

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

3701 Marconi Avenue, Suite 100  
Sacramento, California 95821

Monday, October 19, 2020  
6:00 p.m.

**In accordance with the California Department of Public Health's and the Governor's Executive Orders N-29-20 and N-33-20, the District's boardroom is closed and this meeting will take place solely by videoconference and teleconference. The public is invited to listen, observe, and provide comments during the meeting by either method provided below. The Chairperson will call for public comment on each agenda item at the appropriate time and all votes will be taken by roll call.**

**For members of the public interested in viewing and having the ability to comment at the public meeting via Zoom, an internet enabled computer equipped with a microphone and speaker or a mobile device with a data plan is required. Use of a webcam is optional. You also may call in to the meeting using teleconference without video. Please use the following login information for videoconferencing or teleconferencing:**

**Join the meeting from a computer, tablet or smartphone:**

<https://us02web.zoom.us/j/88412776582?pwd=Q1ROcE5wYzlpY0FKdW9oYmhXWXpBdz09>

**Meeting ID:** 884 1277 6582

**Password:** 744956

**You can also dial in using your phone:** 1 (669) 900-6833

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Zoom uses encryption of data during Zoom meetings. The District uses a secure password to restrict access to scheduled meetings. The meeting host has control of content sharing, recording, and chat.

**Please mute your line.**

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

The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The President

will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

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

### **Call to Order**

### **Pledge of Allegiance**

### **Roll Call**

### **Announcements**

### **Public Comment**

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

### **Consent Items**

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

1. Minutes of the September 21, 2020, Regular Board Meeting  
*Recommendation: Approve subject minutes.*
2. Minutes of the October 12, 2020, Special Board Workshop  
*Recommendation: Approve subject minutes.*
3. Employment Rules and Procedures Policy (PL - HR 001)  
*Recommendation: Ratify subject policy without changes.*
4. Employee Performance Evaluation, Merit and COLA Policy (PL - HR 003)  
*Recommendation: Approve subject policy with changes.*
5. Disposing of Surplus District Real Property, Vehicles, and Large Equipment and Other Personal Property Policy (PL - Adm 003)  
*Recommendation: Approve subject policy with changes.*

6. Placer County Water Agency Agreement - Amendment No. 3  
*Recommendation: Approve Amendment No. 3 to the Placer County Water Agency and Sacramento Suburban Water District, Water Supply for Groundwater Stabilization Agreement.*

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

7. Skip's Music Rent Relief Request  
*Recommendation: Approve the request by Skip's Music for relief of the March, April, and May 2020 rent, in the amount of \$17,505, and defer the scheduled 2020 rent increase of \$175 per month, effective in August 2020. Direct the General Manager to sign the amended Lease Agreement, per legal counsel review.*
8. CalPERS Pension – Employer Paid Member Contribution  
*Recommendation: Discuss options to have employees in the 3% at Age 60 and the 2% at Age 55 pension plans begin paying the Employer Paid Member Contribution.*
9. Fiscal Year 2021 Budget – 1<sup>st</sup> Draft Update  
*Recommendation: Direct staff as appropriate.*

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

10. General Manager's Report
  - a. City of Sacramento Surface Water Update
  - b. Del Paso Manor Water District Update
  - c. Arden Park Vista Service Area
  - d. Carmichael Water District – Groundwater Well Cost Sharing Partnership

#### **Department/Staff Reports**

11. Financial Report
  - a. Financial Highlights – September 2020
  - b. Financial Statements – September 2020
  - c. Investments Outstanding and Activity – September 2020
  - d. Cash Expenditures – September 2020

- e. Purchasing Card Expenditures – September 2020
  - f. Directors Compensation and Expense Accounting – Third Quarter 2020
  - g. District Reserve Balances – September 2020
  - h. Information Required by Bond Agreement
  - i. Financial Markets Report – September 2020
12. District Activity Report
13. 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)**

14. a. Regional Water Authority (Director Jones)  
None.  
  
Regional Water Authority Executive Committee (General Manager York)  
None.
- b. Sacramento Groundwater Authority (Director Wichert)  
Agenda for the October 8, 2020 meeting.
- c. Director Reports – AB 1234

**Committee Reports**

15. a. Water Banking and Transfer Committee (Director Thomas)  
Draft notes from the September 28, 2020 meeting.

**Information Items**

16. Correspondence received by the District
17. Legislative and Regulatory Update

- 18. Upcoming Water Industry Events
- 19. Upcoming Policy Review
  - a. Debt Obligation Continuing Disclosure Policy (PL - Fin 013)
  - b. Employee Compensation Policy (PL - HR 002)
  - c. Water Service Rates, Fees, and Charges Setting Policy (PL – Fin 009)

**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)**

- 20. Public Employee Performance Evaluation Involving the General Manager Under Government Code Section 54954.5(e) and 54957

**Adjournment**

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**Upcoming Meetings**

Tuesday, October 27, 2020, at 5:00 p.m., Facilities and Operations Committee Meeting  
Monday, November 16, 2020, at 6:00 p.m., Regular Board Meeting

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I certify that the foregoing agenda for the October 19, 2020, meeting of the Sacramento Suburban Water District Board of Directors was posted by October 16, 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

## Minutes

### Sacramento Suburban Water District Regular Board Meeting Monday, September 21, 2020

#### Location:

Video and Audio Conference Only at 1-669-900-6833, or Zoom at Meeting Id #852 9442 1281

#### Call to Order – Videoconference/Audioconference Meeting

General Manager Dan York (GM York) stated President Thomas would not be attending the meeting.

Vice President Wichert (VP Wichert) called the meeting to order at 6:00 p.m.

#### Pledge of Allegiance

VP Wichert led the Pledge of Allegiance.

#### Roll Call

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

Directors Absent: Kevin Thomas.

Staff Present: General Manager Dan York, Assistant General Manager Mike Huot, Heather Hernandez-Fort, Jeff Ott, Dana Dean, Mitchell McCarthy, David Espinoza, Matt Underwood, Julie Nemitz, James Arenz, and Cassie Crittenden.

Public Present: William Eubanks, Jim Peifer, David Alvey, Andy Fecko, Alan Driscoll, Adam Cohan, John Lenahan, and Paul Helliker.

#### Announcements

GM York announced:

- The new Owl recording system for the boardroom was being used,
- Water Forum Virtual 20th Anniversary Climate Symposium and Reception, Wednesday, October 14, from 1:00 to 5:00 p.m.,
- AWWA Virtual Annual Fall Conference and Exposition, October 26-29, 2020,
- ACWA Virtual Fall Conference, December 1-4, 2020.

#### Public Comment

None.

#### Consent Items

1. **Minutes of the August 17, 2020, Regular Board Meeting**
2. **Resolution No. 20-10 Amending District Conflict of Interest Code**

3. **Driver Record and Insurance Review Policy (PL - HR 006)**
4. **Procurement Policy (PL - Fin 005)**
5. **Public Works Contracting Policy (PL - Eng 002)**
6. **Transmission Main Asset Management Plan**

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

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

**Items for Discussion and/or Action**

7. **Sacramento Groundwater Authority/Sacramento County Groundwater Authority Presentation**

VP Wichert introduced Jim Peifer (Mr. Peifer), Executive Director of the Regional Water Authority (RWA) and Sacramento Groundwater Authority (SGA), who provided a presentation to the Board explaining the status of the SGA/Sacramento Central Groundwater Authority (SCGA).

Mr. Peifer provided a history on the 3x3 committee and expressed that neither RWA nor SGA had the administrative or technical bandwidth to staff SCGA to allow for efficiencies in operations. He expressed they were still working on a staffing plan and answered several clarifying questions.

VP Wichert expressed he was not in favor of having three agencies, which potentially provided the same support preserving the groundwater basin.

Director McPherson expressed she was interested in finding out how much the District’s membership was for each of the three organizations, and deciding as a Board to go with the one that they thought represented them best.

VP Wichert requested staff to provide a more thorough briefing on the three agencies.

Director McPherson added to include an analysis of the District’s benefit of being members of all three agencies.

Mr. Peifer expressed that the District was not a member of SCGA and further provided an explanation of the different agencies.

Director Jones agreed for staff to provide a brief presentation on the benefits of the three agencies.

William Eubanks (Mr. Eubanks) inquired what the benefit was to the ratepayers of the District to be involved.

8. **Regional Water Authority – Major Projects Management Subscription Program**  
GM York provided a summary of the Item.

Mr. Peifer explained the benefits of the RWA Major Projects Management Subscription Program and encouraged the District to join. He additionally explained what the new Management position would be responsible for, and answered clarifying questions.

VP Wichert inquired what the justification would be for raising rates to support the program.

GM York expressed rates would not be directly impacted and provided a brief explanation of the benefits of joining the program.

Mr. Peifer explained that the program would protect the water supplies by being involved with the Water Quality Control Plan and expressed the agencies in the region were getting together to resource the project. He further expressed that the Resilience Program was another way of ensuring and protecting the water supply through cooperative relationships, and assisting with improving the management of the Folsom Reservoir as well as working to assist with receiving grant funding for the region.

Discussion ensued over the cost of the programs and what other agencies were involved.

VP Wichert expressed he was not interested in raising rates.

Director McPherson expressed she did not want to be the first agency involved.

Mr. Peifer expressed that he was pretty confident that the other agencies were going to participate.

Andy Fecko (Mr. Fecko) General Manager of the Placer County Water Agency expressed that their Board supported the program and explained how important it was for the region to advocate for a sustainable water supply that is reliable and affordable. He further noted that this was one of the most important programs in the region to defend this area's water resources for the future economic development and also for the future of the sustainability programs and ecosystems. He encouraged the Board to support the program.

VP Wichert stated he was not against supporting the program, but requested a more thorough presentation from staff including impacts to the budget.

Director Jones stated he was in favor of continuing to move forward with the program and moved to approve the staff recommendation.



The motion failed by a lack of a second.

9. **Skip's Music Rent Relief Request**

Jeff Ott (Mr. Ott) presented the staff report.

