHELIVING TO WALL AT ANTELOPE	\$ 53.85	12-54008
THE HOME DEPOT	BOLTS TO MOUNT 2X4 - ANTELOPE SHOPT ATTACHING SHELIVING TO WALL	\$ 3.36	12-54008
AMAZON.COM	4 EACH CARTRIDGE FILTERS FOR ICE MACHINES	\$ 261.76	12-52101
MOOSEJAW	SHORLINE JACKET FOR NEW STAFF MEMBER - WILLIAM SADLER	\$ 129.18	12-51408
SOUTHWEST	DAN YORK FLIGHT TO CSDA CONFERENCE	\$ 311.96	02-55001
ROUND TABLE	APPRECIATION LUNCHEON FOOD	\$ 61.96	02-51403
SAVE MART	APPRECIATION LUNCHEON FOOD	\$ 12.69	02-51403
ACWA	DAN YORK REGISTRATION	\$ 290.00	02-55001
ACWA	DAN YORK REGISTRATION	\$ 120.00	02-55001
ACWA	DAVE JONES REGISTRATION	\$ 60.00	01-55001
SOUTHWEST	DARYL VINAVONG FLIGHT TO CONFERENCE	\$ 137.98	16-51407

WILSONS TROPHY	NEW PLATES FOR DAIS	\$	337.13	02-56000
BATH AND BODY WORKS	HAND SOAPS FOR OFFICE	\$	54.64	03-52108
RALEY'S	ALL HANDS REFRESHMENTS	\$	23.63	05-51403
AMAZON MARKETPLACE	PHONE CASES FOR REPLACEMENT PHONES	\$	59.95	18-52101
AMAZON MARKETPLACE	OTTERBOX PHONE CASE FOR MIKE HUOT'S PHONE	\$	23.25	18-52101
CALIFORNIA CPA EDUCATION	TAX PRACTICE AND PROCEDURES FOR CPA WEBINARS	\$	590.00	03-51407
PC LIQUIDATIONS	REPLACEMENT POLYCOM FOR GM'S OFFICE	\$	624.29	18-52101
AMAZON MARKETPLACE	GLASS SCREEN PROTECTOR FOR MIKE HUOT'S PHONE	\$	9.89	18-52101
AMAZON	WAREHOUSE SUPPLIES	\$	29.95	05-52101
AMAZON	WAREHOUSE SUPPLIES 2	\$	201.94	05-52101
MARRIOTT	HOTEL STAY- TRAINING, SARAH DAINS	\$	1,003.11	03-55001
MARCONE SUPPLY	PRODUCTION PART- WE56A	\$	9.49	06-52101
AWWA	TRAINING- ABEL RAMIREZ	\$	195.00	08-51406
SOUTHWEST	AIRFARE-TRAINING, JOE CROCKETT	\$	157.96	07-55001
SOUTHWEST	AIRFARE-TRAINING, TODD ARTRIP	\$	157.96	08-55001
AMAZON	OFFICE SUPPLIES	\$	17.99	03-52108
AWWA	TRAINING-SCOTT BLAKE	\$	390.00	08-51406
AMAZON	WAREHOUSE SUPPLIES	\$	15.28	05-52101
SOUTHWEST	AIRFARE- TRAINING, RODNEY LEE	\$	98.98	08-55001
SOUTHWEST	AIRFARE- TRAINING, RODNEY LEE	\$	130.50	08-55001
CHICK FIL A	INVENTORY LUNCH	\$	38.05	03-55002
HOME DEPOT	WATER CONSERVATION SUPPLIES	\$	30.16	13-53001
GEOTECH	AIR MONITORING EQUIP. RENTAL	\$	670.47	06-52101
SAMS CLUB	MEETING REFRESHMENTS	\$	32.82	02-56000
SAMS CLUB	ALL HANDS TEAM BUILDING PRIZE	\$	17.88	03-51403
HARBOR FREIGHT TOOLS	WAREHOUSE SUPPLIES	\$	45.20	05-52101
SMART & FINAL	KITCHEN SUPPLIES	\$	104.06	03-52108
SOUTHWEST	AIRFARE-TRAINING, TODD ARTRIP	\$	212.96	08-55001
AWWA	TRAINING-PAUL MILLER	\$	390.00	06-51407
AWWA	TRAINING-TODD ARTRIP	\$	445.00	08-55001
AWWA	TRAINING-ABEL RAMIREZ	\$	90.00	08-51406
AWWA	TRAINING- TODD ARTRIP	\$	195.00	08-51406
HOME DEPOT	WAREHOUSE SUPPLIES	\$	55.61	05-52101
AMAZON	SAFETY CONE DOLLY	\$	239.47	07-52101
TOWN & COUNTRY RESORT	HOTEL STAY- TRAINING, TODD ARTRIP	\$	762.56	08-55001
SKILLPATH SEMINARS	TRAINING- HECTOR SEGOVIANO	\$	269.00	08-51407
SKILLPATH SEMINARS	TRAINING- KYLE JIVIDEN	\$	269.00	08-51406
AMAZON	WAREHOUSE SUPPLIES	\$	215.40	05-52101
AMAZON	WAREHOUSE SUPPLIES	\$	107.70	05-52101
AMAZON	WAREHOUSE SUPPLIES 3	\$	100.97	05-52101
		Totals: \$	17,390.18	

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

Sacramento Suburban Water District
Board of Directors Meetings Attended (1)
Pay Rate per Diem is \$100.00
3rd Quarter 2019

Director Thomas:

07/05/2019 Meeting with Dan York
07/10/2019 Aerojet Special CAG
07/17/2019 Aerojet Special CAG
07/18/2019 Jonas Main Replacement Open House
07/22/2019 Meeting with Dan York
07/24/2019 Delta Conservancy
09/10/2019 Sac City Council Meeting
09/11/2019 Aerojet Special CAG
09/12/2019 GM Review
09/16/2019 SSWD Regular Board Meeting
09/17/2019 Western Groundwater Conference
09/18/2019 Western Groundwater Conference

Director Jones:

07/07/2019 CSDA Leadership Training
07/08/2019 CSDA Leadership Training
07/09/2019 CSDA Leadership Training
07/10/2019 CSDA Leadership Training
07/11/2019 RWA Board Meeting
07/12/2019 Ethics Training
07/15/2019 SSWD Regular Board Meeting
07/16/2019 Harassment Training
07/18/2019 SAWWA Field Tour – Woodland
07/18/2019 Jonas Main Replacement Open House (no pay)
08/08/2019 SGA Meeting
08/19/2019 SSWD Regular Board Meeting
08/22/2019 2 X 2 Meeting
09/12/2019 RWA Meeting/ GM Review
09/16/2019 SSWD Regular Board Meeting
09/17/2019 Tour of Delta
09/25/2019 -09/25/2019 CSDA Conference

Director McPherson:

07/11/2019 RWA Board Meeting
07/15/2019 SSWD Regular Board Meeting
07/18/2019 Jonas Main Replacement Open House
07/31/2019 Meeting with Dan York
08/05/2019 SSWD Finance & Audit Committee Meeting
08/12/2019 SSWD Finance & Audit Committee Meeting
08/19/2019 SSWD Regular Board Meeting

Director Locke:

