

# **Agenda**

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

3701 Marconi Avenue, Suite 100  
Sacramento, California 95821

Monday, February 24, 2020  
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 January 27, 2020 Regular Board Meeting  
*Recommendation: Approve subject minutes.*

2. Debt Management Policy (PL – Fin 001)  
*Recommendation: Ratify subject policy without changes.*
3. Electronic Mail, Internet and Computer Use Policy (PL – IT 005)  
*Recommendation: Approve subject policy with changes.*
4. Antelope Pump-Back Booster Pump Station Operations Agreement  
*Recommendation: Approve subject agreement based on recommendation from the Facilities and Operations Committee.*
5. Memorandum of Understanding – San Juan Water District Hinkle Reservoir Relining Project  
*Recommendation: Authorize the General Manager to execute a Memorandum of Understanding with San Juan Water District for the Hinkle Reservoir Project based on recommendation from the Facilities and Operations Committee.*

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

6. Presentation by Rob Swartz on the History of the Sacramento Groundwater Authority  
*Recommendation: Receive presentation by Rob Swartz.*
7. Consider Changing the Regular Board Meeting Time  
*Recommendation: Receive written staff report and direct staff as appropriate.*
8. Sacramento Region Water Utility Collaboration/Integration Study Memorandum of Understanding and Professional Services Agreement.  
*Recommendation: Approve the Memorandum of Understanding and Professional Services Agreement for the proposed study.*
9. Water Service Charges and Rate Setting Policy (PL - Fin 009)  
*Recommendation: Review the Water Service Charges and Rate Setting Policy and direct staff as appropriate.*
10. Directors' Compensation and Expense Reimbursement Policy (PL – BOD 003)  
*Recommendation: Review the Directors Compensation and Expense Reimbursement Policy and direct staff as appropriate.*
11. Claims Processing Policy (PL – Adm 007)  
*Recommendation: Review the Claims Processing Policy and direct staff as appropriate.*

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

12. General Manager's Report
  - a. Grant of Easement and Right of Ways at 1310, 1314, 1320, 1330 and 1340 Fulton Avenue

- b. McClellan Business Park Successor Agreement Update
- c. Water Forum Agreement Re-Negotiations

**Assistant General Manager's Report**

- 13. Assistant General Manager's Report
  - a. Surface Water
  - b. Regional Water Supply/Wheeling Opportunities Update

**Department/Staff Reports**

- 14. Financial Report
  - a. Draft - Financial Highlights – January 2020
  - b. Draft - Financial Statements – January 2020
  - c. Investments Outstanding and Activity – January 2020
  - d. Cash Expenditures – January 2020
  - e. Credit Card Expenditures – January 2020
  - f. Draft - District Reserve Balances – January 2020
  - g. Information Required by LOC Agreement
  - h. Financial Markets Report – January 2020
- 15. District Activity Report
- 16. 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)**

17. a. Regional Water Authority (Director Jones)  
None.  
  
Regional Water Authority Executive Committee (General Manager York)  
Agenda for the February 19, 2020 meeting.
- b. Sacramento Groundwater Authority (Director Wichert)  
Agenda for the February 13, 2020 meeting.
- c. Water Caucus Meeting (General Manager York)  
Agenda for the February 12, 2020 meeting.
- d. Water Forum Successor Effort (General Manager York)  
Agenda for the February 13, 2020 meeting.
- e. Other Reports – AB 1234

**Committee Reports**

18. a. Facilities and Operations Committee (Director Jones)  
Receive Committee update from the February 13, 2020 meeting.
- b. Finance and Audit Committee (President Thomas)  
Receive Committee update from the February 18, 2020 meeting.

**Information Items**

19. Sensus Advanced Meter Infrastructure Master Services Agreement
20. Legislative and Regulatory Update
21. Upcoming Water Industry Events
22. Upcoming Policy Review
  - a. Disposing of Surplus District Real Property, Vehicles and Large Equipment and Other Personal Property Policy (PL - Adm 003)
  - b. Ethics Policy (PL – BOD 004)

**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)**

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

**Adjournment**

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**Upcoming Meetings**

Monday, February 24, 2020, at 5:45 p.m., Special Financing Corporation Board Meeting

Monday, March 2, 2020, at 5:00 p.m., Del Paso Manor Water District/Sacramento Suburban Water District 2x2 Ad Hoc Committee Meeting

Monday, March 16, 2020, at 6:00 p.m., Regular Board Meeting

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I certify that the foregoing agenda for the February 24, 2020 meeting of the Sacramento Suburban Water District Board of Directors was posted by February 21, 2020 in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was freely available to the public.

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Dan York  
 General Manager/Secretary  
 Sacramento Suburban Water District

# AGENDA ITEM: 1

## Minutes

Sacramento Suburban Water District  
**Regular Board Meeting**  
 Monday, January 27, 2020

### Call to Order

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

### Pledge of Allegiance

President Thomas led the Pledge of Allegiance.

### Roll Call

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

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Mike Huot, Dan Bills, Jeff Ott, Heather Hernandez-Fort, Cassie Crittenden, Dana Dean, Julie Nemitz and Matt Underwood.

Public Present: William Eubanks, Avery Wiseman, John Lenahan, Marissa Burt, Greg Schneider, Carl Dock, Diane Graves, Debra Sedwick, Paul Olmstead, and Alan Driscoll.

### Election of District Officers

- Election of District Officers – Appointment of District Secretary and Treasurer**  
 General Manager Dan York (GM York) presented the staff report.

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

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

### Announcements

GM York announced:

- Director McPherson provided the “four Fundamental Guidelines for a Successful Board Meeting” handout she received from a workshop at the ACWA Conference she attended;

- Government Finance Officers Association awarded the District with the Comprehensive Annual Financial Report Certificate of Achievement for Excellence in Financial Reporting for the 9<sup>th</sup> consecutive year.
- Save the date for an ACWA Region 2 and 4 Shasta Dam all day event on March 26, 2020, more information to follow.

**Public Comment**

None.

**Consent Items**

2. **Minutes of the December 16, 2019 Regular Board Meeting**
3. **Training and Career Development Policy (PL – HR 004)**
4. **Resolution No. 20-01 Honoring Einar Maisch on His Retirement**
5. **Resolution No. 20-02 A Resolution of the Board of Directors of the Sacramento Suburban Water District Authorizing Bank Account Signatories**
6. **Water Service Charges and Rate Setting Policy (PL - Fin 009)**

Director Wichert requested to pull Item 6 for discussion.

President Thomas moved to approve the Consent Items 2 through 5, Director Jones seconded. The motion passed by unanimous vote.

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

Regarding Item 6, Director Wichert commented that the planning documents such as the Asset Management Plans and the Water Service Master Plan do have an impact on rates, and he wanted to be sure that staff didn't present them as not impacting rates.

Director McPherson disagreed with the proposal that rates would be based on the information provided by the Bureau of Labor Statistics (BLS) on wage increases in the Sacramento area, as she felt that could raise rates significantly.

Dan Bills (Mr. Bills) stated that the BLS number is a published index and represents the best wage increase estimate for District customers. He noted that the percentage wage increase would be only one of many factors for the Board to consider as rates are set and is viewed best as a cap above which the District may be negatively impacting customers.

Director Wichert commented that the proposal would allow staff to consider the effects on the District customers, but that it would not fix or drive the rates.

Director McPherson additionally suggested adding the possibility of lower rates if it was determined that not as much revenue was necessary.

Director Wichert pointed out that under section 200.00 C. 6. the language read that rates shall be set at the lowest responsible rate, but did not have language to lower rates.

President Thomas requested for the Board to make their suggested edits to the policy and return them to staff by February 3<sup>rd</sup>.

President Thomas moved to table the item until the February regular Board meeting, Director Wichert seconded. The motion passed by unanimous vote.

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

**Items for Discussion and/or Action**

**7. 2020 – 2024 Water Transfer Program**

William Eubanks (Mr. Eubanks) inquired if the objective was to put a 5 year limit, and additionally inquired if signing into the California State Water Contractors program allowed the General Manager to sell water to anywhere in the state of California, including Southern California.

GM York answered that the staff report was requesting permission to sign agreements to implement the water transfer program at a \$200 per acre foot minimum.

Mr. Eubanks expressed that he was opposed to selling water to Southern California.

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

AGM Huot expressed that the water markets initiate discussions at the end of February and beginning of March, so staff was hoping to have direction from the Board in order to move forward if there were any interested buyers.

GM York further expressed that with direction from the Board, the Committee could meet to provide input and discuss the status of the transfers.

Discussion ensued regarding justification for setting the minimum cost.



Paul Olmstead (Mr. Olmstead) supported granting authority to the General Manager and allowing him the discretion to set the agreements as he believed the General Manager would make decisions based on what is in the best interest of the District.

Director McPherson agreed with Mr. Olmstead adding that it would be excess water that the District rate payers didn't directly need.

President Thomas suggested to place "a reasonable rate" in the place of the minimum cost, as he agreed that the General Manager could make those determinations.

Director Jones noted that in the past there was a restriction not to sell water south of the Tehachapi.

GM York cautioned the Board that a restriction like that could exclude the District from future water transfers.

Director Locke noted that transfers were not a large profit, and that he was more in favor of transfers regionally to enhance regional cooperation.

Mr. Bills offered to provide the Board with the cost impact if interested.

Discussion ensued regarding selling water south of the Tehachapi.

Directors Jones expressed that he did not support selling water south of the Tehachapi.

Director Locke commented that if a transfer was agreed upon south of the Tehachapi, it would be more desirable if it were for a larger profit. He further suggested to delegate the authority to the Committee to make decisions about water transfers.

Director Wichert expressed that he also did not support selling water south of the Tehachapi.

Mr. Eubanks inquired where the District had excess water to sell.

AGM Huot expressed the District had banked water from groundwater substitution transfers.

President Thomas expressed that there were several good comments and recommended to send the item to the Committee for further discussion.

Director Wichert reminded the Board of the urgency to make a decision for the current item.

President Thomas moved to authorize the General Manager to execute and sign agreements necessary to implement the District's Temporary Water Transfer Program at a reasonable cost statewide for 5 years (2020-2024), subject to approval by District

legal counsel of any non-substantive changes to such agreements; Director McPherson seconded. The motion died by a 2/3 vote, Directors Wichert, Jones and Locke opposed.

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

Director Locke requested to bring the item to the Committee to present more figures as he was not too concerned with such a small profit.

President Thomas noted that the motion was temporary, and that the item was going to be presented to the Committee for further discussion to ultimately be brought back to the full Board.

President Thomas moved to authorize the General Manager to execute and sign agreements necessary to implement the District’s Temporary Water Transfer Program at a reasonable cost, only selling water north of the Tehachapi, for 5 years (2020-2024), subject to approval by District legal counsel of any non-substantive changes to such agreements; Director Wichert seconded. The motion passed by unanimous vote.

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

**8. Sacramento Suburban Water District and Del Paso Manor Water District 2x2 Ad-Hoc Committee**

GM York presented the staff report.

Director Wichert commented that he supported helping Del Paso Manor Water District (DPMWD) but that he also wanted to ensure that the District customers were not disadvantaged in any way.

John Lenahan (Mr. Lenahan) commented that DPMWD didn’t currently have a General Manager, but that the Board President would be appointing a 2x2 Committee. He expressed that the intent of the Committee was to establish which direction to go.

President Thomas appointed a 2x2 Ad Hoc Committee with DPMWD, with the two Committee members being Director Locke and Director Wichert.

President Thomas moved to approve a 2x2 Ad Hoc Committee with DPMWD, Director Locke seconded. The motion passed by unanimous vote.

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

9. **New Policy – Disconnection of Residential Water Service Policy (PL – CS 001); Resolution No. 20-03, A Resolution of the Board of Directors of the Sacramento Suburban Water District Amending Regulations Nos. 2, 3, 5 and 6 of the Regulations Governing Water Service and Adopting Disconnection of Water Service Policy; Updates to Regulations Nos. 2, 3, 5 and 6.**  
Mr. Bills presented the staff report.

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

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

10. **Hemlock Street Mortar Lined Steel Pipeline Leak**  
Matt Underwood (Mr. Underwood) presented the staff report.

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

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

### General Manager’s Report

11. **General Manager’s Report**  
GM York presented the staff report.
- a. *Sacramento Region Water Utility Collaboration Study Update*  
GM York presented the staff report.
  - b. *CY2019 Capital Improvement Program*  
GM York presented the staff report.
  - c. *McClellan Business Park and County of Sacramento Successor Agreements*  
GM York presented the staff report.

- d. *Del Paso Manor Water District On-Call Water Services Agreement*  
GM York presented the staff report.

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

- 12. **Assistant General Manager's Report**  
AGM Huot presented the staff report.
  - a. *Regional Water Supply/Wheeling Opportunities Update*  
AGM Huot presented the staff report.
  - b. *Placer County Water Agency Agreement*  
AGM Huot presented the staff report.

### **Department/Staff Reports**

- 13. **Financial Report**  
A written report was provided.
  - a. *Draft - Financial Highlights – December 2019*  
A written report was provided.
  - b. *Draft - Financial Statements – December 2019*  
A written report was provided.
  - c. *Investments Outstanding and Activity – December 2019*  
A written report was provided.
  - d. *Cash Expenditures – December 2019*  
A written report was provided.
  - e. *Credit Card Expenditures – December 2019*  
A written report was provided.
  - f. *Directors Compensation and Expense Accounting – Fourth Quarter 2019*  
A written report was provided.
  - g. *Draft - District Reserve Balances – December 2019*  
A written report was provided.
  - h. *Information Required by LOC Agreement*  
A written report was provided.
  - i. *Financial Markets Report - December 2019*  
A written report was provided.

14. **District Activity Report**

A written report was provided.

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 (Director Jones)

The agenda for the January 9, 2020 meeting was provided.

Regional Water Authority Executive Committee (General Manager York)

The agenda for the January 22, 2020 meeting was provided.

b. Sacramento Groundwater Authority (Director Wichert)

None.

c. Water Caucus Meeting (General Manager York)

None.

d. Water Forum Successor Effort (General Manager York)

None.

e. Other Reports – AB 1234

President Thomas provided an oral report on his meeting with the AGM on December 17, 2019; his meeting with the General Manager on December 20, 2019; the DPMWD Board Meeting he attended on December 18, 2019; and the meeting he had with Director Jones regarding the GM Goals on December 28, 2019.

Director Jones provided an oral report on the meeting he had with the General Manager on December 10, 2019; the SGA Board Meeting he attended on December 12, 2019; the DPMWD Board Meeting he attended on December 26, 2019 and January 7, 2020; the Carmichael Water District Open House he attended on December 27, 2019; the meeting he had with President Thomas regarding the GM Goals on December 28, 2019; the Cal American Rate Increase Meeting he attended

on January 6, 2020; the RWA Meeting he attended on January 9, 2020; and the meeting with the General Manager on January 27, 2020.

### **Information Items**

17. **2019 Budget Reallocations**

A written report was provided.

Director Locke expressed concern regarding assigning funds to a project that is not getting done. He wanted to be sure staff was budgeting projects properly.

GM York expressed that he planned on addressing Director Locke's concerns with staff.

18. **Human Resources and Succession Plan Semiannual Report**

A written report was provided.

19. **Legislative and Regulatory Update**

A written report was provided.

20. **Upcoming Water Industry Events**

A written report was provided.

21. **Upcoming Policy Review**

A written report was provided.

a. Debt Management Policy (PL - Fin 011)

b. Electronic Mail, Internet and Computer Use Policy (PL – IT 005)

### **Miscellaneous Correspondence and General Information**

22. **Correspondence received by the District was received.**

#### **Director's Comments/Staff Statements and Requests**

Director Locke commented that he had a leak at his home and District staff responded quickly, used acoustical equipment and located the leak. He praised staff for the great service. He additionally submitted a rebate and was pleased with the rebate program.

Director McPherson echoed Director Locke's delight regarding the rebate program, noting that her husband took advantage of the program and was very pleased as well.

Director Locke additionally requested to add an action item to the February regular Board meeting agenda to consider changing the time of the regular Board meeting to earlier in the day.

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

The Board convened in Closed Session at 7:25 p.m. to discuss the following:

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

**Return to Open Session**

The Board convened in Open Session at 7:37 p.m. There was no reportable action.

**Adjournment**

President Thomas adjourned the meeting at 7:38 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District



## Agenda Item: 2

**Date:** February 10, 2020

**Subject:** Debt Management Policy (PL - Fin 011)

**Staff Contact:** Jeffery S. Ott, Director of Finance and Administration

**Recommended Board Action:**

Approve the Debt Management Policy (PL - Fin 011) as attached.

**Discussion:**

The Debt Management Policy (PL - Fin 011) was last reviewed in February 2018. Staff had no recommended changes. The Policy was provided to the Board in January 2020 with a comment deadline of February 10, 2020. No comments were received.

**Fiscal Impact:**

Adoption of the Debt Management Policy (PL - Fin 011) will have no change to the District's financial position.

**Strategic Plan Alignment:**

Goal C: Ensure Fiscal Responsibility and Affordable Rates

**Attachment:**

1 – Debt Management Policy (PL - Fin 011)



## Sacramento Suburban Water District

**Debt Management Policy**

Adopted: September 15, 2014

Revised: February 24, 2020

**100.00 Purpose of the Policy**

This policy sets forth comprehensive guidelines for the financing of capital expenditures. It is the objective of this policy that – 1) the District obtain financing when necessary, 2) the process for identifying the timing and amount of debt or other financing be as efficient as possible, 3) the most favorable interest rate and issuance costs be obtained, and 4) when appropriate, future financial flexibility be maintained.

**200.00 Policy**

The issuance of long-term debt is a valuable funding resource for the District. Used appropriately and prudently, long-term debt can minimize the District's water system charges and rates over time.

To minimize dependency on debt financing for capital projects, annual renewal and replacement capital projects will be adequately funded from rates. Funding levels for capital investments will be sufficient to meet capital improvement projections needed as outlined in the current Asset Management Plans and/or Water System Master Plan. Long-term debt will be considered only for large capital improvement projects or greater than normal capital plans. The District will be managed to at least meet, and potentially exceed, the minimum and target Debt Service Coverage (DSC) requirements as imposed by bond covenants. The District will not issue long-term debt to support operating costs.

- A. Use of Long-Term Debt as a Funding Mechanism – Use of long-term debt will be minimized. The District may consider the use of long-term debt financing when it appears that a capital project, or other expenditures as deemed appropriate by the Board, is of such a magnitude that it will negatively impact the District's rates in the short-term. The benefit of long-term debt financing is that it will spread the costs of the capital asset over a longer period of time and will, therefore, approximate the useful life of the asset, and over time, charge those customers that benefit from that asset more equitably.
- B. Types of Long-Term Debt – The District will strive to utilize the type of debt that has the lowest costs, while not imposing any burdensome covenants or reporting requirements.
- C. Legal Covenants – The District will manage the water District to meet all bond covenants associated with the long-term debt. Bond covenants are legal obligations of the District.

- D. Debt Service Coverage Covenants – Long-term debt issuances typically contain legal covenants regarding DSC. A DSC ratio is an important financial measure of the District’s ability to repay the outstanding debt obligation, and is reviewed for adequacy by banks and rating agencies. Generically, the DSC ratio is the District’s net operating income divided by the total annual debt service payment. For financial planning purposes, the targeted annual DSC ratio will be greater than or equal to 1.85 on all outstanding debt that carries such a covenant.
- E. Reporting Standards – The District will fully adhere to all applicable Government Accounting Standards Board (GASB) requirements and recognized best practices for the accounting treatment and disclosure of debt obligation transactions in its audited financial statements and other relevant publications.
- F. Revenue-Bonded Debt Capacity – The issuances of debt are supported by the revenues of the District. The ability of the District to fund and support revenue bonded debt will financially establish a debt level and capacity for revenue-bonded debt.

**300.00 Conditions for Debt Issuance**

When debt issuance is determined necessary, the District will assess the market conditions and timing for debt issuance to include issuing debt – 1) in times of favorable market conditions, 2) when Bond ratings would qualify District issuances to be investment grade, and 3) when revenues are sufficient to adequately cover expected debt service and issuance costs.

Bond credit enhancements will be considered when necessary for market acceptance and when costs are favorable to the District.

**400.00 Conditions for Debt Refinancing**

Debt refinancing (refunding) is an important debt management tool for the District. There are three key concepts that must be taken into consideration when evaluating a debt for refunding:

1. Financial and Policy Objectives
2. Financial Savings/Results of Financing
3. Bond Structure and Escrow Efficiency

Financial and Policy Objectives – The District may undertake a refinancing for a number of financial and/or policy objectives, including to achieve debt service savings, eliminate restrictive debt/legal covenants, restructure the stream of debt service payments, or to achieve other policy objectives. Although in most circumstances the District may undertake a refunding to obtain economic savings, it may refund an issue to restructure its debt portfolio in order to obtain budgetary/cash flow relief or to address exposure to other costs/liabilities and to extend the maturity.

Financial Savings/Results of Financing - The financial framework regarding the evaluation of refunding opportunities is to be developed and evaluated by the District Treasurer, typically to include the efforts of outside financial advisors. It is important to note that federal tax law typically permits an issuer to conduct one advance refunding over the life of a bond issue<sup>2</sup>. As such, the District must take greater care

(i.e., require a higher savings threshold) when evaluating an advance refunding opportunity.

In certain circumstances, lower savings thresholds may be justified. For example, when an advance refunding is being conducted primarily for policy reasons (other than economic savings), interest rates are at historically low levels or the time remaining to maturity is limited, and as such, future opportunities to achieve greater savings are not likely to occur.

**Bond Structure and Escrow Efficiency<sup>1</sup>** – The District’s debt management practices should anticipate the potential for future refundings. When debt is issued, careful attention should be paid to the bond structure to address features that may affect flexibility in the future. To that end, upon debt issuance the District shall consider: optional redemption provisions, bond coupon characteristics giving up call rights for certain maturities in exchange for a lower interest rate on the bonds, call provisions that permit the redemption of bonds in any order of maturity or on any date, call provisions that permit the issuer to call bonds at the earliest date without incurring a significant interest-rate penalty, and coupons on callable bonds priced as close to par as possible at the time of original issue.

<sup>1</sup> Escrow Efficiency - The lower the cost of the escrow the more efficient the escrow. Also, in order to be efficient, escrow securities need to mature or pay interest when debt service payments of the refunded escrow are due.

<sup>2</sup> Current vs. Advance Refunding - There are two types of refundings, as defined by Federal Tax laws; a current refunding in which a refunding takes place (i.e., refunding bonds are sold) within 90 days of the optional call date, and an advance refunding in which refunding bonds are sold more than 90 days prior to the first call date. Federal tax law typically permits an issuer to conduct one advance refunding over the life of a bond issue.

## **500.00 Internal Controls**

To ensure that proceeds of any debt issued in accordance with its governing documents and this Policy no disbursements shall be made without the approval of the General Manager or Assistant General Manager and Finance Director. For CIP projects, the draw request shall be provided to the Finance Director for budget approval by the project engineer with the consent of the District’s inspector. Draw request approval shall only be provided when the General Manager or Assistant General Manager is in receipt of the Finance Director’s budgetary approval and an appropriate certification from the construction project manager with supporting invoices from suppliers and/or contractors evidencing appropriate expenses in connection with the project.

In the case of an issue of bonds, the proceeds of which will be used by a governmental entity other than the District, the District may rely upon a certification by such other governmental entity that it has adopted the policies described in SB 1029.

## **600.00 Interest Rate Swaps**

The incurring or carrying of variable-rate debt obligations by the District involves a variety of interest rate payments and other risks that interest rate swaps are available to offset, hedge, or reduce. It is the policy of the District to utilize such interest rate swaps to better manage its debt portfolio. The District will consider executing an interest rate swap transaction if it expects the swap transaction will result in any of the following:

- A. Reduce exposure to changes in interest rates on a financial transaction;
- B. Result in a significantly lower net cost of borrowing with respect to the District's debt consistent with an established target; or
- C. Manage variable interest rate exposure consistent with prudent debt practices and guidelines as approved by the Board.

### **Savings Target**

Interest rate swaps will require a significant financial benefit or savings versus traditional fixed-rate debt. For an interest rate swap intended to produce the effect of a synthetic fixed rate transaction, the swap transaction must generate 5% or greater net present value savings compared to standard fixed-rate bonds which have the same optional redemption features.

### **Restrictions**

The District will not enter into any swap transaction

- a) for speculative purposes.
- b) if the swap presents an extraordinary risk to the District's liquidity to terminate the agreement due to unforeseen events.
- c) if there is insufficient price transparency to allow for fair market valuation.

### **Provider Requirements**

The transaction provider will have a credit rating of AA (or equivalent) or better from at least two nationally recognized credit rating agencies (at the time of agreement execution). The transaction provider will have a demonstrated record of successfully executing derivative transactions and have a minimum capitalization of \$2 billion.

### **Use of Independent Advisor**

The District will use a professional advisor or designated swap representative ("Swap Advisor") to assist in the assessment, structuring, and pricing of proposed or existing interest rate swaps. The Swap Advisor will be a firm which:

- i. is a Municipal Advisor registered with the Securities and Exchange Commission;
- ii. has sufficient knowledge to evaluate the swap transaction and risks;
- iii. is not subject to a statutory disqualification;
- iv. is independent of the swap dealer or major swap participant;
- v. undertakes a duty to act in the best interests of the District;
- vi. provides appropriate and timely disclosures to the District; and
- vii. evaluates fair pricing and the appropriateness of the swap.

**700.00 Authority**

The General Manager and District Treasurer are responsible for adherence to this policy and regular reporting of the District's financial status. Board oversight will be accomplished through regular reporting of financial status and review of this Policy.

**800.00 Policy Review**

This Policy will be reviewed at least biennially.



## Agenda Item: 3

**Date:** February 10, 2020

**Subject:** Electronic Mail, Internet and Computer Use Policy (PL – IT 005)

**Staff Contact:** Jeffery S. Ott, Director of Finance and Administration

### **Recommended Board Action:**

Approve the Electronic Mail, Internet and Computer Use Policy (PL – IT 005) as attached.

### **Discussion:**

The Electronic Mail, Internet and Computer Use Policy (PL – IT 005) was last reviewed in May 2015. Staff and the District’s legal council have reviewed the Policy and made recommended changes. The Policy was provided to the Board in January 2020, with a comment deadline of February 10, 2020. No comments were received.

The proposed changes are as follows:

#### Section 100.00 – Changes to Purpose of Policy

- Remove the hard policy that all forms of District electronic communications and equipment are used solely for District business purposes. Staff will be allowed de minimis use of District communication and equipment for personal use.
- Remove the phrase “with no right or expectation of personal privacy” from section 100.00 as the phrase is included and highlighted in section 200.00.

#### Section 200.00 – Changes to Policy

- Change the phrase “Social Networking” to “Social Media” to be more consistent with prevailing language.
- Add the phrase “Any form of social media utilized by the District as an outreach or communication tool will be subject to procedures promulgated by the General Manager and shall not be used in a manner that creates a public forum.” at the recommendation of legal counsel.
- Remove the phrase “are to be used only for District related business and not for any personal use” and add the phrase “are to be used solely in accordance with District Procedures.” to be consistent with section 100.00.
- Move the last paragraph before the paragraph describing consequences of violating the policy.
- Add the following language “Employees are advised that if they use their personal electronic devices on District business, they may be creating District records that must be

preserved and that may subject their personal electronic devices to surrender to the District to search for, view, and possibly extract any District records.” at the recommendation of legal counsel.

**Fiscal Impact:**

Adoption of the Electronic Mail, Internet and Computer Use Policy (PL – IT 005) will have no significant change to the District’s financial position.

**Strategic Plan Alignment:**

Goal B – Optimize Operational and Organizational Efficiencies

Goal E: Retain and Recruit Qualified and Stable Workforce

**Attachment:**

1 – Electronic Mail, Internet and Computer Use Policy (PL – IT 005)

Sacramento Suburban Water District

**Electronic Mail, Internet and Computer Use Policy**

Adopted: September 20, 2004

Approved with Changes: February 24, 2020

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**100.00 Purpose of the Policy**

The purpose of this policy is to provide guidelines for the appropriate use of all technology resources provided by the District. These resources include computers, servers, printers, scanners, software, Internet, Intranet, phones, copier/fax machines and all other technology-related devices and data.

**200.00 Policy**

The District uses various forms of electronic communication and equipment including, but not limited to, computers, tablets, modems, telephones, cell phones, voice mail, fax machines, internet, and e-mail. All electronic communications, including all software and hardware, are and will remain the sole property of the District. All messages sent and received, including any personal messages, and all data and information stored on the District's computer systems are the District's property regardless of content.

Use of District electronic communication and equipment to access and use any form of social media is not permitted. Employees who may need to utilize social media for District-related business must obtain prior approval from the General Manager or his/her designee. Any form of social media utilized by the District as an outreach or communication tool will be subject to procedures promulgated by the General Manager and shall not be used in a manner that creates a public forum.

Electronic communications will not be used in any manner that would: (1) be discriminatory, lewd, derogatory, defamatory, disparaging, sexually explicit, harassing, threatening, or obscene; (2) constitute copyright, trademark infringement or misappropriation of trade secrets; or (3) be for any other purpose which is illegal, against District policy, or not in the best interests of the District.

Employees will not install personal software in District computer systems. All software on any District computer system must be licensed to the District. Any updates to existing software must be approved by the Information Technology Manager prior to installing the update. All electronic information created by any employee using any means of electronic communication owned, leased, operated, or employed by the



District is the property of the District and will remain the property of the District. **Employees should understand that they have no right or expectation of privacy with respect to any messages or information created or maintained on the District's computer systems and electronic devices, including personal information or messages, and that any electronic information created, sent, received or accessed by an employee may be a public record subject to disclosure upon request.** Personal passwords may be used for purposes of security, but the use of a personal password does not affect the District's ownership of, or ability to access, the electronic information. Employees must not place stickers on laptop computers.

The District reserves the right to enter, access, search, monitor, review, copy, and/or retrieve electronic files, messages, e-mail, voice mail, history of internet usage, and any other type of electronic file or information, without notice, for any legitimate business purpose including, but not limited to, ensuring that there is no misuse or violation of District policy or any law, investigating theft, and monitoring disclosure of District information. The District may override personal passwords if it becomes necessary or appropriate to do so for any reason.

All electronic communications, including e-mail, access to the internet, and other types of District-paid communication access are to be used solely in accordance with District Procedures.

All employees must manage and protect records resulting from their e-mail communications as required by the District's Records Inspection, Retention and Disposal Policy (PL - Adm 002), Electronic Mail Management and Retention Policy (PL - IT 003) and Procedure (PR - IT 002), which sets forth the responsibilities of all District employees concerning the creation, removal, storage, and retention of e-mails that are designated as official District records. Employees are advised that if they use their personal electronic devices on District business, they may be creating District records that must be preserved and that may subject their personal electronic devices to surrender to the District to search for, view, and possibly extract any District records.

Any employee who misuses the District's electronic communications or otherwise violates this policy will be subject to discipline up to and including termination.

### **300.00 Policy Review**

This Policy shall be reviewed at least biennially.



## Agenda Item: 4

**Date:** February 13, 2020

**Subject:** Antelope Pump-Back Booster Pump Station Operations Agreement

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

### **Recommended Board Action:**

As recommended by the Facilities and Operations Committee, approve Amendment No. 1 to the Antelope Pump-Back Booster Pump Station Ownership, Operation, and Maintenance Agreement as a consent item, pending legal review.

### **Background:**

In 2015 Sacramento Suburban Water District (SSWD) and San Juan Water District (SJWD) entered into a Memorandum of Understanding to provide groundwater supplies to SJWD through the Cooperative Transmission Pipeline (CTP). This pump station was also expected to be part of a conjunctive use program between SSWD and SJWD that was part of the discussions on water supply and integration in 2014 and 2015.

On June 15, 2015, the Board approved the Antelope Pump-Back Booster Pump Station Ownership, Operation, and Maintenance Agreement (Agreement) between SSWD and SJWD. This Agreement defined the purpose of the project to provide groundwater supplies to SJWD during dry years, planned outages of United States Bureau of Reclamation or SJWD's Treatment Plant facilities, or emergencies when SJWD's surface water supplies are reduced.

At the Facilities and Operations (F&O) Committee meeting on February 13, 2020, staff presented Amendment No. 1 to the Antelope Pump-Back Booster Pump Station Ownership, Operation, and Maintenance Agreement. The F&O Committee approved the item with one change. The word assist was changed to enhance in the following sentence from the Recital - "The station is also intended both to facilitate compliance with regulatory requirements that impact the reliability of SJWD's surface water supplies, and to *enhance* conjunctive use and water banking operations."

### **Discussion:**

SSWD has been part of the drought contingency planning and regional water reliability planning that has been conducted by the Regional Water Authority (RWA) and its member agencies during the past few years. The most significant recommendation has been to expand the region's conjunctive use activities and establish a groundwater bank. SSWD's facilities, the CTP and the Antelope Pump-Back Booster Pump Station (the latter two of which are jointly owned by SJWD)

are all identified as essential elements of the regional water reliability infrastructure, and are necessary to optimize the ability to store water in the groundwater basin during wet years and pump it out for use during dry years.

Staff has prepared a proposed Amendment (see Attachment 1) to the Agreement in collaboration with staff at SJWD to remain aligned with the region's conjunctive use objectives. It clarifies the Agreement can be used for conjunctive use and water banking operations.

Citrus Heights Water District (CHWD) and Fair Oaks Water District (FOWD) have expressed some concerns about the potential future use of the CTP and the Antelope Pump-Back Booster Pump Station. SSWD staff are working closely with CWD, FOWD, and SJWD to address concerns, now and into the future.

The subject Agreement will also be considered for approval by the SJWD Board at their February 26, 2020, meeting.

**Fiscal Impact:**

Adopting the Amendment does not have an immediate fiscal impact.

**Strategic Plan Alignment:**

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

Goal B: Optimize Operational and Organizational Efficiencies

SSWD's customers will benefit by having a more robust Conjunctive Use Program. Enhancing SSWD's Conjunctive Use Program improves the reliability and resiliency of its water supplies.

**Attachment:**

- 1 – Redline version of Amendment No. 1 to the Agreement Between Sacramento Suburban Water District and San Juan Water District for the Ownership, Operation, and Maintenance of the Antelope Pump-Back Booster Pump Station.
- 2 – Clean version of Amendment No. 1 to the Agreement Between Sacramento Suburban Water District and San Juan Water District for the Ownership, Operation, and Maintenance of the Antelope Pump-Back Booster Pump Station.

**Attachment 1**

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**AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN SACRAMENTO SUBURBAN WATER DISTRICT AND SAN JUAN WATER DISTRICT FOR THE OWNERSHIP, OPERATION, AND MAINTENANCE OF THE ANTELOPE PUMP-BACK BOOSTER PUMP STATION**

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This Amendment No. 1 to the Agreement between Sacramento Suburban Water District and San Juan Water District for the Ownership, Operation, and Maintenance of the Antelope Pump-Back Booster Pump Station (entered into on June 23, 2015, Agreement) by and between Sacramento Suburban Water District ("SSWD") and San Juan Water District ("SJWD"), is entered into as of the XX, 2019 ("the Effective Date"). SSWD and SJWD are referred to as "Parties."

**RECITAL**

The Parties desire to clarify the language in the Agreement concerning the purpose of the Pump-Back Booster Pump Station.

The Parties Agree as follows:

**1. Amendment of Recital A.** Recital A of the Agreement is amended as follows:

A. The station is intended to provide groundwater supplies to SJWD during dry years, planned outages of United States Bureau of Reclamation ("USBR") or SJWD's Treatment Plant facilities, or emergencies when SJWD's surface water supplies are reduced. The station is also intended both to facilitate compliance with regulatory requirements that impact the reliability of SJWD's surface water supplies, and to assist as well as regional conjunctive use and water banking operations. SJWD relies on surface water diverted from Folsom Reservoir as its main supply source, but that source is inadequate for supplying the desired minimum levels of services to SJWD if deliveries from Folsom Reservoir are compromised by USBR operations, drought or system failure. This Station supplements SJWD's water supplies during times of limited surface water availability from Folsom Reservoir. SSWD will also benefit from the Station by being able to pump water from the northern-most portion of SSWD's North Service Area (NSA), where the Station is located, to the southern portion of the NSA to improve water supply reliability within that zone.

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**2. Amendment of Section 6.** Section 6 of the Agreement is amended as follows:

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**6. Operation Control and Monitoring.** Operations and control of the Station will be performed exclusively by SSWD in close collaboration with SJWD. SSWD staff will monitor and operate the Station to meet both Agencies' requirements, including supplying up to 10,000 gpm to SJWD during dry years, outages, or emergencies, or for other intended purposes when SJWD's surface water supplies are reduced and when sufficient SSWD groundwater supplies are available. Upon request by SJWD, SSWD personnel

**Attachment 1**

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will promptly respond to operate the facility to provide supply to SJWD as needed consistent with this Agreement. Separate radio telemetry equipment will be included in the Station to allow SJWD to remotely monitor key information from the facility (pump on/off status, flow, pressure, etc.)

**BETWEEN SACRAMENTO SUBURBAN WATER DISTRICT AND SAN JUAN WATER DISTRICT FOR THE OWNERSHIP, OPERATION, AND MAINTENANCE OF THE ANTELOPE PUMP-BACK BOOSTER PUMP STATION**

This Amendment No. 1 to the Agreement between Sacramento Suburban Water District and San Juan Water District for the Ownership, Operation, and Maintenance of the Antelope Pump-Back Booster Pump Station (entered into on June 23, 2015, Agreement) by and between Sacramento Suburban Water District (“SSWD”) and San Juan Water District (“SJWD”), is entered into as of the XX, 2019 (“the Effective Date”). SSWD and SJWD are referred to as “Parties.”

**RECITAL**

The Parties desire to clarify the language in the Agreement concerning the purpose of the Pump-Back Booster Pump Station.

The Parties Agree as follows:

**1. Amendment of Recital A.** Recital A of the Agreement is amended as follows:

- A. The station is intended to provide groundwater supplies to SJWD during dry years, planned outages of United States Bureau of Reclamation (“USBR”) or SJWD’s Treatment Plant facilities, or emergencies when SJWD’s surface water supplies are reduced. The station is also intended both to facilitate compliance with regulatory requirements that impact the reliability of SJWD’s surface water supplies, and to enhance conjunctive use and water banking operations. SJWD relies on surface water diverted from Folsom Reservoir as its main supply source, but that source is inadequate for supplying the desired minimum levels of services to SJWD if deliveries from Folsom Reservoir are compromised by USBR operations, drought or system failure. This Station supplements SJWD’s water supplies during times of limited surface water availability from Folsom Reservoir. SSWD will also benefit from the Station by being able to pump water from the northern-most portion of SSWD’s North Service Area (NSA), where the Station is located, to the southern portion of the NSA to improve water supply reliability within that zone.