Director Locke moved to approve the staff recommendation, Director McPherson seconded.

Mr. Eubanks expressed he felt this was a gift of public funds.

VP Wichert expressed he was not in favor of removing the rate increase that was already negotiated to being in August, but that he was in favor of forgiving the March, April, and May rent in the amount of \$17,505.

Director Jones inquired if it was a gift of public funds.

Director McPherson expressed she was in favor of forgiving the March, April, and May rent, and that she was suggesting deferring the rent increase to when the pandemic was over, or when Skips was back to business as somewhat usual.

VP Wichert expressed he was no longer in favor of either of the staff recommended options, as he was only willing to defer the March, April, and May's rent, as he was afraid it might be a gift of public funds.

GM York expressed he checked with legal counsel and that providing relief of the March, April, and May's rent was not a gift of public funds.

VP Wichert expressed allowing Skips to use the space for free felt like a gift of public resources of some sorts.

Director McPherson expressed that he was a member of the community and the pandemic was definitely extenuating circumstances and that under normal circumstances, the District would not normally consider this. She expressed that she felt it would be a community service and she was in favor of it.

Director Jones still felt it was a gift of public funds and that he was interested in getting legal counsel's opinion.

Director Locke agreed with Director Jones.

10. **CalPERS Pension – Employer Paid Member Contribution**

VP Wichert presented the staff report and commented that he would accept a motion.

Director Jones moved to approve the staff recommendation.

Director McPherson requested clarification why they were voting on the Item.

VP Wichert expressed that he recalled that the only option that saved money, and saved so little, that it was not worth alienating the staff.

Director McPherson expressed she didn't feel it was alienating the staff, but that it was about achieving some kind of equitability with staff.

Director Jones expressed it was an integrity issue, noting that integrity is one of the Values of the Strategic Plan of the District. He further expressed not having integrity went against his way of doing business.

Director Locke expressed we were the only District in the region that pays the entire share and expressed he was against it.

VP Wichert noted there was not a consensus among the Board, and requested staff bring back the original options to a future Board meeting to discuss.

Mr. Eubanks expressed that the issue was discussed abundantly and that he did not have any interest in it anymore.

**11. New Auditing Firm**

Mr. Ott presented the staff report.

Director Locke moved to approve the staff recommendation, Director Jones seconded.

Mr. Eubanks expressed that Richardson and Co. was ranked at the top of the rating; however, the Committee chose to not use them, noting getting "a fresh perspective" was not one of the criteria.

Discussion ensued over why the Committee selected Maze & Associates.

VP Wichert additionally seconded the motion. The motion passed by unanimous vote.

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

**12. Exchange Inactive Well 12 for Property at Seely Park Adjacent to Well 7**

Dana Dean (Mr. Dean) presented the staff report and answered clarifying questions.

Discussion ensued regarding the double detector check valve at the new property and who would be responsible for relocating it.

Mr. Dean expressed they would try to build that into the deal with Fulton El Camino Park and Recreation District.

Director Locke stated to be sure to check any pipes that we connect to, as they are very old.

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

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

**13. Fleet Asset Management Plan**

Jim Arenz (Mr. Arenz) presented the staff report and answered clarifying questions.

Director McPherson moved to approve the staff recommendation, Director Jones seconded.

Director Locke expressed he was not in favor of setting a 10 year criteria, expressing that a vehicle could last longer than 10 years with regular maintenance.

Mr. Arenz expressed the 10 years was just a suggested schedule as a point to evaluate, noting that it was the agency standard, but that each vehicle would be reviewed and assessed before a recommendation was made.

Mr. Dean pointed out the language to address his concern in the Fleet Asset Management Plan , on page 2-5, above table 1 “A vehicle that meets VRP replacement criteria, but is in usable condition, may be retained provided that an assessment indicates that the vehicle can be operated safely and excessive M&R costs or substantial reduction in resale value is not expected. If a vehicle has been worn or damaged beyond economical repair, the District may replace the vehicle prior to its meeting a VRP criterion.”

Director Locke expressed he was more comfortable knowing there was language addressing it.

Mr. Eubanks stated the write up didn’t accurately reflect what the Plan represented.

The motion passed by unanimous vote.

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

**General Manager’s Report**

**14. General Manager’s Report**

GM York presented the staff report.

- a. *Health Resolution No. 20-08 Update*  
GM York presented the staff report.

- b. *City of Sacramento Update*  
GM York presented the staff report.
- c. *Arden Park Vista Service Area*  
GM York presented the staff report.
- d. *Sacramento Area Council of Governments – Green Means Go Initiative Program*  
GM York presented the staff report. He inquired if the Board would be interested in a presentation to present further information on the Green Means Go initiative program in the next six month.

The Board agreed to a presentation.

- e. *Walnut Property Acquisition Update*  
GM York presented the staff report.
- f. *SSWD – County Change of Ownership*  
GM York presented the staff report.

## **Department/Staff Reports**

### **15. Financial Report**

A written report was provided and answered clarifying questions.

Director McPherson inquired about the detailed analysis of the increases to the Administrative and General Fund.

Mr. Ott expressed he would provide her with that information by Wednesday, September 23, 2020.

- a. *Financial Highlights – August 2020*  
A written report was provided.
- b. *Financial Statements – August 2020*  
A written report was provided.
- c. *Investments Outstanding and Activity – August 2020*  
A written report was provided.
- d. *Cash Expenditures – August 2020*  
A written report was provided.
- e. *Credit Card Expenditures – August 2020*  
A written report was provided.

*f. District Reserve Balances – August 2020*  
A written report was provided.

*g. Information Required by Bond Agreement*  
A written report was provided.

*h. Financial Markets Report – August 2020*  
A written report was provided.

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

17. **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)**

18. a. Regional Water Authority (Director Jones)  
The agendas for the September 10, 2020, meeting and September 16, 2020, Special Board Meeting were provided.

Regional Water Authority Executive Committee (General Manager York)  
The agenda for the August 26, 2020, meeting was provided.

b. Sacramento Groundwater Authority (Director Wichert)  
None.

c. Director Reports – AB 1234  
Director Locke provided oral reports of Water Forum meetings he attended on August 4, 2020, and August 20, 2020; his meeting with the Board President on August 8, 2020; the SGA meeting he attended on August 13, 2020; the meeting with the General Manager he had on August 9, 2020; and the RWA Executive Committee meeting he attended on August 26, 2020.

Director Jones provided an oral report of the July 28, 2020, Del Paso Manor Water District Special Board Meeting that he attended.

## **Committee Reports**

19. a. Facilities and Operations Committee (Director Jones)  
Draft minutes from the September 2, 2020 meeting were provided.

## **Information Items**

20. **Correspondence received by the District**  
A written report was provided.
21. **2021 Budget Preparation Status Update**  
A written report was provided.
22. **Legislative and Regulatory Update**  
A written report was provided.
23. **Upcoming Water Industry Events**  
A written report was provided.
24. **Upcoming Policy Review**  
A written report was provided.
  - a. Employment Rules and Procedures Policy (PL - HR 001)
  - b. Employee Performance Evaluation, Merit and COLA Policy (PL - HR 003)

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

None.

## **Adjournment**

VP Wichert adjourned the meeting at 8:41 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District

**Minutes**

Sacramento Suburban Water District  
**Special Board Workshop**  
Monday, October 12, 2020

**Location:**

Video and Audio Conference Only at 1-669-900-6833, or Zoom at Meeting Id #817 6796 6458

**Call to Order – Videoconference/Audioconference Meeting**

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

**Roll Call**

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

Directors Absent: None.

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

Public Present: William Eubanks.

**Announcements**

General Manager Dan York (GM York) announced:

- Water Forum Virtual 20th Anniversary Climate Symposium and Reception on Wednesday, October 14, from 1:00 p.m. to 5:00 p.m.

**Public Comment**

None.

**Items for Discussion and Action**

1. **First Draft 2021 Budget**

Jeff Ott (Mr. Ott) presented the staff report and PowerPoint presentation on the 2021 budget and answered several clarifying questions.

GM York expressed he would discuss with the City of Sacramento the option of extending the current 6,500 acre feet of surface water to be delivered to the District in 2021 as part of the groundwater transfer arrangement and purchase additional surface water at the reduced rate of \$120 per acre feet.

Director Locke expressed he believe the 1.8% increase in construction costs was inaccurate.

Director Jones inquired if the 1.7% rate for 2020 was correct.

Mr. Ott expressed he would look at the ENR Index to confirm.

William Eubanks (Mr. Eubanks) inquired what the Water Loss Percent was, how it related to the budget and what the associated numbers were with it.

Mr. Ott answered it was the difference between what production and sales were and that it tied into the budget from a cost standpoint.

Mr. Eubanks inquired if the numbers in the Projected Actual Budget could be shown in dollars with the totals, as opposed to percentages.

Mr. Ott expressed he could include additional columns to display the dollar amount as well as percentages.

Director Wichert inquired in the 2020 Projected Results if the numbers presented were before the losses or after the losses.

Mr. Ott expressed he would find out.

Discussion ensued on reserve funding.

Director McPherson pointed out that if there was extra revenue, the Board should consider either minimally funding the reserve or reducing planned rate increases.

Mr. Eubanks inquired why the Operating Reserve Balance slide included CEPS.

Mr. Ott expressed it was a mistake and he would correct it.

Director Locke requested staff overlay the initial anticipated amount projected for the CIP projects based off the Master Plan, and what was identified when the studies were done to show how much money we should be spending versus how much was actually spent.

Mr. Ott expressed he would overlay the rate study amounts versus the projected amounts from the Master Plan.

Mr. Eubanks expressed he endorsed Director Locke's suggestion.

Director Locke requested to replace the "X's" with the actual dollar amounts in the CIP Project Detail slides.

Mr. Ott expressed he would replace the "X's" with the amounts.

Discussion ensued on design and construction as well as condition assessment.



Mr. Ott continued with the PowerPoint presentation, and pointed out the new Full Time Production Operator position request.