None Reported

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
Third Quarter

Event/Purpose	Jones	Locke	McPherson	Thomas	Wichert	Total
Local Meeting Mileage						-
Reimbursed by District						
Local Meeting Expenses						
Reimbursed by District						
Paid Directly by District						
Conferences						
Reimbursed by District	738.14					
Paid Directly by District	657.25					
Total	1,395.39	-	-	-	-	1,395.39

Directors Expense Report
2019 Year to Date

Event/Purpose	Jones	Locke	McPherson	Thomas	Wichert	Total
Local Meeting Mileage						-
Reimbursed by District	-	-		-		-
Local Meeting Expenses						-
Reimbursed by District						-
Paid Directly by District						-
Conferences						-
Reimbursed by District	738.14	1,794.21	-			2,532.35
Paid Directly by District	3,535.00	950.00	1,270.00			5,755.00
Total	4,273.14	2,744.21	1,270.00	-	-	8,287.35

This report meets the reporting requirements of Government Code sections 53065.5 and 53232.3 and is in conformance with District 1 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
September 30, 2019**

**Sacramento Suburban Water District
Reserve Fund Balance**

	<u>September 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	25,286,167	20,160,655
TOTAL	\$ 51,283,667	\$ 45,050,155

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

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Cash and Cash Equivalents	\$ 12,543,730	\$ 7,585,118
Water Transfer Fund Receivable ¹	-	872,280
Investments	38,492,276	36,369,025
Interest Receivable	247,602	215,917
Restricted Cash	59	7,814
TOTAL	\$ 51,283,667	\$ 45,050,155

Information Required by Bond Agreement

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

As Of

	<i>Actual Year-To-Date 9/30/2019</i>	<i>Budget Year-To-Date 9/30/2019</i>
REVENUES		
Water sales charges	\$15,744,723.79	\$15,929,773.00
Capital facilities charge	18,017,128.70	18,097,749.00
Facility development charges	239,104.00	225,000.00
Interest and investment income	733,248.20	699,003.00
Rental & other income	516,554.05	299,997.00
TOTAL REVENUES	35,250,758.74	35,251,522.00
EXPENSES		
Source of supply	2,318,173.75	2,814,116.75
Pumping	2,832,271.97	3,608,281.25
Transmission and distribution	2,796,368.68	3,376,010.87
Water conservation	315,408.44	398,506.46
Customer accounts	1,008,386.69	1,048,536.41
Administrative and general	5,309,270.42	6,387,777.21
TOTAL EXPENSES	14,579,879.95	17,633,228.95
NET REVENUE	20,670,878.79	17,618,293.05

Sacramento Suburban Water District
6 - Months Debt Service Schedule
9/30/2019

Month	Principal	Total SSWD Debt Service			Debt Service
		Interest Adjustable/Fixed/Swap	Facility Fee	Remarketing	
Oct-19	\$4,625,000.00	\$ 712,838.21	\$ -	\$ -	\$5,337,838.21
Nov-19	-	96,113.21	-	-	96,113.21
Dec-19	-	96,113.21	50,400.00	13,125.00	159,638.21
Jan-20	-	96,113.21	-	-	96,113.21
Feb-20	-	96,113.21	-	-	96,113.21
Mar-20	-	96,113.21	50,400.00	13,125.00	159,638.21

Month	Principal	Series 2012A Fixed Rate Bonds (\$23,440,000.00)			Debt Service
		Interest - Fixed 4.25%	Facility Fee	Remarketing	
Oct-19	\$2,160,000.00	\$ 339,013.00	\$ -	\$ -	\$2,499,013.00
Nov-19	-	-	-	-	-
Dec-19	-	-	-	-	-
Jan-20	-	-	-	-	-
Feb-20	-	-	-	-	-
Mar-20	-	-	-	-	-

Month	Principal	Series 2009A Adjustable Rate COPs (\$42,000,000.00)			Debt Service
		Interest, Adjustable 1.26%	Facility Fee 0.480%	Remarketing 0.125%	
Oct-19		\$ 44,100.00			\$ 44,100.00
Nov-19		44,100.00			44,100.00
Dec-19		44,100.00	50,400.00	13,125.00	107,625.00
Jan-20		44,100.00			44,100.00
Feb-20		44,100.00			44,100.00
Mar-20		44,100.00	50,400.00	13,125.00	107,625.00

Month	Principal	Series 2018A Fixed Rate COPs (\$27,915,000)			Debt Service
		Interest - Fixed 3.45%	Facility Fee	Remarketing	
Oct-19	\$2,465,000.00	\$ 277,712.00	\$ -	\$ -	\$2,742,712.00
Nov-19	-	-	-	-	-
Dec-19	-	-	-	-	-
Jan-20	-	-	-	-	-
Feb-20	-	-	-	-	-
Mar-20	-	-	-	-	-

Month	Principal	2012 SWAP Interest, Net (\$33,000,000.00)			Debt Service
		Interest, Swap Net (3.283-1.22865-.18)%	Facility Fee	Remarketing	
Oct-19		\$ 52,013.21	-	-	52,013.21
Nov-19		\$ 52,013.21	-	-	52,013.21
Dec-19		\$ 52,013.21	-	-	52,013.21
Jan-20		\$ 52,013.21	-	-	52,013.21
Feb-20		\$ 52,013.21	-	-	52,013.21
Mar-20		\$ 52,013.21	-	-	52,013.21

Financial Markets Report September 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	1.87%
	Notional Amount	Counterparty	FMV	Receive Rate	Fixed Rate
Swap	\$33,300,000	Wells Fargo Bank, N.A.	(\$7,722,723)	1.409%	3.283%

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

Fair Market Value	Security Type	Yield
\$ 167,440.25	Money Market	1.85%
5,288,383.08	LAIF	2.34%
1,566,626.75	commercial paper	2.65%
3,431,528.55	Asset-Backed Securities/CMOs	2.51%
5,397,210.43	Certificates of Deposit	2.70%
9,592,175.42	Corporate Notes	2.48%
1,511,431.48	Federal Agency Securities Bonds/Notes	1.28%
556,735.95	Federal Agency Collateralized Mortgage Obligation	2.66%
2,591,976.60	Supra-National Agency Bond	2.13%
15,411,217.37	Treasury Bonds/Notes	2.25%
<u>\$ 45,514,725.88</u>		<u>2.36%</u>

Market:

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

Current Bond Markets

- U.S. Treasury yields plunged in August, posting the sharpest monthly declines since 2015. Thirty-year Treasuries reached record lows, falling below 2% for the first time ever. The inversion of the yield curve grew, with 10-year Treasuries falling below those of two-year Treasuries in a classic early warning sign of recession. Yields on short maturities (less than one year) fell nine to 22 bps, while yields on maturities greater than one year fell 37 to 56 bps.
- As a result, August's bond rally led to strong returns on longer-term Treasury benchmarks compared to their shorter counterparts. For example, the three-month and 12-month U.S. Treasury indices returned 0.21% and 0.38%, respectively. Meanwhile, the two-year, five-year and 10-year indices generated returns of 0.83%, 2.26% and 4.67%, respectively, for the month.
- Although absolute returns were strong across the board in August, diversification generally detracted from performance, as most spread sectors did not keep pace with the significant rally in the U.S. Treasury market.