**2. Amendment of Section 6.** Section 6 of the Agreement is amended as follows:

6. Operation Control and Monitoring. Operations and control of the Station will be performed exclusively by SSWD in close collaboration with SJWD. SSWD staff will monitor and operate the Station to meet both Agencies’ requirements, including supplying up to 10,000 gpm to SJWD during dry years, outages, emergencies, or for other intended purposes when SJWD’s surface water supplies are reduced and when sufficient SSWD groundwater supplies are available. Upon request by SJWD, SSWD

personnel will promptly respond to operate the facility to provide supply to SJWD as needed consistent with this Agreement. Separate radio telemetry equipment will be included in the Station to allow SJWD to remotely monitor key information from the facility (pump on/off status, flow, pressure, etc.)



## Agenda Item: 5

**Date:** February 13, 2020

**Subject:** Memorandum of Understanding – San Juan Water District Hinkle Reservoir Relining Project

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

### **Recommended Board Action:**

As recommended by the Facilities and Operations Committee, authorize the General Manager to negotiate and execute a Memorandum of Understanding (MOU) with San Juan Water District (SJWD) for their Hinkle Reservoir Relining Project (Hinkle Project) as a consent item, pending legal review.

### **Background:**

This item was presented to the Facilities and Operations (F&O) Committee at their February 13, 2020, meeting. It received support from both Members and the F&O Committee recommends the Board approve this item.

### **Discussion:**

SJWD's Hinkle Reservoir has a synthetic membrane liner and (floating) cover. The membrane has reached the end of its service life and needs to be replaced. The Hinkle Project will require taking the Hinkle Reservoir off-line for about 6 months to replace its liner and cover. This is anticipated to occur between November 2020 and April 2021. However, this is still under review and SJWD is considering delaying the project by 12 months.

Because SJWD's Sidney N. Peterson Water Treatment Plant (Peterson WTP) relies on Hinkle Reservoir to balance production and demand flows, an alternate flow-balancing capability will be required during the Hinkle Project to ensure SJWD can meet its commitments to both wholesale (including SSWD if PCWA water is available) and retail customers. SJWD is planning to construct two temporary 1-million-gallon storage tanks to address this; however, this will be insufficient storage capacity to permit near-normal and predictable operations of the Peterson WTP during the Hinkle Project.

To address the storage capacity shortfall, SJWD has requested the District assist with flow-balancing by agreeing to receive expected excess flows from Peterson WTP to allow for its predictable operations during the Hinkle Project. To accomplish this, SJWD is proposing that relatively minor temporary modifications be made to the operational controls at the District's Antelope Pressure Reduction Valve Station (Antelope PRV).



Staff have reviewed the Antelope PRV modification plan and met with SJWD staff and their consultant (HDR Engineering) several times to discuss the project and the expected flow conditions affecting the District. Staff's understanding of SJWD's plan is that it is sound, includes appropriate safeguards to our system and customers, and does not create significant new risk to District operations.

All outside costs (e.g., engineering, construction, permitting, etc.) are to be borne by SJWD. Additionally, any cost impacts to the District's Take-or-Pay contract with PCWA will be borne by SJWD (e.g., missed "Take").

**Fiscal Impact:**

Any District outside costs are to be borne by SJWD. Therefore, no costs beyond staff time are anticipated.

**Strategic Plan Alignment:**

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

Goal C – Ensure Fiscal Responsibility and Affordable Rates.

The proposed cooperation and assistance for the District's wholesale partner, SJWD, will benefit the District's customers because it helps ensure that facilities necessary for surface water deliveries to the District are ready when needed.

**Attachment:**

1 – Memorandum of Understanding between SSWD and SJWD for the Operation of the Antelope Pressure Reducing Valve Station During the Hinkle Reservoir Liner and Cover Replacement Project

**MEMORANDUM OF UNDERSTANDING BETWEEN SACRAMENTO SUBURBAN WATER DISTRICT AND SAN JUAN WATER DISTRICT FOR THE OPERATION OF THE ANTELOPE PRESSURE REDUCING VALVE STATION DURING THE HINKLE RESERVOIR LINER AND COVER REPLACEMENT PROJECT**

This Memorandum of Understanding (“MOU”) is made effective as of the \_\_\_ day of February, 2020, by and between San Juan Water District (“SJWD”) and Sacramento Suburban Water District (“SSWD”) for the design, construction, maintenance, and operation of the Antelope Pressure Reducing Valve Station (“Station”) temporary modifications (“Station Project”) during the Hinkle Reservoir Liner and Cover Replacement Project (“Hinkle Project”). SJWD and SSWD are both California public agencies with the authority to carry out the Station Project as described herein. SJWD and SSWD are collectively referred to herein as the “Agencies” and individually as an “Agency”.

**RECITALS**

- A. The purpose of this MOU is to document the understanding of the Agencies regarding the planning, design, engineering, construction, maintenance, and operation for the proposed Station Project at the Station. This MOU is intended to govern the allocation of responsibilities and costs for work undertaken jointly by SJWD and SSWD.
- B. The Hinkle Project is scheduled to start in the summer/fall of 2020. The Hinkle Project includes the replacement of the SJWD’s Hinkle Reservoir Hypalon liner and cover. The reservoir provides critical operational storage for SJWD’s Wholesale Service Area (“WSA”) daily demands. The current Hinkle Project schedule anticipates that the reservoir will be off line from November 2020 to May 2021. While the reservoir is off line, improvements are necessary to maintain deliveries to meet daily demand fluctuations in the WSA transmission and SJWD retail service systems. The significant Station Project components include modifying the Station’s existing pressure reducing valves to operate and maintain upstream pressure rather than only downstream pressure as is currently the case. Valve controls will be modified to open and close as needed to maintain an appropriate upstream pressure range in the WSA. Additionally, the valves will be set and operated as needed to maintain a safe downstream pressure based on SSWD system requirements. The Station’s upstream pressure will be set to accommodate gravity flows from temporary water storage tanks to be installed at SJWD’s Corporation Yard located at 9935 Auburn Folsom Road in Granite Bay, California.
- C. The Station is located at 7800 Antelope North Road in Antelope, California. The Station has four control valves - two 16”, one 12”, and one 8” - to accommodate a wide range of flows and provide redundancy. The Station is currently operated to regulate pressure from surface water deliveries from SJWD to SSWD’s North Service Area (“NSA”). Upstream pressure at the Station is normally greater than 100 psi; the pressure reducing valves regulate and reduce pressure to safely deliver water into the NSA. The valves are controlled by valve piloting and a Programmable Logic Controller (PLC) at the Station. Existing SCADA controls provide SSWD operators visual

connectivity and operational control of the Station.

- D. During the Hinkle Project, control of the Station's pressure reducing valves will be provided to both SJWD and SSWD operators through the planned improvements to SCADA by way of radio/cellular communications systems. Safety set points shall be included to prevent damage to both SJWD's and SSWD's systems. SJWD has a PLC and SCADA panel located at the Antelope Pump Back Pump Station ("APBPS") located adjacent to the Station. SSWD will maintain primary operational control of the Station during the Hinkle Project.
- E. SJWD has contracted with HDR Engineering, Inc. ("HDR") to conduct planning and engineering studies and to design the Station Project. SJWD and SSWD staffs are collaborating on the design of the Station Project and providing relevant information and data to HDR.
- F. Engineering studies completed by SJWD's consultant for the Station Project indicate that SSWD has sufficient capacity through the Station control valves to receive anticipated water flows into its NSA during the Hinkle Project. Although it is their intent to maintain deliveries into the NSA, the Agencies understand that unforeseen circumstances, related to either the Hinkle Project or the Station Project, may require this operation to be paused to resolve issues that arise. As near-continuous operation of the Station will be critical to maintain water deliveries to the WSA during the Hinkle Project, all reasonable efforts will be made by the Agencies to quickly resolve operational issues as they arise to restore operations.
- G. Upon completion of the Hinkle Project, the Station will be reconfigured to its pre-Project condition. All SJWD SCADA controls of the Station will be disabled and any physical project components shall be removed as determined by SSWD. Conduits installed between SSWD facilities are to remain.
- H. SJWD has been paying the costs for and directing HDR's work required to complete preliminary investigations, initial planning, design, and engineering work for the Station Project. The Agencies have agreed that SJWD will continue to manage, direct, and pay for the Station Project planning and design work. SSWD will continue to collaborate in the planning process, design reviews, and other project activities to ensure that the Station Project meets both Agencies' needs.
- I. SSWD has a "Treat and Wheel" agreement with SJWD for SJWD to treat and deliver Placer County Water Agency ("PCWA") water to SSWD in years in which the Unimpaired In-Flow into Folsom Reservoir ("UIFR") is at least 1.6 million acre-feet (AF). SSWD has a "Take or Pay" contract with PCWA for PCWA to supply 12,000 AF of water in years that the UIFR reaches the 1.6 million AF trigger. SSWD's "Take or Pay" obligation may be reduced prior to completion of the Hinkle Project.
- J. The Agencies agree that there is a need to construct the Station Project for the safe delivery of water to WSA customers during the outage for the Hinkle Project and a desire to avoid delay in its

planning, design, engineering, construction, and operation. This MOU is intended to facilitate work by providing a written understanding between the Agencies on the scope of the Station Project.

### UNDERSTANDING

1. Incorporation of Recitals. The Agencies agree that the foregoing recitals are true and that they are incorporated herein by reference.
2. Lead Agency. SJWD will continue to act as lead Agency for the planning, design, and engineering phases of the Station Project and will provide primary direction to HDR and other Consultants contracted to work on the Station Project. The Agencies will coordinate to ensure that the Station Project is designed to meet both Agencies' requirements and will share all information and data required to enable Consultants to perform all tasks necessary to plan, design, and engineer the Station Project. SJWD will also be the lead Agency during the bidding and construction phase of the Station Project and will provide primary direction for construction management and inspection. SSWD will participate and assist during the bidding and construction phase to ensure the constructed facilities meet both Agencies' requirements.

SJWD will be the lead Agency during the Hinkle Project with regard to the operation of the Station during the period that Hinkle Reservoir is off line. SJWD will coordinate closely with SSWD during the Hinkle Project regarding operation the Station. Communications protocols will be developed for operation and emergency response identifying the Agencies key personnel and agreed response actions.

3. Scope of MOU. The Agencies agree this MOU covers the Station Project work completed before the date of this MOU through the expiration or termination of this MOU, as provided in Section 7 below.
4. Station Project Scope. The Agencies intend that the Station Project be designed with the following benefits provided to SJWD and SSWD, respectively:
  - a. SJWD:
    - Operational control of the Station as necessary, in consultation with SSWD, for the duration of the Hinkle Project.
    - Varying flow capacity of approximately 500 to 5,000 gallons per minute (gpm) into SSWD NSA during normal operating conditions. The flows listed above may be increased or decreased based on mutual agreement between the Agencies.
    - Pressure management to the WSA by modifying the Station control valves to allow operation to maintain a maximum downstream pressure in SSWD's NSA as well as maintain an appropriate upstream system pressure in the WSA.
    - SCADA and PLC emergency control of the Station control valves operation.

- Establish a redundant, reliable SCADA connection between the APBPS PLC and the SJWD's SCADA system.
  - Installed conduits between the APBPS and Station control panels to connect the PLCs to provide for control of the Station through the SJWD SCADA system.
  - Operational cellular communication improvements at APBPS (Including a radio backup) for communication to SJWD's Water Treatment Plant (WTP).
- b. SSWD:
- SCADA view and operational control of modified control valves.
  - SCADA view of temporary storage tanks at SJWD Corporation Yard.
  - Maximum 50 psi downstream pressure.
  - Station restored to its pre-project condition upon completion of the Hinkle Project.
5. Cost Allocation.
- a. The total costs for planning, design, construction, construction administration, and restoration for the Station improvements will be paid by SJWD.
  - b. The foregoing cost allocation will also apply to SSWD's costs incurred for legal work, work performed by other consultants and contractors, permits, and other direct costs related to this MOU, with prior approval by SJWD per section 6 below.
  - c. The Agencies agree that each Agency will be responsible for its own staff time and expenses to administer both projects.
  - d. Water delivered to SSWD shall be considered part of its normal deliveries and shall be charged at the same rate as applied pursuant to the existing "Treat and Wheel" agreement between SJWD and SSWD for the delivery by SJWD of treated PCWA water.
  - e. SSWD has a "Treat and Wheel" agreement with SJWD for SJWD to treat and deliver PCWA water to SSWD in years in which the UIFR is at least 1.6 million AF. SSWD's "Take or Pay" contract with PCWA is for 12,000 AF of water per "water year" for years in which the UIFR trigger is met. This amount of "Take or Pay" water may be reduced prior to the completion of the Hinkle Project. If, as a consequence of carrying out the Hinkle Project or Station Project, SSWD is, despite reasonable efforts to do so, unable to take all of its PCWA "Take or Pay" commitment, SJWD will reimburse SSWD for losses associated with such foregone water (i.e., "Pay") deliveries directly attributable to the implementation of either project.
6. Invoices and Payments. SSWD will provide monthly itemized invoices to SJWD for costs associated with any Station improvements in furtherance of the Station Project. Prior to incurring any costs related to such improvements, SSWD will provide a price estimate and justification for the work to

SJWD for review and approval by SJWD’s Operations Manager. SJWD will pay all approved invoices received from SSWD for Station Project work within 30 days of receipt.

- 7. Term of MOU. This MOU will be effective as of the effective date stated above and will remain in effect until the Hinkle Project is completed and the Station is, to SSWD’s reasonable satisfaction, restored to its pre-Station Project condition. This MOU also may be terminated by either SJWD or SSWD upon 30 days’ written notice to the other Agency.
- 8. Amendment. The terms of this MOU may be modified or amended only by written amendment approved and executed by both Agencies.
- 9. Cooperation. SJWD and SSWD will reasonably cooperate with each other, including the execution of all necessary documents and providing of all information and data required to carry out the purpose and intent of this MOU.
- 10. Counterparts. This MOU may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

**SAN JUAN WATER DISTRICT:**

**SACRAMENTO SUBURBAN WATER DISTRICT:**

By: \_\_\_\_\_  
Paul Helliker  
General Manager

By: \_\_\_\_\_  
Dan York  
General Manager



## Agenda Item: 6

**Date:** February 20, 2020

**Subject:** Presentation By Rob Swartz on the History of the Sacramento Groundwater Authority

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

**Recommended Board Action:**

No action required; information only.

**Discussion:**

Rob Swartz, Sacramento Groundwater Authority (SGA) Senior Project Manager, will make a presentation on the history of SGA. Director Jones attended the SGA meeting in December 2019, in which Mr. Swartz presented on the history of SGA, and requested a presentation at the February regular Board meeting.

**Fiscal Impact:**

No impacts at this time.

**Strategic Plan Alignment:**

Water Supply – 1.D - Manage the District's groundwater supply to ensure its quality and quantity.

Leadership – 5.D. – Interact with the community in a positive and progressive manner for the mutual benefit of the area.

# SACRAMENTO GROUNDWATER AUTHORITY OVERVIEW

*Managing Sustainably for 20+ Years*



**SGA**



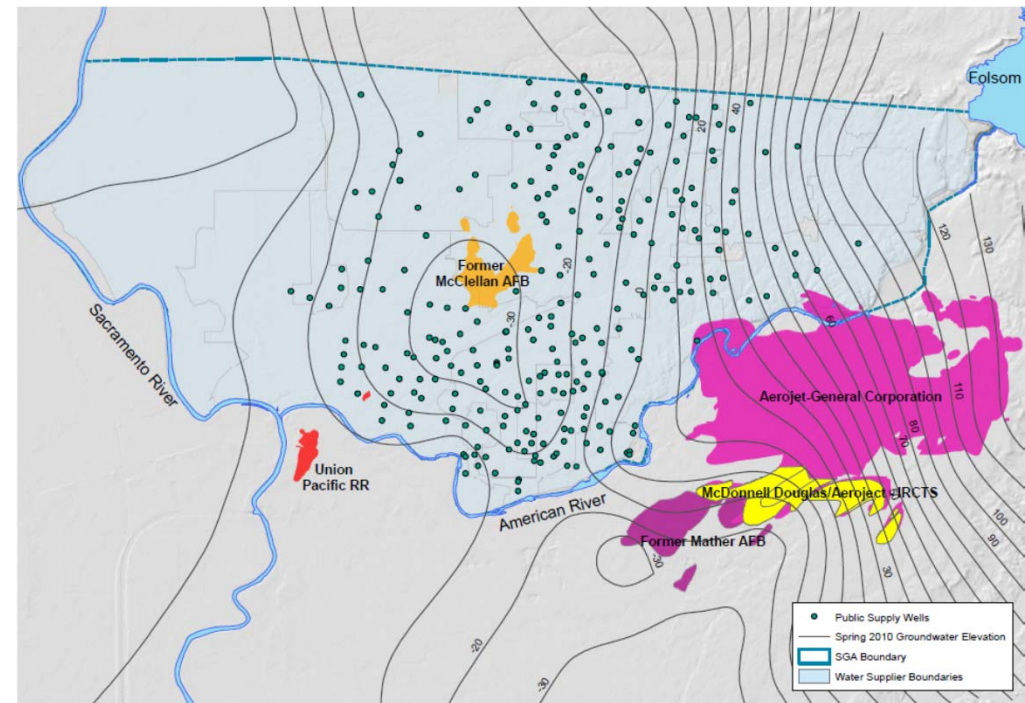
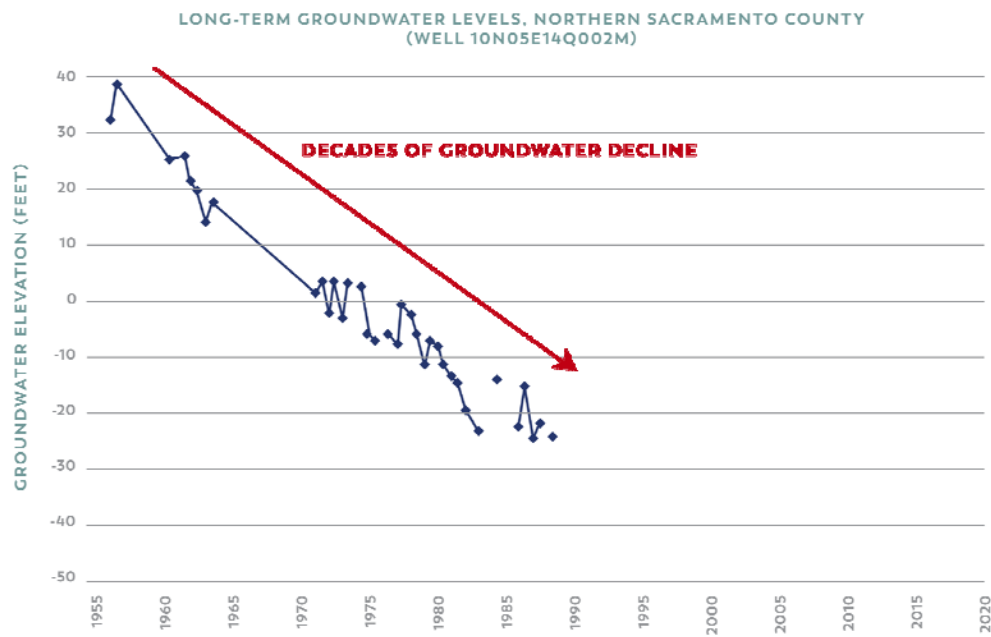
# Our roots are in the Water Forum



- By 1980s, the conflict between increased water diversions for public supply and meeting the needs of the environment in the lower American River came to a head
- In 1993, stakeholders throughout the region agreed to come together in the Water Forum to resolve that conflict
- In 2000, the Water Forum Agreement was signed



# We did have challenges to sustainable groundwater

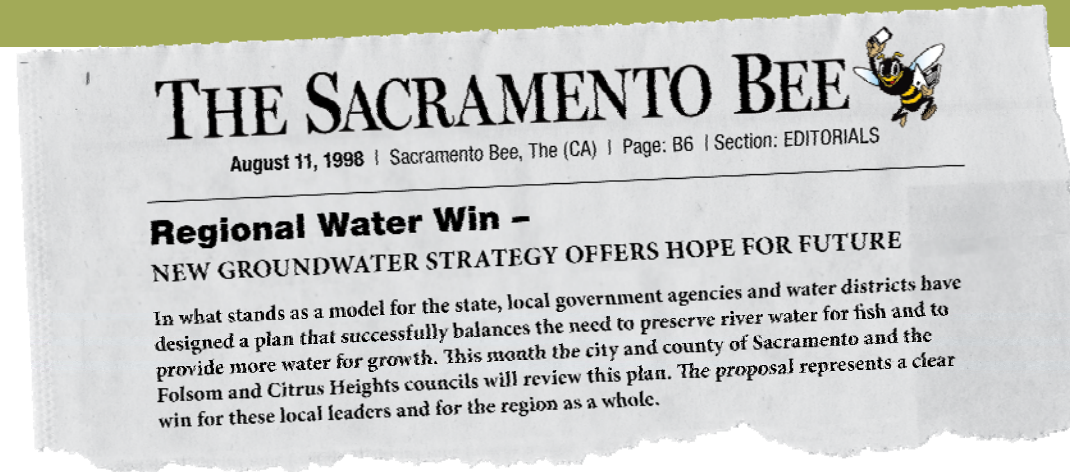


# SGA formed with a purpose

SGA

SGA formed to:

- maintain the long-term sustainable yield of the North Area Basin
- ...facilitate implementation of an appropriate conjunctive use program by water purveyors
- ...devise and implement strategies to safeguard groundwater quality
- work collaboratively with other entities...to promote coordination of policies and activities throughout the region



# For success, SGA needed to be inclusive

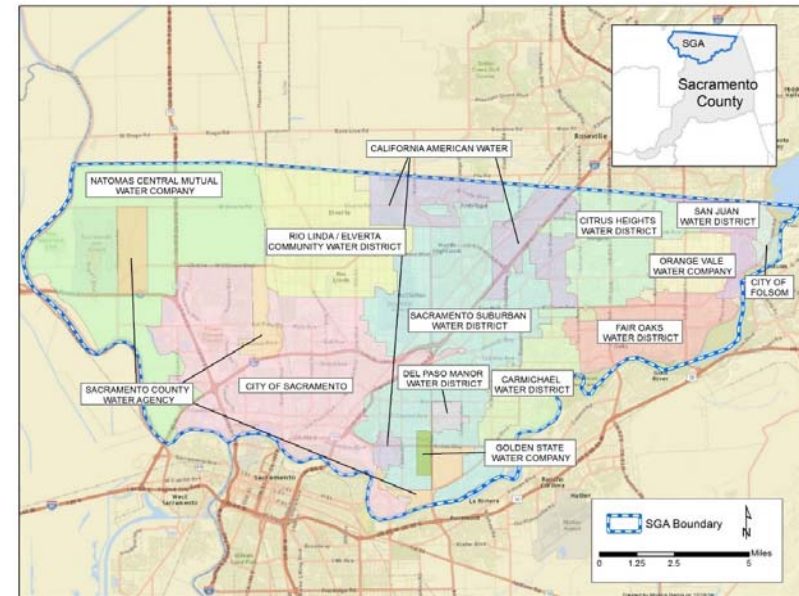


## SGA Board Position

*California American Water\*\**  
 Carmichael Water District  
 Citrus Heights Water District  
 City of Folsom  
 City of Sacramento  
 Del Paso Manor Water District  
 Fair Oaks Water District  
*Golden State Water Company\*\**  
*Natomas Central Mutual WC\*\**  
*Orange Vale Water Company\*\**  
 Rio Linda/Elverta Community WD  
 Sacramento County Water Agency  
 Sacramento Suburban WD  
 San Juan Water District  
*Agricultural Representative\*\**  
*Self-Supplied Representative\*\**

## Appointing JPA Signatory

Sacramento City Council  
 Sacramento County Board of Supervisors  
 Citrus Heights City Council  
 Folsom City Council  
 Sacramento City Council  
 Sacramento City Council  
 Sacramento County Board of Supervisors  
 Sacramento City Council  
 Sacramento City Council  
 Sacramento County Board of Supervisors  
 Sacramento County Board of Supervisors  
 Sacramento County Board of Supervisors  
 Sacramento City Council  
 Sacramento County Board of Supervisors  
 Sacramento County Board of Supervisors  
 Sacramento City Council



# SGA possesses broad powers to ensure groundwater sustainability



## Authorized to:

- ✓ Maintain records of extraction
- ✓ Cause taxes, assessments, fees or charges to accomplish purposes of the Authority
- ✓ Carry on studies and other technical investigations
- ✓ Establish and administer conjunctive use program

## Authorized to (but have not used):

- ✗ Require permitting of extraction facilities
- ✗ Require installation of meters
- ✗ Acquire property convenient to exercise power
- ✗ Buy, sell, exchange, recharge, store water
- ✗ Fix rates for water acquired for replenishment

...with a few exceptions



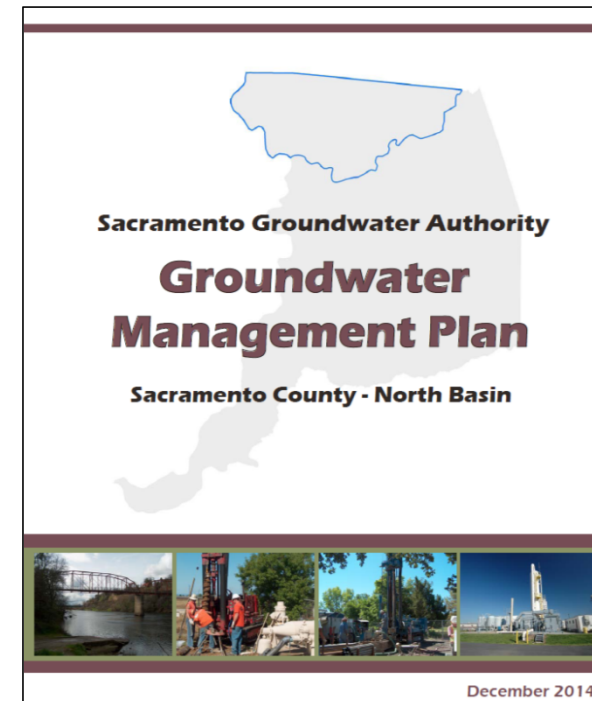
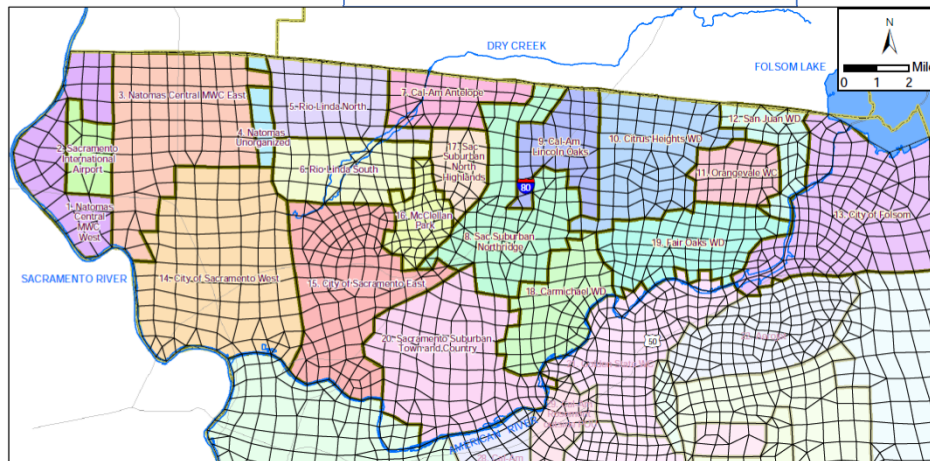
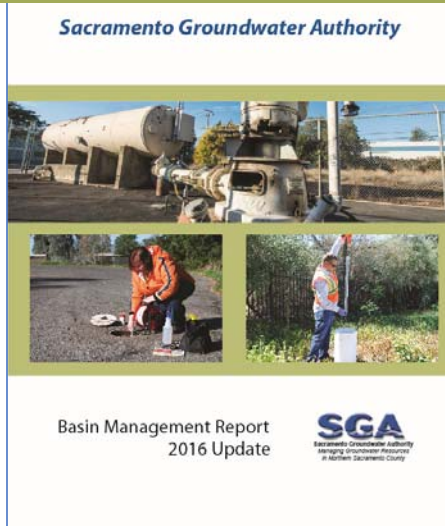
Not Authorized to:

- Engage in retail sale of water
- Fund capital construction projects
- Regulate land use
- Restrict or otherwise limit extraction of groundwater other than through economic incentives and disincentives

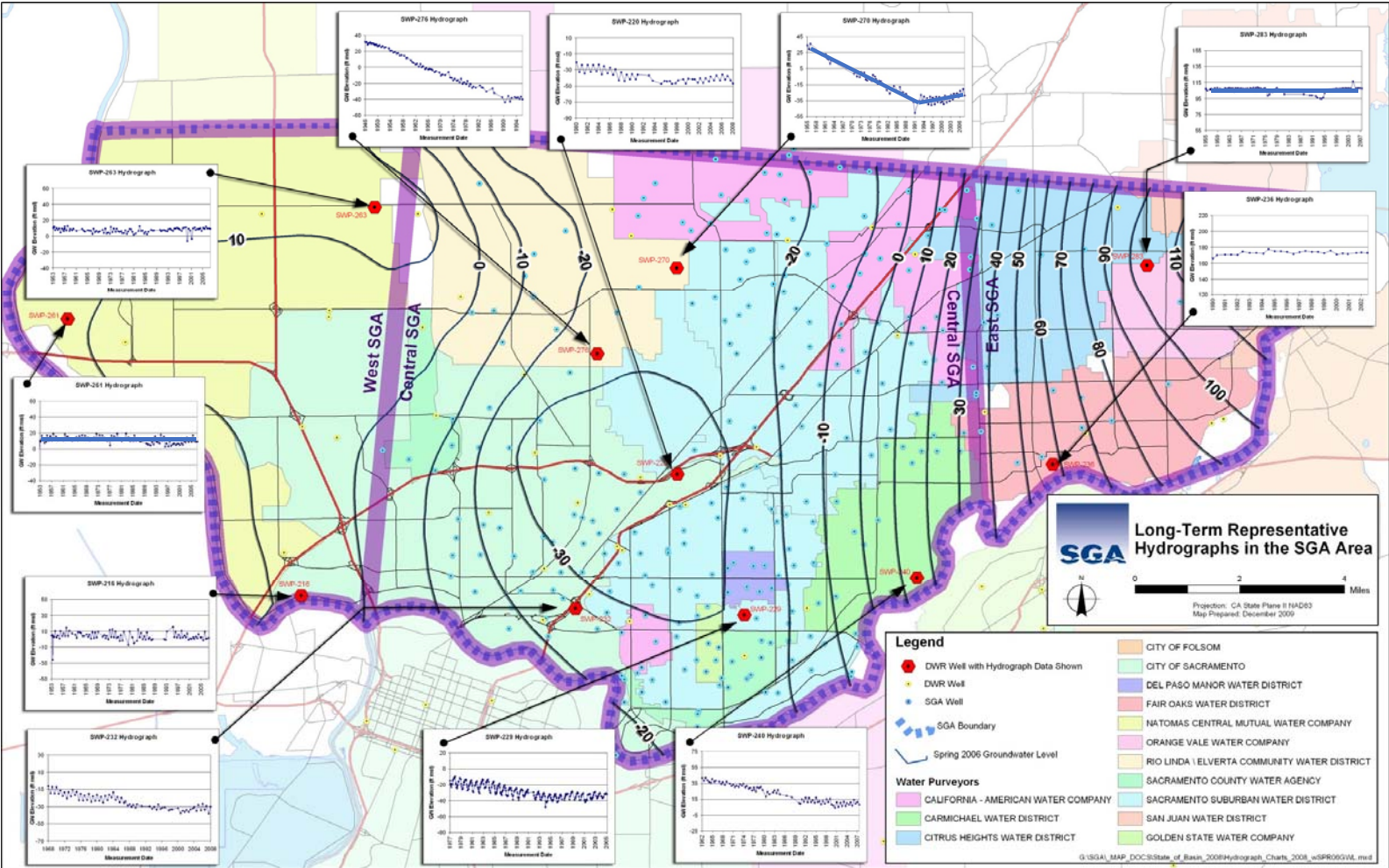
# SGA has maintained a progressive groundwater management program



- Groundwater Management Plan (2008, 2008, 2014)
- Regular Basin Management Reports
- Improved Modeling and Monitoring
- Water Quantity
- Water Quality



To address groundwater quantity, we focused on where the problem was



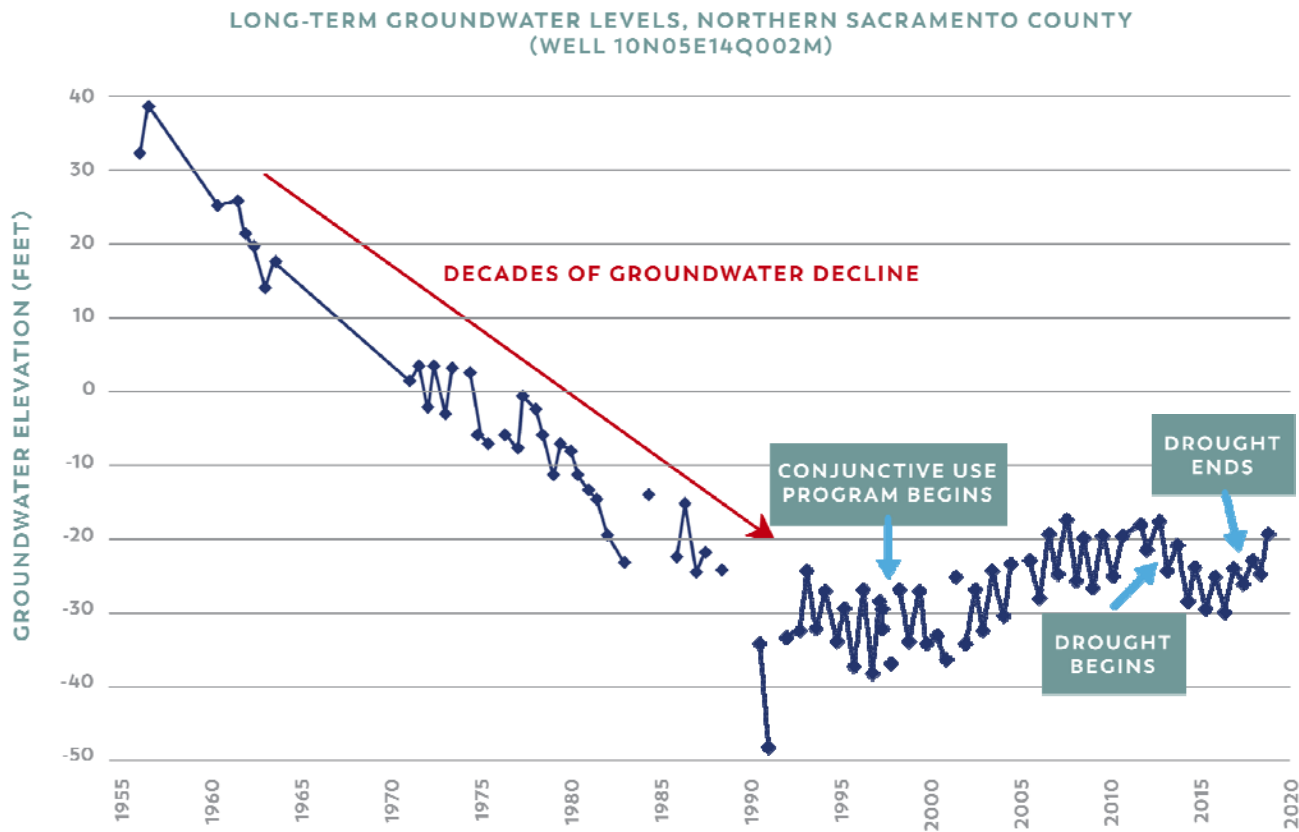


# Each agency voluntarily accepted a pumping target in the Central Area of SGA

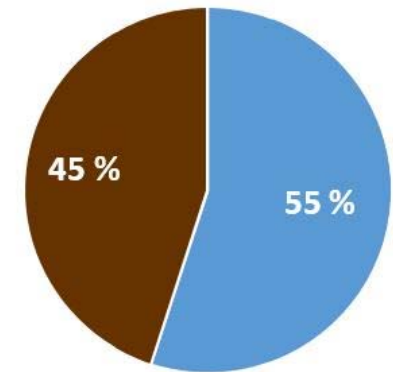


Agency	Baseline - Average Pumping 1993-1998	Sustainability Reduction	Sustainability Pumping Target	Recent Average Pumping 2012-2018
Carmichael WD	7,516	870	6,646	2,415
City of Sacramento	23,287	2,696	20,591	16,563
California American Water	20,351	2,356	17,995	11,065
Del Paso Manor WD	1,657	192	1,465	1,280
Golden State WC	1,242	144	1,098	923
Rio Linda/Elverta CWD	3,259	377	2,882	2,524
Sacramento County WA	4,850	562	4,288	4,669
Sacramento Suburban WD	39,622	4,587	35,035	26,248
<b>Total</b>	<b>101,784</b>	<b>11,784</b>	<b>90,000</b>	<b>65,677</b>

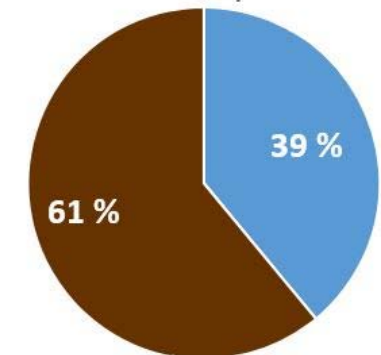
# Practicing conjunctive use is key to sustainable groundwater quantity



2011 Wet Year



2014 Dry Year



■ Surface Water ■ Groundwater

## We also focus on groundwater quality



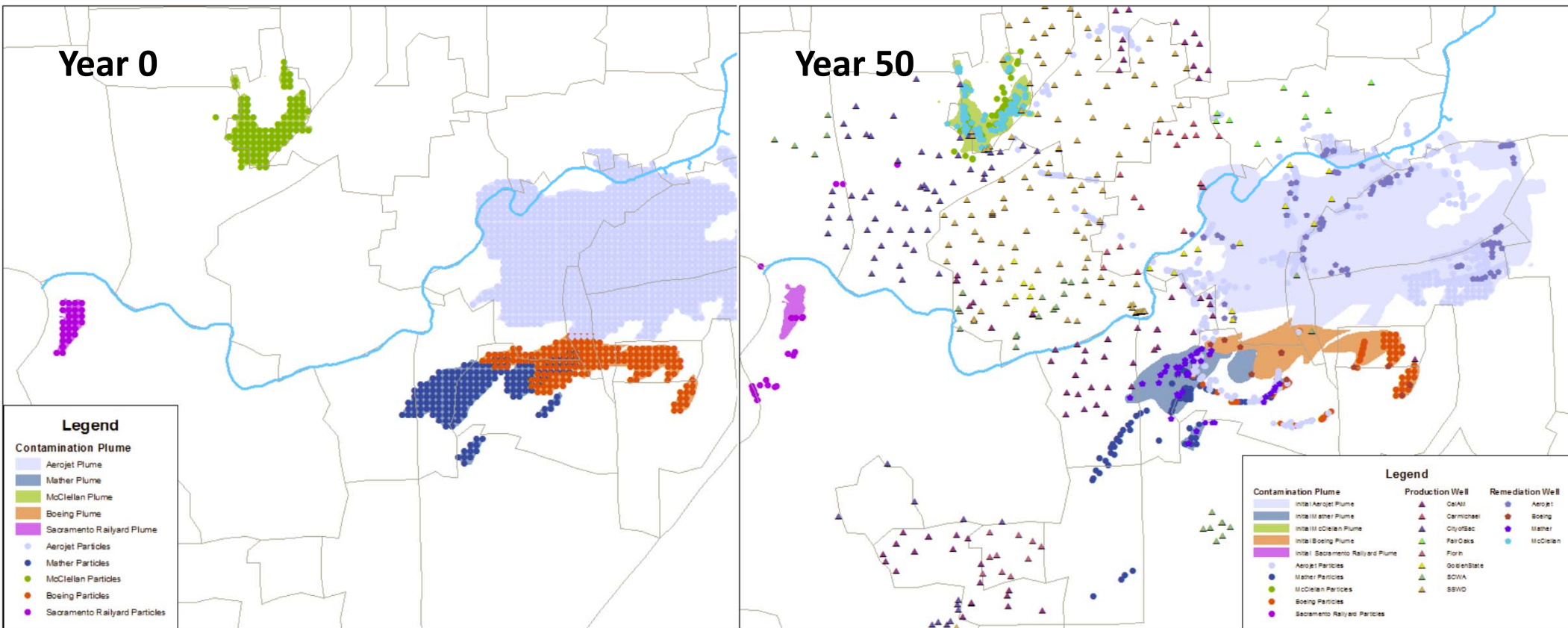
Unique Regional Contamination Issues Committee (RCIC) formed in 2004