Director's Locke and Wichert endorsed the position.

Director Locke requested staff update the O&M Expense Detail, COLA and Merit slides, as he felt they did not accurately display what happened in 2019.

Mr. Ott expressed he would either divide the salary expense by the number of employees, or show the average salary increases per employee.

Director Wichert requested a net present valuation on the OPEB to determine if it was more cost effective to fund now versus later.

Mr. Ott will request for the actuaries to calculate it.

Director Wichert requested to break out full time employees percentages versus contracted employees percentages, and have them in their own column in the O&M Expense Detail slide.

Director McPherson requested additional information on the unfilled position such as how long was it unfilled, and what the plan was for that position.

GM York thanked staff for all of their hard work on the budget.

The Board suggested staff postpone the Finance Report in the October regular Board meeting in order to focus staff efforts on preparing an updated budget presentation.

### **Adjournment**

President Thomas adjourned the meeting at 7:48 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District



### Agenda Item: 3

**Date:** October 19, 2020

**Subject:** Employment Rules and Procedures Policy (PL – HR 001)

**Staff Contact:** Cassie Crittenden, Human Resources Coordinator

**Recommended Board Action:**

Ratify the Employment Rules and Procedures Policy (PL – HR 001) without changes.

**Background:**

On September 21, 2020, the Employment Rules and Procedures Policy (PL – HR 001) was brought to the Board for review. To date, no comments from the Board have been received.

**Fiscal Impact:**

Approving this policy with no updates has no fiscal impact.

**Strategic Plan Alignment:**

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

District customers benefit from the District having and maintaining fair and consistent rules and procedures relating to District employment.

**Attachments:**

1 – Employment Rules and Procedures Policy (PL – HR 001) – Policy Clean

Sacramento Suburban Water District

**Employment Rules and Procedures Policy**

Adopted: October 18, 2010  
Ratified without changes on: October 19, 2020

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**100.00 Purpose of the Policy**

The purpose of this policy is to direct the General Manager to establish and maintain fair and consistent rules and procedures relating to District employment.

**200.00 Policy**

Pursuant to California Water Code Section 30580, the General Manager has full power and authority to employ, discharge and prescribe the duties of all District employees. The General Manager will insure that all rules and procedures relating to District employment comply with state and federal labor laws and regulations governing public agency employment.

**300.00 Authority and Responsibility**

The General Manager will be responsible for administering this policy. The Assistant General Manager and Human Resources Coordinator will assist the General Manager in developing and maintaining an Employee Handbook that will be provided to all current and new employees.

**400.00 Policy Review**

This Policy shall be reviewed at least biennially.



## Agenda Item: 4

**Date:** October 19, 2020

**Subject:** Employee Performance Evaluation, Merit, and COLA Policy (PL – HR 003)

**Staff Contact:** Cassie Crittenden, Human Resources Coordinator

### **Recommended Board Action:**

Approve the updated Employee Performance Evaluation, Merit, and COLA Policy (PL – HR 003) with changes.

### **Background:**

On September 21, 2020, the Employee Performance Evaluation, Merit, and COLA Policy (PL – HR 003) was brought to the Board for review. To date, edits from Director McPherson were received and incorporated into the policy updates.

### **Discussion:**

Staff recommends approving the updated Employee Performance Evaluation, Merit, and COLA Policy (PL – HR 003). Both, a redlined version (Attachment 1) and clean version (Attachment 2) are included for your reference. In summary, edits were made to the following sections:

- *Section 100.00* – Renamed this section “Policy”. Separated the policy content for clarity, creating the following subsections:
- *Section 101.00 - Employee Performance Evaluation* – Removed redundant language. Removed language stating that the COLA is tied to performance evaluations. Added that identifying training needs was a reason for having performance evaluations.
- *Section 102.00 – Merit Increases* – Added the General Manager approves the merit increases.
- *Section 103.00 – COLA* – Removed language stating introductory employees are only eligible to receive an annual COLA in the absence of performance issues. Added that all introductory and regular, full time employees are eligible to receive an annual COLA if approved by the Board of Directors. Added the standard used for determining the annual COLA, which will be based on current year month of August “West – Size Class B/C (CPI-U)” percentage as published by the U.S. Bureau of Labor Statistics prior to finalizing the District’s annual Budget, as approved at the November 18, 2019, Board Meeting. In the case when the Western Cities B/C Index is a negative value, the COLA amount will be zero. Added the annual COLA will be effective beginning the first pay period in January of each Budget year.

**Fiscal Impact:**

Adopting the policy updates has no fiscal impact.

**Strategic Plan Alignment:**

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

District customers benefit from having and maintaining a policy that uses a merit-based system for annual pay/salary increases based on satisfactory performance reviews.

**Attachments:**

- 1 – Employee Performance Evaluation, Merit, and COLA Policy (PL – HR 003) – redlined
- 2 – Employee Performance Evaluation, Merit, and COLA Policy (PL – HR 003) – clean

## Sacramento Suburban Water District

**Employee Performance Evaluation, Merit and COLA Policy**

Adopted: October 20, 2003

~~Revised: October 17, 2011; December 16, 2013; November 16, 2015; October 16, 2017~~  
Approved with changes on: October 19, 2020**100.00 Purpose of the Policy**

The purpose of this policy is to establish guidelines ~~a process~~ to evaluate and assess employee job performance ~~to~~; assist ~~employees~~ them in improving their job performance; ~~to provide historical documentation of their job performance; to provide the basis for annual merit increases; and to provide a standard for annual cost-of-living adjustments (COLA); and provide historical documentation of employee performance.~~

**101200.00 Policy Employee Performance Evaluation**

It is the District's policy to provide a program for advancement of its employees within the pay/salary bands for their positions classification using a merit-based system based on performance and goal achievement documented through an evaluation process.

Performance evaluations are intended to help the employee better understand his/her job responsibilities; improve job performance in relation to the District's mission statement, values, goals, and principles; measure and enhance individual performance; recognize and reward employee contributions; and foster professional development and career growth.

~~The process is also intended to increase productivity, correct issues before they become serious problems for the individual or the District, and meet internal and external needs for documentation of individual performance.~~ Performance evaluations are an essential part of an individual's employment experience with the District and serve as the basis for several employment-related actions including, but not limited to, completion of introductory periods, determination of merit increases, ~~and COLA~~, promotions and transfers, and identifying training needs. ~~In addition, they serve as tools for placing employees on notice of performance deficiencies, that, if uncorrected, may lead to corrective actions up to and including termination.~~

**102.00 Merit Increases**

The ~~total~~ merit increase ~~budget pool~~ must be approved by the Board of Directors within the annual labor budget. ~~Individual~~ merit increases are calculated based on approved performance evaluation scores and determined approved by the General Manager. ~~using a merit-based system based on satisfactory performance reviews.~~

### **103.00 COLA**

~~Introductory employee are eligible to receive an annual COLA, if any, in the absence of any documented performance issues. The District will provide all introductory and regular, full-time employees an annual COLA if approved by the Board of Directors. The annual COLA will be based on~~ current year month of August “West – Size Class B/C (CPI-U)” percentage as published by the U.S. Bureau of Labor Statistics. In the case when the Western Cities B/C Index is a negative value, the COLA amount will be zero. The annual COLA will be effective the beginning of the first pay period in January of each Budget year.

### **2300.00 Authority and Responsibility**

The General Manager is responsible for administering this policy and has established a process for evaluating and assessing job performance and compensation guidelines as set forth in the Employee Performance Evaluation, Merit and COLA Procedure (PR-HR 001).

### **3400.00 Policy Review**

This policy will be reviewed at least biennially.

Sacramento Suburban Water District  
**Employee Performance Evaluation, Merit and COLA Policy**

Adopted: October 20, 2003  
Approved with changes on: October 19, 2020

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**100.00 Policy**

The purpose of this policy is to establish guidelines to evaluate and assess employee job performance to assist them in improving their job performance; to provide historical documentation of their job performance; to provide the basis for annual merit increases; and to provide a standard for annual cost-of-living adjustments (COLA).

**101.00 Employee Performance Evaluation**

It is the District's policy to provide a program for advancement of its employees within the pay/salary bands for their classification using a merit-based system based on performance and goal achievement documented through an evaluation process.

Performance evaluations are intended to help the employee better understand his/her job responsibilities; improve job performance in relation to the District's mission statement, values, goals, and principles; measure and enhance individual performance; recognize and reward employee contributions; and foster professional development and career growth.

Performance evaluations are an essential part of an individual's employment experience with the District and serve as the basis for several employment-related actions including, but not limited to, completion of introductory periods, determination of merit increases, promotions and transfers, and identifying training needs. In addition, they serve as tools for placing employees on notice of performance deficiencies.

**102.00 Merit Increases**

The merit increase budget must be approved by the Board of Directors within the annual labor budget. Merit increases are calculated based on approved performance evaluation scores and approved by the General Manager.

**103.00 COLA**

The District will provide all introductory and regular, full-time employees an annual COLA if approved by the Board of Directors. The annual COLA will be based on current year month of August "West – Size Class B/C (CPI-U)" percentage as published by the U.S. Bureau of Labor Statistics. In the case when the Western Cities B/C Index is a negative value, the COLA amount will be zero. The annual COLA will be effective the beginning of the first pay period in January of each Budget year.



**200.00 Authority and Responsibility**

The General Manager is responsible for administering this policy and has established a process for evaluating and assessing job performance and compensation guidelines as set forth in the Employee Performance Evaluation, Merit and COLA Procedure (PR-HR 001).

**300.00 Policy Review**

This policy will be reviewed at least biennially.



## Agenda Item: 5

**Date:** October 19, 2020

**Subject:** 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

### **Recommended Board Action:**

Approve the updated Disposing of Surplus District Real Property, Vehicles, and Large Equipment and Other Personal Property Policy (PL – Adm 003) with changes.

### **Background:**

On February 24, 2020, the Disposing of Surplus District Real Property, Vehicles, and Large Equipment and Other Personal Property Policy (Policy) update was brought to the Board for review. No comments were received from the Board.