PFM Outlook

- Our macro portfolio strategy remains intact in the face of slow growth and interest rate uncertainty. We are targeting a neutral duration strategy with solid allocations to non-government sectors where permitted by investment policies.
- The federal agency and supranational sectors are not currently attractive. Single digit spreads compared to Treasuries lead us to continue seeking to pare holdings in favor of other opportunities.
- After a three-month run of outperformance, investment-grade (IG) credit produced negative returns compared to Treasuries in August. Spreads widened modestly through August, and a flood of new issuance in the first week of September presented opportunities to capture good value. While we remain fundamentally constructive on the sector, historically narrow spreads and geopolitical risks warrant a cautious approach to selecting specific issuers.
- Mortgage-backed securities (MBS) also generated negative returns versus Treasuries in August, but spreads are now near their widest in multiple years. We view these levels as attractive to adding MBS allocations to portfolios.
- AAA-rated asset-backed securities (ABS) were one of the few IG sectors to generate positive excess returns in August. The relative outperformance has created an opportunity to trim holdings, booking profits, and rotating into other, more relatively attractive spread product sectors.

- If/until the Fed cuts the Fed Funds rate again, the money market sector, especially very short maturities, shows the highest yields on the curve. But spreads to credit instruments are narrow and short securities hold the greatest reinvestment risk.

(Source: PFMAM September 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.



Agenda Item: 7

Date: October 7, 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.

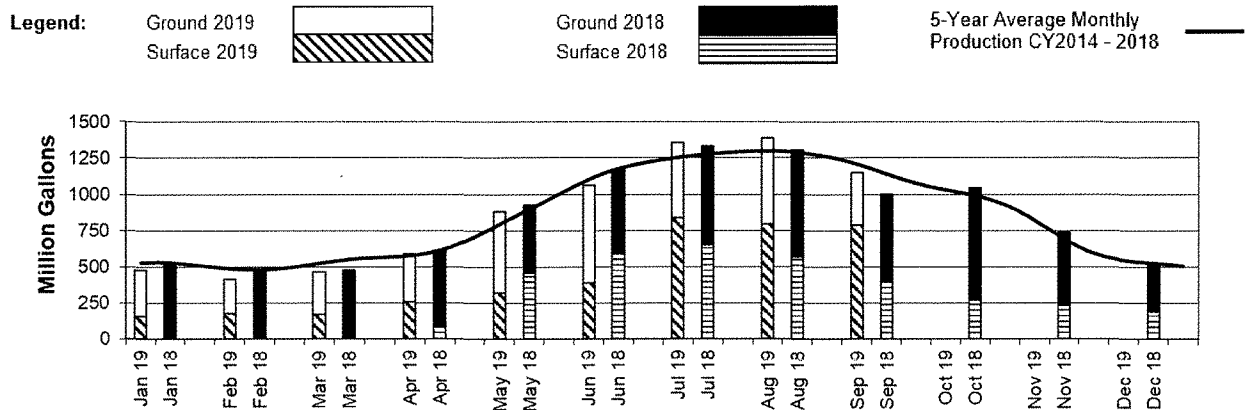
1. Monthly Water Production - Surface Water and Groundwater

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	360.015	342.203	702.218	479.681	174.040	653.721	1,355.939	43.740
Aug	313.507	467.511	781.018	480.183	126.389	606.572	1,387.590	44.761
Sep	410.005	233.933	643.938	375.772	133.478	509.250	1,153.188	37.200
Oct								
Nov								
Dec								
MG	2,546.272	1,803.126	4,349.398	1335.636	2,091.654	3,427.290	7,776.688	28.486
AF	7,814.222	5,533.591	13,347.812	4,098.916	6,419.050	10,517.967	23,865.779	87.420

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. The previously reported value of 176.172 MG for the North Service Area surface

2. Water Operations Activity Report

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

	September 2019	Monthly Avg CY 2019	Total CY 2019	Total # in System	Goal CY 2019	% of Goal Completed in CY 2019
--	----------------	---------------------	---------------	-------------------	--------------	--------------------------------

Production Department

Water Quality

Complaints	4	1	10	—	—	—
Taste & Odor Complaints	0	0	0	—	—	—

Distribution Department

Service Orders

Main Leaks	5	4	40	—	—	—
Service Line Leaks	1	6	54	—	—	—

Water Main Shutdown

-- Emergency	2	3	26	—	—	—
-- Scheduled	2	1	11	—	—	—

Preventive Maintenance Program

Fire Hydrants Inspected	100	63	569	6,200	1,240	45.9%
Fire Hydrant Valves Inspected	99	60	542	5,450	1,090	49.7%
Fire Hydrant Valves Exercised	93	54	488	5,450	1,090	44.8%
Mainline Valves Inspected	149	151	1,363	12,435	2,487	54.8%
Mainline Valves Exercised	105	112	1,008	12,435	2,487	40.5%
Blow Off Valves Inspected	0	3	23	1,045	209	11.0%
ARV/CARV Inspected	0	1	8	280	56	14.3%

Field Services Department

Meters

PM - Meters Tested (3 - 10 inch)	3	14	122	455	120	101.7%
PM - Meters Replaced (⁵ / ₈ - 1 inch)	115	26	230	39,050	1,000	23.0%
PM - Meter Re-Builds (1 ¹ / ₂ - 2 inch)	5	27	242	2,453	245	98.8%
Customer Pressure Inquiries	7	12	104	—	—	—

Field Operations Department

After Hours Activity (On-Call Technician)

Calls Received Distribution	30	40	361	—	—	—
Calls Responded Distribution	15	29	259	—	—	—
Calls Received Production	12	16	141	—	—	—
Calls Responded Production	2	6	53	—	—	—

3. District Claims Update Report

This summarizes claims received that are less than \$10,000. 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 or approved by the General Manager in September 2019.

4. Water Quality Report

DRINKING WATER LEAD MONITORING IN SCHOOLS

In January 2017, the State Water Resources Control Board, Division of Drinking Water (DDW) unilaterally amended the water supply permits of Public Water Systems (PWS) that provide domestic water service to K-12 schools through a utility meter. Per United States Environmental Protection Agency requirements, prior to DDW issuing the January 2017 permit amendments, it was the responsibility of each school to perform lead and copper monitoring.

Each PWS's amended permit requires them to perform certain tasks associated with drinking water lead monitoring at a K-12 school, if requested to do so. Specific time-bound monitoring and reporting requirements were included in the permit amendments and in an accompanying guidance document. All requests for a PWS to conduct drinking water lead monitoring at a K-12 school were also required to be submitted in writing.

By July 1, 2017, PWS were required to submit a comprehensive list to DDW that provides the names and addresses of all K-12 schools within the service area. That task included selecting schools within the service area from a California Department of Education (CDE) website, confirming the information listed, and adding them to each PWS inventory. PWS were also required to add schools within their service area that were not included in the CDE list.

Between April and December 2017, SSWD staff completed drinking water lead monitoring at K-12 schools in SSWD's service area for the following school districts:

- Roseville Joint Union High School District (1 school)
- Twin Rivers Unified School District (TRUSD) (19 schools)
- Sacramento County Office of Education (2 schools)
- San Juan Unified School District (SJUSD) (22 schools)

Three samples from three different TRUSD schools exceeded the 15 parts per billion (ppb) regulatory threshold established by DDW. SSWD staff immediately notified TRUSD officials of

the results who responded by removing the fountains and tap from service. None of the other samples had lead at or above the regulatory threshold.