- Includes representatives of impacted water suppliers, regulators overseeing sites, and responsible parties
- Approach has been to:
  - find areas of common interest to improve efficiency for all participants
  - identify emerging regional water quality concerns early on

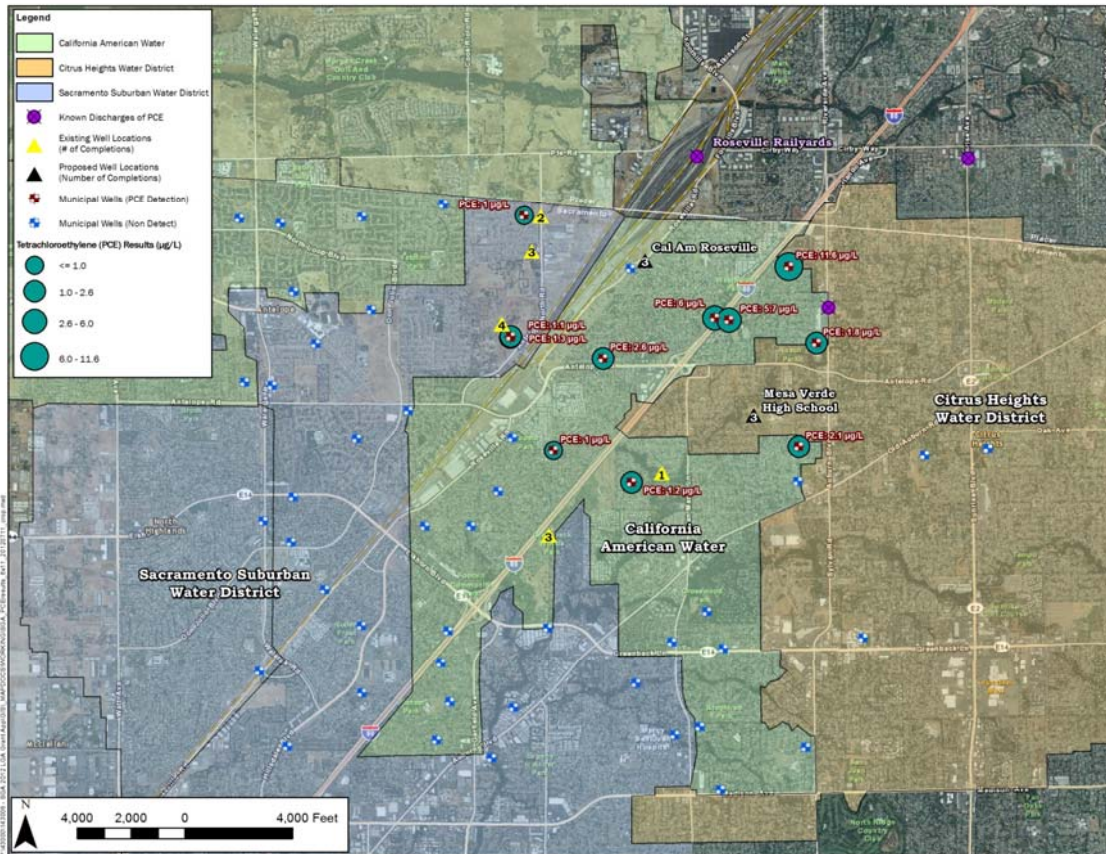


- GET L-A facility at Ancil Hoffman Golf Course
- 600 gpm remediation plant
- First direct reuse of remediated groundwater in region

# We evaluated the potential movement of known plumes



# We evaluate emerging issues of regional concern

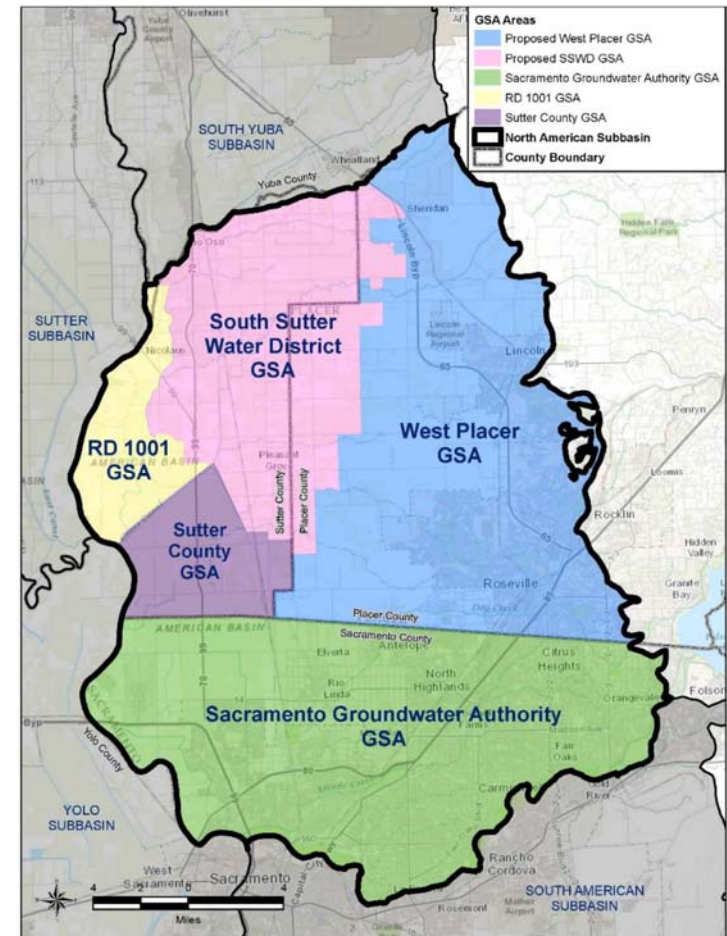


- Purveyor experienced PCE/TCE contamination in rapid succession and brought this to the RCIC
- DWR Grant-Funded Study
  - evaluated potential sources
  - constructed monitoring wells and conducted additional sampling
- Eliminating several potential sources and better defined plume extent
- Allowed purveyor to develop treatment and operations plan

# Our focus has shifted to complying with the Sustainable Groundwater Management Act



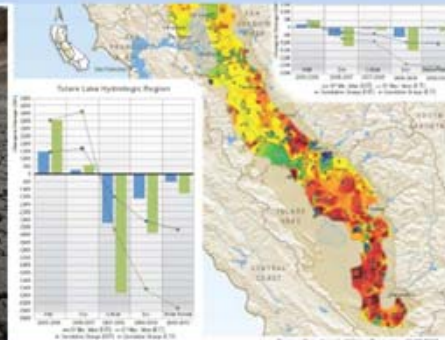
- Passed in 2014, effective January 1, 2015
- Development of a Groundwater Sustainability Plan (GSP) by January 1, 2022
- Achieve Sustainable Management by 2042
- Failure results in state intervention



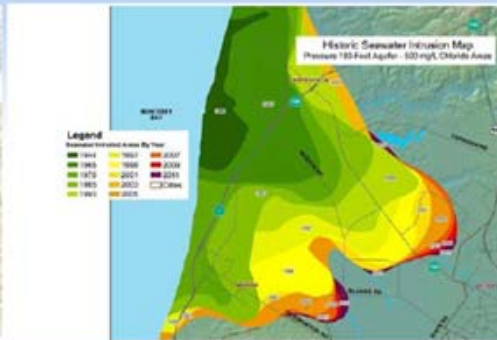
# Our future will be judged by 6 (really 5) indicators



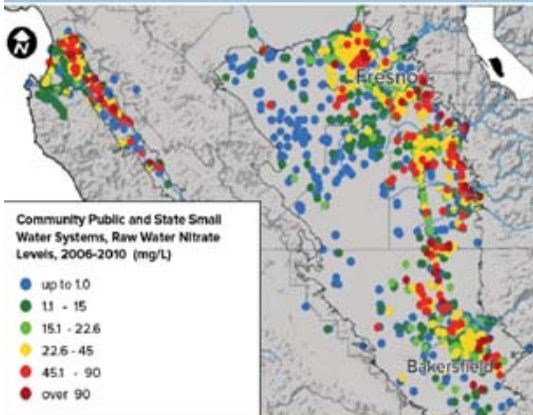
Lowering of GW Levels



Reduction  
of GW Storage



Seawater Intrusion



Water Quality Degradation



Land Subsidence



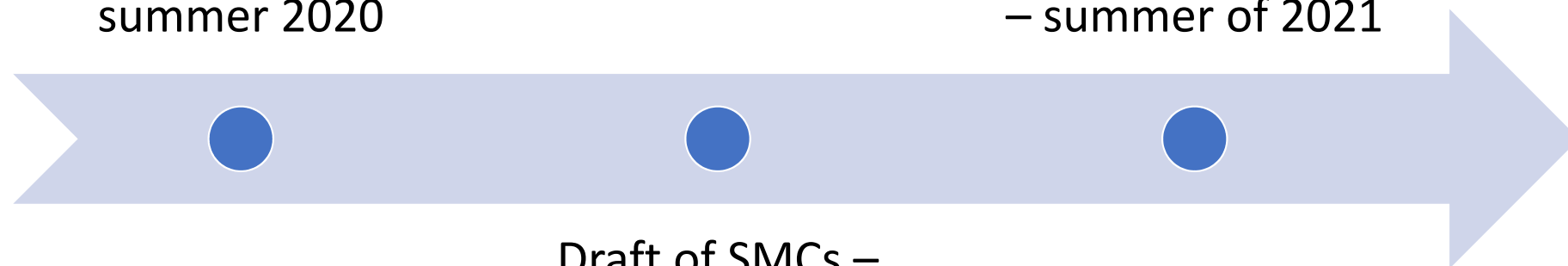
Depletion of  
Interconnected Streams

# There are upcoming opportunities for involvement in GSP development



Start development  
of SMCs – late  
summer 2020

Public Draft of GSP  
– summer of 2021



Draft of SMCs –  
winter of 2021





## Agenda Item: 7

**Date:** February 4, 2020

**Subject:** Consider Changing the Regular Board Meeting Time

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

### Recommended Board Action:

Either:

1. Direct staff to bring back a Resolution and amend Policy PL-BOD 002, Rules for Proceedings of the Board of Directors with desired changes; or
2. Take no action.

### Background:

On October 16, 2017, the SSWD Board approved changing the Board meeting times from 6:30 p.m. to 6:00 p.m. effective January 2018. The change was announced on the SSWD website and if the public were unable to make the meeting at the start time, they were encouraged to contact staff with their request. This allowed staff to address the public if they were not able to attend and monitor the impact to the public.

### Discussion:

At the January 2020 regular Board meeting, a Director requested to bring back a staff report to discuss adjusting the regular Board meeting start times and days. It was suggested that an earlier start time may make it more convenient for the public, staff, and the Board, as an earlier start time of the meeting would make for an earlier end time in the evening.

It was also suggested to review the day of the week, particularly for the January and February meetings. SSWD regular Board meetings are currently held the third Monday of every month. Since the third Monday of January and February are holidays, the meetings for January and February are held on the fourth Monday. This is an opportunity for the Board to discuss whether SSWD continues with this schedule into the future.

The location, times, and dates of the regular Board meetings are included in Rule 3 of the Policy PL-BOD 002, Rules for Proceedings of the Board of Directors. In order to make changes to that section of the policy, an adopted Resolution by the Board of Directors is required.

### Strategic Plan Alignment:

Goal B – Optimize Operational and Organizational Efficiencies

Goal D – Maintain Excellent Customer Service

Changing the District Board meeting time or day could benefit District customers by making it a more convenient and reducing the number of late hours attending monthly Board meetings.



## Agenda Item: 8

**Date:** February 19, 2020

**Subject:** Sacramento Region Water Utility Collaboration/Integration Study  
Memorandum of Understanding and Professional Services Agreement

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

### **Recommended Board Action:**

Approve the following:

- Sacramento Suburban Water District's participation in the Sacramento Region Water Utility Collaboration Study.
- Authorize the General Manager to sign Professional Services Agreement with Raftelis/Tully & Young, subject to final review by legal counsel.
- Authorize the General Manager to sign Memorandum of Understanding Regarding Collaboration/Integration Study, subject to final review by legal counsel, and permitting non-substantive changes.

### **Discussion:**

On March 8, 2018, Sacramento Suburban Water District (SSWD) received correspondence from the San Juan Water District (SJWD) General Manager, on behalf of the Board of Directors of SJWD, inquiring about the status of the merger discussions previously conducted by SSWD and SJWD. At SSWD's March 19, 2018 regular Board meeting, the Board approved to develop a 2X2 Ad-Hoc Committee to meet with SSWD's General Manager and develop goals and discussion points to bring back to the full Board. In May 2018, the SSWD Board approved implementing a SSWD-SJWD Water Management/Re-Organization Ad Hoc Committee (Committee).

The initial Committee meeting was held on October 3, 2018. The Committee directed the SSWD and SJWD General Managers to extend an invitation to all General Managers in the Sacramento Region with the objective of identifying ways the agencies can become more efficient in working together to minimize cost to their customers and optimize the use of their water supplies, personnel, equipment, infrastructure and other resources, as well as improve their ability to influence state and federal policies.

The following Agencies have been participating in the ongoing discussions: SSWD, SJWD, Citrus Heights Water District, Carmichael Water District, Rio Linda / Elverta Community Water

District, Del Paso Manor Water District, and City of Folsom. The Fair Oaks Water District and Orange Vale Water Company have chosen to not participate in the subject study.

Throughout the meetings of the General Managers, the Agencies developed a Request for Proposal (RFP) for a Sacramento Region Water Utility Collaboration/Integration Study (Study). As part of the analysis, it is the intent of the selected consultant to identify opportunities for coordinating or integrating policies, programs, services, projects and activities to create efficiencies, improve results and achieve an overall cost benefit to the Agencies' customers. The Scope of Work is intended to determine a range of alternatives, which include potential integration of selected projects, programs and services, up to and including integration or consolidation of two or more of the Agencies into a single organization.

As reported to the Board in December 2019, five consulting firms responded to the RFP. Of the five consulting firms, four were selected to be interviewed on December 17, 2019 by the General Managers of the participating Agencies. Upon conclusion of the interviews, the panel unanimously recommended to continue discussions with Raftelis/Tully & Young (RTY) consulting firm.

The Agencies met with RTY on January 22, 2020, to discuss components of the Study. Particular components discussed was the final Scope of Work, which entails combining particular tasks, methodology for tracking costs related to collaboration/consolidation, and schedule. The proposed cost submitted by RTY is approximately \$194,264, which is under the original estimate of \$250,000. SSWD will serve as the lead, or coordinating agency, for the subject Study. The Professional Services Agreement with RTY is attached to this report (see Attachment 1).

A Memorandum of Understanding Regarding Collaboration/Integration Study (MOU) is attached (see Attachment 2), which includes the cost allocation spreadsheet. The cost allocation is based on the annual operating budget of each participating Agency. As noted, the cost of the Study is \$194,264, but the costs allocated in the Allocation Table (Exhibit 2) includes a contingency of an additional \$5,736, or approximately 3% of the contract amount, bringing the total budget to \$200,000. Currently, the cost per agency of this budget is as low as \$5,500 and as high as \$54,000. The District's cost at this point is \$54,000.

The plan going forward is each Agency will bring before their respective Boards in February 2020, a recommendation to approve participation in the Study, enter into a contract with RTY, agree on the cost allocation, and approve the MOU. If the Boards who want to participate in the Study agree on those points, it is hopeful to have RTY under contract in March 2020. NOTE: At the time of this report, CHWD had not committed to the MOU as drafted as they commented there are concerns with the methodology of SJWD invoicing through the wholesale/retail budget for particular tasks of the Study. If CHWD and SJWD agree on the invoicing methodology, the MOU will be edited appropriately. Therefore, staff has requested permission from the Board to make non-substantive edits to the MOU in order to not delay the approval process of the Study.

Sacramento Region Water Utility Collaboration/Integration Study Memorandum of Understanding and Professional Services Agreement

February 19, 2020

Page 3 of 3

Once the agreement is executed, as previously noted, SSWD will be responsible for administration of the project, and will be the primary contact for RTY. The project will be overseen by a Management Committee, composed of at least one executive from each of the participating Agencies. RTY 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 RTY's work, they will need to communicate with each agency's subject matter expert staff as required.

RTY 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/City Council of each of the participating Agencies (3 meetings total). RTY will present the final results of the study to a facilitated joint meeting of the Boards of Directors/City Councils of the Agencies. The Study is anticipated to be completed in November/December 2020.

**Fiscal Impact:**

The proposed cost submitted by RTY is approximately \$194,264, to which a contingency amount of \$5,736 has been added, for a total budget of \$200,000. Based on the cost allocation, the District cost at this point is \$53,000. The cost at this point is based on the current participating Agencies. If there are agencies who choose to not participate, the District's cost will increase accordingly.

**Strategic Plan Alignment:**

Leadership – 5.C. Participate in regional, statewide and national water management partnerships.

## ATTACHMENT 1

### PROFESSIONAL SERVICES AGREEMENT BETWEEN SACRAMENTO SUBURBAN WATER DISTRICT AND RAFTELIS/TULLY & YOUNG

THIS AGREEMENT, made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the Sacramento Suburban Water District (hereinafter referred to as "SSWD"), in conjunction with six neighboring water supply agencies in the Sacramento Region; Carmichael Water District, Citrus Heights Water District, City of Folsom, Del Paso Manor Water District, Rio Linda/Elverta Community Water District and San Juan Water District (collectively, "Agencies"), and Raftelis/Tully & Young, (hereinafter referred to as "Consultant").

#### RECITALS

SSWD requires the services of Consultant to: See attached Scope of Work as Exhibit A.

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

#### AGREEMENT

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

- 1. Retention as Consultant.** SSWD hereby retains Consultant on behalf of Agencies, and Consultant hereby accepts such engagement, to perform the services described in Section 3 below and subject to the terms and conditions contained in this Agreement.
- 2. Relationship of Parties – Independent Contractors.** The relationship of the parties shall be that of independent contractors. In no event shall Consultant, or its agents, representatives, employees, consultants, contractors or subcontractors be considered an officer, agent, servant or employee of the SSWD or Agencies. Consultant shall be solely responsible for any workers' compensation insurance, withholding taxes, unemployment insurance, and any other employer obligations associated with the performance of the services under this Agreement.
- 3. Description of Services.** Consultant shall provide professional services to identify ways the Agencies can become more efficient in working together to

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

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

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

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

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

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

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

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

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

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

## 5. **Compensation and Payment.**

(a) The total compensation payable by SSWD to Consultant for services described in this Agreement **SHALL NOT EXCEED** the sum of \$194,264.00 (hereinafter "not to exceed amount" detailed in "Exhibit A, Appendix C") excluding any subsequently agreed to tasks per Optional Task 4 (see "Exhibit A, Appendix B"), except for such extra services as may be authorized pursuant to Section 6 below. Compensation shall be earned as provided in "Exhibit A, Appendix D".

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

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

6. **Extra Services.** Consultant shall provide, and SSWD shall pay for, such extra services agreed to in writing by the parties that are not reasonably included within the services described in Section 3 above. The total cumulative compensation for all extra services under this Agreement (excluding the costs for any optional tasks detailed in "Exhibit A, Appendix B" that are subsequently agreed to) shall not be more than 10% of the not to exceed amount.

7. **Term.** The term of this Agreement shall commence on date this agreement is executed by both parties and extend for a period of nine months from the date of execution. The term may be extended by mutual agreement of both parties. For a detailed schedule please see “Exhibit A, Appendix E”.

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

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

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

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

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

13. **Hold Harmless and Indemnity.** Consultant agrees to defend, indemnify and hold Agencies, their elected officials, officers, directors, employees, agents and designated volunteers harmless from and against any and all loss, liability, damage, including but not limited to reasonable attorney, consultant and expert fees and/or court costs, caused by (a) the negligent or grossly negligent acts or



willful misconduct of Consultant or (b) the failure by Consultant to properly perform under this Agreement, except for the gross negligence and willful misconduct of Agencies, their elected officials, officers, directors, employees, agents and designated volunteers.

In addition to the above indemnification obligations, Consultant shall correct, at its own expense, all errors in the services provided. Should Consultant fail to make such correction in a timely manner, Agencies shall make the correction and charge the cost thereof to Consultant.

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

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

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

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

All of the remedies permitted or available under this Agreement, or at law or in equity, shall be cumulative and alternative, and the invocation of any such right or

remedy shall not constitute a waiver or election of remedies with respect to any other available right of remedy.

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

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

TO CONSULTANT: Attention: Seth Garrison  
                                  Raftelis

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

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

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

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

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

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

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

**CONSULTANT:**

---

By:  
Title:

**SSWD:**

---

Dan York  
General Manager

Exhibits and Further Attachments:

- Exhibit A – Scope of Work (includes Appendices A through E)
- Exhibit B – Insurance Coverage, Amounts and Terms
- Exhibit C – Problem Statement (from RFP)
- Exhibit D - Appendices

## Exhibit A

### SCOPE OF WORK

#### **REQUESTED SCOPE OF WORK:**

##### 1. SERVICES DESIRED:

#### **SCOPE OF WORK ACTIVITY 1**

##### ***Describe the Current Environment***

#### **Task 1.1: Project Initiation**

We will use the kick-off meeting to identify important project outcomes and, more importantly, to create a shared vision with engagement. This will happen through the creation of a Collaboration Steering Committee, or Management Committee as described in the RFP, that will be charged with developing a mission statement, key tasks and milestones, and non-negotiables, and identifying potential areas for cooperation.

The Committee will help identify goals related to potential service delivery and successes to build on – this becomes common ground to talk about the development of models of collaboration.

It's critical that the Committee help identify what areas we should focus on outside of the water resource areas, and what areas may be too challenging to attempt right away. The nexus of effort and reward will guide which areas to address first. Quick wins are often better to attempt in the beginning than hard-fought big wins. We will use the Committee to identify the right participants and will maintain communication to ensure all parties are represented and their opinions are reflected in the outcome. By being inclusive at the outset, we will create transparency and advocacy that will help manage change in later phases.

Our team will develop a project plan including an organizational chart and timeline, and a charter to clearly identify expectations, goals, in-scope and out-of-scope activities, success factors and potential risks, key participants, and constraints. Getting buy-in on the project plan and charter from stakeholders and the Committee will be a critical success factor.

#### **Task 1.2: Describe the Utilities and Inventory Services Offered by Each**

A big part of collaboration is understanding what each party does and how they do it. In this task, our team will review and document how each organization operates, including size, structure, governance, and most importantly, culture. Our team has found that simply knowing what services are provided is insufficient. We need to know how the entities do business.

### **Task 1.3: Understand Current Collaborations**

Our team will document the current collaborations and understand how they are working. This exercise will allow us to help the agencies understand what is working and what's not working. The lessons learned will be critical for future tasks.

### **Task 1.4: Document Existing Information and Approaches**

Our team will collect baseline organization, financial and operational information for each agency through a structured process using an information collection template, augmented by follow-up contact with each agency to clarify data. This information will include items such as, but not limited to, the following listed in Appendix A to this document.

### **Task 1.5: Identify Stakeholders and Develop Communications Plan**

Organizations are made up of people, and it's vital to understand the impact change will have on customers, governing bodies, disadvantaged communities, and the workforce. Our team will identify stakeholders and map their interest so we can ensure that we maintain trust, reciprocity, and effective communication.

After identifying and mapping stakeholders, our team will develop a communications plan to ensure that the agencies speak with one voice and through a designated spokesperson when discussing the project with stakeholders.

Further, once the project plan is defined and approved by the Committee; the Participating Agencies may invite other regional agencies to participate. The development of the project plan will include a method to gauge the interest of other governments/utilities that will be used to define how successful participation will be measured. Our team will develop a presentation that can be used to make other stakeholders aware of the project and invite them to participate, as desired.

Other utilities that are customers of the participating entities that chose not to participate in the Study initially will be engaged through information sharing, as approved by the Committee, and will be encouraged to participate in the study. This process will include steps, such as, but not limited to the following:

- Gather available information from public domain sources (see Section 1.4 for examples).
- Meet with agencies to share information and determine where they may have interest in participating.
- Offer the agencies the ability to work through Raftelis to fill in information request gaps, and to participate in the Study. Should the agencies choose not to participate, the final work products of the Study will be shared with them, and they may participate in the presentations to the Ad-hoc Board committee.

Note: If Orange Vale Water Company and Fair Oaks Water District become participants, Raftelis reserves the right to revise the contract proportionately to accommodate the costs of additional analysis.

### **Task 1.6: Review and Revise Project Charter (Problem Statement)**

Our team will work closely with the Committee to reevaluate the initial problem statements (see Exhibit C) defined by the Agencies and recommend any additions or edits as the project progresses, which we will reflect in the project charter.

## **SCOPE OF WORK ACTIVITY 2**

### ***Conduct Benchmarking***

#### **Task 2.1: Identify Performance Measures and Conduct Peer Benchmarking**

Our team has conducted benchmarking with dozens of water-sector utilities across the country and is responsible for helping to create the AWWA Benchmarking for Performance Indicators guide, as well as the AMWA and NACWA financial benchmark studies. We will use this knowledge to assist the Committee in determining appropriate benchmarks to compare the agencies. The benchmarks will encompass organizational/management, legal/governance, financial, and operational areas.

Using these measures, our team will compare the agencies against selected peers as well as national metrics, after consulting with the Committee about suitable peers.

## **SCOPE OF WORK ACTIVITY 3**

### ***Identify Opportunities for Collaboration***

#### **Task 3.1: Review Organizational and Governance Structures, Impacts, and Policies**

Working closely with the Committee, our team will review organizational structures, policies, and procedures to identify and quantify the service and redundancies that may exist among the parties, along with the inconsistencies that would need to be resolved associated with recommended changes to service provision. This will include analyzing the efficiency of the Partner Agencies, identifying performance gaps, and providing comments on policy, facilities, staffing, compensation, and maintenance practices. We will also review governance within the framework of decision-making as we assess who will be responsible for service level agreements, performance standards, and monitoring.

For each entity, we will offer to conduct a validation meeting to confirm our preliminary findings and discuss alternatives.

### **Task 3.2: Evaluate the Business Case for Cost Savings Through Shared Services**

Raftelis will identify the potential areas for shared services and discuss them with the Committee. We will then quantify the potential efficiencies that could be gained for each identified activity or service. This effort will consist of comparing the level of effort and resource costs that are needed under various shared service approaches versus the status quo. A Business Case Evaluation (BCE) summary will be prepared that documents the current as-is state, the opportunity for efficiencies under various shared service approaches, the advantages and disadvantages, the potential estimated cost savings, and the potential risks to consider. Raftelis will provide draft BCEs to the Committee for review and comment. After receipt of consolidated comments from the Collaboration Steering Committee, a BCE summary will be finalized. The summary will include the following:

- Identify service delivery strengths and outcomes for each participating organization
- Evaluate gains (estimated cost savings and efficiencies) per participant, and associated potential high-level impact on customers, such as rate impacts
- Quantify increased quality of service, focus on innovation, and increased capacity
- Analyze water resources management opportunities and savings

The spectrum of shared service alternatives may include options ranging from joint contracting with third parties, to shared staff, materials, or equipment, contracted service provision amongst the parties, or full utility consolidation. The financial analysis will give participants an impartial idea of the relative magnitude of savings that each alternative is estimated to offer and will be consistent with the level of analysis used as part of the Phase 1 High-Level Feasibility Analysis for Water Supply Reliability conducted by SJWD and SSWD in 2014.

Raftelis will not develop multi-year consolidated financial or rate models nor associated cost allocations, nor will Raftelis develop detailed transaction costs, or solicit formal bids from third party contractors. Rather, the goal will be to determine what short-term action items appear to balance collective feasibility, savings, and service level improvements. These financial analyses will consider a range of factors, including current water supply capacity rights, paid-in capital, available information on system infrastructure conditions, capital plans, outstanding debt service, and operational expenses and redundancies, in addition to the ratepayer base available to fund these revenue requirements under the alternatives.

Raftelis will identify potential concerns over control and an approach to navigating them. It is critical to set out a change management process – moving

from local to shared services may be interpreted as a loss for employees and governing boards. Continued communications efforts supported by Raftelis will encompass: 1) assessing each affected organizations' willingness, readiness, and ability to change; 2) developing a strategy for change management to address perceived or real losses of identity, control, and jobs; and 3) ensuring that the potential misperception of less responsive services when moving from local to regional provision is addressed.

### **DELIVERABLES**

As noted in the RFP, Raftelis will provide to the Committee a report at the completion of each of the three activities in the scope of work, detailing the information collected, the analysis conducted, and the results and recommendations. The consultant shall also provide the Committee a final report, integrating the results of the three activities and a summary of the complete project. For each deliverable, the Committee will have the opportunity to provide one round of consolidated comments from all the parties and revision requests on a preliminary draft version marked as "classified work product". Reports will be marked "final" following the round of revisions. Participants may choose to make materials public at the Committee's discretion.

### **PROPOSED FEES**

In Appendix C, we provide a full budget broken down by task. Our proposed fee is \$194,264 (not including optional tasks detailed in Appendix B), inclusive of all fees and expenses.



## Exhibit B

### INSURANCE COVERAGE

Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, or employees.

#### **Minimum Scope of Insurance**

Coverage shall be at least as broad as:

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

#### **Minimum Limits of Insurance**

Consultant shall maintain limits no less than:

1. General Liability, including operations, products and completed operations, as applicable:  
**\$1,000,000** per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability:  
**\$1,000,000** per accident for bodily injury and property damage.
3. Employer's Liability:  
**\$1,000,000** per accident for bodily injury or disease.

#### **Deductibles and Self-Insured Retention**

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

#### **Other Insurance Provisions**

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

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

### ***Acceptability of Insurers***

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

### **Verification of Coverage**

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

## **Exhibit C**

### **Initial List of Problem Statements**

#### **Problem Statements**

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

#### **Goals**

The participating agencies will collaborate to:

1. Enhance water supply reliability by optimizing the use of surface water and groundwater supplies. Plan for and develop resilient responses to changes in water supplies that result from climate change and new regulatory requirements.
2. Repair, replace and improve water supply infrastructure and related agency assets in the most efficient and cost-effective manner possible.
3. Provide excellent service and the best value to customers.
4. Achieve more effective advocacy and the best outcomes possible on legislation and regulations in both Sacramento and Washington, D.C.

# Exhibit D Appendices

## Appendix A: Initial Request for Information

- System Overview
  - Overview description of the water system
  - Water planning information and documents
  - Number and type of facilities
  - Summary asset information
  - Capacity (including any water supply agreements)
  - Demand and demand projections
- Services
  - # Customers/accounts
  - Services that are self-provided (operational and support)
  - Services that are contracted (operational and support)
  - Services that are centralized or joint contracted across participants
  - Services that are “wish-list” services
- Governance
  - Utility chartering documents and any associated legislation
  - Water rights, Settlement agreements, Other water supply contracts
  - Memoranda of understanding with other water suppliers
- Financial
  - Budgets (past 3 years including operational expenses and debt service)
  - Comprehensive Annual Financial Reports showing actual performance (3 years)
  - Budget structure documentation (including any cost allocation approach employed internally or by customer base)
  - Capital improvement plans
  - Official statements for debt issuances
  - Summary of fiscal policies
  - Salaries and benefits
- Organization and Staffing
  - Number of staff and position titles
  - Organizational structure (chart with titles)
  - Any organizational performance reports
  - Organizational performance metrics, data, studies, etc.
  - Relevant prior studies and reports looking at collaboration
  - A list of available standard operating procedures (SOPs)

## **Appendix B: Recommended Follow on Tasks**

### **Further Suggestions**

The RFP asked the consulting team to provide “further suggestions to make this study a success.” There are several learnings that we have from prior efforts that we feel are important to communicate. Our experience with implementation of collaborative efforts, in particular, has encouraged us to add the suggested Work Activity 4 elements shown here, which are geared specifically to make this effort a sustainable success.

### **Water Resources Management**

The American River watershed region has taken tremendous strides forward in managing regional water assets. The region has collaborated to protect the Lower American River through the Water Forum process, has reversed the sustained groundwater overdraft that once occurred in the Sacramento Groundwater Basin by establishing the Sacramento Groundwater Authority, and created the Regional Water Authority to open communications among participating entities and better pursue political, regulatory, and financial objectives. The great work that continues to happen under all these efforts will be supported by this collaboration/integration study. The design of our firm’s study seeks to build upon these previous successes, not disturb them. Moreover, the study will consider other details facing the Participating Agencies – like the migration of the Aerojet-Rocketdyne contamination plume, taste and odor issues associated with differing sources of water, and the potential groundwater management changes associated with the Sustainable Groundwater Management Act. Taken together, these broad collaborative processes and subtle water management details will be thoughtfully considered in the context of this study.

### **Implementation Activities**

We find that a lot of conceptual plans for collaboration sit on shelves without a deliberate effort to move them forward. In places like Green Bay and Charlotte, part of the success we have had in moving various efforts forward is helping the participating entities through the first steps of implementation. With this suggested Work Activity 4, the agencies can consider completing independently or with our assistance. It’s offered as a guide to the next steps that might be undertaken.

**WORK ACTIVITY 4: ENHANCEMENT AND IMPLEMENTATION ACTIVITIES CAN BE UNDERTAKEN AT THE CONCLUSION OF THE FIRST THREE ACTIVITIES, AS DESIRED BY THE AGENCIES.**

### **SCOPE OF WORK ACTIVITY 4**

#### ***Enhancement and Implementation***

Raftelis will identify and prioritize the potential improvements and shared services to tackle first and will prepare recommendations and an implementation plan. The intent is to achieve the desired breakthrough performance through innovative and creative solutions. Together with the Committee, Raftelis will establish measures of success to help the parties influence the outcome of the shared service effort and provide implementation assistance as needed.

#### **Task 4.1: Develop Service Standards (Optional)**

While every utility has differences in how they operate, there are several common performance measures that can be used to provide objective comparisons with peers and between Participating Agencies that quantify more than direct costs and include qualitative measures. Our team will have collected available information to quantify the service standards of the agencies. We will create a business model with a framework for linking partner satisfaction to cost. In this model, value is derived when the utility is accountable for delivering some quality of service for a given cost.

#### **Task 4.3: Identify the Shared Services Delivery Model (Optional)**

As we narrow down the options for collaboration and sharing services, we will develop an evaluation process to arrive at a recommended method(s) for implementation, and how the activity will be governed. This process will create a weighted scorecard that ranks each opportunity on:

- Improved quality of service/customer satisfaction
- Reduced and avoided costs
- Improved efficiency
- Innovation
- Potential for new revenue streams
- Transfer of knowledge and skills
- Improved working relationships

It will be important to circle back to solidify legal requirements, required changes to governance, and control elements. In addition, we will ensure that risks are identified, discuss these risks with the Committee, and identify and evaluate challenges to achieving desired cost efficiencies. If needed, we will use our human resources expert to consider staffing implications.

#### **Task 4.4: Identify Potential Pilot Projects (Optional)**

Throughout this process there will likely be opportunities that can make agreements more feasible. Sometimes these moments create small windows of opportunity – for example, a building lease is expiring, and shared office space could be facilitated; changes in leadership occur through attrition; or service contracts are up for bid and there is a potential for a cooperative purchase. These “striking moments” should be readily sought and identified. Together with the Committee, Raftelis will identify potential pilot projects that can build a track record for future expansion. Pilot projects allow for the project to provide service on a temporary basis to see if a long-term shared service model is desirable and can help test an approach to implementation to determine if a phased, parallel, or cutover method is the most advantageous.

#### **Task 4.5: Prepare Shared Services Report (Optional)**

Raftelis will develop a document detailing the strategy that outlines what the partner entities can accomplish through mutually beneficial collaboration. The document will focus on what is achievable. Specifically, it will address governance, finance, management, and operations and provide a recommended strategy to improve services and facilitate economic efficiencies.

We will document the business case evaluation results, the priority of shared service opportunities, the recommended delivery models to employ, and the potential pilot projects to implement first. The document will summarize a plan for public participation and input. Public participation in the process

of decision-making about shared services and collaboration is a best practice and an opportunity for public officials to be responsive to the varied views of constituents and stakeholders. Raftelis will lead a discussion with the Committee about what level of participation is desired (inform, consult, or involve), and develop a public participation plan to add to the communications plan developed and implemented throughout the project.

#### **Task 4.6: Present Recommended Plan to Participating Entities' Governing Bodies (Optional)**

Our team will prepare a presentation of the recommended plan to participating governing bodies. The presentation will be provided to the Committee.

#### **Task 4.7: Develop Transition and Implementation Plan (Optional)**

Raftelis will work with the Committee to develop a transition plan that includes the recommendation of governance options and organizational structures providing clear roles and responsibilities. The transition and implementation plan will:

- Include phased implementation over time
- Discuss and document responsibilities with partners
- Identify and call out critical path milestones
- Identify additional resources that may be needed to implement the recommended organizational structure and schedule such as federal and state labor laws, liquidation of accrued time, union coordination, etc.
- Define entry and exit conditions and build in triggers that prompt review
- Include specific expectations about how services will be delivered and how performance will be measured in the contract or MOU and include an issue resolution framework
- Create a plan for flexibility by recognizing budget constraints, public expectations, and other conditions that may change over time, and develop a way to raise those issues early so they don't threaten the cooperative relationship
- Include in the plan details about how a termination of the shared service would be implemented, including how assets would be dispensed
- Define a dispute resolution process
- Determine who assumes control during emergencies

#### **Task 4.8: Communicate Collaboration (Optional)**

Trust, reciprocity, transparency, and effective communication are critical to the ongoing success of a shared service relationship. Together with the Committee, we will create a plan to discuss the shared service relationship on an ongoing basis including a set of guiding principles and service expectations for the relationship so all parties can have predictable expectations.