On March 16, 2020, the Policy was brought to the Board for approval. The Board expressed concerns about deleting the Vehicle Point System language in Section 400. Staff explained that the Vehicle Point System was not working as well as expected; therefore, staff looked into methods used by other agencies. The methods used by other agencies and the method being recommended by the District are described and included in the new Fleet Asset Management Plan. The Board requested tabling this item until the Fleet Asset Management Plan went to the Board for review and approval. The Board approved the Fleet Asset Management Plan at the September 21, 2020, regular Board meeting.

### **Discussion:**

Staff recommends approving the updated Disposing of Surplus District Real Property, Vehicles, and Large Equipment and Other Personal Property Policy (PL – Adm 003). Both, a redlined version (Attachment 1) and a clean version (Attachment 2) of the updated Policy are attached for your reference. Following are the recommended changes in addition to minor clerical updates:

- *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* – The Fleet Asset Management Plan was approved on September 21, 2020. In the Vehicle Replacement Section, the Vehicle Replacement Plan is described, which relies on mileage and age thresholds and is more consistent with

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

October 19, 2020

Page 2 of 2

industry standards. Section 400.00, Section 1, has been modified by replacing references to the Vehicle Point System with the new Vehicle Replacement Plan methodology.

- *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.

**Fiscal Impact:**

Adopting the policy updates does not have a fiscal impact.

**Strategic Plan Alignment:**

Goal B: Optimize Operational and Organizational Efficiencies

Goal C: Ensure Fiscal Responsibility and Affordable Rates

**Attachment:**

- 1 Redline - Disposing of Surplus District Real Property, Vehicles and Large Equipment and Other Personal Property Policy (PL – Adm 003)
- 2 Clean - Disposing of Surplus District Real Property, Vehicles and Large Equipment and Other Personal Property Policy (PL – Adm 003)

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 October 19, 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. ~~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<sub>2</sub> 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 ~~\$4,000~~\$15,000 or less. Personal property with an estimated value greater than ~~\$4,000~~\$15,000 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 surplusing 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.

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 October 19, 2020

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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, 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.

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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**
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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.
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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.

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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.

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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 or large equipment.

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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**

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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 \$15,000 or less. Personal property 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. 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.

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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.

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**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**

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**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: 6

**Date:** October 19, 2020

**Subject:** Placer County Water Agency Agreement - Amendment No. 3

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

### **Recommended Board Action:**

Approve Amendment No. 3 to the Placer County Water Agency and Sacramento Suburban Water District, Water Supply for Groundwater Stabilization Agreement, subject to approval by District legal counsel. The proposed Amendment No. 3 was presented to the Water Banking and Transfer Committee on September 28, 2020. The Water Banking and Transfer Committee supported the proposed Amendment No. 3 and recommended it to be a Consent Item at the October 19, 2020, regular Board meeting.

### **Background:**

On August 21, 1995, Placer County Water Agency (PCWA) and Northridge Water District (NWD) entered into a Water Supply Agreement (Agreement). PCWA owns and operates the Middle Fork American River Project, and NWD provided water in its service area primarily with groundwater. The Water Supply Agreement was intended for PCWA to sell surplus water under their Water Rights to NWD under terms and conditions of the Agreement. The term of the Agreement would remain in effect through December 31, 2025. The amount of water to be made available to NWD was 12,000 acre-feet in 1995 and increased over 15 years to 29,000 acre-feet.

On June 1, 2000, the Agreement of August 21, 1995, was amended and superseded. The major change was including the Bureau of Reclamation's (Reclamation) Protest to PCWA's petition agreement to expand the Place of Use of their water rights. The Agreement limits when PCWA can deliver water to NWD to years when the projected March through November unimpaired inflow into Folsom Reservoir is greater than 950,000 acre-feet. After ten years, the restrictions tightened to allow PCWA to deliver water to NWD only when the projected unimpaired inflow into Folsom Reservoir reaches 1,600,000 acre-feet.

On October 2, 2008, the Agreement of June 1, 2000, Amendment No. 1 was effective. Amendment No. 1 stipulated that Sacramento Suburban Water District (District) is the successor entity to NWD following the consolidation of NWD and Arcade Water District, and that the District has succeeded to all the rights and obligations of NWD under the Agreement. Amendment No. 1 also added in the "take-or-pay" provision where the District is required to pay PCWA the cost of the surface water when the water is available to deliver. Effective September 1, 2008, the "take-or-pay" was 16,000 acre-feet, and effective January 1, 2009 the "take-or-pay" was reduced to 12,000 acre-feet.

On June 2, 2016, Amendment No. 2 was effective. Amendment No. 2 extended the term of the Agreement to December 31, 2045.

On September 28, 2020, this Item was brought to the Water Banking and Transfer Committee (Committee). The Committee endorsed providing the Item to the full Board with the Consent Items, with a recommendation to approve.

**Discussion:**

In 2019, the District and PCWA staff began discussing potential amendments to the Agreement. PCWA is willing to make the following adjustments incorporated in the attached draft Amendment No. 3 (Attachment 1). Key suggested revisions are as follows:

- Reduce the take-or-pay amount from 12,000 acre-feet to 8,000 acre-feet.
- Adjust the Time and Method of Payment from quarterly to semi-annual, with payments due following when deliveries are made.
- Reduce the net revenue amount owed to PCWA for selling, leasing, transferring, or disposing of water outside the authorized service area from 95% to 50%, or an amount that SSWD and PCWA agrees upon on a case-by-case basis.
- Exhibit B update showing the current Place of Use and updated water purveyor names.

If the “take-or-pay” is reduced to 8,000 acre-feet, and the District makes a decision to purchase only 8,000 acre-feet when the water is available, the District has the potential to save funds, while still operating its conjunctive use program.

Furthermore, PCWA and District staff are discussing sharing capacity in the Cooperative Pipeline Transmission Main. District staff is considering opportunities for PCWA to obtain water supplies for their water delivery obligations in developing areas, such as Placer Vineyards and Regional University developments. If this comes to fruition, the terms and conditions will be drafted in a separate agreement and brought to the Water Banking and Transfer Committee, and if approved, then to the full Board for consideration of approval.

**Fiscal Impact:**

There is no fiscal impact.

**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 District’s ratepayers will benefit because approving Amendment No. 3 will lessen the District’s commitment to pay for surface water if not needed.

**Attachment:**

1 – Amendment to the Agreement Between PCWA and SSWD for a Water Supply for Groundwater Stabilization

**AMENDMENT NO. 3  
TO THE AGREEMENT BETWEEN PLACER COUNTY WATER AGENCY AND  
SACRAMENTO SUBURBAN WATER DISTRICT  
FOR A WATER SUPPLY FOR GROUNDWATER STABILIZATION**

This Amendment No. 3 ("Amendment") is entered into as of \_\_\_\_\_, 2020 by and between Placer County Water Agency, a public agency (the "Agency"), and Sacramento Suburban Water District, a public agency ("Sacramento Suburban"), in the County of Sacramento, California, and amends the Agreement Between Placer County Water Agency and Sacramento Suburban Water District for a Water Supply for Groundwater Stabilization originally entered into on June 1, 2000 (the "2000 Water Supply Agreement") and previously amended by Amendment No. 1 dated October 2, 2008, and Amendment No. 2 dated June 2, 2016 (collectively, the "Water Supply Agreement"). The Agency and Sacramento Suburban are collectively referred to as the "Parties." Terms defined in the Water Supply Agreement shall have the same meaning in this Amendment.

**Recitals**

- A. The Agency and Northridge Water District entered into the 2000 Water Supply Agreement, which provided for up to 29,000 acre-feet per year of water that would be made available by the Agency for use by Northridge Water District under specified conditions.
- B. Sacramento Suburban is the successor entity to Northridge Water District following the consolidation of Northridge Water District and Arcade Water District, and Sacramento Suburban has succeeded to all the rights and obligations of Northridge Water District under the 2000 Water Supply Agreement.
- C. Under Amendment No. 1 to the 2000 Water Supply Agreement the Parties agreed to reduce the Sacramento Suburban Annual Entitlement from 29,000 acre-feet per year to 12,000 acre-feet per year of water.
- D. Under Amendment No. 2 to the 2000 Water Supply Agreement the Parties agreed to extend the term of the agreement through December 31, 2045.
- E. The Parties desire to further amend the Water Supply Agreement as set forth in this Amendment.

In consideration of the mutual covenants contained, herein, the Parties agree as follows:

- 1. Recitals Incorporated.** The foregoing recitals are true and are incorporated by reference.
- 2. Amendment of Water Supply Agreement.** This Amendment modifies certain language under the Water Supply Agreement as set forth below.