On October 13, 2017, the Governor signed AB 746 into law and became effective on January 1, 2018, as Section 116277 of the California Health and Safety Code (Section 116277). Section 116277 contains statutory requirements for PWS to test lead levels of drinking water at all California K-12 schools, preschools, and child day care facilities located on public school property by July 1, 2019. Those increased requirements expanded the scope of the *drinking water lead monitoring in K-12 schools* to *drinking water lead monitoring in K-12 schools, preschools, and child day care facilities*. It also required SSWD to initiate contact with staff at those facilities and to ensure that the monitoring was completed.

It is important to note that the January 2017 permit amendment requirements remain in effect and that the statutory requirements of Section 116277 placed additional requirements on PWS and on the K-12 schools, preschools, and child day care facilities located on public school property within their service areas. Because Section 116277 added monitoring requirements for preschools and child day care facilities (on public school property) that were not included in the January 2017 permit amendment, SSWD had to revisit and conduct additional monitoring at six TRUSD and ten SJUSD schools. Site inspections and monitoring were performed earlier this year in April. None of the additional samples collected at the TRUSD or SJUSD schools were reported to have lead at or above the regulatory threshold.

SSWD identified and contacted administration officials at one school district and two charter school organizations that were covered by the provisions of Section 116277. Collectively, they included five schools and a day care facility at one of the schools. The school district and charter schools are listed below:

- Dry Creek Joint Elementary School District (2 schools, 1 day care facility)
- Alexander Twilight Academy (2 schools)
- Community Outreach Academy (1 school)

SSWD staff conducted drinking water lead sampling at the above facilities in January, April, and May of this year (2019). None of the samples had lead at or above the regulatory threshold.

Prior to the July 1, 2019, sunset of Section 116277, SSWD staff requested and received confirmation from DDW that SSWD conducted drinking water lead monitoring at the requisite K-12 schools, preschools, and child day care facilities within its service area. As of October 1, 2019, no other drinking water lead sampling requests have been received from K-12 schools in SSWD's service area. DDW's drinking water lead monitoring in schools program associated with the permit amendments is scheduled to end on November 1, 2019. If no more drinking water lead sampling requests are received before November 1, 2019, SSWD will no longer be legally obligated to perform drinking water lead monitoring at K-12 schools.

5. Customer Service Monthly Activity Report

Customer Service Activity Report for the month of September 2019.

Total Calls	Calls Abandoned	% of Calls Abandoned	Average Wait on Queue	Max Wait on Queue	Average Talk Time
3,143	68	2.16%	36s	15m, 39s	2m, 49s

6. Community Outreach Report

November Envelope Message

The November envelope reminds customers that their landscape does not need as much water and to dial back their sprinkler run times. The envelope will begin on October 28, 2019, and will continue until November 24, 2019.

November Envelope Message




November Bill Insert

The November bill insert will begin on October 28, 2019, and will continue until November 24, 2019. A sample of the bill insert is shown below.


November Bill Insert

00228062



H₂O on the Go

November 2019



Let Your Sprinklers Hibernate This Winter

As we reach the end of another year, the days are getting shorter and cooler. As a result, your yard doesn't need as much water. Remember to keep dialing back your sprinklers and turn them off completely when rain is in the forecast.

If you're not sure your yard needs water, check the soil moisture level with a moisture meter or a six-inch screwdriver. If you can push the screwdriver easily into the ground three inches beneath the soil, you don't need to water.

You can take the mystery out of programming your sprinkler timer by installing a WaterSense-labeled sprinkler timer and let it run the sprinklers for you. It's estimated that using a weather-based timer can help you save 9,000 gallons of water per year and have a healthier yard. SSWD has rebates available.

Water-Wise Holiday Tips

The holiday season is upon us, and SSWD has a few helpful hints to help you make it water-wise.

- ❖ Holiday fun means lots of parties and more dishes and laundry to do. Make sure to have a full load before running your dishwasher or clothes washer.
- ❖ Put a pitcher of water on the table instead of filling up everyone's glasses. You'll help your guests enjoy just what they need.
- ❖ Compost your leftover vegetables instead of throwing them away. Your plants will thank you, and you'll reduce waste going to the land fill.
- ❖ Make sure your showerheads and faucets are WaterSense-certified. They use less water and work just as well or better than traditional bathroom fixtures.

Holiday Hours

SSWD will be closed on the following days:

Thanksgiving Day	Thursday, November 28 th
Friday after Thanksgiving	Friday, November 29 th
Christmas Eve	Tuesday, December 24 th
Christmas Day	Wednesday, December 25 th

sswd.org

Phone: 916.972.7171

Fax: 916.972.7639

3701 Marconi Avenue, Suite 100

Sacramento, CA 95821-5346

Hours: M-F, 8:00 a.m. to 4:30 p.m.



Delivering With Every Turn: Continuing to Serve

Monday, November 11th is Veterans Day, a day of recognition to honor those who have served in the military. The holiday was originally known as Armistice Day and created to honor the end of the World War I. In 1954, at the urging of veterans service organizations, the U.S. Congress amended the act to honor American veterans of all wars and renamed it as Veterans Day.

We are proud to have many veterans working at SSWD with representation from nearly all aspects of the armed services.

Get a Head Start on Black Friday With SSWD

SSWD can help you save money without the crowds this Black Friday with rebates on water-saving products for inside and outside your home. Not only will you use water more efficiently, but you'll also have money left over to purchase something extra. The following rebates are available:

- ✓ \$500 for upgrading your old inefficient sprinklers with high efficiency ones
- ✓ \$150 for a WaterSense-labeled weather-based sprinkler timer
- ✓ \$150 for a high-efficiency toilet
- ✓ \$100 for a new pool cover
- ✓ \$100 for a rain sensor
- ✓ \$75 for a new clothes washer listed on Energy Star's most efficient list

You can find complete details at sswd.org/rebates.

November Bill Insert

Water Wonderline

Q: Can I water my garden any day of the week? What about if I have drip irrigation – does that make any difference?

A: Customers may currently water any day of the week, though we encourage customers to limit their outdoor watering to three days or less per week and to follow this schedule.

- Customers whose address ends with an odd number (1,3,5,7,9) water on Tuesdays, Thursdays and Saturdays
- Customers whose address ends with an even number (2,4,6,8) water on Sundays, Wednesdays and Fridays

If you are growing food for your own consumption, you are exempt from any watering day restrictions. The same applies to drip irrigation, including subsurface drip irrigation for your lawn.

There are also guidelines regarding the time of day customers can water.

- May-August, water before 12:00 noon or after 8:00 p.m.
- September-April, water before 12:00 noon or after 6:00 p.m.

You can review SSWD's water use guidelines on our website, sswd.org.

Finally, all customers must make sure water is not running off their yards into the street, sidewalk or gutter, which is prohibited by state law. Runoff occurs when the ground is over saturated or a sprinkler is misdirected.

The Be Water Smart website has a great video on the Cycle and Soak method of running sprinklers that can help you avoid overwatering. Visit BeWaterSmart.info and search for Cycle and Soak.

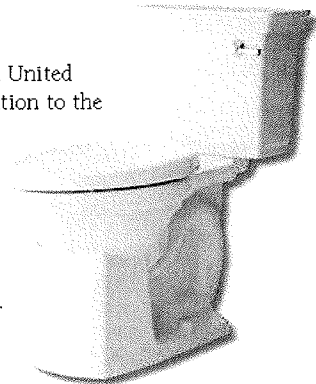
Do you have a question about water use, billing or SSWD's operations? Submit your questions via feedback@sswd.org and we'll include the answer in future bill inserts, newsletters or online.