Raftelis will work to update the communications plan and develop an internal and external outreach component to ensure that all stakeholder audiences are aware and knowledgeable of the expectations of the implementation phase of the project.



#### **Task 4.9: Develop Process to Attract New Collaborative Opportunities (Optional)**

Throughout the project we will be looking for “striking moments” where new collaborative opportunities can be incorporated. Here we will revisit and formalize the path we developed to gauge the interest of other local governments/utilities and include criteria for future expansion to other local water utilities. The ENGAGE – ASSESS – COMPARE – ENHANCE process is intended to be an iterative process that can result in continuous improvement over time. As such, as we work with the agencies and other stakeholders during the project, we will transfer knowledge regarding the evaluation and implementation process so that the organizations can continue to effectively identify and implement other shared services opportunities in the future.

#### **Task 4.10: Implement Change Management Plan (Optional)**

Building on the elements of change management that have been incorporated thus far, we will implement the change management plan and create a way for the partner agencies to track progress including evaluating experiences and addressing lessons learned.

#### **Task 4.11: Implementation Assistance (Optional)**

Raftelis will provide as-needed communication and outreach planning, change management, assistance with service level agreements, process mapping, and updates to the web portal so that the project is easily understood and transferrable to new leadership, elected officials, and governing board members.

## Appendix C: Revised Detailed Budget

Tasks	Number of Meetings	Hours											Total	Total Fees & Expenses
		SG	JA	DB	GT	TY	JM	TC	ZG	ME	LW	Admin		
<b>Work Activity 1: Describe the Current Environment</b>	4	58	10	3	52	24	14	68	54	26	6	7	322	\$92,192
TASK 1.1: PROJECT INITIATION	1	16	8	1	12	4	2	20	4	2	0	2	71	\$21,038
TASK 1.2: DESCRIBE THE UTILITIES AND INVENTORY SERVICES OFFERED BY EACH		4	0	0	4	4	0	8	8	0	0	2	30	\$6,770
TASK 1.3: UNDERSTAND CURRENT COLLABORATIONS	1	16	0	0	16	4	2	16	16	2	2	0	74	\$21,293
TASK 1.4: DOCUMENT EXISTING FINANCIAL INFORMATION AND APPROACHES		8	0	0	8	8	6	16	16	0	0	1	63	\$15,085
TASK 1.5: IDENTIFY STAKEHOLDERS AND DEVELOP COMMUNICATIONS PLAN (Optional, but recommended)	1	10	1	1	8	0	4	6	10	20	2	2	64	\$19,583
TASK 1.6: REVIEW AND REVISE PROJECT CHARTER (PROBLEM STATEMENT)	1	4	1	1	4	4	0	2	0	2	2	0	20	\$8,423
<b>Work Activity 2: Conduct Benchmarking</b>	1	16	2	1	4	0	2	30	8	0	0	2	65	\$18,988
TASK 2.1: IDENTIFY PERFORMANCE MEASURES AND CONDUCT PEER BENCHMARKING	1	16	2	1	4	0	2	30	8	0	0	2	65	\$18,988
<b>Work Activity 3: Identify Opportunities for Collaboration</b>	3	48	4	1	60	52	14	40	64	10	4	6	303	\$83,084
TASK 3.1: TASK 3.1: REVIEW ORGANIZATIONAL AND GOVERNANCE STRUCTURES, IMPACTS, AND POLICIES	1	32	2	0	48	40	6	20	32	2	0	2	184	\$47,743
TASK 3.2: EVALUATE THE BUSINESS CASE FOR COST SAVINGS THROUGH SHARED SERVICES	2	16	2	1	12	12	8	20	32	8	4	4	119	\$35,341
<b>Total Proposed Fees</b>													<b>\$160,300</b>	
<b>Total Proposed Expenses</b>													<b>\$33,964</b>	
<b>Total Proposed Fees &amp; Expenses</b>													<b>\$194,264</b>	
<i>Consolidation Related Fees and Expenses (included in Total Proposed Fees and Expenses)</i>													<b>\$22,445</b>	
<b>Work Activity 4: Optional Activities</b>	3	68	14	1	24	4	2	80	72	34	0	8	307	\$84,924
TASK 4.1: DEVELOP SERVICE STANDARDS	1	8	0	0	2	0	0	12	6	0	0	0	28	\$10,103
TASK 4.3: IDENTIFY THE SHARED SERVICES DELIVERY MODEL		8	0	0	2	0	0	6	6	0	0	0	22	\$5,370
TASK 4.4: IDENTIFY POTENTIAL PILOT PROJECTS		8	0	0	0	0	0	4	8	0	0	0	20	\$4,900
TASK 4.5: PREPARE SHARED SERVICES REPORT		4	1	0	4	2	2	16	8	2	0	0	39	\$9,375
TASK 4.6: PRESENT RECOMMENDED PLAN TO PARTICIPATING ENTITIES' GOVERNING BODIES	1	8	4	0	4	2	0	8	4	0	0	0	30	\$10,913
TASK 4.7: DEVELOP TRANSITION AND IMPLEMENTATION PLAN	1	8	1	1	0	0	0	16	24	6	0	4	60	\$17,223
TASK 4.8: COMMUNICATE COLLABORATION		4	0	0	2	0	0	2	2	8	0	4	22	\$5,050
TASK 4.9: DEVELOP PROCESS TO ATTRACT NEW COLLABORATIVE OPPORTUNITIES		4	2	0	6	0	0	4	2	6	0	0	24	\$6,120
TASK 4.10: IMPLEMENT CHANGE MANAGEMENT PLAN		12	2	0	2	0	0	8	8	4	0	0	36	\$9,080
TASK 4.11: IMPLEMENTATION ASSISTANCE		4	4	0	2	0	0	4	4	8	0	0	26	\$6,790
<i>Fees and Expenses for Optional Activities and Tasks (not included in Total Proposed Fees and Expenses)</i>														
<b>Total Optional Fees</b>													<b>\$71,705</b>	
<b>Total Optional Expenses</b>													<b>\$13,219</b>	
<b>Total Optional Fees &amp; Expenses</b>													<b>\$84,924</b>	

**Note:** Changes from initial proposal include:

- 1.5 & 1.6 combined.
- 1.7 changed to 1.6.

## Appendix D: Compensation

Compensation shall be on a time and expense basis. Reimbursable expenses shall be billed and paid at cost. Total compensation for Task 1 through Task 3 shall not exceed \$194,264 and for Task 4 shall not exceed \$84,924. Optional Task 4 will be authorized by SSWD if needed. The combined cost of all tasks shall not exceed \$279,188 without prior written authorization from SSWD.

Raftelis Financial Consultants, Inc. Compensation Table is as follows:

### **Raftelis' 2020 Standard Hourly Billing Rates**

<b><u>Position</u></b>	<b><u>Hourly Billing Rate **</u></b>
Vice President/Principal Consultant	\$295
Senior Manager	\$265
Manager	\$245
Senior Consultant	\$215
Consultant	\$185
Associate	\$155
Analyst	\$110
Administration	\$85
Technology/Communications Charge*	\$10

\* Technology/Communications Charge – this is an hourly fee charged monthly for each hour worked on the project to recover telephone, facsimile, computer, postage/overnight delivery, conference calls, electronic/computer webinars, photocopies, etc.

\*\* For services related to the preparation for and participation in deposition and trial/hearing, the standard billing rates listed above will be increased by 50%.

## Appendix E: Revised Schedule

### Work Activity 1: Describe the Current Environment

TASK 1.1: PROJECT INITIATION

TASK 1.2: DESCRIBE THE UTILITIES AND INVENTORY SERVICES OFFERED BY EACH

TASK 1.3: UNDERSTAND CURRENT COLLABORATIONS

TASK 1.4: DOCUMENT EXISTING FINANCIAL INFORMATION AND APPROACHES

TASK 1.5: IDENTIFY STAKEHOLDERS AND DEVELOP COMMUNICATIONS PLAN

TASK 1.6: REVIEW AND REVISE PROJECT CHARTER (PROBLEM STATEMENT)

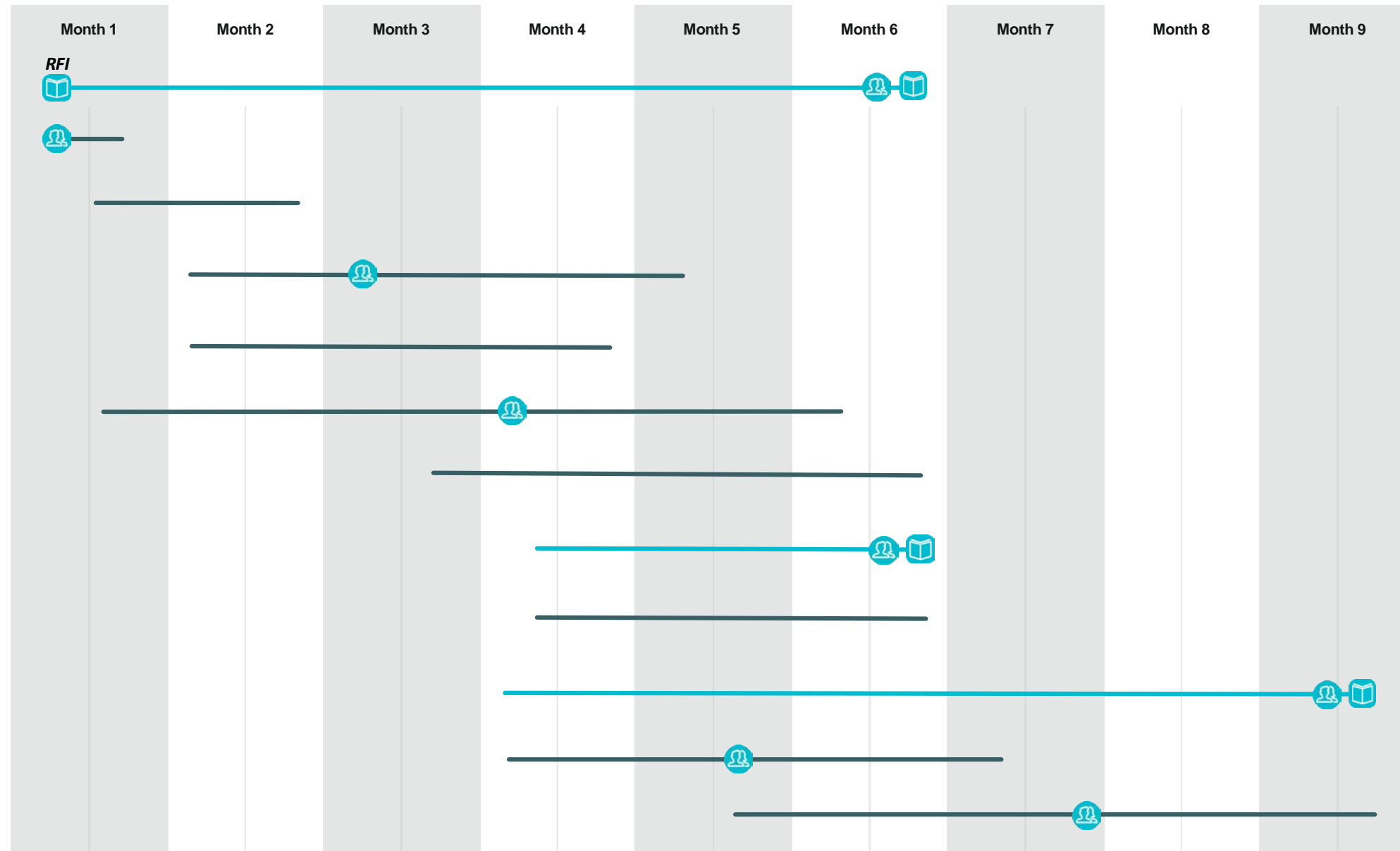
### Work Activity 2: Conduct Benchmarking

TASK 2.1: IDENTIFY PERFORMANCE MEASURES AND CONDUCT PEER BENCHMARKING

### Work Activity 3: Identify Opportunities for Collaboration

TASK 3.1: TASK 3.1: REVIEW ORGANIZATIONAL AND GOVERNANCE STRUCTURES, IMPACTS, AND POLICIES

TASK 3.2: EVALUATE THE BUSINESS CASE FOR COST SAVINGS THROUGH SHARED SERVICES



In-Person Meetings / Workshops

Web Meetings

Deliverables

#### Note: Changes from initial proposal include:

- RFI deliverable added.
- No other deliverables were added but a note in the proposal now confirms that all 3 primary deliverables will be delivered as draft confidential work products with a round of review before going final.
- 1.5 & 1.6 combined. 1.5 extended timeframe to account for more intensive 1.6 activities now included which will start earlier in the project to begin attempts to engage Orange Vale and Fair Oaks.
- 1.7 changed to 1.6.
- Work Activity 2 (Task 2.1) shifted out to end at the end of month 6.
- Raftelis will be providing monthly project status updates with invoices and each community may choose to update their board using these tools, or as each deliverable is provided. No board presentations or meetings prior to the final were added.
- Web meetings or calls as part of normal project flow can be scheduled as needed within reason beyond the in-person meetings noted.

## ATTACHMENT 2

### MEMORANDUM OF UNDERSTANDING REGARDING SACRAMENTO REGION WATER UTILITY COLLABORATION/INTEGRATION STUDY

THIS MEMORANDUM OF UNDERSTANDING (“Amendment”) is made and entered into this \_\_\_ day of \_\_\_\_\_, 2020, by and between the Carmichael Water District, Citrus Heights Water District, Rio Linda/Elverta Community Water District, City of Folsom, Del Paso Manor Water District, Sacramento Suburban Water District, and San Juan Water District (individually, “Party” and collectively “Parties”).

#### TERMS

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

1. Selection of Consultant and Approval of Study. Sacramento Suburban Water District (SSWD) shall execute the Professional Services Agreement with Raftelis/Tully & Young to perform the Study. The Professional Services Agreement shall be substantially in the form as set forth in Exhibit 1 of this Amendment and incorporated by this reference.
2. Participation in Study. All parties to this Agreement shall agree to provide Raftelis/Tully & Young with the information necessary to prepare the Study.
3. Funding Provisions. The total estimated cost to complete the Study is estimated at \$194,264. The respective share of the cost for each Party to this Agreement are further described in Exhibit 2, attached hereto. Failure to timely remit a Party's share of the funding may result in excluding that Party from the Study or suspension or termination of the Study at SSWD's election. At the conclusion of the Study, SSWD will provide a final accounting to all Parties and return any unused share of Study funds to each Party based on each Party's proportionate share. A not-to-exceed estimate of \$200,000 was established to allow for a contingency in the event of unanticipated expenses. SJWD's expenses for this Study will include both wholesale and retail expenses, which will be accounted for per SJWDs standard cost allocation methodology.
4. Cost Accounting. Raftelis/Tully & Young shall separately track the expenses associated with the analysis of the option of consolidation/merger of two or more agencies in Work Activity 3, which is subject to a separate cost allocation that will be agreed to by the Parties.

5. Term. This MOU shall terminate upon completion of the Study and no later than December 31, 2020, except by mutual agreement of the Parties.
6. Ownership of Materials Related to Services. The Parties agree that any materials prepared and delivered by Raftelis/Tully & Young in the course of conducting the Study shall be considered works made for hire. All rights, title and interests of such materials shall be and are assigned to Sacramento Suburban Water District. The remaining Parties shall have an irrevocable, perpetual, non-exclusive license to use such materials for any purpose. Notwithstanding the foregoing, the Parties recognize that performance of Raftelis/Tully & Young hereunder will require the skills of Raftelis/Tully & Young and therefore, Raftelis/Tully & Young shall retain the right to use, without fee and for any purpose, such "know-how", ideas, techniques and concepts used or developed by Raftelis/Tully & Young in the course of conducting the Study for the Parties.
7. Dispute Resolution. If the Parties disagree on a specific issue and a tie vote ensues on a decision on that issue, the Parties shall meet and confer and negotiate in good faith to resolve the issue. If the Parties are unable to resolve the specific issue in dispute after good faith negotiations, they shall agree to engage an outside mediator to attempt to resolve the disputed issue.
8. Consultant Payment Schedule. SSWD shall pay all costs incurred under the Consultant Agreement according to the schedule set forth in Exhibit A, Appendix C of the Professional Services Agreement. SSWD shall forward all invoices for costs attributable to each Party within fifteen (15) days of receipt. Such Party shall promptly review the invoice and notify SSWD of any objections within thirty (30) days of transmittal of the invoice by SSWD. If a Party has no objections, SSWD shall pay the invoice from funds provided by that Party under the schedule set forth in Exhibit A, Appendix C.

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

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Lynette Moreno  
Interim General Manager  
Carmichael Water District

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Hillary Straus  
General Manager  
Citrus Heights Water District

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Marcus Yasutake  
Environmental and Water Resources Director  
City of Folsom

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John Lenahan  
Board President  
Del Paso Manor Water District

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Tim Shaw  
General Manager  
Rio Linda/Elverta Community Water District

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Dan York  
General Manager  
Sacramento Suburban Water District

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Paul Helliker  
General Manager  
San Juan Water District

EXHIBIT 1

Professional Services Agreement

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EXHIBIT 2

COST ALLOCATION

Regional Collaboration/Integration Project

Cost Allocation – All Portions of the Study Except Those Subject to Section 4

1/28/20

Project Cost: \$194,264

Project Cost with 3% Contingency: \$200,000

Agency – retail and wholesale	Operating budget	%Share by Ops Budget	Cost for Agency – by Budget	Tier	%Share by Tier	Cost for Agency – by Tier
Carmichael Water District	\$7,869,668	9.64	\$19,272	2	9.75	\$19,500
Citrus Heights Water District	\$13,073,299	16.01	\$32,015	3	16.75	\$33,500
City of Folsom	\$14,201,768	17.39	\$34,778	3	16.75	\$33,500
Del Paso Manor WD		0.00	\$0		0.00	
Rio Linda/Elverta CWD	\$2,200,000	2.69	\$5,387	1	2.75	\$5,500
Sacramento Suburban WD	\$23,241,000	28.46	\$56,914	4	27.00	\$54,000
San Juan Water District	\$21,084,900	25.62	\$51,634	4	27.00	\$54,000
<b>Totals</b>		100.00	\$200,000		100.00	\$200,000



## Agenda Item: 9

**Date:** February 11, 2020

**Subject:** Water Service Charges and Rate Setting Policy (PL - Fin 009)

**Staff Contact:** Jeffery S. Ott, Director of Finance and Administration

### **Recommended Board Action:**

Review the Water Service Charges and Rate Setting Policy and direct staff as appropriate.

### **Discussion:**

The Water Service Charges and Rate Setting Policy (PL - Fin 009) was provided to the Board for review in November 2019. At the request of the Board, Policy approval consideration was deferred to the January 2020 regularly scheduled Board meeting. At the January 2020 Board meeting Director McPherson indicated she wanted to include some additional edits to the policy. Staff have received the proposed edits and are included in this draft of the policy.

Attached is the updated Water Service Charges and Rate Setting Policy (PL - Fin 009) for the Board's consideration. The Water Service Charges and Rate Setting Policy (PL - Fin 009) was last reviewed in July 2017. There are the two previously recommended staff changes:

#### Section 200.00 - Policy

1. It is recommended that water service charges and rates be assessed by staff annually instead of biennially.
2. Part A. 8 – language is added recommending that customer wage increases be calculated and used as a point of consideration in adopting new customer rates.

The proposed changes from Director McPherson are as follows:

#### Section 200.00 - Policy

1. Remove the proposed change in item 2 above as Part A. 8.
2. Add the following language "If it is determined by the District that revenue generated has exceeded the amount needed for the year prior, rates can be adjusted downward the following year." as Part C. 7.

### **Fiscal Impact:**

Adoption of the Water Service Charges and Rate Setting Policy (PL - Fin 009) could have a change to the District's financial position if rates are adjusted downward.

Water Service Charges and Rate Setting Policy (PL - Fin 009)  
February 11, 2020  
Page 2 of 2

**Strategic Plan Alignment:**

Goal C – Ensure Fiscal Responsibility and Affordable Rates.

**Attachment:**

1 – Water Service Charges and Rate Setting Policy (PL - Fin 009)

Sacramento Suburban Water District

**Water Service Charges and Rate Setting Policy**

Adopted: September 15, 2014; ~~September 19, 2016~~  
Approved with Changes: Revised: July 17, 2017 December January February XX, 202019

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**100.00 Purpose of the Policy**

It is important for the District to have cost-based rates that are fair, equitable, and defensible. The basis for establishing water rates that are fair, equitable, and defensible has traditionally been cost of service principles and methodologies.<sup>1</sup> At the same time, the courts have historically recognized that municipal entities can take into account policy items other than strictly cost of service when establishing rates (e.g., conservation, efficient use, ability to pay, accrual of prudent reserves, etc.). The people of California, however, have established certain legal constraints on setting water rates pursuant to Proposition 218. Therefore, this policy has been developed to provide guidance and consistency in District financial planning and the rate setting decision-making process for the Board and staff. Also, this policy provides a foundation for the long-term financial sustainability of the District, while providing the outside financial community with a better understanding of the District's commitment to managing the District in a financially prudent and sustainable manner.

**200.00 Policy**

The District's water service charges and rates will be assessed ~~biennially~~ annually by staff, to confirm sufficient funding, and to assess needed adjustments to reflect inflation, construction needs, maintain bond covenants, and/or to avoid immediate or major rate adjustments. This does not imply that rates will be adjusted ~~biennially~~ annually, simply that the rates are reviewed and a determination is made of their adequacy in funding the District.

The District will establish water rates and charges using "generally accepted" rate setting and costing methodologies, including establishing appropriate cost bases for any existing or future water rate structure imposed or proposed to be imposed on District ratepayers, and in compliance with all appropriate laws (i.e., Proposition 218). The District will be viewed on a "stand-alone" basis to help assure self-sufficiency and sustainability. The analyses associated with "generally accepted" rate-setting techniques include the following analyses:

- A. Revenue Requirement Analysis – Establishes the overall level of financial needs of the District. In developing the revenue requirements for the District, the District will consider the following:

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<sup>1</sup> Generally-accepted cost of service principles and methodologies are best defined and discussed within the American Water Works Association M-1 Manual, Principles of Water Rates, Fees and Charges.

1. Revenue requirements, including anticipated external funding, will be established on a “cash basis” approach that will include all District programs, operation & maintenance expenses, any applicable taxes/transfer payments, debt service (P&I), and capital improvements funded from rates.
2. Revenues and costs will be annually projected for a ~~five-year~~five-year period (the proposed budget year plus four additional projected years).
3. Projections of Operations & Maintenance (O&M) costs should include any estimated incremental O&M costs associated with increased service levels (or future capital improvements.)
4. District staff will review the ~~five-year~~five-year capital improvement plan and update it regularly by way of its Asset Management Plans and Water System Master Plan.
5. On an annual basis, the District will fund, through its rates and other available revenues, an amount to adequately maintain the existing infrastructure of the District. To achieve this goal, the District will fund selected capital projects based on the District’s Capital Asset Replacement Management Plans and the Water System Master Plan.
6. The system’s capital improvement program will consider growth related capital improvements, and replacement capital improvements.
7. The level of any proposed rate adjustment(s) will reflect all of the above costs (direct, indirect and costs of administration), such that rates will be cost-based and provide for full cost recovery of providing water services to customers and to other local water retailers.
- ~~7.8. The estimated wage increases of District customers since the time of the last rate increase. This will be accomplished by utilizing the latest published data from the U.S. Bureau of Labor Statistics, “Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimate” for the “Sacramento-Roseville-Arden-Arcade Area.”~~

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- B. Cost of Service Analysis – Determines the equitable allocation of costs (revenue requirements) between the various customer groups.
  1. When possible, a cost of service study will be utilized to equitably allocate the District costs to the customer classifications of service.
  2. The cost allocation methodology will utilize techniques that are “generally accepted” by the industry (e.g. American Water Works Association) including conservation-based methodologies. The cost of service for the District will consider the specific circumstances and unique characteristics of the District in the cost allocation methodology.
  3. A cost of service analysis will be conducted at least once every five years to determine if rates remain equitable between different customer classes of service.
- C. Rate Design Analysis – The District will design rates to collect the appropriate level of revenue that reflects the rate design goals, objectives and policies of the District, including water conservation policies established by the District Board.

1. Rate designs will be reflective of system needs, and also reflect the greater public purpose and policy goals of the District Board.
2. Rate structures will be developed to promote understanding by the District's customers (e.g. bills that are easy to understand).
3. Rates will be set at a level that recovers necessary costs, by customer classification, yet flexible enough to accomplish the District's objectives. As deemed appropriate, rate structures will be designed to reward the preservation of valuable resources (conservation), the efficient use of resources, while discouraging excessive or wasteful usage. (e.g. public purpose programs).
4. Rates will be designed to be equitable, and detailed to a level to reflect the service provided (e.g., private fire protection, multi-family services, etc).
5. Rates will balance the overall goals and objectives of the rate design process with any administrative or District billing issues. Providing rates that are easy to understand and administer is beneficial to both the customer and the District.
6. It shall be the-a policy of the District to set rates at the lowest responsible rate.
- 6.7. If it is determined by the District that revenue generated has exceeded the amount needed for the year prior, rates can be adjusted downward the following year.

**300.00 Revenue Diversification**

The District has limited ability for revenue diversification. Where possible, the District will explore additional revenue sources such as grants, developer contributions, etc.

**400.00 Reviews and Updates**

The District will closely monitor the financial/rate performance of the District to help maintain adequate rates and charges through:

- A. Annual Reviews - District rates will be reviewed annually as part of the budget process, to determine the adequacy of revenues, and, as necessary, adjustments made to reflect inflation, construction needs, maintain bond covenants, and avoid major increases.
- B. Comprehensive Rate Studies - District rate studies will be conducted, at a minimum, every five years to update assumptions and plan for the long-term solvency and viability of the District's water services.

**500.00 Authority**

The General Manager and District Treasurer are responsible for adherence to this policy and regular reporting of the District's financial status. Board oversight will be accomplished through regular reporting of financial status and review of this Policy.

**600.00 Policy Review**

This Policy will be reviewed at least biennially.



## Agenda Item: 10

**Date:** February 6, 2020

**Subject:** Directors' Compensation and Expense Reimbursement Policy (PL – BOD 003)

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

**Recommended Board Action:**

Review the Directors' Compensation and Expense Reimbursement Policy and direct staff as appropriate.

**Background:**

At the September 16, 2019 regular Board meeting, the Directors' Compensation and Expense Reimbursement Policy updates were approved by the Board. Recently, it was requested by a Board member to bring the policy back for further consideration.

**Discussion:**

Staff has no additional comments to the policy.

**Fiscal Impact:**

Adopting the policy updates has a negligible fiscal impact.

**Strategic Plan Alignment:**

Goal C: Fiscal and Responsibility and Affordable Rates

District customers benefit from updating established fiscal management practices.

**Attachments:** 1 – Directors' Compensation and Expense Reimbursement Policy

Sacramento Suburban Water District

**Directors' Compensation and Expense Reimbursement Policy**

Adopted: July 21, 2003

Approved with Changes: September 16, 2019

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**100.00 Purpose of the Policy**

This document sets forth the policy of the Sacramento Suburban Water District concerning Directors' compensation and the payment of actual and necessary expenses incurred in the performance of official duties and is intended to comply with the requirements of Government Code sections 53232 through 53232.4.

**200.00 Directors' Compensation**

**200.10 Amount of Compensation**

Each member of the Board of Directors of the District will be entitled to receive \$100 per day for each day's attendance at meetings of the Board, or for each day's service rendered as a member of the Board by request of the Board, as provided in article 200.20.

**200.20 Types of Service for Which Compensation Will Be Provided**

Applicable law (Government Code section 53232.1) permits the District to compensate Directors for each day's attendance at meetings of the Board, or for each day's service rendered as a Director, subject to a written policy adopted in a public meeting. A Director can be compensated for up to 10 days per calendar month of service in accordance with the Board's adoption of Ordinance No. 02-01. (Water Code section 20202.) The District encourages Directors to take advantage of opportunities to be informed concerning matters of interest to the District, and to inform others of the activities and interests of the District. The General Manager or his or her designee will provide to the Board on a monthly basis a list of meetings attended by each Director for which the Director was compensated under this policy. Directors will be compensated (for up to 10 days per calendar month) for attending the following types of meetings:

- a. Meetings of the Board of Directors of the District and the Board of Directors of the Sacramento Suburban Water District Financing Corporation;
- b. Meetings of Board-appointed committees, attended as a member of the committee;



- d. Meetings of other governmental entities, associations or duly-recognized committees on which the District is officially represented, attended by the liaison representative of the Board and/or the liaison representative alternate who has been appointed to represent the District on the governmental entity or committee (both liaison representative and liaison representative alternate should attend all meetings to be informed on the issues and therefore both will be compensated for attending those meetings);
- e. Conferences, seminars, workshops and other events held within the State of California that are sponsored by industry associations or nonprofit entities for the purpose of discussing relevant water and local government issues, including days while attending the conference, seminar, workshop or event, but excluding days in transit to or from the conference, seminar, workshop or event (attendance at conferences, seminars, workshops and events held outside the State of California will be approved by the Board of Directors on a case-by-case basis);
- f. Educational training, seminars, and courses designed to improve Directors' understanding of District business and their obligations as public officials, including ethics training mandated under Government Code section 53235(a) and harassment prevention training under Government Code section 12950.1;
- g. 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; and

In connection with business, educational and ceremonial events for which the District has prepaid for a Director's attendance, the Director shall attend such events. If the Director is unable to attend the pre-paid event, the Director shall immediately notify the District. If the District cannot obtain a refund of fees paid, then the District shall bill the Director for reimbursement for all amounts paid, unless the Director's failure to attend the event arises from circumstances beyond the control of the Director.

### **300.00 Reimbursement of Directors' Expenses**

#### **300.10 Policy and General Rules**

The District encourages Directors to attend conferences, seminars and other meetings that require their participation or provide an opportunity to be informed concerning matters of interest to the District. Each Director is entitled to reimbursement for the amount of the reasonable and prudent expenditures (i.e., registration fees, travel, meals, lodging, and other actual and necessary expenses) incurred in the performance of his or her official duties. When a Director pre-pays expenses (e.g. registration, airfare, hotel), the Director may submit such items for expense reimbursement prior to the meeting occurrence as described in article 300.20.

A Director may use his or her personal funds for meeting registration. The District will reimburse the Director for the actual amount of the registration, if properly reported and documented in accordance with article 300.40. If requested, staff will register a Director for qualifying meetings as described in article 200.20.

The District's annual budget will set an appropriate level of funding for payment of Directors' expenses. A Director will not be entitled to receive in excess of \$ 4,000 per fiscal year for reimbursable expenses, exclusive of registration fees, unless the Board of Directors preapproves a Director's request to increase this amount for the applicable fiscal year. A maximum of five paid meeting days per conference will be allowed with the following exception: ancillary programs that are not a part of the main conference (e.g. ACWA/JPIA meetings). The General Manager or his or her designee will be responsible for ensuring that the budgeted amount is not exceeded without prior approval of the Board.

Any exceptions for expenses that do not come within the District's expense reimbursement policy must be approved by the Board in a public meeting in advance of the time when the expense will be incurred. (Government Code, §53232.2, subd. (f).) Any question concerning the propriety of a particular expense should be resolved by the Board before the expense is incurred.

### **300.20 Reimbursable Expenses**

Directors' direct expenses for attendance at meetings and events authorized by this policy, including registration fees, reasonable travel, lodging, and meal costs, and other actual necessary expenses, will be paid by the District in accordance with the guidelines and per diem rates for an accountable expense reimbursement plan as defined in the United States Internal Revenue Service's Publication 463 ("Travel, Entertainment, Gift and Car Expenses") and federal per diem rates published by the General Services Administration (GSA). A copy of these documents can be obtained from the Finance Director.

The following expenses are authorized business-related expenditures:

- a. **Personal Vehicle Mileage.** A Director will be reimbursed for actual vehicle travel miles at the rate authorized under the IRS Publications for all meetings attended and services provided as defined in article 200.20, Director's Compensation, above. A Director will be considered to have accounted for personal vehicle expenses by indicating the actual miles traveled, the business purpose of the travel, and the date of travel on the approved District expense reimbursement form and submitted in accordance with article 300.40. The District will not reimburse Directors for any other personal vehicle expenses.
- b. **Hotel Expenses.** A Director will be reimbursed for lodging expenses incurred in accordance with this Policy when a Director attends conferences,

seminars or meetings, if the Director stays at the hotel or other lodging listed in the event's registration materials at the group rate obtained for the event. If a Director travels on District business for which no hotel is designated or is unable to book lodging at a specified conference rate, he or she will be reimbursed at the per diem hotel rate published by the GSA for the city in which the hotel is located.

- c. Meals. A Director may be reimbursed for the cost of meals while attending authorized conferences, seminars or meetings away from the District based on the per meal rate published by the GSA. A Director may either (a) report meals at the GSA per diem rate or (b) use the Director's personal funds to pay for meals, in which case the District will reimburse the Director for actual charges, but only up to the maximum per diem meal rates published by the GSA. If a Director is not traveling for a full day, defined as from 12:01 a.m. to 12:00 Midnight, the per diem meal/incidental allowance will be prorated according to the actual hours of travel unless a Director uses his or her personal funds to pay for meals, in which case the District will reimburse the Director for actual charges for meals incurred while traveling, but only up to the maximum per diem meal rate published by the GSA. If the District pre-pays the cost of one or more meals with a meeting, function or conference registration, a Director must attend the prepaid meals. If a Director fails to attend a pre-paid meal, a Director may not submit a claim for reimbursement for an alternative meal taken in lieu of the pre-paid meal.
- d. Incidental Allowance. Tips for meals will be reimbursed up to a maximum of 20% of the cost of the reimbursable portion of any meal in accordance with the tip shown on the receipt attached to an expense reporting form. The District will reimburse a Director for tips actually given to cabbies, baggage porters, bellhops and hotel housekeepers that are reasonable and customary for the area. A Director may be reimbursed for toll charges and parking fees up to the actual amount expended.
- e. Common Carrier Travel. When personal vehicle use for District business is impractical due to time and/or distance, a Director may use regularly-scheduled commercial carriers for travel. Consistent with scheduling needs and the most-direct route, a Director traveling by plane, train, rental vehicle, bus, taxi, or ride share will travel by the least-expensive fare actually available for the date and time of the travel. When possible, travel should be planned in advance to permit use of advance fares. Long-term parking must be used at airports for travel exceeding 24 hours. The District will reimburse the Director for the actual amount of the fare and related, necessary expenses (e.g., baggage fees), if properly reported in accordance with article 300.30.
- f. Telephone/Fax/Cellular/Internet. A Director will be reimbursed for actual telephone, fax and reasonable internet expenses incurred for District

business. Telephone bills should identify which calls were made for District business. For cellular calls when the Director has a particular number of minutes included in the Director's plan, the Director can identify the percentage of calls made for District business.

### **300.30 Types of Expenses for Which Reimbursement Will Not Be Provided**

Director expenses that are not deemed to be reimbursable business expenses may include, but are not limited to:

- a. Barber and/or beauty shop charges
- b. Fines for traffic or parking violations
- c. Expenses of any person accompanying a Director on a District-approved trip or event
- d. Personal telephone calls
- e. Fitness/Health Facility or Massages
- f. Alcoholic beverages
- g. Entertainment expenses (movies, sporting events, etc.)
- h. Non-Mileage vehicle expenses
- i. Charitable contributions

### **300.40 Expense Reporting Procedures**

In order to be reimbursed for any expense authorized under this Policy, within 60 days of incurring the expense, a Director must fill out and sign a District-provided expense report form available from the Finance Department. The expense report form is designed to ensure that Directors' expense reimbursements comply with the requirements of Government Code section 53232.3 and IRS Publication 463. Accordingly, the General Manager will review each expense report form, and sign it to indicate compliance with the requirements of this policy. In all cases when a Director seeks reimbursement for expenses incurred while attending a conference, seminar or other meeting, a copy of the conference registration form must either be attached to his or her expense report or on file at the District (e.g. copy attached to check request or purchasing card paperwork). In addition, a Director will be required to attach the following documentation to his or her expense reimbursement report as a condition of receiving reimbursement for an appropriately-incurred business expense:

- a. **Personal Vehicle Mileage.** To verify mileage, the General Manager or designee will document personal vehicle mileage, using tools such as Google or MapQuest, which will be attached to the Director's expense report.
- b. **Lodging Expenses.** If a Director wishes to be reimbursed for lodging expenses, he or she must attach to the expense report an itemized bill issued by the hotel and a copy of the credit card receipt or other proof of the Director's payment. Except when attending a conference, seminar or other

meeting and using the available group rate booked for the event, the District will reimburse a Director only for the actual amount of the hotel expenses incurred at the pre-arranged rate at the convention hotel or up to the GSA per diem rate for events that do not have a host hotel.

- c. Meal Expenses. If a Director wishes to be reimbursed for meal expenses at the GSA per diem rate, he or she may fill out the expense report form and claim the expense without further documentation. If a Director pays for meals with his or her own funds, he or she must attach to the expense report an itemized bill, copy of a credit card receipt or other proof of the Director's payment. In such cases, the District will reimburse a Director only for the actual amount of the meal expense incurred up to a maximum amount of the applicable per diem rate published by the GSA.
- d. Common Carrier Travel. A Director must attach to his or her expense report the fare, coupon, or itemized bill from a travel agency, airline, rental vehicle, bus or train showing the actual amount expended for such travel. A boarding pass, conference badge, business receipt from the destination or other documentation indicating the travel occurred must be attached to the Director's expense report.
- e. Incidental Expenses. Whenever possible, a Director should obtain a receipt for incidental expenses such as tolls and parking fees. For incidental expenses where no receipt is available, such as tips and parking meter costs, a reimbursement request for such expenses may be claimed on the District approved expense report. Certification that such expenses were related to District business, reasonable, appropriate, and actually incurred by the Director is made when signing the District approved expense report form.

In all cases, the Director will remain responsible for filing an expense report and attaching the appropriate documentation obtained by the Director in conformance with paragraphs a. through e. above. Flat-rate advances or payments of expenses are prohibited under Government Code section 53232.2, except for per diem payments authorized in accordance with the GSA published rates.

A Director must substantiate all expenses on an expense report with the appropriate documentation attached within 60 days of incurring or paying the expense. An expense report submitted after the 60 days will only be paid if approved by the Board at a regular meeting. Any mis- or late-reported expenses incurred by a Director will be considered income to the affected Director. To comply with the applicable tax laws, the District will issue to a Director a Form W-2 including all mis- or late-reported expenses as income.

**300.50 Disclosure**

To comply with reporting requirements of Government Code section 53232.3, the District will prepare a list of the meetings attended by each Director for which the District provided compensation, and a list of the amount and purpose of each expense reimbursement paid by the District to each Director. This information will be included with the agenda materials for each regular monthly Board of Directors meeting. At the next regular Board meeting, Directors also must provide either an oral or written report of meetings and other authorized events attended for which they were compensated by the District. If multiple officials attended the same event, a joint report may be made.