3. **References to Northridge Water District Amended.** All references to “Northridge Water District” in the Water Supply Agreement are amended to “Sacramento Suburban Water District.”
4. **Amendment of Exhibit B, Authorized Service Area for PCWA Water.** Exhibit B of the Water Supply Agreement is amended and replaced by the attached Exhibit B, Sacramento County Place of Use for Water Right Permits 13856 & 13858.
5. **Amendment of Section 4, Water to be Furnished to Sacramento Suburban.** Section 4 of the Water Supply Agreement is amended to read as follows:
  - (a) Effective March 1, 2020 and continuing each year thereafter during the term of this Water Supply Agreement, the Agency shall make available to Sacramento Suburban, subject to the water shortage provisions set forth this Water Supply Agreement and the operating criteria set forth in Exhibit A to this Water Supply Agreement, 8,000 acre-feet of untreated water ("Sacramento Suburban Annual Entitlement").
  - (b) This is a “Take or Pay Agreement.” Thus, each year, when the water is available, Sacramento Suburban shall be required to pay for the Sacramento Suburban Annual Entitlement or surrender its right to some of it so that the Agency is free to put the water to use elsewhere. If Sacramento Suburban does not take or pay for the Sacramento Suburban Annual Entitlement in any year in which the Agency makes the entire entitlement available, the Sacramento Suburban Annual Entitlement for each year thereafter shall be reduced by an amount equal to 50 percent of the amount which Sacramento Suburban did not take or pay for during the previous year.
  - (c) When water is not available from the Agency due to water right limitations, drought, or other causes (e.g., delivery is not possible due to the maintenance or outage of conveyance infrastructure), payment is not required from Sacramento Suburban for the amount of the Sacramento Suburban Annual Entitlement that the Agency cannot make available.
  - (d) In any year during the term of this Water Supply Agreement when water is made available by the Agency, Sacramento Suburban may request that the Agency make available a water supply in addition to the Sacramento Suburban Annual Entitlement up to a total water supply of 29,000 acre-feet. An approval for a supplemental supply will not change the amount of the Sacramento Suburban Annual Entitlement, unless otherwise agreed to by the Parties. Such an approval in one year would not obligate the Agency to approve a request in a subsequent year, and approval in one year would not require Sacramento Suburban to request an increased water supply in a subsequent year.
6. **Amendment of Section 8, Delivery Schedule.** Section 8 of the Water Supply Agreement is amended to read as follows:

Each year Sacramento Suburban shall submit to the Agency a written schedule, broken down by month, that indicates the times and quantities of the Sacramento Suburban Annual Entitlement to be diverted from Folsom Reservoir for delivery to Sacramento Suburban pursuant to this Water Supply Agreement. This annual delivery schedule shall be submitted to the Agency within 10 days following the first release of a California Department of Water Resources (“DWR”) Bulletin 120 seasonal runoff forecast (“B120”) indicating that delivery under this Water Supply Agreement is permitted. The annual delivery schedule submitted shall run from March 1st of a given year through the end of February of the following year and shall be consistent with Sacramento Suburban’s Warren Act Contract schedule submittal requirements for introduction and delivery of non-project water. The following provisions shall also apply:

- (a) Timing for Start and Stop of Water Deliveries. When the March through November unimpaired inflow to Folsom Reservoir (“UIFR”) index is determined to be greater than 1,600,000 acre-feet (1.6 MAF), as determined by B120, then water is available for delivery to Sacramento Suburban until the DWR publishes a new B120 that indicates that the UIFR is below 1.6 MAF and therefore the delivery threshold is not met and water deliveries to Sacramento Suburban are not authorized.
- (b) Winter Water Deliveries. Pursuant to the Agency’s Water Right Permits 13856 and 13858, and when the prior March through November UIFR index is less than 1.6 MAF, water shall be available to Sacramento Suburban during the months of December, January, or February after flood control releases are initiated at Folsom Reservoir. Such winter water deliveries would cease if the February B120 determines that the March through November UIFR index is less than 1.6 MAF. Given the unique circumstance of this scenario, Sacramento Suburban would only pay for water actually delivered in these months.
- (c) When necessary, the Agency and Sacramento Suburban shall cooperate in revising the delivery schedule to accommodate limitations in the available capacity of water diversion, treatment and conveyance facilities to be utilized by Sacramento Suburban.

**7. Amendment of Section 12, Rate and Method of Payment for Water.** Section 12 of the Water Supply Agreement is amended to read as follows:

- (a) Rate of Payment for Water. Each year Sacramento Suburban shall pay the Agency for each acre-foot of Sacramento Suburban Annual Entitlement made available for use in Sacramento Suburban’s service area at the highest of the following three rates: (1) thirty-five dollars (\$35); (2) one hundred seventy-five percent (175%) of the price per acre-foot that the Agency charges the City of Roseville and San Juan Water District (“San Juan”) that year for water made available to them in Folsom Reservoir for use within Placer County; or (3) one hundred fifty percent (150%) of the total amount, per acre-foot, including any restoration and other fees and charges, that the Agency is

required to pay that year to Reclamation for water to be used within the Agency pursuant to the Agency's September 18, 1970 contract with Reclamation as amended and supplemented or pursuant to any renewals of that contract.

If Sacramento Suburban foregoes delivery of and sells to a third party outside of its retail service area (the Sacramento Suburban retail service area shown in Exhibit B) surface water that it purchased from the Agency, the transaction shall be considered a transfer of Agency water (regardless of the source of water used to meet demands within the Service Area) and the Agency shall be entitled to 50 percent of the net revenue from the sale, or such other amount as the parties may agree upon. In addition, Sacramento Suburban shall be responsible for securing all State and Federal regulatory approvals necessary to accomplish any such transfer of Agency water outside of the "place of use" designated for water right Permits 13856 & 13858 (see Exhibit B).

If Sacramento Suburban subsequently uses "banked groundwater" to meet demands outside of its service area, even if such use facilitates the sale of surface water by another entity within the region, that use shall not be considered a transfer of the Agency's water and the Agency shall not be entitled to any of the net revenue from such use of banked groundwater or sale of surface water. For the purposes of this Water Supply Agreement, "banked groundwater" is considered to be the Agency water that flows through San Juan's water treatment facility and is delivered to the Sacramento Suburban distribution system to meet demands in the Sacramento Suburban service area, where Sacramento Suburban banks groundwater by means of in-lieu recharge (the practice of providing surplus surface water to historical groundwater users, leaving groundwater in storage for later use) or by such other more direct means as may be used in the future.

- (b) Time and Method of Payment. Sacramento Suburban shall pay the Agency on a semi-annual basis, with one payment due in July, for water taken from January through June of the same calendar year, and another payment due in January, for water taken from July through December of the preceding calendar year.

Additionally, in any calendar year when the UIFR indicated by B120 is greater than or equal to 1.6 MAF and subsequently drops below 1.6 MAF, delivery would be suspended and Sacramento Suburban would only pay for water actually delivered.

**8. Amendment of Section 19, Areas Served by Sacramento Suburban.** Section 19 of the Water Supply Agreement is amended to read as follows:

- (a) Sacramento Suburban's service area under the Water Supply Agreement shall be defined as Sacramento Suburban's retail service area, identified in Exhibit B as

Sacramento Suburban Water District.

- (b) Any change in Sacramento Suburban’s retail service area (i.e. annexation or de-annexation) shall automatically be incorporated as a change to the service area defined herein.
- (c) The Agency shall give Sacramento Suburban first right of refusal to serve Rio Linda Elverta Community Water District on a wholesale basis with the Agency water that flows through San Juan’s water treatment facility.

Water delivered by the Agency to Sacramento Suburban pursuant to this Water Supply Agreement shall not be sold or otherwise disposed of by Sacramento Suburban for use outside of its service area shown on the map marked Exhibit B without the prior written consent of the Agency, which consent shall not unreasonably be withheld; provided, however, in no event shall any such water be used outside the place of use described in the Agency's water right permits.

**9. Other Provisions Unaffected.** Except as provided in this Amendment, the remaining provisions of the Water Supply Agreement are unchanged and remain in full force and effect.

The foregoing is hereby agreed to by the Parties as of the date first written above.

**PLACER COUNTY WATER AGENCY**

By: \_\_\_\_\_  
Name:  
Title:

Date: \_\_\_\_\_

ATTEST

By: \_\_\_\_\_  
Name:  
Title:

Date: \_\_\_\_\_

**SACRAMENTO SUBURBAN WATER DISTRICT**

By: \_\_\_\_\_  
Name:  
Title:

Date: \_\_\_\_\_

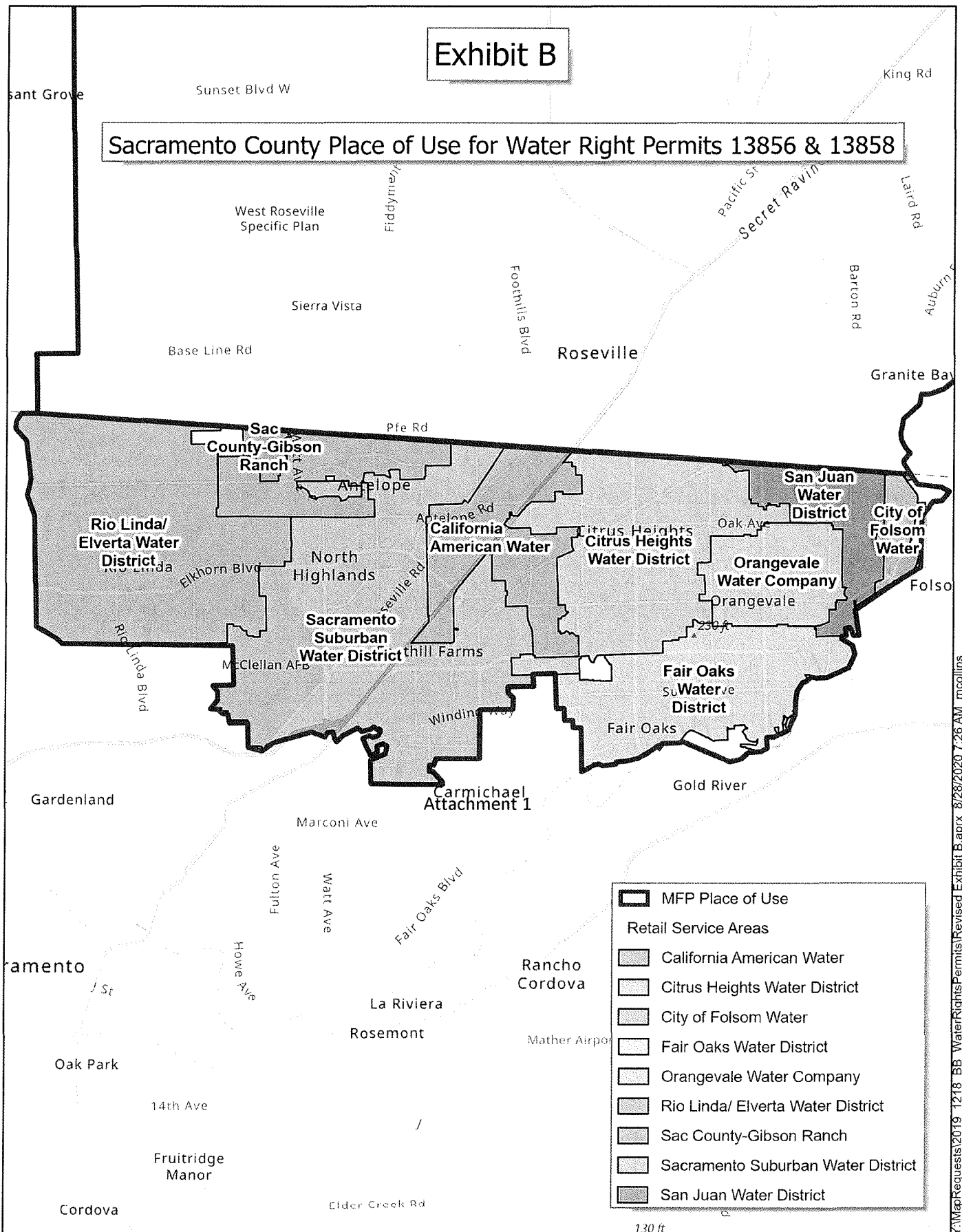
ATTEST

By: \_\_\_\_\_  
Name:  
Title:

Date: \_\_\_\_\_

# Exhibit B

## Sacramento County Place of Use for Water Right Permits 13856 & 13858



Y:\MapRequests\2019\_1218\_BB\_WaterRightsPermits\Revised Exhibit B.aprx 8/28/2020 7:26 AM mcollins







## Agenda Item: 7

**Date:** October 19, 2020

**Subject:** Skip’s Music Rent Relief Request

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

### Recommended Board Action:

Approve the request by Skip’s Music for relief of the March, April, and May 2020 rent, in the amount of \$17,505, and defer the scheduled 2020 rent increase of \$175 per month, effective in August 2020. Direct the General Manager to sign the amended Lease Agreement, per legal counsel review.

### Discussion:

Skip’s Music has been a tenant of the District since 1994. They occupy three buildings at the District’s property located at 2736 Auburn Boulevard. With the onset of the COVID-19 pandemic and being categorized as a “non-essential business” Skip’s Music was forced to virtually eliminate all operations from mid-March to the beginning of June 2020. The District deferred rent payments for March, April, and May of 2020. The District received a letter (see Attachment 1) from Skip Maggiora, Skip’s Music President and CEO, dated July 22, 2020. Mr. Maggiora addresses the history between Skip’s Music and the District and presents an argument for now requesting full relief of the March, April, and May back rent, as well as deferment of the scheduled 2020 rent increase.

Due to COVID 19, and the hardship it placed on Skip’s Music, the deferral of the March, April and May rent payment was to be paid over a period of time once they were able to return to normal operations. Skip’s Music was not able to return to normal operations, therefore, Mr. Maggiora has requested full relief of the March, April and May rent. Per the Lease Agreement (see Attachment 2) between the District and Skip’s Music, to allow such relief, per Section 21., Entire Agreement, it states “This Lease may be modified or amended only by a subsequent written agreement approved and executed by both parties. Approval by Lessor requires approval by its Board of Directors and execution by its President or his designee.”

This item was presented at the September 21<sup>st</sup> regular Board meeting and staff was directed to forward the item to District legal counsel to determine whether or not it is a gift of public funds for the Board to approve the subject request.

District legal counsel reviewed the request and responded that Skip’s Music has provided a reasonable basis for requesting the rent relief and reduction based on a significant decline in

Skip's Music Rent Relief Request

October 19, 2020

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revenue during the shutdown mandated by the state and county. This is an unprecedented situation, therefore, legal counsel does not see how the Board's decision to provide the requested temporary rent reduction is a gift of public funds. This is a matter of providing a reasonable financial relief to a good and very long-term tenant. While the analysis might be different in normal times, legal counsel is confident that the present situation provides the Board sufficient latitude in its discretion to provide the requested relief to Skip's Music without being in a gift of public funds situation.

**Fiscal Impact:**

If the full amount of relief requested were granted, the District would lose \$18,205 in rental income, \$17,505 in back rent and \$700 in deferred rent increase for calendar year 2020.

**Strategic Plan Alignment:**

Goal C: Ensure Fiscal Responsibility and Affordable Rates

**Attachment:**

- 1 – Letter from Skip's Music dated July 22, 2020.
- 2 – Lease Agreement



Dan York  
General Manager  
Sacramento Suburban Water District  
3701 Marconi Ave  
Sacramento, CA 95821

July 22, 2020

Dear Dan,

As per your request, I'm writing in follow up to our phone conversation a few weeks back. Consistent with so many small businesses this year, the effects of the COVID-19 pandemic have left SKIP'S MUSIC fighting harder than ever to survive. Being categorized as a "non-essential business", we were forced to virtually eliminate all operations from mid March to the beginning of June. Since re-opening our doors to the public, we're now operating on a scaled back level with reduced schedules and limited staff members resulting from a lighter customer and student demand.

In addition to the reduction of retail sales and music lessons revenue, our live music production business has been completely brought to its knees. As you may be aware, a very significant portion of our business has been supported for years by live concert and event productions. This division of our company consisting of professional audio, lighting, staging, backline and our talented crews that supported it have been put on an indefinite "Hold". With the closure of venues, cancellation of countless events and festivals, and public gathering restrictions, it remains unlikely that any portion of this business will return before mid to late 2021 (at the earliest..)

We truly appreciated S.S.W.D.'s offer and willingness to defer rent for March, April and May 2020. We may very well have not made it this far without your support. Like most, when this all began it was our hope that, **a)**, the COVID-19 virus would pass swiftly and, **b)**, business in general would return to relatively similar trends. Unfortunately, as we all now know, this simply is not how it's playing out... The current financial situation of Skip's Music makes it extremely challenging to not only pay the current monthly rent and expenses, but nearly impossible to process the re-payment of deferred expenses anytime soon. In addition to these circumstances, we're also now faced with a pending \$175 rent increase scheduled to go into effect next month if we are to maintain our tenancy.

Skip's Music has been a tenant in good standing now for nearly 3 decades and a reliable trust-worthy neighbor of S.S.W.D dating back to 1979.

Throughout this time, we have cordially shared property access and have worked together both as good neighbors as well as within our lessor / lessee relationship. It's worth noting that our rent has been uninterrupted throughout this time other than the covid-19 shelter-in-place period. With the increase that is now proposed and pending, our rent will have increased by over 140% during our tenancy. While a modest increase in rent would certainly be expected over time, there has never been any internal improvements made at the cost of S.S.W.D. to show for the increases. On the contrary, we, as the tenant, have been both physically and financially responsible for nearly all improvements or repairs that have been needed inside the building(s). The carpet and paint in the administrative office is nearly 30 years old and the bathroom and kitchen fixtures in that building even precede that. We've repaired plumbing, electrical issues, replaced carpet, painted walls, replaced ceiling and flooring tiles and more... We even replaced at our expense, water damaged floor-boards on the 2<sup>nd</sup> floor of the warehouse building that resulted from faulty exterior weather protection and drainage.

In addition, we've paid for and installed surveillance cameras to help monitor security of the property in which we both share. We've done our best over the years to continually coordinate and manage interactions with sub-contractors and mobile/cell tower contractors who've been granted limited time access to the lot. As you know, these contractor arrangements have often been met with mis-communications related to access times, parking or placement of equipment and proper procedures related to locking of the gates and securing the lot. Through time and experience, I've come to understand that these inconveniences can be somewhat expected, and I'm not suggesting that any procedural changes be made per se, although, again, I simply think it's worth noting that the time and energy it takes to address or resolve these issues often fall on members of my management team.

Dan, I remain committed and have the confidence that I, along with the leaders of my company will identify ways to put our business back on-track to succeed. Please know that It's my hope to continue tenancy for years to come, however, with the continued public restrictions as well as the consumer recession that is almost certain to follow shortly, the financial burden of the deferred rent and continued increases make it more difficult than ever to either afford and/or justify.

I'm asking that you accept this letter as an official request of S.S.W.D to please consider our long-time partnership and low cost / limited maintenance tenancy, and approve full relief of the back rent due, as well as maintain our current monthly rental rate until further notice. Being afforded this request will allow Skip's Music to continue its tenancy in good standing.

Thanks very much for your time and consideration.

Sincerely,

A handwritten signature in black ink that reads "Skip Maggiora". The signature is written in a cursive, flowing style.

Skip Maggiora  
President / CEO  
Skip's Music Inc.

**LEASE AGREEMENT BETWEEN  
SACRAMENTO SUBURBAN WATER DISTRICT AND SKIP'S MUSIC, INC.  
FOR BUILDINGS AND PROPERTY AT 2736 AUBURN BLVD., SACRAMENTO,  
CALIFORNIA**

This Lease Agreement ("Lease") is entered into and made effective as of August 1, 2014 by and between the Sacramento Suburban Water District, a public agency ("Lessor"), and Skip's Music, Inc., a California corporation ("Lessee"), who agree as follows:

**1. Grant of Lease.** Subject to the terms and conditions set forth below, Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the three buildings and all associated parking in front of the fenced in yard on the back south end of the Lessor's property at 2736 Auburn Boulevard, Sacramento, California, as more particularly described in Exhibit A, attached hereto and incorporated herein (the "Property"). In addition to the Property, Lessor grants to Lessee access to the large rolling doors located on the west and south sides of the Property within the gated, fenced yard adjacent to the Property, and non-exclusive use of the yard area adjacent to the Property for purposes of shipping, receiving goods and occasional overflow staff parking.

**2. Consideration.** Lessee will pay \$5,500.00 per month rent to Lessor, payable on the first day of each month at Lessor's principal place of business, 3701 Marconi Avenue, Suite 100, Sacramento, California 95821. If Lessee fails to pay the monthly rent by the tenth day of each month, Lessor may assess Lessee a late charge of \$200.00 in addition to the monthly rent.

**3. Lease Term.**

3.1 The term of this Lease will be for the period of August 1, 2014 to July 31, 2016, unless sooner terminated as provided below.