World Toilet Day

November 19th is World Toilet Day, an official United Nations observance day created to draw attention to the lack of this critical resource in the world.

It's estimated that around 60 percent of the world's population do not have either a toilet at home or one that can safely handle human waste, and that one-fifth of schools worldwide do not have any toilets available for students. This contributes to the spread of disease and the contamination of local water supplies.

The theme for this year is "Toilets For All" and focuses on the goal of providing everyone with universal access to sanitation. You can find out more at <https://www.un.org/en/events/toiletday/>.





Agenda Item: 8

Date: September 26, 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	Complete
78 Butano / Cottage	Fall 2019	Fall 2020
79 Verner / Panorama ¹	Spring 2020	Fall 2021

¹Funding is being pursued with Regional Water Authority 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	Fall 2019
Thor	Winter 2019	Fall 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 generally 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
Distribution Main AMP	Complete
Fleet & Facilities AMP	2019
Transmission Main AMP	Draft – late 2019
Buildings and Structures AMP	Draft – late 2019
Groundwater Wells AMP	Final – early 2020
SCADA MP	2020
2020 Urban Water Management Plan ²	2021
Meter AMP	

¹ Preliminary Schedule.

² Schedule is set by the California Department of Water Resources.

c. Other

Major Activities Related to Existing Active Wells

The table below shows the active wells undergoing work this year.

Well	Activity	Completion Target
N10 Walnut	Condition Assessment & Pump Repair	Fall 2019
N20 Cypress	Condition Assessment & Pump Repair	Fall 2019
N34 Cottage	Condition Assessment & Pump Repair	Spring 2020
59A Bainbridge	Condition Assessment	Fall 2019
69 Hillside / Cooper	Condition Assessment & Pump Repair	Spring 2020
N33 Walerga	Condition Assessment	Spring 2020

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*). The preliminary schedule is to have design completed in early 2020 and construction completed by the end of 2020.

AGENDA ITEM: 9. a.

REGIONAL WATER AUTHORITY EXECUTIVE COMMITTEE AGENDA

September 25, 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 August 28, 2019 Executive Committee meeting
Action: Approve the August 28, 2019 Executive Committee meeting minutes
4. **SACRAMENTO CENTRAL GROUNDWATER AUTHORITY REQUEST FOR INFORMATION ON STAFFING SERVICES**

Information and Discussion: Led by Jim Peifer, Executive Director
Action: Request committee input and direction
5. **RWA STRATEGIC PLAN UPDATE**

Information and Discussion: Led by Jim Peifer, Executive Director
6. **CAPITOL REGION CLIMATE READINESS COLLABORATIVE**

Information and Discussion: Amy Talbot, Senior Project Manager and Ryan Ojakian, Legislative and Regulatory Affairs Manager
Action: Direct the Executive Director to have the RWA join the Capitol Region Climate Readiness Collaborative
7. **AGENCY AWARD**

Information and Discussion: Led by Jim Peifer, Executive Director
Action: Recommend adoption of revisions to Policy 100.4 (RWA Awards) by the RWA Board
8. **VOLUNTARY AGREEMENT AD HOC COMMITTEE UPDATE**

Information Update and Discussion: Led by Kerry Schmitz, Ad Hoc Committee Chair

9. **FEDERAL AFFAIRS AD HOC COMMITTEE UPDATE**
Information Update and Discussion: Led by Sean Bigley, Ad Hoc Committee Chair
10. **SACRAMENTO REGIONAL WATER BANK UPDATE**
Information and Discussion: Rob Swartz, Manager of Technical Services
- 11: **2018 RECLAMATION WATERSMART DROUGHT INTERTIES GRANT PROGRAM AGREEMENT**
Information Update: Rob Swartz, Manager of Technical Services
Action: Approve the 2018 Reclamation WaterSMART Drought Interties Program Agreement
12. **EXECUTIVE DIRECTOR'S REPORT**
13. **DIRECTORS' COMMENTS**

ADJOURNMENT

Upcoming meetings:

Upcoming Executive Committee Meetings – Wednesday, October 23, 2019 at 8:30 a.m. at the RWA office

Next RWA Board of Directors' Meeting – Thursday, November 14, 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: 9. b.

SACRAMENTO GROUNDWATER AUTHORITY REGULAR MEETING OF THE BOARD OF DIRECTORS

Thursday, October 10, 2019; 9:00 a.m.

5620 Birdcage Street, Suite 110

Citrus Heights, CA 95610

(916) 967-7692

Agenda

The Board will discuss all items on this agenda, and may take action on any of those items, including information items and continued items. The Board may also discuss other items that do not appear on this agenda, but will not act on those items unless action is urgent, and a resolution is passed by a two-thirds (2/3) vote declaring that the need for action arose after posting of this agenda.

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting. 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 August 8, 2019 meeting

Action: Approve August 8, 2019 meeting minutes

4. SUSTAINABLE GROUNDWATER MANAGEMENT ACT AND GROUNDWATER SUSTAINABILITY PLAN DEVELOPMENT UPDATE

Information Update: Rob Swartz, Manager of Technical Services

5. SACRAMENTO REGIONAL WATER BANK

Information Presentation: Rob Swartz, Manager of Technical Services

Action Item: Authorize the Executive Director to enter into a Water Management Options Pilot Memorandum of Agreement with the Regional Water Authority and United States Bureau of Reclamation

6. EXECUTIVE DIRECTOR'S REPORT

7. DIRECTORS' COMMENTS

ADJOURNMENT

Next SGA Board of Director's Meeting – December 12, 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: 10

No report.



Agenda Item: 11

Date: October 15, 2019

Subject: ACWA Region Election Results

Staff Contact: Dan York, General Manager

The Association of California Water Agencies (ACWA) Region elections began in August, 2019, after the region nominating committees announced their recommended slate for each of ACWA's 10 Region Boards. An official electronic ballot identifying the recommended slate and any additional candidates for consideration was sent to all ACWA member agencies. Only one ballot per agency was accepted. The 2019 ACWA Region Election polls have closed and the ballots have been counted. The results for ACWA Regions 1-10 are attached as Attachment 1. The elected candidates will serve a two year term which begins January 1, 2020, and will serve until December 31, 2021.

At the June 17, 2019 regular Board meeting, the Board adopted Resolution 19-07 nominating Dan York (GM York) for ACWA Region 4 Board Member. GM York has been elected to serve as a Region 4 Board Member, for the two year term.



ACWA ADVISORY: REGION ELECTION RESULTS ANNOUNCED FOR THE 2020-'21 TERM

BY CAROLINEMACWACOM OCT 4, 2019

The polls have closed, the ballots have been counted and the 2019 ACWA region elections results are in. The following newly elected region officers and board members will begin their term of service on Jan. 1, 2020, and serve until Dec. 31, 2021.