All expenses are subject to verification that they comply with this Policy. Directors should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All District expenditures are public records subject to disclosure under the Public Records Act, except that the District will ensure that no Director personal information, such as credit card numbers and home addresses, is provided to the public in the event of a request for such records.

**300.60 Penalties**

Government Code Section 53232.4 defines the penalties for falsifying or misusing public funds. The penalties include: (1) loss of the violator's reimbursement privileges; (2) restitution of misused District funds; (3) civil penalties of up to \$1,000 per day for each day of violation and three times the value of the public resources misused; and (4) criminal prosecution and lifetime bar from holding public office. The Board will report any violation of this Policy to the appropriate authorities.

**300.70 Payment of Compensation and Expenses**

All reimbursable expenses as outlined in this policy will be paid within the next payroll cycle upon receipt of a completed expense reporting form approved by the General Manager or designee.

**400.00 Policy Review**

This Policy shall be reviewed at least biennially.



## Agenda Item: 11

**Date:** February 10, 2020

**Subject:** Claims Processing Policy (PL – Adm 007)

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

**Recommended Board Action:**

No action at this time. If a Director wishes to comment on the policy, please provide those comments to staff by Friday, March 6, 2020.

**Background:**

The Claims Processing Policy (PL – Adm 007) is scheduled for its biennial review. The subject policy was originally adopted by the Board on December 21, 2009, and last revised on December 18, 2017.

**Discussion:**

This item is coming to the Board for discussion to disclose some significant changes to the Claims Processing Policy. In addition to some minor grammatical and wording modifications, staff recommends (1) removing the \$10,000 threshold for reviewing, approving, and rejecting claims for property and injuries (2) removing the requirement for staff to bring injury claims to the Board of Directors before sending to ACWA/JPIA to handle.

ACWA/JPIA reviews SSWD claims, determines fault, and recommends a settlement amount. Removing the dollar threshold will allow the process to be more efficient. Currently SSWD staff present claims for approval before the claim amount is known so ACWA/JPIA can continue with the claims process (e.g., Hemlock Claim, January 27, 2020). Removing the claim threshold is not expected to change the outcome, but it streamlines the process and maintains the same level of transparency. Furthermore, ACWA-JPIA reviewed the SSWD claim policy and let staff know that the SSWD Board does not have to deny or reject a claim – property or injury claim - in order to send the claim to ACWA-JPIA for processing. Sections 200.00 and 300.00 were modified to account for this comment allowing the General Manager to review and approve or reject all claims without a dollar threshold.

The Policy is scheduled for the Board to consider and adopt at the March 16, 2020, regular Board meeting. If no comments are received by March 6<sup>th</sup>, this policy will be placed on the consent agenda.

Claims Processing Policy (PL – Adm 007)

February 10, 2020

Page 2 of 2

**Fiscal Impact:**

Adopting the policy updates does not have a fiscal impact.

**Strategic Plan Alignment:**

Goal B: Optimize Operational and Organizational Efficiencies

Goal D: Maintain Excellent Customer Service

District customers benefit by making the claims process more efficient.

**Attachment:**

1 – Claims Processing Policy - redlined



Sacramento Suburban Water District

**Claims Processing Policy**

Adopted: December 21, 2009

Revised: ~~December 19, 2011, January 27, 2014; January 25, 2016; December 18, 2017~~ Approved with Changes on March 16, 2020

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**100.00 Purpose of the Policy**

The purpose of this policy is to establish a claims handling process that complies with the Government Claims Act, Government Code sections 810 and following, and Ordinance 02-02 establishing local claims procedures for the Sacramento Suburban Water District (District). This process will be used by persons and entities that file claims seeking reimbursement from the District for damages to personal or real property, or for personal injuries alleged to be caused by District facilities or equipment, or its directors, officers, employees, or agents.

**200.00 Policy**

Pursuant to authority granted by the Government Claims Act and the County Water District Law, the District must take action on each ~~valid~~ claim made by a person or entity against the District for damages to personal or real property, or personal injuries before the person or entity is permitted to file legal action on such claims. Under this Policy, the Board of Directors grants the General Manager, or his or her designee, the authority to review and to approve or reject a claim ~~for personal or real property damage in an amount not exceeding \$10,000~~. In accordance with the policies of the District's risk pool, ACWA-JPIA, all claims involving bodily injury and all liability claims over \$25,000 must be reported to ACWA-JPIA, and all claims involving bodily injury must be denied by the Board of Directors and referred reported to ACWA-JPIA for handling. The processing of all claims will be conducted in accordance with the Government Claims Act and Ordinance 02-02, including the time limits on claims processing and requirements for claims presentation. All claims ~~exceeding \$10,000 in value will~~ will be presented as ~~information to for action to the~~ Board of Directors at a regularly scheduled Board Meeting. District staff will present all ~~documents received from a claimant, an investigation report, and a recommendation to approve or reject the claim~~. In the event that a claim against the District is rejected, District staff will send a letter to the claimant describing the Board of Directors' action on the claim and advising the claimant of his, her, or its rights under the Government Claims Act with respect to any adverse action on the claim. Staff also will send a letter to and negotiate any necessary agreement with any claimant whose claim is approved in whole or in part.

**300.00 Authority and Responsibility**

The General Manager, or designee, has the authority to approve or reject all claims.~~a personal or real property claim up to a value of \$510,000.~~ The Operations Manager has the responsibility to receive claim documentation and prepare an investigation report with recommendation for action to the General Manager, ~~or Board.~~ The General Manager shall adopt and implement appropriate procedures to carry out this Policy and report to the District Board of Directors at its next regular meeting on each claim, ~~in the amount of \$510,000 or less that is processed by staff under this policy.~~

**400.00 Tender of Claims to Risk Pool or Insurer**

Upon receipt of any claim, District staff will provide notice of the claim and all relevant documents to ACWA-JPIA or to any other risk pool or insurer from which the District may obtain any insurance coverage or indemnity for claims from time to time.

**500.00 Policy Review**

This Policy shall be reviewed at least biennially.



## Agenda Item: 12

**Date:** February 19, 2020

**Subject:** General Manager's Report

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

- a. **Grant of Easement and Right of Ways at 1310, 1320, 1330 and 1340 Fulton Avenue**  
Pursuant to Resolution 16-21, the General Manager has accepted a Grant of Easement and Right of Way for each of the below listed properties for the purposes of operation and maintenance of distribution system pipeline and related appurtenances for the listed projects:

- 1310, 1314, 1320 and 1340 Fulton Avenue, Sacramento, California (Jonas Main Replacement project); and
- 1330 Fulton Avenue, Sacramento, California (Jonas Main Replacement project)

- b. **McClellan Business Park Successor Agreement Update**

The successor agreements with McClellan Business Park (MBP) and County of Sacramento (County) have been officially signed and recorded. The agreed upon funds, in the amount of \$2.6 million, was wired to MBP on January 31, 2020. Therefore, the SSWD/MBP Agreement now supersedes the 2001 agreement between SSWD/County, which is now null in void.

- c. **Water Forum Agreement Re-Negotiations**

The Sacramento Water Forum Agreement, negotiated and signed by members in 2000, expires in 2030. In fall 2019, the Water Forum contracted with the Consensus Building Institute (CBI), an impartial nonprofit organization that helps groups collaborate, conducted an assessment on the future direction of the Sacramento Water Forum. CBI's role was to speak with individuals from a range of backgrounds to understand perspectives on the present and future role of the Water Forum and its governance. CBI interviewed seventeen Water Forum agencies. Based on the interviews, there is robust support among stakeholders for updating the Water Forum Agreement.

The Board/Council members of the Water Forum Agreement will have the final vote. However, in order to get to that point, it is anticipated the task will take approximately 18 months. In short, below is the recommended structure:

- Water Forum Plenary (signatories to Water Forum), will oversee and guide the Coordinating Committee.

- Coordinating Committee, will have monthly meetings/specific work groups/drafting teams. This committee will consist of five to seven representatives from the water caucus (surface water and groundwater), public caucus, environmental caucus, and business caucus.

There are several reasons to address the need to update the Water Forum Agreement, of which some of those are listed below:

- The Water Forum Agreement's 2030 expiration date is only ten years away.
- California's regulatory, statutory and scientific climate has changed significantly in the 20 years since negotiation of the original Water Forum Agreement. The forging of a new agreement presents the opportunity to expand stakeholder participation and ensure that the Water Forum remains relevant by addressing the most pressing issues of the next 40 years.
- Provide an opportunity to rethink the Water Forum's business plan. Some noted that it may be appropriate to ask purveyors to increase their financial support for the Water Forum.
- Create an opportunity to reinvigorate a sense of ownership among Water Forum members.
- Clarify needs and goals in the region, including what is and is not desirable and any related guidelines.
- Consider expanding participation to include the Bureau of Reclamation and El Dorado Irrigation District, among others.
- Negotiate a new Water Forum Agreement before the current Executive Director retires, which is January 2022.

The focus areas are as follows:

- Flow Management Standard
- Habitat Management
- Voluntary Agreement
- Water Conservation
- Groundwater Management
- Climate Change
- Growth
- Flood Control

As this proceeds forward, staff will conduct a more thorough presentation at a regular Board meeting.



## Agenda Item: 13

**Date:** February 14, 2020

**Subject:** Assistant General Manager's Report

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

**a. Surface Water**

On February 1, 2020, Sacramento Suburban Water District (SSWD) was informed by the City of Sacramento (City) that the City had to stop diverting water from the American River at the Fairbairn Water Treatment Plant because the Hodge Flow trigger was met. Hence, SSWD had to cease taking surface water and is now solely using groundwater in the South Service Area. It is unknown if or when SSWD will be able to receive more surface water from the City in 2020. The Hodge Flows will be a key to that decision.

On February 13, 2020, SSWD stopped receiving surface water from Placer County Water Agency (PCWA). PCWA informed SSWD that Hodge Year restrictions are in place. The Unimpaired Inflow into Folsom Reservoir Projections for March through November is currently 1.2 Million Acre-Feet, short of the minimum 1.6 Million Acre-Feet Projections that is required. It is unknown if or when SSWD will be able to receive more surface water from PCWA in 2020.

**b. Regional Water Supply/Wheeling Update**

*SMUD* – Staff met with SMUD staff and discussed our water supplies, our water needs, and potential water transfer opportunities. SMUD staff is discussing the opportunities internally and they will be sending SSWD a letter with draft terms. This will help both parties continue discussions and determine if there is an opportunity worth pursuing.

*San Juan Water District* – Staff from San Juan Water District (SJWD) and SSWD continue discussing the concept of SSWD receiving surface water from SJWD. SJWD staff is planning to send SSWD a draft term sheet, which will outline the terms of a potential water supply agreement.



## Agenda Item: 14

**Date:** February 17, 2020

**Subject:** Financial Report

**Staff Contact:** Jeffery S. Ott, Director of Finance and Administration

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

- Draft Financial Highlights – January 2020
- Draft Financial Statements – January 2020
- Investments Outstanding and Activity – January 2020
- Cash Expenditures – January 2020
- Credit Card Expenditures – January 2020
- Draft District Reserve Balances – January 2020
- Information Required by LOC Agreement
- Financial Markets Report – January 2020

### **DRAFT - Financial Statements**

**These Financial Statements and certain other reports noted above are presented in Draft form and should not be relied upon for investment or other decision making purposes. As December 31 is the District's year-end for financial reporting purposes, amounts presented in this report will remain "Draft" until the external auditor's financial audit is complete and the Board accepts the audited 2019 annual report (CAFR). The results of the audit and the CAFR are expected to be complete and brought to the Board for approval at the April Board meeting.**

### **DRAFT - Financial Highlights**

The Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position are presented in this report. It is gleaned from the financial statements presented on subsequent pages. Key information from this report indicates the District's cash balance is \$3.1 million less than January 31, 2019, while investments are \$2.4 million more than on January 31, 2019; long term debt has decreased by \$5.2 million; and net position has increased by \$9.6 million in the last 12 months as the District continues to replace capital infrastructure without incurring additional debt financing. Operating revenues increased \$0.2 million compared to the same period a year ago. In addition, a five percent rate increase became effective January 1, 2020.

**DRAFT - Statements of Net Position:**

District cash and cash equivalents decreased to \$4.6 million as of January 31, 2020, down \$3.5 million from \$8.1 million at December 31, 2019, due primarily to settlement payment of \$2.6 million to McCellan Business Park (MCBP) to satisfy an agreement between MCBP and SSWD. Cash held in the District's bank accounts (\$2.4 million as of January 31) is held in accordance with state and federal regulations, which state that cash held in the District's bank accounts above the FDIC insured limits must be fully collateralized with government securities that are equal to or greater than 110% of the District's cash balance in the bank at any time.

Investments increased since December 31, 2019, by \$0.2 million to a total of \$39.1 million, reflecting the reinvestment of interest received and unrealized market value gains. Investment portfolio balances and activity are reported on subsequent pages.

Capital assets remained unchanged at \$495.5 million as of January 31, 2020, since December 31, 2019, as there were no expenditures on distribution main replacement projects, well improvement projects or meter retrofits in the month of January. 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 \$261.5 million as of January 31, 2020, compared to \$260.5 million at December 31, 2019, for an increase of \$1.0 million.

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

The net position increase of \$1.0 million in January 2020 is \$0.4 million more than the first month of 2019. Net changes are comprised of:

1. Operating revenues increased by \$0.2 million compared to the same period of 2019, due primarily to a 5.0 percent rate increase that occurred on January 1, 2020.
2. Operating expenses decreased by \$0.1 million from the same period in 2019, due primarily to timing issues as some January expenses and invoices are not yet received and recorded.
3. Investment income increased by \$0.1 million compared to the same period a year ago, primarily due to unrealized holding gains in January 2020.

**DRAFT - Budgets:**

The District's operating and maintenance expenditures through January 2020 came in less than the approved budget by \$0.5 million. Most of this positive variance is due to timing differences.

There were no operating capital project expenditures in January 2020. The total budget for the year is \$1.2 million.

The District's capital improvement project (CIP) budget for 2020 is \$19.6 million. There were no capital improvement expenditures in January 2020.

### **Debt – January 2020**

This report also shows District activity in repaying its long-term debt obligations. Scheduled 2020 principal payments of \$4.8 million are not due until the end of October 2020. Total principal outstanding as of January 31, 2020 is now \$70.1 million.

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

For January 2020, the District has incurred interest expense of \$218,558 versus a forecast of \$219,651, or a \$1,093 positive variance.

### **Investments Outstanding and Activity – January 2020**

Reserve funds are invested in diverse investments that consist of corporate notes, Federal Agency bonds and discount notes, U.S. Treasury bonds, notes and bills, Supra-National Agency notes, commercial paper, municipal bonds, negotiable certificates of deposit, asset-backed securities, collateralized mortgage obligations and LAIF (Local Agency Investment Fund). The District's investments are under the day-to-day management of PFM Asset Management, LLC (PFM). PFM manages the portfolio in compliance with the District's Investment Policy and provides monthly and quarterly reporting, analytics and proposes strategies for the District. The market portfolio is currently earning a rate of 2.23% per annum, while LAIF is earning 1.97%. 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 January 2020, the District purchased one US Treasury Note for \$1.0 million (par), one Commercial Paper for \$0.8 million (par), one Corporate Note for \$0.2 million (par) and one Asset-Backed Security Obligation for \$0.2 million (par). The District received principal paydowns on three Federal Agency Collateralized Mortgage Obligations of \$2,955 (par) and four Asset-Backed Security Obligations of \$61,233 (par). The District sold two US Treasury Notes for \$0.8 million (par) and one Corporate Note for \$0.2 million (par). Two Commercial Papers were matured for \$1.2 million (par) and one Corporate Bond was matured for \$0.4 million (par). See "Investment Activity" section in the attached report for further details.

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

### **Cash Expenditures – January 2020**

During the month of January, the District made cash payments totaling \$7.6 million. The primary expenditures were – \$2.6 million settlement payment with MCBP, \$2.5 million for 2019 capital improvement projects, \$0.9 million for annual contribution to Other Post-Employment Benefits (OPEB) trust fund, \$0.9 million for payroll, pension and health benefits, \$0.1 million for water costs including pumping and chemical costs, \$0.1 million for debt service, \$0.1 million for financial services, legal and worker's compensation insurance, \$0.1 million for O&M contracts, consulting and construction services, and \$0.1 million for licenses, permits and fees.



**Purchasing Card Expenditures – January 2020**

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 \$15,640 for various purchases on the six District purchasing cards. Details by vendor and purpose are included in this report.

**DRAFT - District Reserve Balances**

The District's Reserve Policy, PL – Fin 004, requires the District to maintain a certain level of cash and investments on hand at any one time, as determined by the Board annually. Balances as of January 31, 2020 are \$43,900,733 compared to \$47,228,138 at December 31, 2019.

**Information Required by LOC Agreement**

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

**DRAFT - Financial Statements**  
**January 31, 2020**

Sacramento Suburban Water District  
 Financial Highlights  
 Period Ended

STATEMENTS OF NET POSITION

	Year-To-Date 1/31/2020	Year-To-Date 1/31/2019
<b>LIQUIDITY</b>		
Cash and cash equivalents	\$4,581,694.16	\$7,716,650.43
<b>INVESTMENT</b>		
Investments	39,117,059.98	36,725,551.57
<b>CAPITAL ASSETS</b>		
Property, plant and equipment	495,500,373.52	477,342,701.03
Accumulated depreciation	(193,203,906.44)	(181,306,071.72)
	<b>302,296,467.08</b>	<b>296,036,629.31</b>
<b>LIABILITIES</b>		
Long Term Debt	(76,171,462.55)	(81,380,761.35)
<b>NET POSITION</b>		
Net Position	<b>261,492,684.73</b>	<b>251,864,426.54</b>

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Month 1/31/2020	Year-To-Date 1/31/2020	Month 1/31/2019	Year-To-Date 1/31/2019
<b>NET INCOME</b>				
Operating Revenue	3,175,718.82	3,175,718.82	2,959,171.55	2,959,171.55
Operating Expense	(1,166,859.67)	(1,166,859.67)	(1,313,712.23)	(1,313,712.23)
Other, Net	(981,952.88)	(981,952.88)	(1,055,043.47)	(1,055,043.47)
Change in Net Position	<b>\$1,026,906.27</b>	<b>\$1,026,906.27</b>	<b>\$590,415.85</b>	<b>\$590,415.85</b>

Sacramento Suburban Water District  
Statements of Net Position  
As Of

	Month End <u>1/31/2020</u>	Year End <u>12/31/2019</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$4,580,006.33	\$8,082,552.30
Restricted Cash and cash equivalents	1,687.83	1,687.83
Accounts receivable, net of allowance for uncollectible accounts	2,194,676.88	2,901,672.06
Interest receivable	203,665.95	215,053.00
Grants receivables	279,000.01	279,000.01
Other receivables		94,970.57
Inventory	730,031.74	553,991.25
Prepaid expenses and other assets	2,033,026.56	1,177,197.11
<b>TOTAL CURRENT ASSETS</b>	<u>10,022,095.30</u>	<u>13,306,124.13</u>
<b>NONCURRENT ASSETS</b>		
Investments	39,117,059.98	38,976,344.97
Fair value of interest rate swaps	1,564,723.00	1,564,723.00
<b>TOTAL NONCURRENT ASSETS</b>	<u>40,681,782.98</u>	<u>40,541,067.97</u>
Property, plant and equipment	495,500,373.52	495,500,373.52
Accumulated depreciation	(193,203,906.44)	(192,120,271.34)
<b>TOTAL CAPITAL ASSETS</b>	<u>302,296,467.08</u>	<u>303,380,102.18</u>
<b>TOTAL ASSETS</b>	<u>353,000,345.36</u>	<u>357,227,294.28</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amount on long-term debt refunding	5,308,417.73	5,363,479.76
Pension contribution subsequent to measurement date	2,223,442.00	2,223,442.00
Other post-employment benefits	24,450.00	24,450.00
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>360,556,655.09</u>	<u>364,838,666.04</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of long-term debt and capital leases	4,790,000.00	4,790,000.00
Accounts payable	1,014,397.32	3,823,957.67
Accrued interest	275,449.60	231,475.64
Deferred revenue and other liabilities	1,912,904.08	1,865,286.59
Accrued expenses	1,480,534.13	4,108,562.34
<b>TOTAL CURRENT LIABILITIES</b>	<u>9,473,285.13</u>	<u>14,819,282.24</u>
<b>NONCURRENT LIABILITIES</b>		
Long-term debt	71,381,462.55	71,430,427.20
Compensated absences	1,213,250.75	1,121,671.14
Net pension liability	8,812,373.00	8,812,373.00
Net other post-employment benefits liability	5,856,340.00	5,856,340.00
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>87,263,426.30</u>	<u>87,220,811.34</u>
<b>TOTAL LIABILITIES</b>	<u>96,736,711.43</u>	<u>102,040,093.58</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
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
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	221,715,356.53	221,715,356.53
Restricted	9,767.92	9,767.92
Unrestricted	39,762,025.21	38,740,654.01
<b>TOTAL NET POSITION</b>	<u>261,487,149.66</u>	<u>260,465,778.46</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<u>360,556,655.09</u>	<u>364,838,666.04</u>

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

	Month	Year-To-Date	Month	Year-To-Date
	1/31/2020	1/31/2020	1/31/2019	1/31/2019
<b>OPERATING REVENUES</b>				
Water consumption sales	\$610,002.56	\$610,002.56	\$461,212.41	\$461,212.41
Water service charge	\$2,244,296.48	\$2,244,296.48	\$2,171,602.00	\$2,171,602.00
Wheeling water charge	236,539.00	236,539.00	229,942.56	229,942.56
Other charges for services	84,880.78	84,880.78	96,414.58	96,414.58
<b>TOTAL OPERATING REVENUES</b>	<b>3,175,718.82</b>	<b>3,175,718.82</b>	<b>2,959,171.55</b>	<b>2,959,171.55</b>
<b>OPERATING EXPENSES</b>				
Source of supply	150,985.96	150,985.96	184,972.36	184,972.36
Pumping	92,548.20	92,548.20	232,951.25	232,951.25
Transmission and distribution	324,235.75	324,235.75	330,307.68	330,307.68
Water conservation	28,159.95	28,159.95	26,244.90	26,244.90
Customer accounts	99,114.70	99,114.70	47,941.68	47,941.68
Administrative and general	471,815.11	471,815.11	491,294.36	491,294.36
<b>TOTAL OPERATING EXPENSES</b>	<b>1,166,859.67</b>	<b>1,166,859.67</b>	<b>1,313,712.23</b>	<b>1,313,712.23</b>
Operating income before depreciation	2,008,859.15	2,008,859.15	1,645,459.32	1,645,459.32
Depreciation and amortization	(1,083,635.10)	(1,083,635.10)	(1,083,635.10)	(1,083,635.10)
<b>OPERATING INCOME</b>	<b>925,224.05</b>	<b>925,224.05</b>	<b>561,824.22</b>	<b>561,824.22</b>
<b>NON-OPERATING REV. (EXP.)</b>				
Rental income	22,640.57	22,640.57	34,280.58	34,280.58
Interest and investment income	281,189.27	281,189.27	184,242.21	184,242.21
Interest expense and debt related costs	(224,655.77)	(224,655.77)	(233,551.44)	(233,551.44)
Other non-operating revenues	14,263.15	14,263.15	12,779.65	12,779.65
Other non-operating expenses			20.63	20.63
Gain(loss) on disposal of capital assets	8,245.00	8,245.00	30,820.00	30,820.00
<b>NON-OPERATING REV. (EXP.)</b>	<b>101,682.22</b>	<b>101,682.22</b>	<b>28,591.63</b>	<b>28,591.63</b>
<b>NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	<b>1,026,906.27</b>	<b>1,026,906.27</b>	<b>590,415.85</b>	<b>590,415.85</b>
<b>CAPITAL CONTRIBUTIONS</b>				
<b>CHANGE IN NET POSITION</b>	<b>1,026,906.27</b>	<b>1,026,906.27</b>	<b>590,415.85</b>	<b>590,415.85</b>
Net position at beginning of period	260,465,778.46	260,465,778.46	251,274,010.69	251,274,010.69
<b>NET POSITION AT END OF PERIOD</b>	<b>261,492,684.73</b>	<b>261,492,684.73</b>	<b>251,864,426.54</b>	<b>251,864,426.54</b>

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

	Month Of January			2020 YTD		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>BUDGETED OPERATING EXPENSES</b>						
Board of Directors	\$2,378.06	\$6,186.34	\$3,808.28	\$2,378.06	\$6,186.34	\$3,808.28
Administrative	186,741.43	216,215.71	29,474.28	186,741.43	216,215.71	29,474.28
Finance	72,295.14	120,515.79	48,220.65	72,295.14	120,515.79	48,220.65
Customer Services	99,114.70	111,586.24	12,471.54	99,114.70	111,586.24	12,471.54
Field Operations	45,043.10	46,264.62	1,221.52	45,043.10	46,264.62	1,221.52
Production	243,534.16	375,635.74	132,101.58	243,534.16	375,635.74	132,101.58
Distribution	167,845.23	210,543.20	42,697.97	167,845.23	210,543.20	42,697.97
Field Services	153,676.36	158,979.26	5,302.90	153,676.36	158,979.26	5,302.90
Maintenance	36,286.22	59,244.97	22,958.75	36,286.22	59,244.97	22,958.75
Water Conservation	28,159.95	44,302.34	16,142.39	28,159.95	44,302.34	16,142.39
Engineering	39,620.41	173,437.24	133,816.83	39,620.41	173,437.24	133,816.83
GIS/CAD	25,038.81	29,277.20	4,238.39	25,038.81	29,277.20	4,238.39
Human Resources	14,342.51	19,620.32	5,277.81	14,342.51	19,620.32	5,277.81
Information Technology	52,783.59	91,893.59	39,110.00	52,783.59	91,893.59	39,110.00
<b>TOTAL OPERATING EXPENSES</b>	<b>1,166,859.67</b>	<b>1,663,702.56</b>	<b>496,842.89</b>	<b>1,166,859.67</b>	<b>1,663,702.56</b>	<b>496,842.89</b>

SACRAMENTO SUBURBAN WATER DISTRICT  
 OPERATING CAPITAL AMENDED BUDGET  
 1/31/2020

Project Number	Project Name	Original Budget	Current Month Expenditures	Expenditures Year-To-Date	Committed Year-To-Date	Remaining Balance
SF20-482	UPDATING ASSET MGMT PLANS	\$565,000.00		\$ -		\$ 565,000.00
SF20-483	FENCE REPLACE - 2 WELL SITES	\$14,000.00		-		\$ 14,000.00
SF20-484	MARCONI CUST SERV AREA IMPRV	\$75,000.00		-		\$ 75,000.00
SF20-485	OFF FURNITURE/WORKSTATIONS	\$5,000.00		-		\$ 5,000.00
SF20-486	HVA/ROOF/BUILD REPAIRS	\$30,000.00		-		\$ 30,000.00
SF20-487	VEHICLE REPL - TRUCK# 46	\$32,000.00		-		\$ 32,000.00
SF20-488	VEHICLE REPL - TRUCK# 49	\$47,000.00		-		\$ 47,000.00
SF20-489	VEHICLE REPL - TRUCK# 54	\$47,000.00		-		\$ 47,000.00
SF20-490	VEHICLE REPL - TRUCK# 56	\$47,000.00		-		\$ 47,000.00
SF20-491	VEHICLE REPL - TRUCK# 4	\$31,000.00		-		\$ 31,000.00
SF20-492	VEHICLE REPL - TRUCK# 16	\$31,000.00		-		\$ 31,000.00
SF20-493	BOARD ROOM WALL MAP	\$4,000.00		-		\$ 4,000.00
SF20-494	HARDWARE REFRESH PROGRAM	\$167,000.00		-		\$ 167,000.00
SF20-495	SOFTWARE ENHANCEMENTS/MODULES	\$110,000.00		-		\$ 110,000.00
SF20-496	BOARD PACKAGE SOFTWARE	\$25,000.00		-		\$ 25,000.00
	<b>TOTAL</b>	<b>\$ 1,230,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b># \$ 1,230,000.00</b>

**Sacramento Suburban Water District  
Capital Improvement Project Amended Budget  
1/31/2020**

Project No.	Project Name	Original Budget	Current Month Expenditures	Expenditures Year-To-Date	Committed Year-To-Date	Remaining Balance
SC20-009	WELL REHAB/PUMP ST IMPROVEMENT	\$1,953,000.00		\$ -	\$ -	\$ 1,953,000.00
SC20-010	SCADA RTU/COMMUN IMPROVEMENT	\$615,000.00		-	-	\$ 615,000.00
SC20-011	WELL DESTRUCTION/SITE DEMOLITI	\$300,000.00		-	-	\$ 300,000.00
SC20-012	WELL NEW CONST/REPLACEMENTS	\$3,300,000.00		-	-	\$ 3,300,000.00
SC20-018	DISTRIBUTION MAIN REPL/IMPRV	\$9,414,000.00		-	-	\$ 9,414,000.00
SC20-022	WTR RELATED STREET IMPRV	\$200,000.00		-	-	\$ 200,000.00
SC20-024	METER RETROFIT PROGRAM	\$1,888,000.00		-	-	\$ 1,888,000.00
SC20-034	RESERVIOR/TANK IMPROVMENT	\$210,000.00		-	-	\$ 210,000.00
SC20-035	CORROSION CONTROL-TRAN MAINS	\$50,000.00		-	-	\$ 50,000.00
SC20-038	LARGE WTR METER >3" REPL	\$80,000.00		-	-	\$ 80,000.00
SC20-039	PM METER REPLACEMENT	\$250,000.00		-	-	\$ 250,000.00
SC20-040	AMI ENDPOINTS REPL	\$1,300,000.00		-	-	\$ 1,300,000.00
SC20-048	RIGHT OF WAY/EASEMENT ACQUISIT	\$5,000.00		-	-	\$ 5,000.00
		<b>\$ 19,565,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,565,000.00</b>



**Sacramento Suburban Water District  
Debt  
1/31/2020**

**Principal Current Month**

	Series 2009A COP	Series 2012A	Series 2018A	Total
Beginning Balance	\$ 42,000,000	\$ 13,225,000	\$ 14,830,000	\$ 70,055,000
Additions:				-
Reductions: Payment	-	-	-	-
Ending Balance	<u>\$ 42,000,000</u>	<u>\$ 13,225,000</u>	<u>\$ 14,830,000</u>	<u>\$ 70,055,000</u>

**Principal Year-To-Date**

	Series 2009A COP	Series 2012A	Series 2018A	Total
Beginning Balance	\$ 42,000,000	\$ 13,225,000	\$ 14,830,000	\$ 70,055,000
Additions:				-
Reductions: Payment	-	-	-	-
Ending Balance	<u>\$ 42,000,000</u>	<u>\$ 13,225,000</u>	<u>\$ 14,830,000</u>	<u>\$ 70,055,000</u>

**Interest Expense**

	Current Month Actual	Year-To-Date Actual	Budget	Variance
Interest Expense	<u>\$ 218,558</u>	<u>\$ 218,558</u>	<u>\$ 219,651</u>	<u>\$ 1,093</u>

**Investments Outstanding and Activity  
January 2020**



**Managed Account Detail of Securities Held**

For the Month Ending January 31, 2020

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 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	614.78	173,971.35	174,808.59
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	300,000.00	AA+	Aaa	09/01/16	09/02/16	310,781.25	1.22	1,032.79	303,080.95	302,250.00
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	375,000.00	AA+	Aaa	07/06/17	07/11/17	377,270.51	1.85	3,173.08	375,886.74	378,574.20
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	798.42	247,987.08	249,492.20
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	475,000.00	AA+	Aaa	10/05/17	10/10/17	463,997.07	1.85	1,517.00	470,170.36	474,035.18
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	3,832.42	1,191,917.34	1,197,562.56
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	646.72	134,090.68	136,624.21
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	4,551.00	932,491.51	961,429.64
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	5,030.05	1,031,404.34	1,062,632.76
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	3,753.40	486,224.52	503,984.40
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	125,000.00	AA+	Aaa	01/07/19	01/10/19	123,198.24	2.51	233.52	123,662.36	127,910.15
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	2,568.68	1,358,584.82	1,407,011.65
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	1,118.85	391,197.65	404,250.00
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	1,608.35	558,431.91	581,109.38



**Managed Account Detail of Securities Held**

For the Month Ending January 31, 2020

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY 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	1,957.99	695,379.85	707,437.50
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	725,000.00	AA+	Aaa	05/01/19	05/03/19	707,554.69	2.25	2,027.92	710,648.12	732,703.13
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	2,698.66	646,272.01	657,515.63
US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023	912828T91	2,050,000.00	AA+	Aaa	10/02/19	10/04/19	2,061,771.48	1.48	8,511.16	2,060,852.91	2,073,703.13
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	925,000.00	AA+	Aaa	01/02/20	01/07/20	938,622.07	1.66	1,626.37	938,420.28	951,882.81
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	1,150,000.00	AA+	Aaa	11/01/19	11/06/19	1,173,269.53	1.55	2,021.98	1,172,128.98	1,183,421.88
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	1,925,000.00	AA+	Aaa	12/02/19	12/05/19	1,953,875.00	1.66	3,384.62	1,952,916.85	1,980,945.31
<b>Security Type Sub-Total</b>		<b>16,010,000.00</b>					<b>15,895,730.47</b>	<b>1.97</b>	<b>52,707.76</b>	<b>15,955,720.61</b>	<b>16,249,284.31</b>
<b>Supra-National Agency Bond / Note</b>											
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	900,000.00	AAA	Aaa	09/12/17	09/19/17	897,840.00	1.64	5,424.48	899,546.50	899,433.00
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	3,388.19	701,660.51	702,730.00
INTER-AMERICAN DEVELOPMENT BANK NOTE DTD 04/19/2018 2.625% 04/19/2021	4581X0DB1	225,000.00	AAA	Aaa	04/12/18	04/19/18	224,505.00	2.70	1,673.44	224,794.57	228,020.40
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	458.33	749,115.11	764,374.50
<b>Security Type Sub-Total</b>		<b>2,575,000.00</b>					<b>2,577,078.37</b>	<b>2.13</b>	<b>10,944.44</b>	<b>2,575,116.69</b>	<b>2,594,557.90</b>



**Managed Account Detail of Securities Held**

For the Month Ending January 31, 2020

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Municipal Bond / Note</b>											
CHAFFEY UHSD, CA TXBL GO BONDS DTD 12/05/2019 2.101% 08/01/2024	157411TK5	100,000.00	AA-	Aa1	11/06/19	12/05/19	100,000.00	2.10	326.82	100,000.00	102,019.00
<b>Security Type Sub-Total</b>		<b>100,000.00</b>					<b>100,000.00</b>	<b>2.10</b>	<b>326.82</b>	<b>100,000.00</b>	<b>102,019.00</b>
<b>Federal Agency Collateralized Mortgage Obligation</b>											
FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	158,730.07	AA+	Aaa	04/11/18	04/30/18	161,887.39	2.27	470.90	160,189.28	160,357.85
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	200,871.95	205,691.93
FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	120,915.90	AA+	Aaa	12/07/18	12/17/18	120,915.53	3.11	322.74	120,915.54	123,031.93
FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/25/2024	3137FQ3V3	147,490.53	AA+	Aaa	11/20/19	11/26/19	147,486.99	2.03	257.13	147,486.99	148,974.24
<b>Security Type Sub-Total</b>		<b>627,136.50</b>					<b>631,993.04</b>	<b>2.49</b>	<b>1,565.77</b>	<b>629,463.76</b>	<b>638,055.95</b>
<b>Federal Agency Bond / Note</b>											
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	517.97	973,238.28	971,348.63
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	740.28	129,859.34	129,729.34
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	2,391.67	419,461.90	419,125.56
<b>Security Type Sub-Total</b>		<b>1,525,000.00</b>					<b>1,516,925.30</b>	<b>1.28</b>	<b>3,649.92</b>	<b>1,522,559.52</b>	<b>1,520,203.53</b>
<b>Corporate Note</b>											
AMER EXP CREDIT NT (CALLED OMD 03/03/20) DTD 03/03/2017 2.200% 02/03/2020	0258M0EE5	215,000.00	A-	A2	02/28/17	03/03/17	214,776.40	2.24	1,944.56	214,999.56	215,000.65



Managed Account Detail of Securities Held

For the Month Ending January 31, 2020

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate Note</b>											
TOYOTA MOTOR CORP NOTES DTD 03/12/2015 2.150% 03/12/2020	89236TCF0	250,000.00	AA-	Aa3	03/23/15	03/27/15	252,220.00	1.96	2,075.35	250,053.26	250,116.25
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	1,549.17	274,990.88	275,005.78
HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020	437076BO4	175,000.00	A	A2	05/24/17	06/05/17	174,898.50	1.82	490.00	174,988.08	175,023.63
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	243.75	375,216.40	376,407.38
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	2,077.40	274,953.27	275,189.75
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	1,733.33	399,910.36	401,137.60
WAL-MART STORES INC CORP NOTE DTD 10/20/2017 1.900% 12/15/2020	931142EA7	375,000.00	AA	Aa2	10/11/17	10/20/17	374,456.25	1.95	910.42	374,845.28	376,073.25
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	45.69	350,304.92	351,739.85
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	5,182.22	399,932.07	403,683.20
JOHN DEERE CAPITAL CORP NOTES DTD 03/13/2018 2.875% 03/12/2021	24422EUD9	375,000.00	A	A2	03/08/18	03/13/18	374,745.00	2.90	4,162.76	374,902.63	380,101.88
NATIONAL RURAL UTIL COOP NOTE DTD 02/26/2018 2.900% 03/15/2021	63743HER9	150,000.00	A	A2	02/21/18	02/26/18	149,833.50	2.94	1,643.33	149,936.54	151,990.50
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	2,465.00	224,624.17	227,985.75
BANK OF NEW YORK MELLON CORP (CALLABLE) DTD 02/19/2016 2.500% 04/15/2021	06406FAA1	225,000.00	A	A1	05/16/16	05/19/16	230,170.50	2.00	1,656.25	226,249.22	227,139.30
PEPSICO INC CORP (CALLABLE) NOTE DTD 10/10/2017 2.000% 04/15/2021	713448DX3	225,000.00	A+	A1	10/05/17	10/10/17	224,955.00	2.01	1,325.00	224,984.11	226,105.43



**Managed Account Detail of Securities Held**

For the Month Ending **January 31, 2020**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate Note</b>											
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	260.31	35,098.04	35,455.84
AMERICAN EXPRESS CREDIT (CALLABLE) NOTES DTD 05/05/2016 2.250% 05/05/2021	0258M0EB1	225,000.00	A-	A2	05/25/16	05/31/16	224,478.00	2.30	1,209.38	224,861.31	226,352.93
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	981.67	149,954.37	152,800.95
STATE STREET CORP NOTES DTD 05/19/2016 1.950% 05/19/2021	857477AV5	110,000.00	A	A1	05/19/16	05/24/16	109,532.50	2.04	429.00	109,873.61	110,416.35
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	1,579.86	249,996.57	254,845.75
BANK OF AMERICA CORP (CALLABLE) DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	240,000.00	A-	A2	09/13/17	09/18/17	240,000.00	2.33	1,862.40	240,000.00	240,507.60
PACCAR FINANCIAL CORP NOTE DTD 03/01/2019 2.850% 03/01/2022	69371RP75	150,000.00	A+	A1	02/22/19	03/01/19	149,868.00	2.88	1,781.25	149,907.16	153,875.10
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	647.32	90,000.00	91,839.78
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	7,215.75	675,000.00	692,820.00
PNC BANK NA CORP NOTES DTD 01/23/2019 3.500% 01/23/2024	69347SAV7	380,000.00	A-	A3	02/12/19	02/15/19	382,705.60	3.34	295.56	382,217.94	404,154.32
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	3,713.54	394,263.45	403,504.13
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	850.00	373,335.96	384,861.75
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	922.40	390,642.33	400,707.75
BB&T CORPORATION CORP BONDS DTD 07/29/2019 2.500% 08/01/2024	05531FBH5	400,000.00	A-	A3	08/01/19	08/05/19	400,664.00	2.46	5,055.56	400,603.66	410,526.80