3.2 If this Lease remains in effect on July 31, 2016, Lessee is hereby granted the option to extend the term of the lease up to an additional eight years at an initial monthly rent of \$5,500.00. Thereafter, the monthly rent will be adjusted bi-annually on August 1 of the second, fourth, sixth and eighth years of the lease extension by a percentage increase in the amount of 3% for the previous two years. Below are the bi-annual increases if the Agreement is extended throughout term:

<u>Date</u>	<u>Rental Rate</u>
August 1, 2014	\$5,500.00
August 1, 2016	\$5,665.00
August 1, 2018	\$5,835.00
August 1, 2020	\$6,010.00
August 1, 2022	\$6,190.00
August 1, 2024	\$6,375.00

3.3 If Lessee does not extend this in accordance with section 3.2 hereof, the parties may agree that Lessee continue in possession of the Property as a month-to-month tenant. If the

parties so agree, Lessee will pay a monthly rent adjusted beginning August 1, 2016 by the percentage increase of 3% and subject to all of the terms and conditions of this Lease. The monthly rent would be adjusted annually thereafter each August 1. Either party may terminate the month-to-month tenancy at any time after its commencement by giving the other party 60 days' written notice in accordance with section 23. If Lessor refuses to agree to Lessee's month-to-month tenancy at the expiration of this Lease's initial term, Lessor will give Lessee written notice of the refusal and Lessee will have 60 days to vacate the Property after expiration of the Lease. If Lessor does not agree to Lessee's continued occupancy for any reason, and the Lessee refuses to surrender the Property and holds over after expiration of the current term or after expiration of a 60 day notice given by the District, then Lessee's continued occupancy of the Property will be considered a month-to-month tenancy at Lessor's sufferance at a monthly rent of \$11,000.00, and subject to all of the terms and conditions of this Lease.

**4. Use of Property.** The Property is being leased to Lessee for any reasonable purpose related to its business of musical instrument sales, service and repair, sound contracting and sound equipment repair and service, musical instruction, and music-related publications. Lessee will not use or permit to be used the Property for any purpose that is not related to the purposes for which the Property has been leased. Lessee will use the Property and its non-exclusive right of access in a manner that ensures that Lessor will at all times have clear access to its well sites, equipment and emergency storage located in the gated yard area adjacent to the Property.

**5. Subtenants.** Lessee will not sublease the Property or any portion of it to any party unless it first obtains Lessor's written consent. Consent will not be unreasonably withheld. Lessor's approval of any sublease by Lessee will be conditioned on the sub-lessee's written agreement to abide by all of the terms and conditions of this Lease. Lessee will require subtenants to provide indemnification and insurance coverage consistent with the terms and conditions of this Lease and to name Lessor as an additional insured on any and all policies of insurance required hereunder.

**6. Compliance with Laws.** Lessee will comply with all applicable federal, state and local statutes, ordinances, regulations, orders and other laws relating to the Property and/or Lessee's use and occupancy of the Property. Lessee will obtain all necessary federal, state and local permits, licenses and entitlements necessary for Lessee's use and occupancy of or improvement to the Property.

**7. Building Improvements.** Lessee, at its sole cost and expense, will be responsible for any improvements to the Property as necessary to accommodate its use. However, Lessee will not make or permit any other person to make any structural alterations or construction and/or installing of real property fixtures or signs to or on the Property without the prior written consent of Lessor, which consent will not be unreasonably withheld. All construction work, if any, relating to improvement of the Property will be performed in a good and workmanlike manner, and will comply with all applicable federal, state and local laws, codes and building and other permit requirements. Lessee will obtain all required County building permits. Lessee will keep the Property free and clear from any and all mechanics or other liens, stop notices, claims and demands for work performed, materials furnished or operations conducted at the Property. On expiration or earlier termination of this Lease, any and all alterations, additions, improvements, fixtures, furnishings, furniture, equipment made, installed or placed in or on the Property by Lessee will become the property of

Lessor. Lessor is solely responsible for all improvements, costs of repair, permit fees and penalties that may be required by the County of Sacramento as a result of any existing, unpermitted improvements to the Property made by Lessor prior to Lessee's possession.

**8. Maintenance of Property.** Lessee will not commit, or allow the commission of, any waste to or nuisance on the Property. Lessee will keep and maintain the Property in good, safe, sanitary and habitable condition and repair, and in compliance with all applicable building and related code standards and laws. Lessee will repair all damage (including both "minor" and "major" repairs) resulting from use of the Property by Lessee or Lessee's employees, agents, contractors, guests or invitees, except that Lessor will be responsible for the proper operation and maintenance of the Property's heating and cooling systems.

**9. Access by Lessor.** Lessor, and its employees and agents, will have the right to enter the Property upon 24 hours' notice to Lessee, and at any time during an emergency, for the purposes of inspecting the Property to determine whether Lessee is complying with this Lease, or doing other lawful acts that may be necessary or appropriate to protect Lessor's interest in the Property and adjacent areas, or of performing Lessor's duties related to this Lease. For purposes of this access, due consideration will be given to any existing confidentiality or security requirements of Lessee related to its use of the Property.

**10. Termination.** If Lessee abandons this Lease or if Lessee fails to adequately perform its duties and responsibilities as set forth in this Lease as determined by Lessor's Board of Directors, then Lessor may terminate this Lease before expiration of the term by giving Lessee 30 days written notice in accordance with paragraph 23.

**11. Surrender of Property.** On expiration or earlier termination of this Lease, Lessee will promptly surrender and deliver the Property to Lessor in as good condition as it was in at the time of Lessee's initial occupancy, excepting ordinary wear and tear.

**12. Utilities and Operating Expenses.**

12.1 Lessee will pay for telecommunications, garbage and waste removal, security, electrical and gas services to the Property. Lessor will provide water and sewer services to the Property. Lessee also will be responsible for the prompt disposal of garbage and debris generated from its use of the Property that exceeds its normal level of waste removal service.

12.2 Lessee will be responsible for all repairs to and maintenance of the Property, except as provided in paragraph 8.

12.3 Lessee will pay all taxes, assessments, standby charges and other charges levied or imposed by any governmental entity on the Property as a result of any taxable possessory interest created by this Lease.

**13. Right of First Refusal.** Lessee is granted an irrevocable option to purchase the Property upon the same terms and conditions and at the same price as that of a bona fide purchaser in the open market that Lessor wishes to accept. In the event Lessor wishes to dispose of the Property and to accept a bona fide market offer for its purchase, Lessor will first give Lessee written notice of the offer, stating the name of the proposed purchaser and the terms and conditions and price of the

proposed sale. Upon notice of the offer in accordance with section 23 below, Lessee will have a period of 60 days after receipt of the notice in which to agree to purchase the Property from Lessor. If Lessee does not agree to purchase the Property in accordance with the terms and conditions and at the price specified in Lessor's written notice within the 60 day period, then Lessor will have the right to sell the Property to the bona fide purchaser or any other third party upon the terms and conditions and at the price Lessor wishes. Except as otherwise provided in this Lease and except as provided in Government Code sections 54220 through 54232, Lessor will not sell the Property except in compliance with the foregoing terms and conditions. The right of first refusal granted to Lessee in this section will apply only during the times that Lessee is not in default on this Lease and will terminate upon the expiration of this Lease or upon its sooner termination as provided herein.

**14. District's Retention of Property.** If the Lessor determines that the Property is not surplus to and is necessary for its long-term needs, it shall notify Lessee of its determination as provided in section 23. Lessee will have a period of 60 days after receipt of notice of Lessor's determination in which to terminate this Lease. If Lessee desires to terminate this Lease in accordance with this section, Lessee will give Lessor at least 60 days written notice of Lessee's intent to terminate and to surrender the Property. Lessee will remain obligated to pay rent to Lessor until the termination date or surrender of the Property, whichever occurs later.

**15. Indemnification.** Lessee will indemnify, defend, protect and hold harmless Lessor and its officers, employees, volunteers and agents from and against any and all liability, loss, damage, expense, penalties and costs, including attorneys' fees, expert witness fees, investigation costs and litigation costs from the first notice of any claim or demand, of every nature arising out of or in connection with: (1) Lessee's use and possession of the Property; (2) the death or injury of any person or persons, or the damage to or destruction of any personal or real property, and caused or allegedly caused by either the condition of the Property, or some act or omission of Lessee or of some employee, agent, contractor, guest or invitee of Lessee; (3) any work performed on the Property or materials furnished to the Property at the request of Lessee or of any employee, agent, contractor, guest or invitee of Lessee, including, but not limited to, any liability relating to the use, handling or storage of any hazardous or toxic material or substance; and (4) Lessee's failure to perform or otherwise comply with any provision of this Lease. This indemnification provision will not apply to any loss or damage caused by the sole negligence or willful misconduct of Lessor. This indemnification provision will survive the termination of this Lease for any occurrence or event occurring prior to the termination. With respect to any use, handling or storage of any hazardous or toxic material or substance that preceded Lessee's occupancy of the premises, Lessor agrees to hold Lessee harmless and to indemnify, defend and protect Lessee.

**16. Insurance.**

16.1 Lessee at its sole cost and expense will procure and maintain for the duration of its occupancy of the Property the following types and limits of insurance or self-insurance:

<u>Type</u>	<u>Limits</u>	<u>Scope</u>
General liability	\$1,000,000 per occurrence	At least as broad as ISO occurrence form CG00
Workers' compensation	statutory limits	



Property insurance covering Lessee's equipment, furnishings and improvements full replacement cost

Building contents full replacement cost

16.2 The general liability policy will be endorsed to name Lessor, its officers, employees, volunteers and agents as additional insureds regarding liability arising out of this Lease. Lessee's coverage will be primary and apply separately to each insurer against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. Lessor's insurance or self-insurance will include Lessee as an additional insured and will be excess and will not contribute with Consultant's insurance. Each insurance policy will be endorsed to state that coverage will not be cancelled, except after 30 days' prior written notice to Lessor. Insurance is to be placed with insurers with a current A.M. Best's rating of A:VII or better unless otherwise acceptable upon notice to and acceptance by Lessor.