Region 1

Chair: Brad Sherwood, Community & Government Affairs Manager, Sonoma Water

Vice Chair: Jennifer Burke, Water Director, City of Santa Rosa

Board Members:

Tamara Alaniz, General Manager, Brooktrails Township Community Services District

Alan Gardner, General Manager, Valley of the Moon Water District

Dennis Mayo, Director, McKinleyville Community Services District

Bruce Rupp, Director, Humboldt Bay Municipal Water District

Region 2

Chair: Eric Larrabee, Director, Western Canal Water District

Vice Chair: David Coxey, General Manager, Bella Vista Water District

Board Members:

Sean Earley, General Manager, Richvale Irrigation District

Brad Mattson, General Manager, Reclamation District #1500

Kevin Phillips, District Manager, Paradise Irrigation District

Tony Thomasy, Water Treatment Superintendent, City of Shasta Lake

ATTACHMENT 1

Josh Watkins, Water Utility Manager, City of Redding

Region 3

Chair: Joshua Alpine, Director, Placer County Water Agency

Vice Chair: Michael Raffety, Board Member, El Dorado Irrigation District

Board Members:

Shannon Cotulla, Assistant General Manager, South Tahoe Public Utility District

Gene Mancebo, General Manager, Amador Water Agency

Michael Minkler, General Manager, Calaveras County Water District

Steven Palmer, General Manager, Georgetown Divide Public Utility District

Remleh Scherzinger, General Manager, Nevada Irrigation District

Region 4

Chair: Mark Emmerson, Director, Carmichael Water District

Vice Chair: John Mensinger, Director, Modesto Irrigation District

Board Members:

Bryan Busch, General Manager, Reclamation District No. 2068

Thomas McGurk, Director, Stockton East Water District

Kristin Sicke, Assistant General Manager, Yolo County Flood Control & Water Conservation District

Pam Tobin, Director, San Juan Water District

Dan York, General Manager, Sacramento Suburban Water District

Region 5

Chair: Frank Mellon, Board Member, East Bay Municipal Utility District

Vice Chair: John L. Varela, Director – District 1, Valley Water

Board Members:

Ernesto A. Avila, Director, Contra Costa Water District

Mary Bannister, Director – Division B, Pajaro Valley Water Management Agency

ATTACHMENT 1

Jack Burgett, Director, North Coast County Water District
Bill Rosen, Director, Goleta Water District
Katherine A. Stewart, Director, Vandenberg Village Community Services District

Region 6

Chair: David Cehrs, Director, Kings River Conservation District

Vice Chair: Deanna Jackson, Executive Director, Tri-County Water Authority

Board Members:

Brian Davis, Director, Madera Irrigation District
Bill Diedrich, Chair, San Luis Water District
Todd Neves, Board Member, Westlands Water District
Darcy Villere, Director, Firebaugh Canal Water District

Region 7

Chair: J. Paul Hendrix, General Manager, Mid-Kaweah GSA (Tulare County)

Vice Chair: Eric Averett, General Manger, Rosedale Rio Bravo Water Storage District (Kern County)

Board Members:

Johnny Amaral, Chief of External Affairs, Friant Water Authority
Tom Barcellos, Director, Lower Tule River Irrigation District
David Bixler, Vice President, Kaweah River Power Authority
Byron Glennan, Director, Rosamond Community Services District
Justin Mendes, Regulatory Specialist, Tulare Lake Basin Water Storage District

Region 8

Chair: Steve Blois, Board Member, Calleguas Municipal Water District

Vice Chair: Gloria Gray, Vice President, West Basin Municipal Water District

Board Members:

Brian Bowcock, Director, Three Valleys Municipal Water District

ATTACHMENT 1

Anselmo Collins, Director of Water Operations, City of Los Angeles Dept. of Water & Power

William Cooper, Board President, Santa Clarita Valley Water Agency

Anthony R. Fellow, Board Member, Upper San Gabriel Valley Municipal Water District

Leonard E. Polan, Director, Las Virgenes Municipal Water District

Region 9

Chair: Phil Rosentrater, GM/Executive Director, Salton Sea Authority (Arid)

Vice Chair: Harvey R. Ryan, Board Member, Elsinore Valley Municipal Water District (Western)

Board Members:

Brenda Dennstedt, Board Member, Western Municipal Water District

Carol Lee Brady, Board Member, Rancho California Water District

Patrick O'Dowd, Board Member, Coachella Valley Water District

Luis Cetina, Vice President, Cucamonga Valley Water District

James Morales Jr., Governing Board Member, East Valley Water District

Region 10

Chair: DeAna Verbeke, Board Member, Helix Water District (San Diego County)

Vice Chair: Cathy Green, Director, Orange County Water District (Orange County)

Board Members:

Jim Atkinson, Director, Mesa Water District (Orange County)

Betty Evans, Director/Vice President, Vallecitos Water District (San Diego County)

Charles T. Gibson, Board Member, Santa Margarita Water District (Orange County)

Shauna Lorance, Department Director, City of San Diego Public Utilities (San Diego County)

George Murdoch, Director, East Orange County Water District (Orange County)

Questions

If you have questions about the 2019 region elections, please call (916) 441-4545 or contact your ACWA regional affairs representative.

Regions 1, 3 & 5: Brian Sanders at brians@acwa.com

ATTACHMENT 1

Regions 2, 4, 6 & 7: Michael Cervantes at michaelc@acwa.com

Regions 8, 9 & 10: Augustine Han at augustineh@acwa.com

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Agenda Item: 12

Date: October 1, 2019

Subject: Moody's Annual Issuer Comment Report

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

Discussion:

On September 19, 2019, Moody's Investor Services released an update to their assessment of the District's economic profile for the investment community, see Attachment 1. The report addresses the District's stand-alone credit rating and does not include the dual-rating of SMBC on the 2009A variable issuance. The District's stand-alone rating remains at Aa2 (highest score is Aaa). Their analysis states in part "The financial position of the water utility is healthy overall when compared to the assigned rating of Aa2." The analysis goes on further to state, "The credit position for Sacramento Suburban Water District is high quality and its Aa2 rating is slightly above the US water systems median of Aa3. Key credit factors include a moderate income service area, a large system size and healthy debt service coverage. It also reflects a manageable debt profile and robust liquidity." Such an assessment reflects very favorably on the District and is an independent view of how the District is viewed from an investment perspective (i.e., investing in SSWD debt.)

MOODY'S

INVESTORS SERVICE

ISSUER COMMENT

19 September 2019

RATING

Revenue ¹

Aa2 No Outlook

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Sacramento Suburban Water District, CA

Annual Comment on Sacramento Suburban WD

Issuer Profile

Sacramento Suburban WD provides water service to a portion of Sacramento County, California, which has a population of 1,495,400 and a high population density of 1,549 people per square mile. The county's median family income is \$70,821 (2nd quartile) and the June 2019 unemployment rate was 3.9% (2nd quartile) ². The District sources groundwater from a series of active wells and imports treated surface water from supply sources. The district then distributes this water to customers via a series of pipelines.

Credit Overview

The credit position for Sacramento Suburban Water District is high quality and its Aa2 rating is slightly above the US water systems median of Aa3. Key credit factors include a moderate income service area, a large system size and healthy debt service coverage. It also reflects a manageable debt profile and robust liquidity.

System Characteristics: The water utility has a satisfactory system profile when compared to its Aa2 rating. The median family income is 100% of the US level. Moreover, Sacramento Suburban Water District's system size, measured as operating and maintenance expenses (\$21.7 million), is favorably larger than the US median.

Financial Strength: The financial position of the water utility is healthy overall when compared to the assigned rating of Aa2. The coverage of the annual debt service by net revenues (3.7x) is strong and exceeds the US median. This indicator has remained stable from 2014 to 2018. Also, the debt to operating revenues (1.6x) is roughly equivalent to other Moody's-rated water systems nationwide. Additionally, the days cash on hand (738 days) is strong and above the US median.