**Managed Account Detail of Securities Held**

For the Month Ending January 31, 2020

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate Note</b>											
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	2,819.44	398,494.17	401,457.60
BANK OF NY MELLON CORP DTD 10/24/2019 2.100% 10/24/2024	06406RAL1	150,000.00	A	A1	01/21/20	01/28/20	150,660.00	2.00	848.75	150,658.96	151,701.15
<b>Security Type Sub-Total</b>		<b>8,670,000.00</b>					<b>8,715,829.10</b>	<b>2.50</b>	<b>57,976.42</b>	<b>8,705,798.28</b>	<b>8,828,528.00</b>
<b>Commercial Paper</b>											
MUFG BANK LTD/NY COMM PAPER DTD 01/13/2020 0.000% 10/06/2020	62479LK61	800,000.00	A-1	P-1	01/10/20	01/13/20	789,320.00	1.82	0.00	790,080.00	789,992.00
<b>Security Type Sub-Total</b>		<b>800,000.00</b>					<b>789,320.00</b>	<b>1.82</b>	<b>0.00</b>	<b>790,080.00</b>	<b>789,992.00</b>
<b>Certificate of Deposit</b>											
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	19,830.31	375,000.00	375,090.00
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	4,865.56	400,000.00	400,416.00
BANK OF NOVA SCOTIA HOUSTON CD DTD 06/07/2018 3.080% 06/05/2020	06417GU22	375,000.00	A-1	P-1	06/05/18	06/07/18	374,857.50	3.10	1,796.67	374,974.74	376,929.38
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	6,192.71	625,000.00	626,319.38
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	10,686.50	670,000.00	675,433.70
SUMITOMO MITSUI BANK NY CERT DEPOS DTD 10/18/2018 3.390% 10/16/2020	86565BPC9	380,000.00	A-1	P-1	10/16/18	10/18/18	379,483.20	3.46	3,864.60	379,835.56	384,674.76
SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	700,000.00	A-1+	P-1	11/16/17	11/17/17	700,000.00	2.30	3,310.42	700,000.00	702,265.90
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	3,159.00	650,000.00	662,476.10





**Managed Account Detail of Securities Held**

For the Month Ending **January 31, 2020**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Certificate of Deposit</b>											
MUFG BANK LTD/NY CERT DEPOS DTD 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	10,492.08	375,000.00	383,650.50
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	3,206.67	400,000.00	399,854.80
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	3,120.67	400,000.00	399,996.00
DNB BANK ASA/NY LT CD DTD 12/04/2019 2.040% 12/02/2022	23341VZT1	400,000.00	AA-	Aa2	12/04/19	12/06/19	400,000.00	2.04	1,292.00	400,000.00	401,869.60
<b>Security Type Sub-Total</b>		<b>5,750,000.00</b>					<b>5,749,340.70</b>	<b>2.66</b>	<b>71,817.19</b>	<b>5,749,810.30</b>	<b>5,788,976.12</b>
<b>Asset-Backed Security</b>											
HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	12,290.31	AAA	Aaa	09/14/16	09/21/16	12,288.66	1.30	7.05	12,289.96	12,286.99
ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	18,828.98	NR	Aaa	01/24/17	01/31/17	18,827.34	1.70	14.23	18,828.53	18,825.35
FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	82,598.86	NR	Aaa	01/18/17	01/25/17	82,598.55	1.67	61.31	82,598.79	82,579.55
ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	98,411.72	NR	Aaa	03/21/17	03/29/17	98,400.11	1.79	77.85	98,408.05	98,425.02
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	324,997.02	328,585.69
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	324,964.66	331,206.36
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	399,981.99	403,717.84
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	570.63	749,935.39	756,512.10
NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	350,000.00	AAA	Aaa	12/04/18	12/12/18	349,932.94	3.53	500.89	349,949.39	357,322.28



**Managed Account Detail of Securities Held**

For the Month Ending **January 31, 2020**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Asset-Backed Security</b>											
VZOT 2020-A A1A DTD 01/29/2020 1.850% 07/20/2024	92348TAA2	200,000.00	AAA	Aaa	01/21/20	01/29/20	199,976.58	1.86	20.56	199,976.62	201,458.82
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	611.56	799,815.74	804,515.20
<b>Security Type Sub-Total</b>		<b>3,362,129.87</b>					<b>3,361,638.15</b>	<b>2.53</b>	<b>3,281.41</b>	<b>3,361,746.14</b>	<b>3,395,435.20</b>
<b>Managed Account Sub-Total</b>		<b>39,419,266.37</b>					<b>39,337,855.13</b>	<b>2.23</b>	<b>202,269.73</b>	<b>39,390,295.30</b>	<b>39,907,052.01</b>
<b>Securities Sub-Total</b>		<b>\$39,419,266.37</b>					<b>\$39,337,855.13</b>	<b>2.23%</b>	<b>\$202,269.73</b>	<b>\$39,390,295.30</b>	<b>\$39,907,052.01</b>
<b>Accrued Interest</b>											<b>\$202,269.73</b>
<b>Total Investments</b>											<b>\$40,109,321.74</b>

**Investment Activity  
January 2020**



Managed Account Security Transactions & Interest

For the Month Ending January 31, 2020

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
<b>BUY</b>											
	01/02/20	01/07/20	US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	925,000.00	(938,622.07)	(355.77)	(938,977.84)			
	01/10/20	01/13/20	MUFG BANK LTD/NY COMM PAPER DTD 01/13/2020 0.000% 10/06/2020	62479LK61	800,000.00	(789,320.00)	0.00	(789,320.00)			
	01/21/20	01/28/20	BANK OF NY MELLON CORP DTD 10/24/2019 2.100% 10/24/2024	06406RAL1	150,000.00	(150,660.00)	(822.50)	(151,482.50)			
	01/21/20	01/29/20	VZOT 2020-A A1A DTD 01/29/2020 1.850% 07/20/2024	92348TAA2	200,000.00	(199,976.58)	0.00	(199,976.58)			
Transaction Type Sub-Total					2,075,000.00	(2,078,578.65)	(1,178.27)	(2,079,756.92)			

<b>INTEREST</b>											
	01/01/20	01/25/20	FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/25/2024	3137FO3V3	149,764.23	0.00	278.69	278.69			
	01/01/20	01/25/20	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	121,114.06	0.00	323.27	323.27			
	01/01/20	01/25/20	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	200,000.00	0.00	515.00	515.00			
	01/01/20	01/25/20	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	161,213.34	0.00	485.96	485.96			
	01/02/20	01/02/20	MONEY MARKET FUND	MONEY0002	0.00	0.00	136.50	136.50			
	01/08/20	01/08/20	GOLDMAN SACHS GROUP INC BONDS DTD 07/08/2014 3.850% 07/08/2024	38141EC23	375,000.00	0.00	7,218.75	7,218.75			
	01/14/20	01/14/20	FHLB GLOBAL NOTE DTD 07/14/2016 1.125% 07/14/2021	3130A8OSS	975,000.00	0.00	5,484.38	5,484.38			
	01/15/20	01/15/20	TAOT 2018-B A3 DTD 05/16/2018 2.960% 09/15/2022	89238TAD5	325,000.00	0.00	801.67	801.67			
	01/15/20	01/15/20	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			
	01/15/20	01/15/20	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	120,403.17	0.00	178.60	178.60			
	01/15/20	01/15/20	COMET 2019-A2 A2 DTD 09/05/2019 1.720% 08/15/2024	14041NFU0	800,000.00	0.00	1,146.67	1,146.67			
	01/15/20	01/15/20	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	24,886.11	0.00	35.26	35.26			



Managed Account Security Transactions & Interest

For the Month Ending January 31, 2020

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
<b>INTEREST</b>											
	01/15/20	01/15/20	NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	350,000.00	0.00	939.17	939.17			
	01/15/20	01/15/20	HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	325,000.00	0.00	855.83	855.83			
	01/15/20	01/15/20	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	20,943.20	0.00	22.51	22.51			
	01/15/20	01/15/20	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	105,130.58	0.00	146.31	146.31			
	01/20/20	01/20/20	CCCIT 2018-A1 A1 DTD 01/31/2018 2.490% 01/20/2023	17305EGK5	750,000.00	0.00	9,337.50	9,337.50			
	01/22/20	01/22/20	WELLS FARGO & COMPANY NOTES DTD 07/22/2015 2.600% 07/22/2020	94974BGM6	375,000.00	0.00	4,875.00	4,875.00			
	01/23/20	01/23/20	PNC BANK NA CORP NOTES DTD 01/23/2019 3.500% 01/23/2024	693475AV7	380,000.00	0.00	6,650.00	6,650.00			
	01/23/20	01/23/20	INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 07/25/2018 2.750% 07/23/2021	459058GH0	750,000.00	0.00	10,312.50	10,312.50			
	01/29/20	01/29/20	US BANCORP CORP NOTES (CALLABLE) DTD 01/29/2016 2.350% 01/29/2021	91159HHL7	350,000.00	0.00	4,112.50	4,112.50			
	01/30/20	01/30/20	WELLS FARGO & CO CORP BONDS DTD 02/02/2015 2.150% 01/30/2020	94974BGF1	400,000.00	0.00	4,300.00	4,300.00			
Transaction Type Sub-Total					7,458,454.69	0.00	59,156.07	59,156.07			
<b>MATURITY</b>											
	01/13/20	01/13/20	MUFG BANK LTD/NY COMM PAPER DTD 04/18/2019 0.000% 01/13/2020	62479LAD7	800,000.00	800,000.00	0.00	800,000.00	15,720.00	0.00	
	01/30/20	01/30/20	WELLS FARGO & CO CORP BONDS DTD 02/02/2015 2.150% 01/30/2020	94974BGF1	400,000.00	400,000.00	0.00	400,000.00	(2,796.00)	0.00	
	01/31/20	01/31/20	MUFG BANK LTD/NY COMM PAPER DTD 05/06/2019 0.000% 01/31/2020	62479LAX3	375,000.00	375,000.00	0.00	375,000.00	7,285.42	0.00	
Transaction Type Sub-Total					1,575,000.00	1,575,000.00	0.00	1,575,000.00	20,209.42	0.00	
<b>PAYDOWNS</b>											



**Managed Account Security Transactions & Interest**

For the Month Ending January 31, 2020

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
<b>PAYDOWNS</b>										
01/01/20	01/25/20	FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/25/2024	3137FO3V3	2,273.70	2,273.70	0.00	2,273.70	0.05	0.00	
01/01/20	01/25/20	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	198.16	198.16	0.00	198.16	0.00	0.00	
01/01/20	01/25/20	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	2,483.27	2,483.27	0.00	2,483.27	(49.40)	0.00	
01/15/20	01/15/20	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	21,991.45	21,991.45	0.00	21,991.45	2.59	0.00	
01/15/20	01/15/20	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	8,652.89	8,652.89	0.00	8,652.89	1.17	0.00	
01/15/20	01/15/20	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	6,057.13	6,057.13	0.00	6,057.13	0.53	0.00	
01/15/20	01/15/20	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	22,531.72	22,531.72	0.00	22,531.72	0.08	0.00	
Transaction Type Sub-Total				<b>64,188.32</b>	<b>64,188.32</b>	<b>0.00</b>	<b>64,188.32</b>	<b>(44.98)</b>	<b>0.00</b>	
<b>SELL</b>										
01/02/20	01/07/20	US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	725,000.00	736,073.24	296.27	736,369.51	21,523.43	19,008.70	FIFO
01/21/20	01/28/20	BANK OF NEW YORK MELLON CORP (CALLABLE) DTD 02/19/2016 2.500% 04/15/2021	06406FAA1	150,000.00	151,216.50	1,072.92	152,289.42	(2,230.50)	377.58	FIFO
01/21/20	01/29/20	US TREASURY NOTES DTD 02/28/2014 2.000% 02/28/2021	912828B90	75,000.00	75,322.27	622.25	75,944.52	(3,345.70)	(548.36)	FIFO
Transaction Type Sub-Total				<b>950,000.00</b>	<b>962,612.01</b>	<b>1,991.44</b>	<b>964,603.45</b>	<b>15,947.23</b>	<b>18,837.92</b>	
Managed Account Sub-Total					<b>523,221.68</b>	<b>59,969.24</b>	<b>583,190.92</b>	<b>36,111.67</b>	<b>18,837.92</b>	
Total Security Transactions					<b>\$523,221.68</b>	<b>\$59,969.24</b>	<b>\$583,190.92</b>	<b>\$36,111.67</b>	<b>\$18,837.92</b>	

**Cash Expenditures  
January 2020**

## AP Warrant List from 1/1/2020 to 1/31/2020

Group	Vendor Name	Amount	Description
Payroll - January			
	PAYROLL - JANUARY	\$ 676,509.73	January Payroll
	ACWA JPIA INSURANCE/EAP - Invoices:1	\$ 172.19	Miscellaneous Employee Benefits
	AFLAC - Invoices:1	\$ 749.20	Supplemental Insurance
	AMERITAS (VISION) - Invoices:1	\$ 2,014.68	Employee Benefit - Vision
	BASIC PACIFIC - Invoices:2	\$ 1,579.40	Miscellaneous Employee Benefits
	CIGNA GROUP INS LIFE/LTD - Invoices:1	\$ 4,475.62	Employee Benefit - LTD Insurance
	CIGNA-DENTAL INS - Invoices:1	\$ 13,519.01	Employee Benefit - Dental
	EMPLOYEE RELATIONS NETWORK -	\$ 340.95	Miscellaneous Employee Benefits
	PERS LONG TERM CARE PROGRAM -	\$ 2,657.04	Miscellaneous Employee Benefits
	PERS PENSION - Invoices:6	\$ 77,468.46	Employee Benefit - PERS
	PERS HEALTH - Invoices:2	\$ 108,393.16	OPEB - Retiree Benefits Premium
	SUTTER MEDICAL FOUNDATION -	\$ 265.00	Miscellaneous Employee Benefits
	BACKGROUNDS ONLINE - Invoices:1	\$ 285.20	Miscellaneous Employee Benefits
	PERS CERBT OPEBB WIRES - Invoices:1	\$ 908,433.00	2020 Annual OPEB Contribution
Construction			
	A1 FABRICATION & WELDING - Invoices:1	\$ 3,761.29	Construction In Progress
	AECOM TECHNICAL SERVICES INC -	\$ 21,836.63	Construction In Progress
	ARMORCAST PRODUCTS COMPANY -	\$ 23,761.95	Construction In Progress
	BENNETT ENGINEERING SERVICES -	\$ 7,898.13	Construction In Progress
	BROWN & CALDWELL - Invoices:5	\$ 88,034.73	Construction In Progress
	CALIFORNIA CUSTOM TRAILERS -	\$ 17,900.00	Construction In Progress
	CITY OF SACRAMENTO/ ENCROACHMENT -	\$ 1,656.49	Construction In Progress
	COVER-ALL PROTECTIVE COVERS -	\$ 6,067.94	Construction In Progress
	DELL MARKETING LP - Invoices:2	\$ 20,030.29	Construction In Progress
	DOMENICHELLI & ASSOCIATES - Invoices:9	\$ 105,232.08	Construction In Progress
	DOUBLE B DEMOLITION - Invoices:2	\$ 36,150.00	Construction In Progress
	DOUG VEERKAMP GENERAL ENGR -	\$ 563,243.74	Construction In Progress
	ERC CONTRACTING - Invoices:2	\$ 23,750.00	Construction In Progress
	FERGUSON WATERWORKS - Invoices:3	\$ 5,084.52	Construction In Progress
	FLOWLINE CONTRACTORS INC - Invoices:7	\$ 436,102.35	Construction In Progress
	GEI CONSULTANTS - Invoices:1	\$ 500.00	Construction In Progress
	GM CONSTRUCTION & DEVELOPERS -	\$ 45,552.75	Construction In Progress
	ICONIX WATERWORKS (US) INC -	\$ 15,911.47	Construction In Progress
	KIRBY PUMP AND MECHANICAL - Invoices:5	\$ 41,856.55	Construction In Progress
	LEONARD RICE ENGINEERS INC -	\$ 8,113.96	Construction In Progress
	LUHDORFF & SCALMANINI - Invoices:4	\$ 45,070.77	Construction In Progress
	MURRAYSMITH INC - Invoices:1	\$ 15,715.36	Construction In Progress
	NATIONAL METER /BADGER - Invoices:2	\$ 51,006.79	Construction In Progress
	ONE STOP TRUCK SHOP - Invoices:6	\$ 11,773.13	Construction In Progress
	PACE SUPPLY CORP - Invoices:6	\$ 63,270.11	Construction In Progress
	R & B COMPANY - Invoices:6	\$ 490,535.01	Construction In Progress
	S E AHLSTROM INSPECTION - Invoices:2	\$ 12,510.00	Construction In Progress



SONITROL - Invoices:3	\$	54,674.45	Construction In Progress
SYBLON REID - Invoices:3	\$	57,841.93	Construction In Progress
TETRA TECH INC - Invoices:1	\$	17,800.00	Construction In Progress

TRUE POINT SOLUTIONS LLC - Invoices:2	\$	2,640.00	Construction In Progress
WEST YOST & ASSOCIATES - Invoices:2	\$	8,264.68	Construction In Progress
WOOD RODGERS ENGINEERING -	\$	215,330.57	Construction In Progress

ADP, INC - Invoices:2	\$	2,217.19	Financial Services
ACWA JPIA INSURANCE AUTHORITY -	\$	24,284.76	4th Quarter Workers Comp
GOLD STAR INSULATION, LP - Invoices:1	\$	2,950.00	Insurance Services
PFM ASSET MANAGEMENT LLC - Invoices:1	\$	3,708.73	Financial Services
US BANK CORPORATE PAYMENT SYSTEM -	\$	15,647.00	Financial Services
WESTAMERICA BANK ANALYSIS FEES -	\$	8,168.43	Financial Services
WESTAMERICA CARD PROCESSING STMT -	\$	8,639.37	Financial Services
WORLDPAY INTEGRATED PAYMENTS -	\$	622.25	Financial Services
BARTKIEWICZ KRONICK & SHANAHAN -	\$	14,230.65	Legal Services

SUMITOMO MITSUI BANKING	\$	29,451.17	2009A COP Interest Expense
WELLS FARGO SWAP - Invoices:1	\$	50,068.85	2009A COP Interest Expense

3430 FP DRIVE HOLDINGS LP - Invoices:1	\$	1,000.00	BMP Rebates
ABA DABA RENTAL - Invoices:1	\$	129.68	Misc. Repairs
ADT - Invoices:2	\$	864.03	Building Service Expense - Office &
AIRGAS USA LLC - Invoices:1	\$	28.64	Operating Supplies
ALL PRO BACKFLOW - Invoices:1	\$	204.00	Backflow Services
ANN G SIMONSEN - Invoices:1	\$	150.00	BMP Rebates
ANSWERNET - Invoices:1	\$	706.87	Communication
AT&T - Invoices:5	\$	6,723.86	Communication
AT&T CALNET 3 - Invoices:1	\$	4,654.39	Communication
ATLAS DISPOSAL - Invoices:2	\$	380.70	Building Service Expense - Office &
AUTOMATIC DOOR SYSTEMS INC -	\$	356.25	Contract Services
AWWA - Invoices:1	\$	1,600.00	Licenses, Permits & Fees
BACKFLOW DISTRIBUTORS INC - Invoices:1	\$	621.13	Operating Supplies
BADGER METER INC - Invoices:1	\$	22.25	Equipment Maintenance Services
BENDER ROSENTHAL INC - Invoices:17	\$	19,742.20	Consulting Services
BRANDON KAPPELLER - Invoices:1	\$	75.00	BMP Rebates
BROADRIDGE MAIL LLC - Invoices:13	\$	36,702.06	Contract Services
BROWER MECHANICAL - Invoices:3	\$	885.00	Building Service Expense - Office &
BUD'S TRI COUNTY TREE SERVICE -	\$	2,575.00	Construction Services
CALIFORNIA LABORATORY SERVICES -	\$	4,674.00	Inspection & Testing
CAM PIINI - Invoices:1	\$	97.00	BMP Rebates
CAPITAL RUBBER CO LTD - Invoices:1	\$	307.88	Equipment Maintenance Supplies
CAPITAL SWEEPER SERVICE - Invoices:2	\$	340.00	Building Service Expense - Office &
CARRIE STAFFORD - Invoices:1	\$	150.00	BMP Rebates

CDWG - Invoices:3	\$	3,778.91	Licenses, Permits & Fees
CELL ENERGY INC - Invoices:2	\$	173.92	Equipment Maintenance Services
CHRIS CARTER - Invoices:1	\$	105.00	Other Training
CINTAS - Invoices:12	\$	4,624.42	Building Maintenance - Office &
CITY OF ROSEVILLE - Invoices:1	\$	424.47	Local Travel Cost
CLEAR VISION WINDOW CLEANING -	\$	225.00	Building Service Expense - Office &
COLLEGE OAK TOWING - Invoices:1	\$	250.00	Vehicle Maintenance Services
COMCAST - Invoices:1	\$	45.74	Communication
CONSOLIDATED COMMUNICATIONS -	\$	428.70	Communication
COTTON SHOPPE - Invoices:1	\$	1,751.12	Uniforms
COUGHRAN MECHANICAL SERVICE -	\$	10,597.88	Contract Services
COUNTY OF SAC ENVIRO MGT DEPT -	\$	601.00	Licenses, Permits & Fees
COUNTY OF SAC PUBLIC WORKS -	\$	1,335.00	Licenses, Permits & Fees
COUNTY OF SAC UTILITIES - Invoices:6	\$	1,268.28	Utilities
CRUSADER FENCE CO INC - Invoices:1	\$	1,204.49	Building Maintenance - Office &
Customer Refunds: 56	\$	13,049.55	Refund Clearing Account
DAN YORK - Invoices:1	\$	112.01	Local Travel Cost
DAVID ARMAND - Invoices:2	\$	87.09	Other Training
DIRECT TV - Invoices:1	\$	5.00	Communication
DOMCO PLUMBING - Invoices:1	\$	675.00	Building Maintenance - Office &
E&M ELECTRIC AND	\$	22,505.00	Licenses, Permits & Fees
ELEVATOR TECHNOLOGY INC - Invoices:2	\$	200.00	Building Service Expense - Office &
EMIGH ACE HARDWARE - Invoices:8	\$	299.56	Building Maintenance - Office &
ERIC P NELLEN - Invoices:1	\$	150.00	BMP Rebates
ESRI - Invoices:1	\$	1,236.00	Other Training
EUROFINS EATON ANALYTICAL - Invoices:2	\$	2,266.50	Inspection & Testing
FASTENAL COMPANY - Invoices:2	\$	1,206.78	Operating Supplies
FIRST SECURITY SERVICES - Invoices:1	\$	674.16	Building Service Expense - Office &
FLEETWASH INC - Invoices:3	\$	1,100.36	Building Maintenance - Office &
FUTURE FORD - Invoices:3	\$	799.75	Vehicle Maintenance Services
GARY MCCANN - Invoices:1	\$	139.00	BMP Rebates
GEOCON CONSULTANTS INC - Invoices:1	\$	11,100.00	Consulting Services
GEORGE L MADDALENA - Invoices:1	\$	150.00	BMP Rebates
GLORIA ROBERTSON - Invoices:1	\$	150.00	BMP Rebates
GRAINGER - Invoices:2	\$	213.98	Operating Supplies
GRANICUS - Invoices:2	\$	10,710.00	Contract Services
GREATER ARDEN CHAMBER OF	\$	1,000.00	Membership & Dues
H2H PROPERTIES - Invoices:1	\$	1,270.00	H&D WALNUT PARKING LOT LEASE
HARROLD FORD - Invoices:7	\$	3,729.88	Vehicle Maintenance Services
HD Supply/WHITE CAP - Invoices:4	\$	2,047.85	Operating Supplies
HUSSAM AHMED - Invoices:1	\$	178.00	BMP Rebates
IN COMMUNICATIONS - Invoices:1	\$	4,190.55	Public Relations
INFERRERA CONSTRUCTION	\$	1,350.00	Consulting Services
IRON MOUNTAIN OFF SITE DATA	\$	453.88	Equipment Maintenance Services
J&J LOCKSMITH - Invoices:1	\$	101.00	Building Maintenance - Office &

Appendix 2019 Budget

JOAN FRANZINO - Invoices:2	\$	450.00	Contract Services
JOHN HEDGLIN - Invoices:1	\$	150.00	BMP Rebates
KATHLEEN MCPHERSON - Invoices:1	\$	1,362.79	Travel Conferences
KATHY MORONEY - Invoices:1	\$	150.00	BMP Rebates
KYLE JIVIDEN - Invoices:1	\$	190.00	Other Training
LAKE VUE ELECTRIC INC - Invoices:2	\$	1,032.00	Building Maintenance - Office &
LANCE INGMAN - Invoices:1	\$	130.00	BMP Rebates
LENA LEM - Invoices:1	\$	150.00	BMP Rebates
LES SCHWAB TIRE CENTER/MADISON -	\$	1,825.73	Equipment Maintenance Services
LIFEGUARD FIRST AID - Invoices:1	\$	47.20	Building Service Expense - Office &
LOEWEN PUMP MAINTENANCE - Invoices:2	\$	22,000.00	Contract Services
MARK TAYLOR - Invoices:2	\$	231.98	Required Training
MARSUE FRANCES HACKBARTH - Invoices:1	\$	75.00	BMP Rebates
MCCLELLAN PARK - Invoices:1	\$	2,600,000.00	Miscellaneous
MICHAEL PHILLIPS LANDSCAPE CORP -	\$	5,186.50	Building Service Expense - Office &
MITCHELL MCCARTHY - Invoices:2	\$	1,963.59	Other Training
MSDSOONLINE, INC - Invoices:1	\$	2,149.00	Publication
MYRON BROWN - Invoices:1	\$	150.00	BMP Rebates
NANETTE DENISE REEVES - Invoices:1	\$	75.00	BMP Rebates
NEB TRANSPORT & ENVIRONMENTAL -	\$	2,298.82	Customer Refund
NINJIO LLC - Invoices:1	\$	134.46	Equipment Maintenance Services
NORMAC - Invoices:1	\$	32.66	Operating Supplies
OFFICE DEPOT INC - Invoices:4	\$	984.88	Office Supplies
PATRICIA E DIETLER - Invoices:1	\$	500.00	BMP Rebates
PEOPLEREADY - Invoices:8	\$	9,382.32	Temporary Help
PEST PROS - Invoices:3	\$	276.85	Building Service Expense - Office &
PETERSON BRUSTAD INC - Invoices:1	\$	3,053.40	Consulting Services
PICOVALE SERVICES INC - Invoices:1	\$	2,640.00	Equipment Maintenance Services
PITNEY BOWES LEASES - Invoices:1	\$	538.61	Equipment Rental/Lease
PLACER WATERWORKS INC - Invoices:2	\$	2,963.13	Operating Supplies
RACHEL MIDDLESTEAD - Invoices:1	\$	50.00	Required Training
RAFTELIS - Invoices:1	\$	3,661.27	Consulting Services
RAWLES ENGINEERING - Invoices:3	\$	21,155.00	Construction Services
RAY MORGAN CO - Invoices:4	\$	2,190.75	Communication
REGIONAL GOVERNMENT SERVICES -	\$	180.75	Consulting Services
RESOURCE TELECOM LLC - Invoices:1	\$	652.50	Equipment Maintenance Services
RIVER CITY PAINTING - Invoices:1	\$	3,710.00	Building Maintenance - Office &
RIVERVIEW INTERNATIONAL TRUCKS INC -	\$	1,242.77	Vehicle Maintenance Services
ROADRUNNER DRILLING & PUMP CO -	\$	2,300.00	Hydrant Permit Refund
ROBERT JASON GREGOREK - Invoices:1	\$	150.00	BMP Rebates
RODERIC S DOW - Invoices:1	\$	150.00	BMP Rebates
RUE EQUIPMENT INC - Invoices:12	\$	4,878.87	Equipment Maintenance Services
SACRAMENTO BEE - Invoices:2	\$	1,094.46	Public Relations
SACRAMENTO LAFCO - Invoices:1	\$	6,287.00	Annual Dues/Membership

Utilities

SACRAMENTO METRO AIR QUALITY -	\$	45,630.00	Licenses, Permits & Fees
SACRAMENTO SUBURBAN WATER	\$	90.37	Petty Cash Replenish
SAWWA - Invoices:1	\$	1,400.00	Membership & Dues
SERVPRO - Invoices:1	\$	861.45	Building Service Expense - Office &
SHRED-IT - Invoices:1	\$	78.84	Contract Services
SILICON VALLEY SHELVING AND EQUIP -	\$	3,248.78	Office Supplies
STATE WATER RESOURCE - Invoices:1	\$	484.00	Licenses, Permits & Fees
STEPAN/TATYANA ZEMETSKIY - Invoices:1	\$	2.04	Customer Refund
TEE JANITORIAL & MAINTENANCE -	\$	6,447.00	Building Service Expense - Office &
THOMAS C BENNETTS - Invoices:1	\$	145.00	BMP Rebates
TODD BARSNESS VOICE OVER TALENT -	\$	250.00	Contract Services
TRAFFIC MANAGEMENT GROUP INC (TMI) -	\$	750.00	Construction Services
TULLY & YOUNG - Invoices:1	\$	4,935.00	Consulting Services
ULINE SHIPPING SUPPLY SPECIALISTS -	\$	267.28	Office Supplies
UTILITY SERVICES ASSOCIATES -	\$	12,490.20	Consulting Services
VALLEY REDWOOD & YARD SUPPLY -	\$	111.72	Misc. Repairs
VERIZON WIRELESS/DALLAS TX -	\$	5,625.41	Communication
VOYAGER FLEET SYSTEMS - Invoices:1	\$	8,139.23	Operating Supplies
WASTE MANAGEMENT - Invoices:3	\$	357.08	Building Service Expense - Office &
WATER EDUCATION FOUNDATION -	\$	2,000.00	Membership & Dues
WATER RESEARCH FOUNDATION AWWA -	\$	21,215.00	Annual Dues/Membership
WATERWISE CONSULTING, INC. -	\$	3,275.00	Consulting Services
WCP SOLUTIONS - Invoices:1	\$	688.95	Building Maintenance - Office &
WILLIAM SADLER - Invoices:1	\$	161.53	Other Training
WILSON BOHANNAN CO - Invoices:1	\$	4,793.16	Operating Supplies
WOLF CONSULTING - Invoices:1	\$	1,250.00	Consulting Services

Water

PLACER COUNTY WATER AGENCY -	\$	15,535.94	Water Cost
BUREAU OF RECLAMATION - Invoices:2	\$	30,794.40	Warren Act
PG&E - Invoices:2	\$	34.40	Utilities
SIERRA CHEMICAL COMPANY - Invoices:2	\$	5,479.54	HFA, Chemical & Delivery
SMUD - Invoices:2	\$	81,302.96	Electrical Charges
	\$	7,632,355.05	

**Credit Card Expenditures  
January 2020**

Sacramento Suburban Water District  
 US Bank Purchasing Card Program  
 CalCard Expenditures  
 January 2020

Vendor Name	Description	Amount	Proj/GLAcct
NOAH'S BAGELS	NOVEMBER ALL HANDS MEETING	\$ 94.50	02-51403
SAFETY CENTER INCORPORATED	JULIE NEMITZ - ACTIVE SHOOTER PREVENTION & RESPONSE TRAINING	\$ 10.00	04-51407
COSTCO	DRINKS FOR ANNUAL EMPLOYEE ACHIEVEMENT EVENT	\$ 52.29	02-51403
COSTCO	DRINKS FOR ANNUAL EMPLOYEE ACHIEVEMENT EVENT	\$ 14.59	02-51403
EB SMART CONTROLLER	GREG BUNDESEN - SMART CONTROLLER WORKSHOP	\$ 21.72	13-51406
SAM'S CLUB	CANDY FOR ANNUAL EMPLOYEE ACHIEVEMENT EVENT	\$ 26.46	02-51403
SMART SIGN	NON HAZARDOUS WASTE LABELS	\$ 24.55	15-52108
SAM'S CLUB	DESERT FOR ANNUAL EMPLOYEE ACHIEVEMENT EVENT	\$ 47.18	02-51403
COSTCO	DESERT FOR ANNUAL EMPLOYEE ACHIEVEMENT EVENT	\$ 42.96	02-51403
SMART & FINAL	GENERAL OFFICE SUPPLIES - KITCHEN STUFF	\$ 26.24	03-52108
GRAND HYATT SAN DIEGO	DAN YORK'S HOTEL FOR ACWA CONFERENCE	\$ 932.35	02-55001
PAYPAL	VICKI SPRAGUE'S 2020 CA IRRIGATION INSTITUTE CONFERENCE	\$ 275.00	13-51406
FRED PRYOR	VICKI SPRAGUE'S WEBINAR ON EFFECTIVE & EFFICIENT PROJECT MANAGEMENT SKILLS	\$ 99.00	13-51406
AMAZON.COM	GENERAL OFFICE SUPPLIES	\$ 16.96	03-52108
SAM'S CLUB	COOKIES FOR 12/13/19 APPRECIATION LUNCH	\$ 17.88	02-51403
EB SMART CONTROLLER	RACHEL MIDDLESTEAD - SMART CONTROLLER WORKSHOP	\$ 21.72	15-51406
PAYPAL	RACHEL MIDDLESTEAD - 2020 CA IRRIGATION INSTITUTE CONFERENCE	\$ 275.00	15-51406
AMAZON.COM	GENERAL OFFICE SUPPLIES	\$ 105.85	03-52108
AMAZON.COM	GENERAL OFFICE SUPPLIES	\$ 8.77	03-52108
ROUND TABLE PIZZA	PIZZA FOR 12/13/19 APPRECIATION LUNCH	\$ 230.28	02-51403
SAM'S CLUB	DECEMBER ALL HANDS MEETING - FRUIT & JUICE	\$ 36.78	02-51403
NOAH'S BAGELS CATERING	DECEMBER ALL HANDS MEETING - BREAKFAST SANDWICHES	\$ 482.63	02-51403
OLD SPAGHETTI FACTORY	DEPT LUNCH MATT,KEN,GRAYSON,ROBIN,DAN,LYNN,DIANA,SARAH	\$ 142.77	02-51403
GLOBAL KNOWLEDGE	VMWARE TRAINING FOR KEN GEBERT	\$ 4,350.00	18-51406
AMAZON MARKETPLACE	GOPRO CAMERAS FOR VIDEO TRAINING	\$ 989.14	18-52101
CLEVERBRIDGE	SOFTWARE LICENSE FOR VIRTUAL COM PORTS FOR KP SERVER	\$ 199.95	18-54509
AMAZON MARKETPLACE	ERGONOMIC MOUSE FOR SARAH	\$ 64.62	18-52101
AMAZON MARKETPLACE	MICROPHONES FOR CAPTURE TRAINING	\$ 129.24	18-52101
AMAZON MARKETPLACE	VIDEO CARD FOR RODNEY	\$ 224.79	18-52101
TARGET	ANNUAL EMPLOYEE ACHIEVEMENT EVENT SUPPLIES	\$ 10.78	02-51403
COSTCO	ANNUAL EMPLOYEE ACHIEVEMENT EVENT SUPPLIES	\$ 55.43	02-51403
TRANSITALENT.COM	PROD. RECRUITMENT	\$ 145.00	17-51402
ACWA	PROD. RECRUITMENT	\$ 475.00	17-51402
WALMART	ANNUAL EMPLOYEE ACHIEVEMENT EVENT SUPPLIES	\$ 119.64	02-51403

AMAZON	OFFICE SUPPLIES	\$	9.90	03-52108
HILTON	KATHLEEN MCPHERSON HOTEL CANCEL CREDIT	\$	(266.10)	01-55001
HOMERISE.COM	T.P. HOLDER FOR RESTROOM AT MARCONI	\$	84.98	12-54008
MOOSEJAW.COM	SHORLINE JACKET FOR BEN HARRIS	\$	95.28	12-51408
AMAZON.COM	STALL DOOR PRIVACY COVERS - MARCONI WOMEN'S RESTROOM	\$	33.62	12-54008
THE HOME DEPOT	AIR COMPRESSOR FOR MARCONI GARAGE	\$	222.97	12-52101
AMAZON.COM	REFRIGERATOR WATER FILTERS	\$	20.46	12-52101
FILTERSFAST.COM	REFRIGERATOR WATER FILTERS	\$	54.79	12-54008
OFFICE DEPOT	MAINTENANCE WALL CALENDAR AND DAILY DIARY	\$	59.63	12-52101
PEP BOYS	TRAILER PLUG ADAPTER	\$	11.54	12-54006
VARIDESK	DUAL MONITOR ARMS	\$	420.22	12-52108
COSTCO	FOLDING CHAIRS FOR MARCONI	\$	1,651.58	12-52108
AMAZON	PRE ALL HANDS ACTIVITY GAME	\$	31.54	03-51403
99 CENT ONLY STORE	DECORATIONS FOR AEAE EVENT	\$	25.94	02-51403
PARTY CITY	DECORATIONS FOR AEAE EVENT	\$	33.56	02-51403
PARTY CITY	KITCHEN SUPPLIES	\$	29.08	03-52108
HOF'S HUTS (LUCILLES)	AEAE CATERED LUNCH	\$	1,688.38	02-51403
BIG 5 SPORTING GOODS	AEAE EVENT GAME PRIZES	\$	94.80	02-51403
UCD EXT MOTO	TRAINING- BEN HARRIS	\$	225.00	05-51406
SAFETY CENTER	SAFETY CENTER MEMBERSHIP	\$	200.00	05-52501
HOME DEPOT	AEAE EVENT SUPPLIES	\$	9.70	02-51403
SMART & FINAL	AEAE EVENT SUPPLIES	\$	11.68	02-51403
HOF'S HUTS (LUCILLES)	AEAE CATERED LUNCH GRATUITY	\$	200.00	02-51403
MARRIOTT SALT LAKE	HOTEL, TRAINING- RODNEY LEE	\$	635.13	08-55001
SKILLPATH	TRAINING- EDWARD HIDALGO	\$	119.00	07-51406
AMAZON	OFFICE SUPPLIES	\$	46.80	03-52108
SAMS CLUB	KITCHEN SUPPLIES	\$	121.79	03-52108
	Totals:	\$	15,640.34	