Legal Provisions: Legal provisions, which typically include a rate covenant requiring a minimum of 1.0x coverage of debt service, are adequate for this sector.

Sector Trends - California Water

Water and sewer systems in California tend to be slightly newer than the national average, though maintenance and expansion needs can be substantial. Financial metrics are generally in line with US medians. Median debt service coverage (2.0 times) is on par with the national median, and median liquidity remains stable and quite healthy at 486 days cash, which is

THIS REPORT WAS REPUBLISHED MONTH DD, 2019 TO XXXXXXXXXXXXXXXXXXXXXXXX.

about 15% higher than the national figure. Median debt to operating revenues (2.7 times) is about 18% above the national average. Water supplies in California are highly variable and concentrated in the state's north, while demand is concentrated in the Central Valley and the urban south. Rate-setting autonomy supports stability in finances.

EXHIBIT 1

Key Indicators ^{3 4} Sacramento Suburban WD

Credit Metrics	2014	2015	2016	2017	2018	US Median	Credit Trend
Annual Debt Service Coverage (x)	3.39x	3.11x	3.10x	3.40x	3.68x	2.10x	Stable
Days Cash on Hand (Days)	942	851	691	760	738	418	Weakened
Debt to Operating Revenues (x)	2.6x	2.5x	2.0x	1.8x	1.6x	1.8x	Improved
Median Family Income (% of US Median)	99%	99%	99%	100%	100%	100%	Stable
Remaining Useful Life of Capital Assets (Years)	25	25	24	24	24	31	Stable

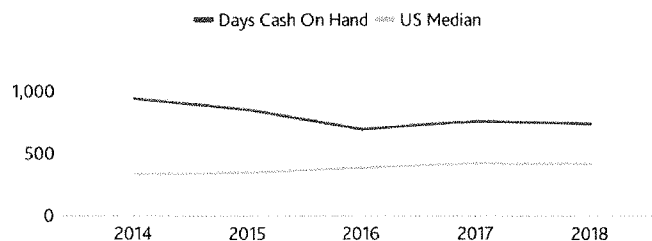
Debt and Financial Data (\$000s)	2014	2015	2016	2017	2018	US Median
Net Funded Debt	\$100,000	\$95,581	\$82,084	\$78,015	\$74,670	\$30,291
Total Revenues	\$41,354	\$40,425	\$42,948	\$45,654	\$48,790	\$16,274
Operating and Maintenance Expenses	\$15,994	\$17,301	\$19,701	\$20,152	\$21,733	\$8,544
Net Revenues	\$25,360	\$23,124	\$23,247	\$25,503	\$27,057	\$7,109
Debt Service	\$7,477	\$7,428	\$7,506	\$7,510	\$7,345	\$3,002

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

Source: Moody's Investors Service

EXHIBIT 2

Days cash on hand was stable from 2014 to 2018

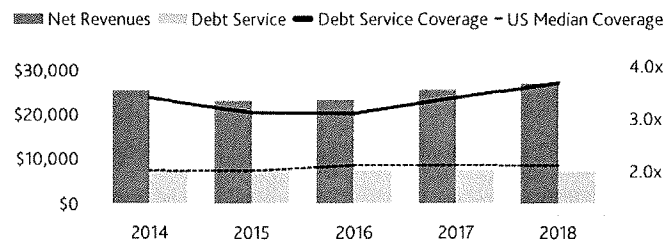


Source: Moody's Investors Service

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

EXHIBIT 3

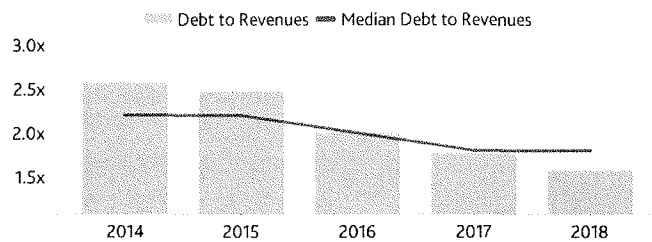
Debt service coverage was stable from 2014 to 2018



Source: Moody's Investors Service

EXHIBIT 4

Debt to operating revenues decreased from 2014 to 2018



Source: Moody's Investors Service

Endnotes

- 1 The rating referenced in this report is the rating of the senior most lien on the relevant pledged revenues. Some utilities have bonds separately secured by distinct revenue sources. For these utilities, the rating referenced in this report is the senior most rating only on the relevant revenue pledge (e.g., water); the utility could have a higher rating on a different type of revenue bond (e.g., sewer).
- 2 The demographic data presented, including population, population density, per capita personal income and unemployment rate are derived from the most recently available US government databases. Population, population density and per capita personal income come from the American Community Survey while the unemployment rate comes from the Bureau of Labor Statistics.

The largest industry sectors are derived from the Bureau of Economic Analysis. Moody's allocated the per capita personal income data and unemployment data for all counties in the US census into quartiles. The quartiles are ordered from strongest-to-weakest from a credit perspective: the highest per capita personal income quartile is first quartile, and the lowest unemployment rate is first quartile.

- 3 Moody's calculations of various statistics can be different than calculations reported in audited financial statements or offering documents. Moody's makes standard adjustments to reported financial data, to facilitate comparisons across issuers. For definitions of the metrics in the Key Indicators Table, see our [US Municipal Utility Revenue Debt](#) methodology.
- 4 The medians come from our most recently published report, [Medians - Solid financial metrics, ability to raise rates underpin stable sector](#).

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CLIENT SERVICES

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



Agenda Item: 13

Date: October 11, 2019

Subject: Well Efficiency Testing Annual Report

Staff Contact: Matt Underwood, Operations Manager

In a continuing effort to maintain the Sacramento Suburban Water District pumps/motors at peak efficiency, and to ensure mechanical integrity, the District conducts annual Well Pump Efficiency Tests. The data gathered from these annual tests is vital in assessing the condition of wells and pumps over time. Decreasing efficiency can be indicative of a worn pump, failing motor, or plugging of the well screens. The data is also used for validating water production for SB-555, which requires urban water utilities to submit a validated Water Loss Audit of 2019 by October 2020.

The Production Department has a goal of completing an annual Well Pump Efficiency Test on each well. "Lead" wells are considered to be main runners. The remaining active wells with electric motor drives are designated as "Lag" for fire demand. The designation of Lead or Lag for each well is determined by a number of criteria, including, but not limited to, yield, well pump efficiency, water quality, localized pressure needs, and the overall hydraulic needs of the distribution system. Staff assesses these designations on a regular basis to assure production facilities operate as efficiently as possible to meet system demands.