**DRAFT - District Reserve Balances  
January 31, 2020**



**Sacramento Suburban Water District  
Reserve Fund Balance**

	<u>January 31, 2020</u>	<u>December 31, 2019</u>
Debt Service Reserve	\$ -	\$ -
Facilities Reimbursement	-	-
Emergency/Contingency	12,275,211	11,194,277
Operating	8,993,194	13,866,933
Rate Stabilization	4,759,300	4,656,400
Interest Rate Risk	-	-
Grant	500,000	137,500
Capital Asset	17,373,028	17,373,028
<b>TOTAL</b>	<u><u>\$ 43,900,733</u></u>	<u><u>\$ 47,228,138</u></u>

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

	<u>January 31, 2020</u>	<u>December 31, 2019</u>
Cash and Cash Equivalents	\$ 4,580,006	\$ 7,972,506
Water Transfer Fund Receivable <sup>1</sup>	-	-
Investments	39,117,060	39,040,578
Interest Receivable	203,666	215,053
Restricted Cash	1	1
<b>TOTAL</b>	<u><u>\$ 43,900,733</u></u>	<u><u>\$ 47,228,138</u></u>

## **Information Required by Bond Agreement**

Sacramento Suburban Water District  
Schedule of Net Revenues  
As Of

	Actual Year-To-Date <u>1/31/2020</u>	Budget Year-To-Date <u>1/31/2020</u>
REVENUES		
Water sales charges	\$3,170,625.74	\$3,178,000.00
Capital facilities charge	5,093.08	-
Interest and investment income	101,506.08	80,833.00
Rental & other income	45,148.72	37,500.00
TOTAL REVENUES	<u>3,322,373.62</u>	<u>3,296,333.00</u>
EXPENSES		
Source of supply	150,985.96	164,046.00
Pumping	92,548.20	211,589.74
Transmission and distribution	321,521.59	369,939.46
Water conservation	28,159.95	44,302.34
Customer accounts	99,114.70	111,586.24
Administrative and general	474,529.27	762,238.78
TOTAL EXPENSES	<u>1,166,859.67</u>	<u>1,663,702.56</u>
NET REVENUE	<u>2,155,513.95</u>	<u>1,632,630.44</u>
REVENUES		

Sacramento Suburban Water District  
 6 - Months Debt Service Schedule  
 1/31/2020

Month	Total SSWD Debt Service					Debt Service
	Principal	Interest Adjustable/Fixed/Swap	Facility Fee	Remarketing		
Feb-20	\$ -	\$ 91,342.13	\$ -	\$ -	\$ 91,342.13	
Mar-20	-	91,342.13	50,400.00	13,125.00	154,867.13	
April-20	-	622,242.13	-	-	622,242.13	
May-20	-	91,342.13	-	-	91,342.13	
June-20	-	91,342.13	50,400.00	13,125.00	154,867.13	
July-20	-	91,342.13	-	-	91,342.13	

Month	Series 2012A Fixed Rate Bonds (\$23,440,000.00)				Debt Service
	Principal	Interest - Fixed 4.25%	Facility Fee	Remarketing	
Feb-20	-	-	\$ -	\$ -	\$ -
Mar-20	-	-	-	-	-
April-20	-	306,613.00	-	-	306,613.00
May-20	-	-	-	-	-
June-20	-	-	-	-	-
July-20	-	-	-	-	-

Month	Series 2009A Adjustable Rate COPs (\$42,000,000.00)				Debt Service
	Principal	Interest, Adjustable 0.95%	Facility Fee 0.480%	Remarketing 0.125%	
Feb-20	\$ -	\$ 33,250.00	-	-	\$ 33,250.00
Mar-20	-	33,250.00	50,400.00	13,125.00	96,775.00
April-20	-	33,250.00	-	-	33,250.00
May-20	-	33,250.00	-	-	33,250.00
June-20	-	33,250.00	50,400.00	13,125.00	96,775.00
July-20	-	33,250.00	-	-	33,250.00

Month	Series 2018A Fixed Rate COPs (\$27,915,000)				Debt Service
	Principal	Interest - Fixed 3.45%	Facility Fee	Remarketing	
Feb-20	-	-	\$ -	\$ -	\$ -
Mar-20	-	-	-	-	-
April-20	-	224,287.00	-	-	224,287.00
May-20	-	-	-	-	-
June-20	-	-	-	-	-
July-20	-	-	-	-	-

Month	2012 SWAP Interest, Net (\$33,000,000.00)				Debt Service
	Principal	Interest, Swap Net (3.283-1.00959-.18)%	Facility Fee	Remarketing	
Feb-20	\$ -	\$ 58,092.13	-	-	\$ 58,092.13
Mar-20	\$ -	\$ 58,092.13	-	-	\$ 58,092.13
April-20	\$ -	\$ 58,092.13	-	-	\$ 58,092.13
May-20	\$ -	\$ 58,092.13	-	-	\$ 58,092.13
June-20	\$ -	\$ 58,092.13	-	-	\$ 58,092.13
July-20	\$ -	\$ 58,092.13	-	-	\$ 58,092.13

## Financial Markets Report January 31, 2020

### 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	\$ 13,225,000	Fixed Rate Revenue Bond		11/1/2027
2018A	\$ 19,615,000	\$ 14,830,000	Fixed Rate Revenue Bond		11/1/2028
	<u>\$ 90,105,000</u>	<u>\$ 70,055,000</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	1.56%
Swap	Notional Amount \$33,300,000	Counterparty Wells Fargo Bank, N.A.	FMV (\$7,727,486)	Receive Rate 1.190%	Fixed Rate 3.283%

### Current Status of District's Investment Portfolio (January 31, 2020):

Fair Market Value	Security Type	Yield
\$ 809,997.29	Money Market	1.22%
842,548.36	LAIF	1.97%
789,992.00	commercial paper	1.82%
3,395,435.20	Asset-Backed Securities/CMOs	2.53%
5,788,976.12	Certificates of Deposit	2.66%
8,828,528.00	Corporate Notes	2.50%
1,520,203.53	Federal Agency Securities Bonds/Notes	1.28%
638,055.95	Federal Agency Collateralized Mortgage Obligation	2.49%
102,019.00	Municipal Obligations	2.10%
2,594,557.90	Supra-National Agency Bond	2.13%
16,249,284.31	Treasury Bonds/Notes	1.97%
<u>\$ 41,559,597.66</u>		<u>2.20%</u>

**Market:**

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

**Current Bond Markets**

- The U.S. Treasury yield curve steepened during December. Ultrashort (less than three months) Treasury yields fell 15 basis points (bps) as the front end of the curve sought equilibrium with the Fed target rate. Yields on maturities between three months and five years were generally flat (+/- five bps), while yields on longer Treasuries (greater than seven years) increased 10 to 20 bps.
- As result of the uneven yield curve move, short- and intermediate term Treasuries outperformed longer maturities. For example, the 3-month and 2-year Constant Maturity U.S. Treasury Indexes returned 0.14% and 0.23%, respectively. Meanwhile, the 10-year and 30-year indexes generated total returns of -1.02% and -3.51%, respectively.
- Buoyed by stable credit fundamentals, accommodative central banks and modest new supply, credit sectors once again generated strong incremental performance. By month-end, high quality credit spreads had reached historically tight levels, making valuations appear rich.

**PFM Outlook**

- We Following the Fed's three 2019 "rate adjustment" cuts, and with the economy expanding modestly, we expect interest rates to remain range bound over the near-term. As a result, we plan to maintain duration positions neutral to benchmarks.
- Federal agency and supranational yield spreads traded in a very tight range for much of 2019, and remain near multi-year tights. While we generally expect a similar environment in 2020, if supply flow were to come about at reasonable spread levels we may add to our current reduced allocations. In the meantime, we continue to use Treasury allocations as a safe harbor and core holding.
- The investment-grade (IG) credit sector was a boon for fixed income investors in December and for most of 2019. Spreads now are at the point of testing post-recession lows. We continue to be "opportunistic sellers," to reduce allocations modestly, and increase the average credit quality of holdings.
- Mortgage-backed securities (MBS) posted strong excess returns for the third consecutive month. As a result, spreads in the sector have tightened noticeably from August's wide levels and closed the year around their trailing 12-month average. We will continue to build additional core allocations to MBS, with an eye on security structure, loan characteristics and interest rate sensitivity.
- Shorter-term investors (less than one year) may continue to benefit from widened yield spreads on commercial paper and negotiable certificates of deposit and return to a more normal, upward sloping yield curve.
- After the strong bond market returns of 2019, we expect results in virtually all sectors to be lower this year.

(Source: PFMAM January 2020 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: 15

**Date:** February 14, 2020

**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 the (1) Monthly Water Production, (2) Water Operations Activity Report, (3) District Claims Update Report, (4) Water Quality Report, (5) Customer Service Monthly Activity Report, and (6) Community Outreach Report.

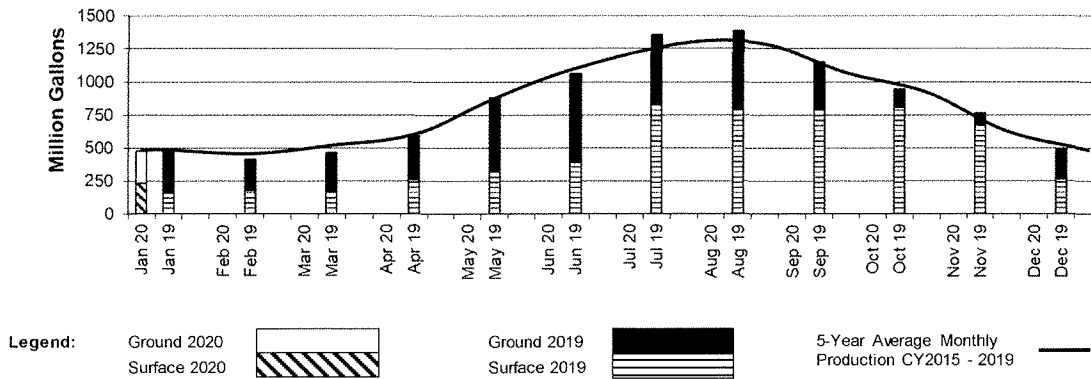
### 1. Monthly Water Production - Surface Water and Groundwater

Figure 1 shows tabulated data for 2020 and Figure 2 shows total water production graphically for 2019 and 2020.

**Figure 1. Monthly Water Production – 2020**

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	109.996	169.868	279.864	125.345	71.593	196.938	476.802	15.381
Feb								
Mar								
Apr								
May								
Jun								
July								
Aug								
Sep								
Oct								
Nov								
Dec								
<b>MG</b>	<b>109.996</b>	<b>169.868</b>	<b>279.864</b>	<b>125.345</b>	<b>71.593</b>	<b>196.938</b>	<b>476.802</b>	<b>1.303</b>
<b>AF</b>	<b>337.565</b>	<b>521.306</b>	<b>858.871</b>	<b>384.670</b>	<b>219.711</b>	<b>604.381</b>	<b>1,463.252</b>	<b>3.998</b>

**Figure 2. Monthly Water Production (2019-2020)**



\* North Service Area (North Highlands, Antelope, McClellan Park and The Arbors)  
 \*\* South Service Area (Town and Country and Arden-Arcade)  
 \*\*\*The surface water delivery quantities are reported from SJWD's monthly records. Notes: Reported production values do not include water wheeled/sold to other purveyors. The reporting periods for groundwater production may differ from the calendar month beginning/end dates and will vary year-to-year.



## 2. Water Operations Activity Report

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

January 2020	Monthly Avg CY 2020	Total CY 2020	Total # in System	Goal CY 2020	% of Goal Completed in CY 2020
--------------	---------------------	---------------	-------------------	--------------	--------------------------------

### Production Department

#### Water Quality

Complaints	2	0	2	—	—	—
Taste & Odor Complaints	0	0	0	—	—	—

### Distribution Department

#### Service Orders

Main Leaks	6	1	6	—	—	—
Service Line Leaks	4	0	4	—	—	—

#### Water Main Shutdown

-- Emergency	4	0	4	—	—	—
-- Scheduled	3	0	3	—	—	—

#### Preventive Maintenance Program

Fire Hydrants Inspected	82	7	82	6,173	1,235	6.6%
Fire Hydrant Valves Inspected	75	6	75	5,869	1,174	6.4%
Fire Hydrant Valves Exercised	65	5	65	5,869	1,174	5.5%
Mainline Valves Inspected	158	13	158	11,023	2,205	7.2%
Mainline Valves Exercised	93	8	93	11,023	2,205	4.2%
Blow Off Valves Inspected	23	2	23	1,049	210	11.0%
ARV/CARV Inspected	15	1	15	283	57	26.5%

### Field Services Department

#### Meters

PM - Meters Tested (3 - 10 inch)	8	1	8	450	120	6.7%
PM - Meters Replaced ( <sup>5</sup> / <sub>8</sub> - 1 inch)	49	4	49	41,167	1,000	4.9%
PM - Meter Re-Builds (1 <sup>1</sup> / <sub>2</sub> - 2 inch)	31	3	31	2,449	245	12.7%
Customer Pressure Inquiries	9	1	9	—	—	—

### Field Operations Department

#### After Hours Activity (On-Call Technician)

Calls Received Distribution	42	4	42	—	—	—
Calls Responded Distribution	28	2	28	—	—	—
Calls Received Production	28	2	28	—	—	—
Calls Responded Production	7	1	7	—	—	—

### 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 UNDER REVIEW/INVESTIGATION BY JPIA – UPDATE - CASE DISMISSED

Beliso V. Twin Rivers Unified School District, et al.  
Member: Sacramento Suburban Water District (SSWD)

JPIA Claim #19-0151  
Date of Claim – February 6, 2018  
Claim Amount - Unknown  
**Status** - Open

#### Background:

Claim filed against SSWD asserting that SSWD is the owner/operator of the unsecured storm drain grate that resulted in an injury to claimant. Upon receipt of the claim, staff performed an investigation to determine the validity of the claim. Staff utilized the provided attachment within the District Claim Form to determine the exact type of appurtenance that was referenced in the claim and visited the site to determine the storm drain inlet was part of the overall drainage system of the school.

On September 21, 2018, staff received notification that JPIA has retained the legal services of Donahue Davies LLP.

On September 25, 2018, Twin Rivers Unified School District filed a Cross-Complaint naming Arden Creek Recreation and Park District, County of Sacramento, and SSWD. The Cross-Complaint was served upon SSWD on October 12, 2018. The Cross-Complaint seeks equitable indemnity, apportionment and declaratory relief. Once Donahue Davies LLP confirms the ownership of the storm grate, they will request that Twin Rivers Unified School District dismiss SSWD from the Cross-Complaint.

Donahue Davies LLP focused their efforts on establishing that SSWD is not responsible for the area where the incident occurred to extricate the District from this action.

**Conclusion:** On January 28, 2020, staff received notification from Donahue Davies that the legal counsel for the plaintiff has been authorized to dismiss SSWD from Twin Rivers Unified School District's Cross-Complaint in this matter for a waiver of costs. JPIA and SSWD have agreed to waiving the costs; therefore, this case will be dismissed.

#### **4. Water Quality Report**

Nothing to report on water quality for the month of January 2020.

#### **5. Customer Service Monthly Activity Report**

Customer Service Activity Report for the month of January 2020.

<b>Total Calls</b>	<b>Calls Abandoned</b>	<b>% of Calls Abandoned</b>	<b>Average Wait on Queue</b>	<b>Max Wait on Queue</b>	<b>Average Talk Time</b>
3,219	85	2.6%	49s	17m, 41s	3m, 6s

#### **6. Community Outreach Report**

##### **March Bill Insert**

The March bill insert will begin on February 25, 2020, and will continue until March 23, 2020. A sample of the bill insert is shown on the next page.

## March Bill Insert

00239914



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

March 2020



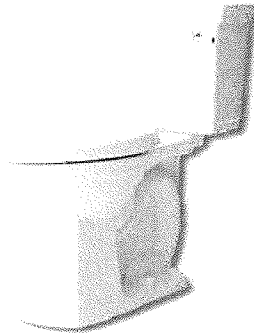
## Be a Leak Detective for Fix a Leak Week

### Fix-A-Leak Week – March 16-22 | Leaks Can Run, But They Can't Hide

Are you ready to hunt down leaks in your home? The average American home loses 10,000 gallons a year to leaks. We have some helpful tips so you're ready to be the best leak detective ever.

**Toilets** – Worn toilet flappers are often the culprit of one of the most common and wasteful household leaks. Here's how to tell if your toilet has a leak:

- Add a few drops of food coloring, a dye tablet or colored liquid to the tank.
- Wait 10 to 15 minutes.
- Check the water in the bowl. If the color appears in the bowl, you have a leak.



**Faucets** – Visually inspect your faucets for drips. That little drip may not look like much, but over a year it can waste more than 3,000 gallons. Faucet leaks are often caused by worn out washers and gaskets. You can find replacements at your local hardware store.

**Showerheads** – Check all of the showerheads for drips. A showerhead leaking at 10 drips per minute can waste more than 500 gallons per year. Many leaky showerheads can be repaired by tightening the connection between the showerhead and the pipe stem or by applying new Teflon tape.

**Sprinklers** – Walk your yard and look for unusual wet or soggy areas, which can be a sign you have a broken pipe or sprinkler connection. Turn on your sprinklers zone by zone and look for clogged or broken sprinkler heads. Make sure to replace or repair any problems you find.

## Tap Talk

### Tap Talk | How We Find and Fix Leaks In the Water System

One of our most important ongoing efforts is the replacing, repairing and monitoring of our infrastructure to reduce leaks.

This year we are undertaking two large main replacement projects in the South Service area. Many pipes in this area date to the 1950s and 60s and have reached the end of their service life.

We began work on the Albatross Way main replacement project in January and will start work on the Thor Way main replacement project later this spring. Both projects should be completed this year.

In addition to installing new water mains that have a 100-year life expectancy, we will also

*Tap Talk | page 2*

[sswd.org](http://sswd.org)

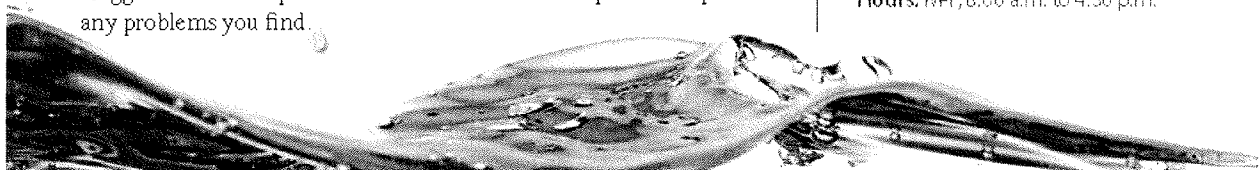
Phone: 916.972.7171

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.



## March Bill Insert

### Tap Talk Live

**A 2020 Look Ahead | Friday, March 27<sup>th</sup>**  
 Please join us Friday, March 27<sup>th</sup> from 12:00 to 1:00 p.m. for a special presentation by SSWD General Manager Dan York and staff on our Strategic Plan and a look at the year ahead. The talk will cover:

- Conjunctive Use Program
- Meter Installation Progress
- Planned Infrastructure Improvements
- Other plans for 2020 and beyond

The Tap Talk will take place in the boardroom at the District's Administrative office at 3701 Marconi Avenue, Sacramento, CA 95821. If you have any questions or would like additional information, please call 916.972.7171.

Lunch will not be provided, but you are welcome to bring food.

### Free Weather-Based Sprinkler Timers | Installation Included

SSWD is partnering with WaterWise Consulting and HydroRain to provide 200 complimentary B-Hyve WiFi weather-based sprinkler timers to our customers.

The weather-based sprinkler timers are available at no charge to SSWD customers who have a standard sprinkler timer and a WiFi connection. Installation is included at no charge. This offer is available on a first-come, first-served basis while supplies last. To review the terms and conditions and to apply for the program, please visit our website, [www.sswd.org](http://www.sswd.org).

### Creek Week 2020

SSWD will be at Carmichael Park on Saturday, April 18th from 12:00 to 2:00 p.m. for the celebration party following the morning clean up. Find out how to get involved at [www.creekweek.net](http://www.creekweek.net).

### Leak Notification

If you received a postcard or phone call from SSWD notifying you that your home has a leak, it means our system has detected continuous water use over 48 hours. Please do not disregard this notice.

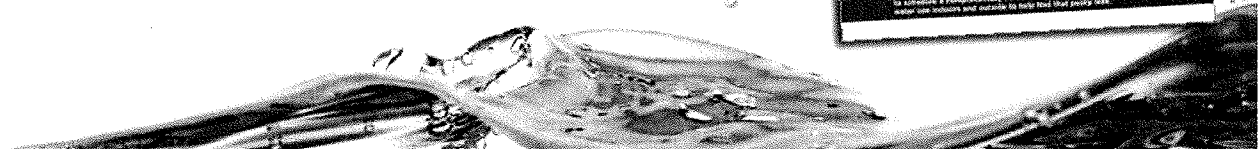
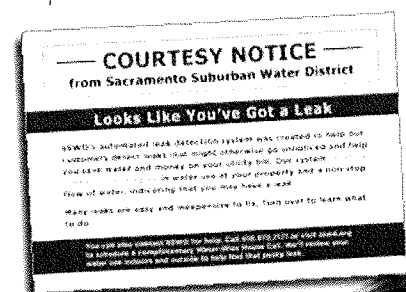
If you need help determining the source of the leak, schedule a complimentary Water-Wise House Call by calling 916.972.7171.

Tap Talk | from page 5

be installing meters with advanced technology that will help customers track their water use and allow SSWD to quickly identify potential leaks.

We also work to actively detect leaks in our water system through the use of acoustic leak detection technology, which allows us to hear the vibrations leaks cause and determine the location of problem areas. In 2018, we identified two leaks in the system with flow rates of about 1 million gallons per year. An additional 117 other leaks were found by SSWD staff or reported by the public.

If you see a leak within the water system in your area, please contact the administrative office at 916.972.7171 to let us know so we can dispatch a team to investigate.





## Agenda Item: 16

**Date:** January 30, 2020  
**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
78 Butano / Cottage	Spring 2020	Spring 2021
79 Verner / Panorama <sup>1</sup>	Summer 2020	Fall 2021

<sup>1</sup>Funding 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 <sup>1</sup>	Complete	Complete
Thor	Early 2020	Fall 2020

<sup>1</sup>Final paving (slurry) planned for spring 2020 as weather permits.

Meter Retrofit Program

The Meter Retrofit Program is on track to be complete by 2022 before the State deadline of January 2025. Project(s) for 2020 are shown in the table below and are on schedule.

Project	Completion Target	
	Design	Construction
2020 Project	Complete	Summer/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
Fleet AMP	Draft – April 2020 Final – May 2020
Transmission Main AMP	Draft – June 2020 Final – August 2020
Buildings and Structures AMP	Draft – Q2 2020 Final – Q2 2020
Groundwater Wells AMP	Draft – Q2 2020 Final – Q2 2020
SCADA AMP	Q3 2020
2020 Urban Water Management Plan <sup>1</sup>	2021
Meter AMP	

<sup>1</sup> Schedule is set by the California Department of Water Resources.

**c. Other**

**Major Rehabilitation Activities Related to Active Wells**

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

Well	Activity	Completion Target
N20 Cypress	Condition Assessment & Pump Repair	Spring 2020
59A Bainbridge/ Holmes School	Condition Assessment & Pump Repair	Spring 2020
N10 Walnut	Condition Assessment & Pump Repair	Spring 2020
N34 Cottage	Condition Assessment & Pump Repair	Spring 2020
69 Hillsdale / Cooper	Condition Assessment & Pump Repair	Summer 2020
N33 Walerga	Condition Assessment	Summer 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: 17. a.

### REGIONAL WATER AUTHORITY EXECUTIVE COMMITTEE AGENDA

February 19, 2020; 8:30 a.m.  
3701 Marconi Avenue, Suite 100  
Sacramento, CA 95821  
(916) 972-7171

Teleconference location: **80 Fair Oaks Lane, Atherton CA 94027**

(Teleconference location will be open to the public during the teleconference)

### AMENDED 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**  
Approval of the minutes from the January 22, 2020 Executive Committee meeting has been deferred to the March 2020 Executive Committee meeting.
4. **STRATEGIC PLAN**  
Discussion: Jim Peifer, Executive Director
5. **OTHER POST-EMPLOYMENT BENEFITS (OPEB) FUNDING REPORT**  
Information and Discussion: Josette Reina-Luken, Financial and Administrative Services Manager
6. **LEGISLATIVE/REGULATORY UPDATE**  
Information Presentation: Ryan Ojakian, Legislative and Regulatory Affairs Manager
7. **VOLUNTARY AGREEMENT AD HOC COMMITTEE RECOMMENDATIONS**  
Discussion: Kerry Schmitz, Chair, Voluntary Agreement Ad Hoc Committee

**Action: Direct the Executive Director to evaluate options and report back to the committee and the Board**

**8. EXECUTIVE DIRECTOR'S REPORT**

**9. DIRECTORS' COMMENTS**

**ADJOURNMENT**

**Upcoming meetings:**

**Upcoming Executive Committee Meetings** –March 25, 2020 at 8:30 a.m. and April 22, 2020 at 8:30 a.m. at the RWA office

**Next RWA Board of Directors' Meeting** – Thursday, March 12, 2020, at 9:00 a.m. in the RWA conference room, 5620 Birdcage Street, Ste. 110, Citrus Heights, CA 95610

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: 17. b.

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

**Thursday, February 13, 2020; 9:00 a.m.**

**3701 Marconi Avenue, Suite 100**

**Sacramento, CA 95821**

**(916) 972-7171**

### **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 committee may do so at this time. Please keep your comments to less than three minutes.

**3. CONSENT CALENDAR**

Approval of the minutes from the December 12, 2019 SGA Board meeting has been deferred to the April 2020 SGA Board meeting.

**4. 2019 AUDIT REPORT**

Information Presentation: Peggy Vande Vooren, Gilbert Associates, Inc.

**Action: Accept 2019 Financial Audit report**

**5. DEVELOPMENT OF SGA FISCAL YEAR 2020 – 2021 BUDGET**

Information Presentation and Discussion: Josette Reina-Luken, Finance and Administrative Services Manger

**Action: Chair to Appoint Budget Subcommittee for Fiscal Year 2020 - 2021**

**6. NORTH AMERICAN SUBBASIN GROUNDWATER SUSTAINABILITY PLAN  
DEVELOPMENT UPDATE**

Information Presentation and Discussion: Rob Swartz, Manager of Technical Services

**7. GROUNDWATER MANAGEMENT PROGRAM UPDATE**

Information Update: Rob Swartz, Manager of Technical Services

8. EXECUTIVE DIRECTOR'S REPORT

9. DIRECTORS' COMMENTS

**ADJOURNMENT**

**Next SGA Board of Director's Meeting** – April 9, 2020 at 9:00 a.m. at the RWA/SGA office, 5620 Birdcage Street, Suite 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/meeting/board-meetings/>

## AGENDA ITEM: 17. c.

**WATER CAUCUS**  
**Wednesday, February 12, 2020**  
**11:30 AM – 1:00 PM**

**\*\*\*Note Different Location for this meeting\*\*\***

**Water Forum**  
1330 21<sup>st</sup> St., Ste. 103  
Sacramento, CA 95811

### **Agenda**

1. Water Forum Renegotiation
  - Survey
  - Scope of the Negotiations
  - Negotiators
  - Schedule
2. Voluntary Agreement Update
  - VA process
  - Reclamation possibly joining Water Forum
3. Sacramento Regional Water Bank/Water Reliability Plan Update
4. Legislative/SGMA/Regulatory Update
5. Water Efficiency Update

**WATER FORUM SUCCESSOR EFFORT**

Thursday, February 13, 2020

5:30 PM – 7:45 PM

**WATER FORUM**

1330 21<sup>st</sup> Street, Ste. 103

Sacramento, CA 95811

**Agenda**

5:30 **DINNER**

5:45 **INTRODUCTIONS**

6:00 **DISCLOSURES/ REPORT BACKS / ANNOUNCEMENTS**

6:15 **PRESENTATION**

Water Forum Agreement Renegotiation  
- Julia Golomb, CBI

7:15 **ACTION ITEM**

FY 2020-21 Budget  
- Tom Gohring, Water Forum

7:30 **UPDATES**

FMS and VA – Tom Gohring  
Groundwater Facilitation – John Lowrie  
River and Water Supply Conditions – Lilly Allen  
Habitat Management – Lilly Allen

8:00 **ADJOURN**

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

# AGENDA ITEM: 18. a.

## Minutes

Sacramento Suburban Water District  
**Facilities and Operations Committee**  
 Thursday, February 13, 2020

### Call to Order

Chair Jones called the meeting to order at 1:00 p.m.

### Pledge of Allegiance

Chair Jones led the Pledge of Allegiance.

### Roll Call

Directors Present: Dave Jones and Kathleen McPherson.

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Mike Huot, Amy Bullock, Matt Underwood, David Morrow, Dana Dean, and Jim Arenz.

**Public Present:** William Eubanks.

### Announcements

General Manager Dan York (GM York) announced that General Manager Paul Helliker (GM Helliker) and Tony Barela (Mr. Barela) from San Juan Water District (SJWD) were in the audience. GM York also announced David Gordon (Mr. Gordon) and Brian Hensley (Mr. Hensley) from Citrus Heights Water District (CHWD) were in the audience as well.

### Public Comment

None.

### Consent Items

#### 1. Minutes of the September 13, 2018, Facilities and Operations Committee Meeting

Chair Jones moved to approve Consent Item 1; Director McPherson seconded the motion. The motion passed by unanimous vote.

AYES:	Jones and McPherson	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

### Items for Discussion and/or Action

#### 2. Antelope Pump-Back Booster Pump Station Operations Agreement

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

Chair Jones inquired if this makes it easier to collect revenues if the District wants to send water to Rio Linda or Elverta, giving the District more stability in that situation.

GM York stated if there is a pipeline extended out, to that area it helps to alleviate a stranded asset.

Director McPherson inquired if staff is adding language in the agreement to clarify what the pipeline is intended to do.

AGM Huot stated that staff is updating the language that highlights that it can be used for conjunctive use while meeting regulatory compliance needs and water banking as well.

Director McPherson inquired if a word in the language can be changed from assist to enhance.

AGM Huot agreed the word assist can be changed to enhance and that the change in the language is more pointed and still achieves the same goal.

Director McPherson inquired if there is any data on how much water is going one way verses another way on any given year.

Matt Underwood (Mr. Underwood) stated that all of the District's surface water in the North Surface Area comes through the C-Bar-C meter and there are years of data.

Public comment from Paul Helliker (Mr. Helliker) from SJWD. Mr. Helliker stated that the original intent was three purposes, (1) to provide for dry year operations, (2) to provide for operations in case of a shortage of water supply from the Bureau of Reclamation, and (3) for or any operational shut offs. Mr. Helliker further noted that Director McPherson's suggestion on changing the word to enhance sounded fine and that this item will go before the SJWD Board at their next regular Board meeting.

The Committee moved to recommend the item move to the full Board as a consent item with Committees full recommendation of approval.

### **3. Memorandum of Understanding – San Juan Water District Hinkle Reservoir Relining Project**

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

Chair Jones inquired if the SJWD will be ready to proceed this year with the project.

Public comment from Mr. Barela from SJWD stated that there is a chance that the project may need to be pushed out a year due to the operational plan and how to operate the system with the reservoir offline. With the reservoir offline it requires installing two, one-million-gallon temporary reservoir tanks.

Chair Jones inquired if the SJWD can move forward with the project in a dry year.

Mr. Barela stated that the project can happen in a dry year and will be in coordination with SSWD as well as other districts. Mr. Barela further noted that he wanted to give credit to Mr. Underwood and Mr. Dean for being very helpful working with SJWD's team.



Chair Jones inquired if the District will need more manpower to make this happen.

Mr. Underwood stated that he does not foresee the project affecting operations.

Director McPherson inquired if District customers would be affected with the reservoir going offline.

Mr. Underwood stated that if all goes well the customers won't be affected or even know the reservoir is off line.

GM York noted that SJWD staff, SSWD staff, as well as HDR staff did a great job in preparation of this project.

Mr. Helliker stated that the model that was developed will be kept up to date and appreciates the partnership on the project.

The Committee moved to recommend the item move to the full Board as a consent item with Committee's full recommendation of approval.

**Adjournment**

Chair Jones adjourned the meeting at 1:24 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District

# AGENDA ITEM: 18. b.

## Minutes

Sacramento Suburban Water District  
**Finance and Audit Committee**  
Tuesday, February 18, 2020

### Call to Order – Conference Call Meeting

Chair Thomas called the meeting to order at 4:05 p.m.

### Roll Call

Directors Present: Kevin Thomas

Directors Absent: Robert Wichert

Staff Present: General Manager, Dan York, Director of Finance and Administration, Jeff Ott and Dan Bills.

Public Present: Ingrid Shepline and Heidi McLucas of Richardson & Company, CPAs.

### Announcements

None.

### Public Comment

None.

### Item for Discussion

#### 1. **Pre-Field Work Discussion with Independent Auditor**

*Discuss Scope and Timing of 2019 Audit with Richardson & Company, LLP.*

Former Director of Finance and Administration, Dan Bills (Mr. Bills) introduced the independent auditors and discussed the purpose of the meeting, which was for the Committee to hear from the auditors regarding the scope of work they would be engaging in for the 2019 audit, to ask questions of the auditors, to direct the auditors in certain areas where the Board may have concerns and for the Committee and Auditors to discuss any known or suspected fraudulent concerns within the District.

Chair Thomas inquired as to how many years Richardson & Company had performed the audit under the current contract.

Mr. Bills responded they were in their sixth and final year and the Committee will be asked to bid the audit services later this Spring for 2020 and beyond.

Discussion ensued between Ms. Shepline and Chair Thomas over the scope of the audit.

Ms. McLucas asked a series of questions of Chair Thomas regarding the Board's knowing or suspecting fraudulent activities within the District.

Chair Thomas stated they did not know of or suspect of any fraudulent activities within the District and added there were no concerns on the part of the Board in this area.

Mr. Bills concluded the meeting by informing the Committee of the Auditors schedule for completing the 2019 audit, stating that they will be at the District the first two weeks in March for fieldwork after which staff would finalize the 2019 CAFR and the Committee would be asked to meet again in late March or early April to hear the audit results and to review the CAFR prior to such reports going to the full Board in April for acceptance.

**Adjournment**

Chair Thomas adjourned the meeting at 4:20 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District



## Agenda Item: 19

**Date:** February 5, 2020

**Subject:** Sensus Advanced Meter Infrastructure Master Services Agreement

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

As previously reported at the February 2019 and March 2019 regular Board meetings, Mueller Systems ceased supporting SSWDs Meganet Advanced Metering Infrastructure (AMI) meter reading system. To keep the system running without Mueller support, it was necessary for SSWDs Information Technology (IT) staff to assume all technical aspects of the system. Since February 2019, IT has been able to keep the system going; however, the infrastructure has reached the end of its 10 year useful life expectancy and has required several repairs to keep it operational. Repairs have included computer replacements at collector sites, software upgrades, and a server replacement at the District office. It is anticipated that the remaining collectors will need computer replacements within the next few years as well as miscellaneous repairs as needed.

In March 2019, the Board approved the purchase of the Sensus USA Inc. Flexnet AMI system to replace the Mueller Systems Meganet AMI system and authorized the General Manager to execute the final agreement. Lessons learned from previous experiences led to extensive negotiations with Sensus to ensure operational guarantees reflected in the agreement were acceptable and in the best interest of SSWD. Legal counsel also reviewed the agreement and negotiated legal terms that were acceptable and in the best interest of SSWD. After final review and approval by the General Manager, the agreement was signed and executed on February 6, 2020. Staff has begun the initial stages of the deployment process. It is anticipated that the infrastructure will be fully deployed and operational by August 2020.



## Agenda Item: 20

**Date:** February 4, 2020

**Subject:** Legislative and Regulatory Update

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

### 1. RWA Government Affairs Committee

The 2019/20 legislative session reconvened on January 6, 2020. Table 1 below shows the Assembly Bills (AB) and Senate Bills (SB) staff will begin or continue 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, ACWA's Legislative Committee, and other bills that could impact SSWD.

### 2. Notable Updates

- a. AB 533 – Income Tax and Water Conservation was held under submission on January 23, 2020. This bill would have exempted turf removal rebate programs from state income taxation. This bill will now no longer be considered by the Legislature during the current legislative session.

### 3. Correspondence

- a. The District submitted a letter to the State Water Resources Control Board (SWRCB) regarding proposed urban water conservation reporting regulations (Attachment 1).

### 4. Ongoing Bill Implementation

- a. AB 1668 and SB 606: Requires 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 on progress or significant updates.

**Table 1: Assembly and Senate Bill Tracking**

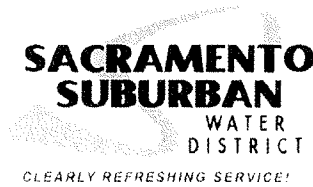
Bill Number	Name	District Position	RWA Position	ACWA Position	Result
AB 510	Records Retention Requirements	Favor	Favor	Favor	Two Year Bill
AB 933	Ecosystem Resilience Program	Favor	Favor	Favor	Held In Committee
AB 1071	Climate Change: Ag adaption tools program: grants	Watch	Watch	Favor	In Senate process
AB 1204	MCL Compliance Notifications	Favor	Favor	Favor	Two Year Bill
AB 60	Water Meter Accuracy	Favor if Amended	Favor if Amended	Favor if Amended	Held In Committee
SB 414	Failing Public Water System Requirements	Watch	Watch	Watch	Held In Committee
SB 402	Local Funding Stabilization Program	Watch	Watch	Watch	Held in Committee

**Attachment:**

1 – Comment Letter on Proposed Urban Water Conservation Reporting Regulations

General Manager

Daniel R. York



Board of Directors

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

January 31, 2020

State Water Resources Control Board  
Attn: Jeanine Townsend, Clerk to the Board  
P.O. Box 100  
Sacramento, CA 95812-2000

via email: [commentletters@waterboards.ca.gov](mailto:commentletters@waterboards.ca.gov)

**Re: Comment Letter - Proposed Urban Water Conservation Reporting Regulations**

Dear Chair Esquivel,

Sacramento Suburban Water District (SSWD) appreciates the opportunity to comment on the regulatory action to require permanent monthly reporting by urban water suppliers as contained in the Initial Statement of Reasons (ISOR) for the proposed Division 3, Chapter 3.5, Article 2 of Title 23 of the California Code of Regulations (proposed regulation).

SSWD is a Special District serving 47,000 service connections and 180,000 Sacramento area residents. SSWD's mission is to deliver a high quality, reliable supply of water, and superior customer service at the lowest responsible rate, and its vision is to be a model public agency that maintains stakeholder trust through responsibility, environmental stewardship, and leadership. SSWD is an original signatory to the Water Forum Agreement, which is an agreement established 20 years ago between water suppliers, environmental Non-Governmental Organizations, business interests, and local governments to achieve water supply reliability while preserving and enhancing the ecosystem in the lower American River. One of the seven elements of the Water Forum Agreement is water use efficiency. Over the last 5 years, SSWD has reduced water use cumulatively by 23% (when compared to 2013) through customer engagement and implementing water efficiency demand management measures.

SSWD recognizes the effort the staff of the State Water Board Resources Control Board (SWRCB) has made over the past year to work with water suppliers throughout the state to develop and refine this regulation to better integrate with other water supplier reporting requirements, such as the Electronic Annual Report and the reporting associated with Senate Bill 606 and Assembly Bill 1668. Despite some meaningful revisions, SSWD continues to have concerns about the proposed regulation.

Specifically, SSWD has the following concerns:

#### **Authority and Purpose**

SWRCB has existing statutory authority to require monthly reporting as stated in Water Code 10609.28. Citing any authority outside of this Water Code section is unnecessary and raises a variety of potentially serious questions and concerns. To this point, SSWD appreciates that SWRCB revised the previously issued ISOR to delete references to Water Code Section 275, regarding the prevention of waste and unreasonable use of water, as a basis of its authority to issue this regulation; however, just striking references to Water Code Section 275 is insufficient. The proposed regulation should be further revised to eliminate all references to “waste and unreasonable use of water” as a purpose that would be advanced by this regulation.

Furthermore, although this proposed regulation primarily requires reporting monthly water production, the ISOR points to a number of unsupported and improbable “benefits” that will result from this reporting as a means to justify the regulation, including safeguarding urban water supplies, improving the protection of the public’s health and welfare, extending water supplies, and benefitting California residents and worker safety. SSWD requests the removal of this superfluous language prior to the issuance of the Final Statement of Reason (FSOR) as it does not provide any substance to the regulatory proceeding.

#### **Residential Gallons Per Capita Per Day**

The proposed regulation requires monthly water production, population, and percent residential use in order to allow SWRCB to continue to calculate and publically post “Residential Gallons Per Capita Per Day” (R-GPCD) for each urban water supplier on a monthly basis. Although this R-GPCD metric has been used by SWRCB as a general indication of changes in water use during the drought of 2015-16 and beyond, it is not a comprehensive assessment of long term water efficiency progress. Many factors affect R-GPCD including urban supplier specific rainfall, temperature, evaporation rates, population growth, population density, socio-economic measures such as lot size and income, and water prices and *“it is not appropriate to use Residential Gallons Per Capita Day (R-GPCD) water use data for comparisons across water suppliers, unless all relevant factors are accounted for.”*<sup>1</sup> For these reasons, SSWD requests that disclaimer language similar to that referenced above be included as a footnote in any publicly-accessible reporting of R-GPCD values for urban water suppliers.

#### **Conservation versus Efficiency**

Another broader policy concern associated with the continued use of R-GPCD is related to the difference between “conservation” and “efficiency.” In short, word choice matters. These two words are often used interchangeably, in common parlance as well as in statute, and the ISOR is full of references to “conservation” and claims that the proposed regulation will support and increase water conservation; however, these two words retain significant difference as applied by urban water suppliers. “Efficiency” is a long-term concept that suppliers strive and advocate

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<sup>1</sup> State Water Resources Control Board. “Factors that can affect per capita water.” Webpage, accessed January 24, 2020. [https://www.waterboards.ca.gov/waterights/water\\_issues/programs/drought\\_docs/factors.pdf](https://www.waterboards.ca.gov/waterights/water_issues/programs/drought_docs/factors.pdf)



for; “conservation” is a tool that should be reserved for short term emergencies. Related language in the current ISOR should be modified to reflect these significant differences as to avoid confusion among suppliers, the state, and the public.

**Data Integrity and Use**

Many agencies bill on a bimonthly basis, meaning that monthly reports require estimating and/or prorating demand. Additionally, over the course of a year the process of accounting for missed payments, shutoffs, stuck meters, zero reads, AMI discrepancies, and other supply or demand abnormalities can amount to as much as a 15-percent disparity compared with the results of monthly reports. To address these concerns, SSWD requests that SWRCB include within any adoption or resolution, a clear indication that this monthly provisional data is not intended to develop policy, declare emergencies, or administer water use regulations.

Furthermore, and in the spirit of shared transparency, SSWD requests that SWRCB staff provide urban water suppliers with a list of potential intended uses for the reporting data that will be submitted to the state under this regulation. The knowledge of what the data will be used for will allow urban water suppliers to provide the most accurate information possible.

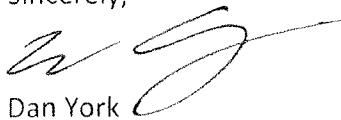
**Reporting Redundancy**

Lastly, SSWD encourages the state to continue to identify strategies to streamline reporting requirements for urban water suppliers as outlined in Water Code section 10609.15. Reporting requirements for urban water suppliers continue to increase year after year and require significant staff time. Streamlining reporting will reduce water supplier staff time and will benefit the state by eliminating redundant and overlapping data sets.

SSWD looks forward to continuing to work with SWRCB to increase data transparency in the State.

If you have any further questions or need additional information, please do not hesitate to contact me at (916)679-3973 or [dyork@sswd.org](mailto:dyork@sswd.org).

Sincerely,



Dan York  
General Manager



## Agenda Item: 21

**Date:** February 6, 2020

**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. ACWA Legislative Symposium  
March 12, 2020  
Sacramento, CA  
<https://www.acwa.com/events/>
2. RWA Board Meeting  
March 14, 2020  
RWA Office  
<http://rwah2o.org/>
3. ACWA Region 2 and 4 Shasta Dam Tour  
March 26, 2020  
Shasta Lake, CA  
<https://www.acwa.com/events/acwa-region-2-4-program-and-tour/>
4. SSWD Tap Talk Live – A 2020 Look Ahead  
March 27, 2020  
SSWD Boardroom  
[www.sswd.org](http://www.sswd.org)

## Upcoming Water Industry Events

February 6, 2020

Page 2 of 3

5. Cal-Neva AWWA Spring conference  
April 6-9, 2020  
Anaheim, CA  
[https://www.ca-nv-awwa.org/canv/CNS/Events\\_Classes/Future\\_Events/Annual\\_Spring\\_Conference\\_2020/CNS/EventsandClasses/conf/SC20/SC2020.aspx?hkey=d049e7ba-a5ef-4007-8940-7dbfce971ae8](https://www.ca-nv-awwa.org/canv/CNS/Events_Classes/Future_Events/Annual_Spring_Conference_2020/CNS/EventsandClasses/conf/SC20/SC2020.aspx?hkey=d049e7ba-a5ef-4007-8940-7dbfce971ae8)
6. Creek Week  
April 18, 2020  
Carmichael Park  
[www.sswd.org](http://www.sswd.org)
7. Sacramento Metro Chamber of Commerce Capitol to Capitol – Board Approved Conference  
April 25 – 29, 2020  
Washington DC  
<https://metrochamber.org/>
8. Legislative Washington DC Trip – Board Approved Conference  
Spring 2020
9. RWA Board Meeting  
May 2, 2020  
RWA Office  
<http://rwah2o.org/>
10. ACWA Spring Conference  
May 5-8, 2020  
Monterey, CA  
<https://www.acwa.com/events/2020-spring-conference-exhibition/>
11. American Water Works Association Annual Conference & Exposition – Board Approved Conference  
June 14-17, 2020  
Orlando, FL  
<https://www.awwa.org/Events-Education/Exhibitors-Sponsors>

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

- Carmichael Water District: <http://carmichaelwd.org/> - Every 3<sup>rd</sup> Monday of the month at 7:00 p.m.
- Citrus Heights Water District: <http://chwd.org/> - Every 3<sup>rd</sup> Wednesday of the month at 6:30 p.m.
- Del Paso Manor Water District: <https://www.delpasomanorwd.org/> (916)487-0419 - Every 1<sup>st</sup> Tuesday of the month at 6:30 p.m.
- El Dorado County Water Agency - <http://www.edlafco.us/> - Every 4<sup>th</sup> Wednesday of the month at 5:30 p.m.
- El Dorado Irrigation District - <http://www.eid.org/> - Every 2<sup>nd</sup> and 4<sup>th</sup> Monday's of the month at 9:00 a.m.
- Fair Oaks Water District: <http://www.fowd.com/> - Every 2<sup>nd</sup> Monday of the month at 6:30 p.m.
- Natomas Mutual Water Company - <http://natomaswater.com/> - Every 2<sup>nd</sup> Tuesday of the month at 9:00 a.m.
- Orangevale Water Company - <https://orangevalewater.com/> - Every 1<sup>st</sup> Tuesday of the month at 4:00 p.m.
- Placer County Water Agency: <https://pcwa.net/> - Every 1<sup>st</sup> and 3<sup>rd</sup> Thursdays of the month at 2:00 p.m.
- Rio Linda/Elverta Community WD: <http://www.rlecwd.com/> - Every 3<sup>rd</sup> Monday of the month at 6:30 p.m.
- San Juan Water District: <http://www.sjwd.org/> - Every 4<sup>th</sup> Wednesday of the month at 6:00 p.m.



## Agenda Item: 22 a.

**Date:** February 14, 2020

**Subject:** Upcoming Policy Review – Disposing of Surplus District Real Property, Vehicles and Large Equipment and Other Personal Property Policy (PL – Adm 003)

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

The Disposing of Surplus District Real Property, Vehicles, and Large Equipment and Other Personal Property Policy (PL – Adm 003) is scheduled for its biennial review. It was originally adopted by the Board in July 2003 and last revised in April 2018. The Board requested the surplus limit to be raised from \$4,000 to \$15,000, which was incorporated in the Policy update.

Attachment 1 is a redline version of the Disposing of Surplus District Real Property, Vehicles and Large Equipment and Other Personal Property Policy. In addition to minor grammatical changes, staff recommends the following changes:

- Annual List of Surplus Items - Change the wording in Sections 400.00 and Sections 500.00 so the surplus lists for vehicles, large equipment, and property are prepared on a calendar year basis by staff. Currently these Sections state the lists will be prepared once each fiscal year by the General Manager.
- Reference to Vehicle Point System – Staff is updating the Fleet Asset Management Plan. In the Vehicle Replacement Section, the Vehicle Point System is being replaced by mileage and age thresholds, which is more consistent with industry standards. Section 400.00, Section 1, has been modified by removing references to the Vehicle Point System.
- Threshold for Sale of Personal Property – Raise the authorization threshold for the General Manager in Section 500.00 to \$15,000. This is consistent with the authorization threshold for vehicles and large equipment in Section 400.00. Currently Section 500.00 states an authorization threshold of \$4,000 for personal property.

The Policy is scheduled for Board to consider and adopt at the March 16, 2020, Board meeting. If Directors have comments, please provide them to staff by Friday, March 6, 2020. If no comments are received by any Director, this policy will be placed on the consent agenda.

**Fiscal Impact:**

Adopting the policy updates does not have a fiscal impact.

Disposing of Surplus District Real Property, Vehicles and Large Equipment and Other Personal Property Policy

February 14, 2010

Page 2 of 2

**Strategic Plan Alignment:**

Goal B: Optimize Operational and Organizational Efficiencies

Goal C: Ensure Fiscal Responsibility and Affordable Rates

**Attachment:**

1 – Disposing of Surplus District Real Property, Vehicles and Large Equipment and Other Personal Property Policy – redlined

Sacramento Suburban Water District

**Disposing of Surplus District Real Property, Vehicles, and Large Equipment  
and Other Personal Property Policy**

Adopted: July 21, 2003  
Approved with Changes on March 16, 2020  
~~Approved with changes on April 23, 2018~~

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**100.00 Purpose of the Policy**

The primary purpose of this policy is to allow management staff to determine if a parcel of real property, easement, vehicles, or large equipment or other personal property is no longer needed for daily, emergency, and/or future operations. A staff report is generated to document why a parcel of real property, easement, vehicles, or large equipment or other District property should not be retained.

**100.10 Definitions**

**Real Property** – Any parcel of land owned by the District.

**Easement** – An interest in another’s real property that permits the District to make limited use of that real property for a District purpose.

**Vehicles and Large Equipment** – Utility trucks, dump trucks, tractors, backhoes, forklifts, and other significant self-propelled equipment used in District operations.

**Personal Property** – Small equipment (cut-off saws, drills, etc.), computer equipment (monitors, printers, etc.), office furniture.

**200.00 Disposal of Real Property**

1. District management staff determines if a parcel of real property no longer meets the needs of daily, emergency, and/or future operations, ~~and~~ a staff report is generated to document why the parcel should not be retained.
2. District management staff determines if a parcel falls within the notice and offer procedures provided in Government Code sections 54220 through 54232, as they may be amended from time to time. If the statutory notice and offer procedures must be followed, the District must obtain a qualified appraisal of the parcel and offer the surplus real property to specified public agencies before it can sell the

property to other public agencies or a private party. The specified public agencies are as follows:

- a) Sacramento County for developing low- and moderate-income housing;
  - b) Sacramento County Parks and Recreation Department for park and recreational purposes;
  - c) Any regional park authority that has jurisdiction over the area in which the surplus real property is located if it is to be used for park and recreational purposes;
  - d) The State Resources Agency for park and recreational purposes; and
  - e) The school district in whose jurisdiction the parcel is located.
3. A parcel of real property is exempt from the statutory notice and offer procedures if it:
- a) Is less than 5,000 square feet; **or**
  - b) Is less than “the minimum legal residential building lot size for the jurisdiction in which the parcel is located”; **or**
  - c) Has no recorded access and is less than 10,000 square feet; **and**
  - d) Is not: (a) contiguous to land owned by a state or local agency that is used for park, recreational, open-space, low- or moderate-income housing; or (b) located in an enterprise zone or high-density, economically-distressed areas involved in certain redevelopment program; **and**
  - e) Is sold to the owner of contiguous land.
4. The Board of Directors declares real property surplus and determines if a parcel must be offered to the designated public agencies under the statutory notice and offer procedures prescribed by the Government Code or is exempt from such procedures. If the District must sell a surplus parcel under the statutory notice and offer procedures, the General Manager will give qualifying public agencies notice of the parcel’s availability for purchase. If none of the agencies to which notice must be given notifies the District within 60 days after receiving notice that they are interested in buying the surplus parcel, then the District may sell the parcel by advertised public sale.
5. In all cases where the statutory notice and offer procedures have not resulted in disposal of a parcel, the District will sell surplus real property by public sale. The General Manager will notice the parcel’s sale at the appraised value unless the



Board of Directors authorizes a different price. The notice of sale will contain a description of the property; a statement of time and place for opening bids. Bids for the purchase of real property will be accepted or rejected by a resolution of the District Board of Directors. Alternatively, the District may list the surplus parcel for public sale with a licensed real estate broker in good standing who advertises the parcel through a multiple listing service or similar listing system at a fair market value determined by the broker using comparable sales data. Documents for the conveyance of title to surplus real property will be executed by the President of the Board upon authorization by the Board of Directors.

6. If the General Manager determines that a surplus parcel is exempt from the Government Code's notice and offer procedures, it will not be necessary to obtain a formal appraisal of the property. If circumstances warrant, the surplus parcel may be sold for less than fair market value. In such cases, the General Manager or his designee will prepare a staff report documenting why the parcel was not appraised, why it may be sold for less than fair market value, the fiscal impact of selling the parcel, and why it is exempt from the Government Code notice and offer procedures. After review of the staff report, the Board of Directors may approve the sale of the surplus parcel by motion. A staff report and a certified copy of the Board of Directors Meeting minutes reflecting the Board's approval of the sale is sufficient to authorize the General Manager to make the sale.

### **300.00 Relinquishment of District Interest in Easements**

1. Staff determines if an easement no longer meets the needs of daily, emergency, and/or future operations of the District. Staff then will generate a report that documents the justification for relinquishing the easement and makes a determination whether the easement has any fair market value. Staff then will forward the report to the General Manager for review. If staff determines that the easement has fair market value, the General Manager will present the staff report to the Board at its next regular meeting with a recommendation for Board action on relinquishing the easement in accordance with Article 200.00 of this policy.
2. If staff determines that the easement has nominal fair market value, the General Manager shall have the authority, upon review and approval of the recommendation in the staff report, to sign and record a quitclaim deed to relinquish the District's interest in the easement. If the easement is a Public Utility Easement, the General Manager shall have the authority, upon review and approval of the recommendation in the staff report, to sign an easement relinquishment letter.
3. If, upon recommendation of staff, the General Manager authorizes disposal of an easement under this Article, then the General Manager will report the disposal

of the easement to the Board at its next regular meeting following the recording of the quitclaim deed relinquishing the easement.

#### **400.00 Disposal of Vehicles and Large Equipment**

1. At least once each ~~fiscal~~ calendar year, the ~~General Manager~~ staff will prepare a list of District vehicles and items of large equipment that are deemed surplus because they exceed the District's Vehicle Point System. This system is used to project actual vehicle and equipment value throughout the life of the asset. The system utilizes age/depreciation, maintenance and repairs, miles, type of service, reliability, and condition as criteria for this determination.
2. District management staff will establish values and set minimum bid prices for each vehicle or item of large equipment to be sold by public auction. If staff, during the process of establishing value to a vehicle or piece of large equipment, determines that the particular vehicle or equipment has diminutive or no value or the costs of preparation for sale and sale are greater than the value of the vehicle or equipment, then the General Manager is authorized to dispose of the property in accordance with Sections 500.00 (5) and (6) of this policy.
3. The General Manager may authorize the sale of surplus vehicles and large equipment with an estimated value of \$15,000 or less. Vehicles and large equipment with an estimated value greater than \$15,000 will be sold as surplus following authorization by the Board of Directors at a public meeting.
4. Vehicles or large equipment are to be sold at public auction. The General Manager will consign the vehicles or equipment to a public auctioneer after posting a notice concerning the sale of the vehicle and/or large equipment.

#### **400.10 Guidelines Concerning the Sale of Surplus Vehicles and Large Equipment**

Prior to the sale of surplus vehicles or large equipment, the General Manager will direct staff to take the following actions:

1. Remove all District equipment from the vehicle or large equipment (radio, decals, etc.).
2. Clean, and if necessary, repair the vehicle or large equipment if it has an immediate safety issue.
3. Vehicle or large equipment will be sold at public auction.
4. Establish vehicle or large equipment value using an appropriate, publicly available valuation tool such as the Kelley Blue Book, qualified appraisal, trade

publications, or classified newspaper advertisements. Staff will prepare a written report concerning the valuation of the item and attach appropriate documentation.

5. Arrange for the delivery and consignment of the item and in consultation with the General Manager and auctioneer, determine an appropriate reserve or minimum price for the item.
6. Prepare and post a notice of sale. The notice and advertisement will include the vehicle or large equipment description, minimum bid, conditions of sale, and place of public auction.
7. When the vehicle or large equipment is sold, the General Manager or his/her designee will sign the "pink slip", bill of sale, and any other documents required to complete the sale.
8. After the vehicle or large equipment is sold, the General Manager or his/her designee will complete paperwork as required by DMV to report the sale of the vehicle or large equipment, and return all completed forms and vehicle license plates to DMV.

#### **500.00 Disposal of Other Personal Property Other than Vehicles/Large Equipment**

1. At least once each ~~fiscal~~ calendar year, ~~the General Manager~~ staff will prepare a list of District personal property, other than vehicles and large equipment, which is deemed surplus.
2. District management staff will establish values and set minimum bid prices for each item of personal property to be sold by public auction. If staff, during the process of establishing value to an item of personal property, determines it to be of diminutive or no value, the General Manager is authorized to dispose of the property in accordance with Sections 500.00 (5) and (6) of this policy.
3. The General Manager may authorize the sale of personal property with an estimated value of \$415,000 or less. Personal property with an estimated value greater than \$415,000 will be sold as surplus following authorization by the Board of Directors at a public meeting.
4. Surplus personal property is to be sold at public auction. The General Manager will consign the personal property to a public auctioneer after posting a notice concerning the District's sale of the property.
5. For surplus items not sold, the General Manager has the authority to donate such items to another government agency or any non-discriminatory, tax exempt non-profit organization qualified under Internal Revenue Code section 501(c)(3).

6. If an item of surplus property is not sold during sale and the General Manager is unable to donate the surplus items to a qualified government agency or tax-exempt organization, the General Manager may properly dispose of such items at a legal disposal site.

**600.00 Revenue from Disposal of Surplus Property**

All revenue received from the disposal of surplus real or personal property will be deposited in the District's General Operating Fund unless otherwise specified by the Board of Directors.

**700.00 Prohibition Against Upgrades**

Unless necessary to ensure the safety, merchantability, and/or serviceability of surplus property, District staff may not make any repairs or upgrades to any real or personal property recommended or already deemed to be surplus. For example, staff may not replace a vehicle's worn but serviceable tires with new tires, nor may staff add or replace optional equipment that enhances a vehicle's value. Before sale and upon the General Manager's authorization, District staff may repair or replace parts on a surplus item if it is necessary to ensure that it is safe, serviceable, and/or merchantable.

**800.00 Prohibited Director, Officer and Employee Transactions**

In accordance with Government Code section 1090, all members of the District Board of Directors and the General Manager are prohibited from purchasing surplus District real or personal property. Staff members generally are eligible to buy surplus District real or personal property noticed for sale on the same terms and conditions as those offered to members of the public, except that any District employee who actively participated in determining an item's price, surplus status, or conditions of sale is prohibited from purchasing such items because the employee is deemed by law to have a prohibited interest in the sale. The General Manager, in consultation with the Board and legal counsel, will determine if an employee has a prohibited interest in an item of surplus property.

**900.00 Lot or Group Sales**

The District reserves the right to place items of surplus property in a group or lot for sale to the highest bidder.

**900.10 Discretion of Board and General Manager**

Except as prohibited by law, the Board of Directors and General Manager will have the discretion to waive any minor irregularity in the procedures for the surplus and disposing of surplus property. Such discretion will be exercised in a non-discriminatory manner.

**1000.00 Policy Review**

This Policy shall be reviewed at least biennially.



## Agenda Item: 22 b.

**Date:** February 3, 2020

**Subject:** Upcoming Policy Review – Ethics Policy (PL – BOD 004)

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

The Ethics Policy (PL – BOD 004) was originally adopted by the Board in January 2003 and last revised in October 2017. This policy is to be reviewed biannually.

Attachment 1 is a redline version of the Ethics Policy. There are only a few minor edits and formatting changes, but no substantive changes.

The Ethics Policy is scheduled for the Board to consider and adopt at the March Board meeting. If a Director wishes to comment on Attachment 1, please provide them to staff by close of business on March 6, 2020.

**Attachment:**

1. Ethics Policy - Redlined (PL – BOD 004)

Sacramento Suburban Water District

**Ethics Policy**

Adopted: January 27, 2003

~~Approved with Changes on March 16, 2020 Revised: January 23, 2006, January 28, 2008,  
January 25, 2010, June 20, 2011, July 15, 2013, June 15, 2015, October 16, 2017~~

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**100.00 Purpose of the Policy**

The policy of the Sacramento Suburban Water District is to maintain the highest standards of ethics from its Directors and employees. The proper operation of the District requires that decisions and policy be made in the proper channels of governmental structure, that public office not be used for personal gain, and that all individuals associated with the District remain impartial and responsible towards the public. Accordingly, it is the policy of the District that Directors and District employees will maintain the highest standard of personal honesty and fairness in carrying out their duties.

This policy contains two parts. The first part addresses mandated ethics training requirements for Directors and certain designated officers. The second part of this policy sets ethics standards for Directors. The ethical standards to be followed by District employees, including the General Manager, Treasurer, and Secretary (if an employee), are provided in the District's Employee Handbook.

The primary purpose of the ethics training policy (articles 200.00 – 250.00) is to ensure that all District Directors and certain designated officers comply with the ethics training and reporting mandates imposed by Government Code sections 53234 through 53235.2.

The primary purpose of the ethics guidelines for Directors (articles 300.00 – 375.00) is to set forth the minimum ethical standards to be followed by the Board of Directors of the Sacramento Suburban Water District. The objectives of this policy are to (1) provide guidance for dealing with ethical issues, (2) heighten awareness of ethics and values as critical elements in Directors' conduct, and (3) improve ethical decision-making and values-based management.

**200.00 Mandatory Ethics Training**

**210.00 Positions Requiring Training**

Ethics training is required for all Directors (Government Code section 53235, subd. (a).) The following District officers also will be required to receive ethics training:

(1) General Manager; and (2) Finance Director. (Government Code section 53234, subds. (a), (b) and (c)(1).) Collectively, Directors and the designated officers are the District's "Covered Officials" under this policy. The Board encourages all other District employees to receive ethics training, although such training is not a legal requirement.

## **220.00 Training Curriculum**

The required ethics training must cover general ethics principles and ethics laws relevant to the Covered Officials' public service. All Covered Officials must receive ethics training in the following topics relevant to the service to the District:

- (1) Laws relating to personal financial gain by public servants, such as prohibitions on conflict of interest and bribery;
- (2) Laws relating to the privileges of office, such as limitations on personal receipt of gifts and travel, use of public resources, mass-mailing restrictions, and prohibitions on gifts of public funds;
- (3) Government transparency laws, such as the Brown Act, the Public Records Act, and financial interest disclosure laws; and
- (4) Laws relating to fair public process, such as due process and competitive bidding requirements, bias prohibitions, and incompatible office restrictions.

Covered Officials may fulfill their required ethics training obligations by participating in any approved form of training, including but not limited to seminars, webinars, group or individual training, or self-study at home, in-person, or on-line. If self-study courses are used, a test component must be included. (Government Code section 53235, subd. (d).)

## **230.00 Frequency of Training**

Every two years, all Covered Officials must receive at least two hours of ethics training that complies with the requirements of Article 220.00. (Government Code section 53235, subd. (b).) All Covered Officials may take more than two hours of training every two years and the Board encourages all Covered Officials to obtain more than the required minimum training.

Newly elected or appointed Covered Officials must complete their first two hours of ethics training within one year after taking office. After completing the initial training requirement, Covered Officials must receive a minimum of two hours of ethics training every two years for as long as they remain in office.



## **240.00 Training Documentation**

Compliance with the Government Code sections 53234 through 53235.2 ethics training requirements must be documented. The person or entity providing the training must provide a proof of participation to the Covered Official. (Government Code section 53235, subd. (e).) The District will also keep records of its Covered Officials' dates of participation in ethics training and the person or entity providing the training for five years. (Government Code section 53235.2, subd. (a).) The Executive Assistant to the General Manager will maintain the ethics training records. All Covered Officials must submit a copy of their proofs of participation in all ethics training completed to the Executive Assistant to the General Manager within 30 days of completing any ethics training. All ethics training policies and attendance records are public records subject to disclosure under the California Public Records Act. (Government Code section 53235.2, subd. (b).)

## **250.00 Miscellaneous Training Rules**

The District will inform its Covered Officials of available ethics training opportunities at least once annually. (Government Code section 53235, subd. (f).)

It is the responsibility of each Covered Official to ensure his or her compliance with this policy, including selecting the ethics training courses and securing and submitting the ethics training documentation to the Executive Assistant to the General Manager as required in Article 240.00.

If a Covered Official holds more than one position covered by the ethics training mandate, he or she need only complete the minimum two hours every two years to comply. (Government Code section 53235.1, subd. (c).) If a Covered Official wishes to receive District credit for ethics training completed on behalf of another agency, he or she should submit the relevant documentation to the District Secretary or designee.

## **300.00 Ethics Guidelines for Directors**

### **310.00 Responsibilities of Public Office**

Directors are obligated to uphold the Constitution of the United States and the Constitution of the State of California. Directors will comply with applicable laws regulating their conduct, including conflict of interest, financial disclosure, and open government laws. Directors will work in cooperation with other public officials unless prohibited from so doing by law or officially-recognized confidentiality of their work, or if doing so would be contrary to the best interests of the District.

(Article 20, section 3 of the California Constitution; Government Code section 1360.)

### **315.00 Fair and Equal Treatment**

Directors will not, in the performance of their official functions, discriminate against any person on the basis of race, sex, color, national origin, ancestry, disability, or any other protected class under federal, state, or local laws. A Director will not grant any special consideration, treatment, or advantage to any person or group beyond that which is available to every other person or group in similar circumstances.

(See, e.g., Article 1, section 31 of the California Constitution; Age Discrimination in Employment Act of 1967 (29 U.S.C. sections 621 and following); Americans with Disabilities Act of 1990 (42 U.S.C. sections 12101 and following); California Fair Employment and Housing Act (Government Code sections 12900 and following and Chapter 5 of Title 47, U.S.C.); Rehabilitation Act of 1973 (29 U.S.C. sections 701 and following); Title VII of the Civil Rights Act of 1964 (42 U.S.C. sections 2000e and following).)

### **320.00 Proper Use and Safeguarding of District Property and Resources**

Except as specifically authorized, a Director will not use or permit the use of District-owned vehicles, equipment, telephones, materials, or property for personal convenience or profit. A Director will not ask or require a District employee to perform services for the personal convenience or profit of a Director or employee. Each Director must protect and properly use any District asset within his or her control, including information recorded on paper or in electronic form. Directors will safeguard District property, equipment, moneys, and assets against unauthorized use or removal, as well as from loss due to criminal act or breach of trust. Directors are responsible for maintaining written records, including expense accounts, in sufficient detail to reflect accurately and completely all transactions and expenditures made on the District's behalf, in accordance with the District's policy for reimbursement of expenses of Directors.

(Article 16, section 6 of the California Constitution; Government Code sections 8314 and 53232.3; Penal Code section 424; see *People v. Battin* (1978) 77 Cal.App.3d 635.)

### **325.00 Use of Confidential Information**

- A. 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 to be disclosed under the California Public Records Act.

- B. This section does not prohibit any of the following: (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 District, or an elected official or employee, (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 Director 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.
- 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.

(Government Code section 54963.)

### **330.00 Conflict of Interest**

- A. A Director will not have a financial interest in a contract with the District, or be a purchaser at a sale by the District or a vendor at a purchase made by the District, unless the Director's participation is authorized under Government Code section 1090, 1091 or 1091.5, or other provisions of law. A Director will not participate in the discussion, deliberation, or vote on a matter before the Board of Directors, or in any way attempt to use his or her official position to influence a decision of the Board, if he or she has a prohibited interest with respect to the matter, as defined in the Political Reform Act, Government Code sections 81000 and following, relating to conflicts of interest. Generally, a Director has a disqualifying financial interest in a matter if a Board decision would have a reasonably foreseeable material financial effect (as defined by the Fair Political Practices Commission ("FPPC") regulations) on the Director, or his or her immediate family, that is distinguishable from the effect on the public generally on (a) a business entity in which the Director has a direct or indirect investment of \$2,000 or more, (b) real property in which the Director has a direct or indirect interest worth \$2,000 or more, (c) a source of income of the Director amounting to a total of \$500 or more within 12 months before the Board decision, (d) a source of gifts to the Director amounting to \$470 or more within 12 months before the Board decision, or (e) a business entity in which the Director holds a position as a director, officer, partner, trustee, 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. A Director will not accept gifts or honoraria that exceed the limitations specified in the Fair Political Practices Act or FPPC regulations.

Directors will report all gifts, campaign contributions, income, and financial information as required under the District's Conflict of Interest Code and the provisions of the Fair Political Practices Act and FPPC regulations. The dollar limitations referred to in this section are adjusted from time to time by the FPPC, and any such adjustment shall automatically be incorporated into this policy when made effective by the FPPC.

(Government Code sections 87100 and following.)

- B. If a Director believes that 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 followed: (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 District's General Manager and the District's legal counsel 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 and the District's legal counsel 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 interests exist, which will be so noted in the Board minutes and (2) will leave the room until after the discussion, vote, and any other disposition of the matter is concluded, unless the matter has been placed on the portion of the agenda reserved for uncontested matters (e.g., the consent calendar), in which case the Director will identify the nature of the conflict and not vote on the specified item. If the item is agendized for discussion and possible action, the Director may speak on his or her personal interests in the matter during the time the general public speaks on the issue but must leave the room during Board discussion and action on that item.
- C. A Director will not recommend the employment of a relative ~~by~~to the District. In addition, a Director will not recommend the employment of a relative to any person known by the Director to be bidding for or negotiating a contract with the District.
- D. A Director who knowingly asks for, accepts, or agrees to receive any gift, reward, or promise thereof for doing an official act, except as may be authorized by law, may be guilty of a misdemeanor under Penal Code section 70.

(Government Code sections 1090 and following, 81000 and following, and 87105; Penal Code sections 68 and 70.)

### **335.00 Soliciting Political Contributions**

Directors are prohibited from soliciting political funds or contributions at District facilities, or from District employees. A Director will not accept, solicit, or direct a political contribution from (a) District employees, officers, consultants, or contractors, or (b) any person or entity who has a financial interest in a contract or other matter while that contract or other matter is pending before the District. A Director will not use the District's seal, trademark, stationary, or other indicia of the District's identity, or facsimile thereof, in any solicitation for political contributions contrary to state or federal law.

(Government Code section 3205.)

### **340.00 Incompatible Offices and "Revolving Door" Policy**

- A. Any Director appointed or elected to a public office of another public entity, the duties of which may require action contradictory or inconsistent with the interest of the first entity (as determined under applicable law), is deemed to have vacated his or her office with the District upon taking the second, incompatible office.
- B. For a period of one year after leaving office, Directors will not represent for compensation non-governmental entities before the District with regard to any issues over which that Director had decision-making authority during the three years prior to leaving office.
- C. For purposes of this section, "represent" will mean for compensation to actively support or oppose a particular decision in a proceeding by lobbying in person the officers or employees of the District or otherwise acting to influence the officers of the District.
- D. These restrictions will not apply to representation of not-for-profit charitable entities before the District.
- E. Nothing in this section is intended or will be applied to prevent a former Director from participating in meetings of the Board in the same manner as other members of the public. (See, for example, Government Code section 54954.3.)

(Government Code sections 1099, 53227 and 87406.3; see also, 73 Ops.Cal.Atty.Gen. 357 (1990).)

### **345.00 Board-General Manager Relationship**

- A. The Board sets the policy for the District. Under the County Water District Law, the District's General Manager (a) has full charge and control of the maintenance,

operation, and construction of the water system of the District, (b) has full power and authority to employ and discharge all employees and assistants at pleasure, consistent with other provisions of law, (c) prescribes the duties of employees and assistants, consistent with District policy, and (d) fixes and alters the compensation of employees and assistants, subject to approval by the Board. The Board will, after considering the recommendation of the General Manager, appoint the District's Finance Director/Treasurer (who will report to the General Manager). The Finance Director/Treasurer will install and maintain a system of auditing and accounting that will completely and at all times show the financial condition of the District in accordance with generally accepted accounting principles and legal requirements. The Board will retain an auditor as an independent contractor of the District (other than the Finance Director/Treasurer) to conduct an annual audit of the District's books, records, and financial affairs in accordance with generally accepted auditing standards. The auditor will report to the Board, who will periodically review the auditor's work.

- B. The District's General Manager serves at the pleasure of the Board. The Board will provide policy direction and instructions to the General Manager on matters within the authority of the Board by majority vote of the Board during duly-convened Board and Board committee meetings. Directors will deal with matters within the authority of the General Manager through the General Manager, and not through other District employees, except as it pertains to the functions of the Finance Director/Treasurer and District consultants, including the District auditor. Directors will refrain from making requests directly to District employees (rather than to the General Manager) to undertake analyses, perform other work assignments, or change the priority of work assignments. Directors may request non-confidential, factual information regarding District operations from District employees.

(Water Code sections 30540 and 30580 through 30582.)

### **350.00 Improper Activities and the Reporting of Such Activities; Protection of "Whistle Blowers"**

- A. The General Manager has primary responsibility for (1) ensuring compliance with the District's Employee Handbook, and ensuring that District employees do not engage in improper activities, (2) investigating allegations of improper activities, and (3) taking appropriate corrective and disciplinary actions. The Board has a duty to ensure that the General Manager is operating the District according to law and the policies approved by the Board. Directors are encouraged to fulfill their obligation to the public and the District by disclosing to the General Manager, to the extent not expressly prohibited by law, improper activities within their knowledge. Directors will not interfere with the General Manager's responsibilities in identifying, investigating, and correcting improper activities, unless the Board determines that the General Manager is not properly carrying out these responsibilities. Nothing in

this section affects the responsibility of the Board to oversee the performance of the General Manager.

~~A.B.~~ \_\_\_\_\_ A

Director will not directly or indirectly use or attempt to use the authority or influence of his or her position for the purpose of intimidating, threatening, coercing, commanding, or influencing any other person for the purpose of preventing such person from acting in good faith to report or otherwise bring to the attention of the General Manager or the Board any information that, if true, would constitute: a work-related violation by a Director or District employee of any law or regulation, gross waste of District funds, gross abuse of authority, a specified and substantial danger to public health or safety due to an act or omission of a District official or employee, use of a District office or position or of District resources for personal gain, or a conflict of interest of a Director or District employee.

~~B.C.~~ \_\_\_\_\_ A

Director will not use or threaten to use any official authority or influence to effect any action as a reprisal against another Director or District employee who reports or otherwise brings to the attention of the General Manager any information regarding the subjects described in this section.

~~C.D.~~ \_\_\_\_\_ Any person who believes that he or she has been subjected to any action prohibited by this section may file a confidential complaint with (1) the General Manager, or (2) a Director, if the complaint involves the conduct of the General Manager, who will thereupon refer the matter to the full Board to investigate the complaint. Upon the conclusion of the investigation, the General Manager (or the Board in the case of a complaint against the General Manager) will take appropriate action consistent with the District's Employee Handbook, related human resources policies and procedures, and applicable law.

(Labor Code section 1102.5, and following, and Government Code sections 53298 and 53298.5.)

### **355.00 Compliance with the Brown Act**

Directors, and persons elected but who have not yet assumed office as Directors, will fully comply with the provisions of the Brown Act, the State's open meeting law for public agencies. The Board has adopted "Rules for Proceedings of the Board of Directors" (PL - BOD 002) to guide the Board in ensuring that Board decisions are made during meetings of the Board that are open to the public in compliance with the Brown Act.

(Government Code sections 54950 and following, and 54952.1 and 54959.)

### **360.00 Directors' Compensation and Expense Reimbursement**

Directors will fully comply with the provisions of the Board's "Directors' Compensation and Expense Reimbursement Policy" (PL - BOD 003).

(Government Code sections 53232 and following; Water Code sections 20200 and following.)

**365.00 Changes in Compensation**

Changes in the compensation of the Board will require the approval of the Board during an open meeting of the Board held at least sixty days prior to the effective date of the change.

(Water Code sections 20200 and following.)

**370.00 Candidate's Statement**

A Director will not include false or misleading information in a candidate's statement for a general District election filed pursuant to section 13307 of the Elections Code.

(Elections Code section 13313.)

**375.00 Violation of Ethics Guidelines**

A perceived violation of the ethics guidelines (Ethics Policy articles 300.00 – 370.00) by a Director should be referred to the President of the Board or the full Board of Directors for investigation, and consideration of any appropriate action warranted. A violation of this policy may be addressed by the use of such remedies as are available by law to the District, including but not limited to: (a) adoption of a resolution expressing disapproval of the conduct of the Director who has violated this policy, (b) injunctive relief, (c) referral of the violation to the District Attorney and/or the grand jury; or (d) investigation and action under the District's Workplace Dishonesty Policy (PL - Adm 006) and Procedures (PR - Adm 004).

**400.00 Policy Review**

This Policy shall be reviewed at least biennially.