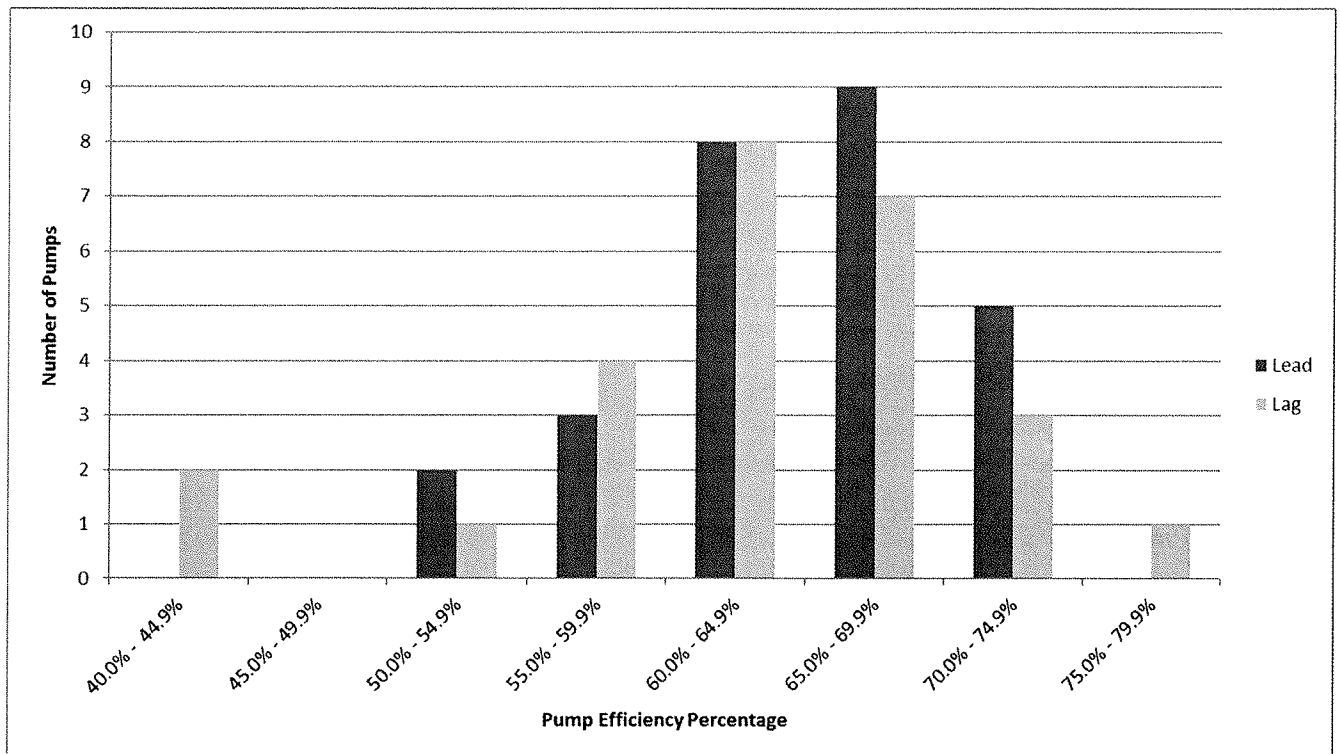
The majority of the Well Pump Efficiency Tests consist of a two-point test; one test is performed at normal operating pressure, and the other is performed against a head that is equal to 10 psi greater than normal operating pressure. Using two data points to determine an average efficiency over varying operating conditions provides the District better data to more accurately assess the condition of each pump or well. A summary of the results of this year's testing are shown in the graph below.

The results indicate the majority (82%) of the District's main runners tested are producing water at efficiencies at or above 60%, which is the target set by the District. This indicates the District's well maintenance and rehabilitation program continues to have an overall positive effect on the District's ability to reliably provide groundwater to our customers. Using the most efficient wells as Lead wells helps to reduce the overall cost of producing groundwater. Lead wells that fall below 60% efficiency are examined to see if pump or motor repairs or well rehabilitation might be viable options to improve efficiency. Lag wells generally do not fare as well with only 35% of the wells tested in 2019 achieving efficiencies above 60%. In part, this is because, as previously mentioned, well efficiency is one of the criteria used to determine the wells designated as Lead. Lag wells are generally older wells that are kept in service to meet either peak demand or fire demand situations.

Well Efficiency Testing Annual Report

October 11, 2019

Page 2 of 2



Agenda Item: 14

Date: October 2, 2019

Subject: Legislative and Regulatory Update

Staff Contact: Greg Bundesen, Water Conservation Supervisor

1. RWA Government Affairs Committee

The 2019 legislative session has come to a close. Table 1 below shows the Assembly Bills (AB) and Senate Bills (SB) staff has been tracking throughout the 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 worked with RWA and ACWA to follow each bill and update Table 1 during the legislative session. A summary of each bill can be provided upon request. 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. Due to the end of the legislation session, many bills were passed. Table 1 has been updated to show bills that have been signed into law by the Governor, enrolled (passed by legislature but not signed into law), and bills that were not passed. The Governor has until October 23, 2019, to sign enrolled bills into law.
- b. SB 1: SB 1, the California Environmental, Public Health, and Worker Defense Act of 2019, would require various rules to be placed on past and existing environmental protections. This bill has the potential to impact local and statewide water supply management. This bill has been passed by the legislature and sent to the Governor, but the Governor vetoed the bill.

3. 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 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 the State Water Resources Control Board (SWRCB) and the 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 calculate 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 and 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 its findings to the legislature. 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	Not passed
AB 171	Employment: Sexual Harassment	Watch	Watch	Watch	Signed into Law
AB 223	California Safe Drinking Water Act: Microplastics	Watch	Watch	Watch	Not passed
AB 352	Wildfire, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020	Favor if Amended	Unknown	Favor if Amended	No passed
AB 382	Integrated Regional Water Management Plans: Grant Funding: Upper Watershed Health	Watch	Watch	Watch	Not passed
AB 405	Sales and Use Taxes: Exemption: Water Treatment	Watch	Watch	Watch	Not passed
AB 417	Agriculture and Rural Prosperity Act	Watch	Watch	Watch	Signed into Law
AB 441	Water: Underground Storage	Favor	Favor	Watch	Not passed
AB 533	Income Tax: Water Conservation or Efficiency Programs	Favor	Favor	Watch	Two Year Bill
AB 756	Public Water Systems: perfluoroalkyl substances and polyfluoroalkyl Substances Act	Watch	Watch	Watch	Signed into Law
AB 1414	Urban Retail Water Suppliers: Reporting	Favor	Favor	Favor	Signed into Law
SB 1	California Environmental, Public Health, and Workers Defense Act of 2019.	Oppose Unless Amended	Oppose Unless Amended	Oppose Unless Amended	Vetoed
SB 45	Wildfire, Drought, and Flood Protection Bond Act of 2020	Favor if Amended	Watch	Favor if Amended	Not passed
SB 134	Water Conservation: Water Loss Performance Standards	Favor	Favor	Favor	Signed into Law
SB 135	Family Care and Paid Leave	Watch	NA	NA	Not passed
SB 414	Small Water Systems Authority Act	Watch	NA	NA	Not passed
SB 669	Water Quality: Safe Drinking Water Fund	Watch	Watch	Watch	Not passed
ACA 3	Water: Minimum Funding Guarantee	Watch	Watch	Watch	Not passed



Agenda Item: 15

Date: October 15, 2019

Subject: Upcoming Water Industry Events

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

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

Below is a list of upcoming water industry events:

Upcoming Events

1. California-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
2. Water Education Foundation’s 2019 Water Summit
October 30, 2019
Sacramento, CA
<https://www.acwa.com/events/water-education-foundations-2019-water-summit/>
3. RWA Board Meeting
November 14, 2019
RWA Office
<http://rwah2o.org/>
4. ACWA Fall Conference
December 3-6, 2019
San Diego, CA
<https://www.acwa.com/events/2019-fall-conference-exhibition/>

5. 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.