16.3 Upon execution of this Lease and annually thereafter, Lessee will provide to Lessor and Lessor the following proof of insurance: (a) certificate(s) of insurance evidencing this insurance; and (b) endorsement(s) of ISO Form CG2010 (or insurer's equivalent), signed by a person authorized to bind coverage on behalf of the insurer(s), and certifying the additional insured coverage.

**17. Damage and Destruction to Property.** If the Property is destroyed, partially destroyed or damaged, then Lessor will have the option in its sole discretion to either (a) repair, rebuild and restore the Property (but not including fixtures, furnishings, equipment and improvements installed or furnished by Lessee) to substantially the same condition as it was in immediately prior to the destruction or damage, or (b) terminate this Lease by giving notice of termination to Lessee as provided in paragraph 10.

**18. Condemnation.** If at any time during the term of this Lease, title and possession of the property is taken under the power of eminent domain by any public or quasi-public agency or entity, this Lease will terminate as of the date that actual physical possession of the Property is taken by the agency or entity. Any just compensation, damages or other payment for the taking of the Property will be awarded to and be the sole property of Lessor, except for any leasehold compensation which may be awarded to Lessee by a court of competent jurisdiction.

**19. Restriction against Assignment.** Except for a subtenant approved in accordance with paragraph 5, Lessee will not sublet, encumber, assign or otherwise transfer this Lease, or any right or interest in this Lease, or any right or interest in the Property, without first obtaining the written consent of Lessor, which consent will not be unreasonably withheld, but which consent may be subject to a written assumption and/or reasonable amendment of this Lease.

**20. Default.** In the event of any default by lessee under this Lease, in addition to any other remedies available to Lessor at law or in equity, Lessor will have the right to terminate this Lease and all rights of Lessee hereunder by giving written notice of termination as required by law.

**21. Entire Agreement.** This Lease constitutes the sole, entire and integrated agreement among the parties concerning the subject matter addressed herein, and supersedes all prior negotiations,

representations or agreements, either oral or written, that may be related to the subject matter of this Lease. This Lease may be modified or amended only by a subsequent written agreement approved and executed by both parties. Approval by Lessor requires approval by its Board of Directors and execution by its President or his designee.

**22. Negotiated Agreement.** The parties agree and acknowledge that this Lease has been arrived at through negotiation, and that each party has had a full and fair opportunity to review it with counsel of their choosing and to revise its terms. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party will not apply in construing or interpreting this Lease.

**23. Notices.** Any notice or other communication required or permitted to be given under this Lease will be in writing and either served personally, by electronic mail if the receiving party acknowledges receipt of the electronic mail, or sent by prepaid, first class U.S. mail and addressed as follows:

Lessor:  
General Manager  
Sacramento Suburban Water District  
3701 Marconi Ave, Suite 100  
Sacramento, CA 95821  
E-mail: [administration@sswd.org](mailto:administration@sswd.org)

Lessee:  
President  
Skip's Music, Inc.  
2740 Auburn Boulevard  
Sacramento, CA 95821  
E-mail: [skip@skipsmusic.com](mailto:skip@skipsmusic.com)

**24. California Law.** This Lease will be deemed to have been entered into in the County of Sacramento, State of California, and it will be governed by and in accordance with the laws of the State of California.

**25. Severability.** If any provision of this Lease is held to be unenforceable, the remainder of this Lease will be severable and remain in full force and effect.

**26. Successors.** Subject to paragraph 17, this lease will bind and inure to the benefit of the successors, assigns and transferees of the parties.

**27. Waiver.** Any waiver at any time by either party of its rights with respect to a default or breach of this Lease will not be deemed to be a waiver with respect to any other default or breach.


Lessor:

SACRAMENTO SUBURBAN  
WATER DISTRICT

  
Robert Roscoe, General Manager

Lessee:

SKIP'S MUSIC, INC.,

  
Skip Maggiora, President



APPROVED RECOMMENDATION

## Facilities & Operations Committee

### Agenda Item: 1

**Date:** June 2, 2014

**Subject:** Skip's Music Lease Agreement

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

**Recommended Committee Action:**

Receive report regarding the draft Lease Agreement between Skip's Music and Sacramento Suburban Water District for buildings and property at 2736 Auburn Boulevard. Direct staff to present the draft Lease Agreement to the full Board with a recommendation to set the monthly lease amount at \$5,500.00 with a 3% increase bi-annually, attached as Exhibit 1.

**Discussion:**

Skip's Music began leasing the former Arcade Water District's Administration Building of the front parcel at 2736 Auburn Blvd. The term of that Lease Agreement began on January 1, 1994, and was renewed on January 1, 1999. In June 2002, Skip's Music began leasing the former Arcade Water District's Corporation Yard building, located at the rear of the parcel at 2736 Auburn Blvd. The term of that Lease Agreement was for the period of June 1, 2002 to December 31, 2004. However, in July 2004, the District combined the two Lease Agreements into one, which expires on July 31, 2014.

Skip Maggiora, owner of Skip's Music, Rob Roscoe, General Manager, and Dan York, Assistant General Manager, met on April 3, 2014 to discuss renewal of the Lease Agreement. During the meeting, discussion arose regarding re-addressing the monthly lease amount. Mr. Maggiora feels the local and national economy warrants a deduction in the monthly lease amount, which would include a higher vacancy rate. In addition, Mr. Maggiora commented that utilizing the Consumer Price Index (CPI) is not economically fair as it is calculated with the San Francisco, Oakland, and San Jose area, not the Sacramento area. An option that he put forth was a percentage based on a lease amount increase. For example, base lease amount plus 2% per bi-annum increase. He believes the current monthly lease amount, \$5,617.60, should not be a starting point for negotiations. Mr. Maggiora stated he feels \$5,100 per month is sufficient.

To address Mr. Maggiora's concerns regarding the monthly lease amount, staff contacted two commercial leasing agents to conduct a Market Snapshot of the commercial lease market in the area of the subject facility. Staff received a Market Snapshot report from Tyler Boyd, with Voit Real Estate Services. Although an extensive study was not performed, Mr. Boyd was able provide an brief analysis regarding Office/Flex space. The District's property in question is

categorized as Flex space due to it being used for business purposes. The renter/lessee can customize a flex space facility to meet their particular business needs. To address Mr. Maggiora's comments regarding vacancy rates and rental decreases, listed below are staff's findings:

- **Vacancy Rates:** Within 2.5 miles of the subject property, the rental market has remained stable through the past recession. Some new construction was completed prior to the recession causing increased vacancy. However, the area has absorbed the vacancy rate well over the past 3 years. Vacancy rate was estimated at approximately 13.3%.
- **Rental Rates:** Combined rental rates between Office and Flex properties have remained steady at approximately \$1.25/square feet. Premium Flex properties, alone, may be closer to \$1.00/square feet, but with much tighter vacancy rates.

The approximate combined square footage of the subject property is 11,160 square feet. Mr. Boyd was briefed on the rental history between the District and Skip's Music. He was informed of the security assistance Skip's Music has provided in respect to the District's two well facilities on the property, along with past, present and future construction activities (District's contractors utilize the rear yard area for equipment and material storage). In addition, the major square footage of leased property has no curb frontage. Based on the partnership the District has with Skip's Music related to demonstrating a long term tenant, security benefits, and the fact a "goodwill" has been developed, Mr. Boyd stated that if he was the owner of a property, he would take those benefits into account and would be comfortable recommending the lease amount being set at \$.50/square feet. This would place the monthly lease amount at \$5,580. Based on the information provided in this report, staff feels that recommending to the Board a reduced monthly lease amount is to the benefit of the District rate payers.

In regards to the bi-annum increase calculation, if the CPI is not utilized, a typical monthly increase is in the 3%-5% range. Due to the reasons stated above for setting the monthly lease amount, staff feels a 3% bi-annum increase is recommended.

Currently the District receives approximately \$67,000 of annual lease from Skip's Music. If the Board agrees with the recommended \$5,580 per month, it would be approximately \$66,960 of annual lease.

This draft Lease Agreement grants to Skip's Music, Inc. a "right of first refusal" to purchase the property by matching any offer the District receives should the District ever elect to sell the property.

The term of the Lease Agreement will be from August 1, 2014 to July 31, 2016 with an option for Skip's Music, Inc. to extend the term of the lease an additional eight years.

**Fiscal Impact:**

None. The District will potentially receive a monthly lease income from Skip's Music until July 31, 2024.

**Strategic Plan Alignment:**

Facilities and Operations – 2.B. Monitor and improve the District's efficiencies in operating and maintaining system infrastructure.

Facilities and Operations – 2.C. Develop cost-effective strategies utilizing appropriate technology and other available resources to achieve optimization in delivery of water and enhance service.



## Agenda Item: 8

**Date:** October 19, 2020

**Subject:** CalPERS Pension – Employer Paid Member Contribution

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

### **Recommended Board Action:**

Discuss options to have employees in the 3% at Age 60 and the 2% at Age 55 pension plans begin paying the Employer Paid Member Contribution.

### **Discussion:**

At the June 15, 2020 regular Board meeting, the Board discussed various options for modifying current District policy regarding Employer Paid Member Contribution (EPMC). One of the options was for the District to discontinue paying the EPMC for pre-PEPRA (“classic”) employees in the 3% at 60 and 2% at 55 pension plans. An additional option was to prospectively require all new employees eligible to participate in a classic retirement plan to begin paying their normal member contribution. Staff was directed to prepare a resolution for Board approval that would require all new employees to begin to pay their normal member contribution.

At the August 17, 2020 regular Board meeting, Resolution No. 20-09 was presented by staff and approved by the Board. The Resolution rescinds Resolution No. 02-30 that established the District policy of paying EPMC for all employees. In addition, Resolution No. 20-09 states that all new employees will begin paying their normal member contribution beginning as of the effective date of the Resolution and that current member EPMC rates of 8% and 7% for Tier 1 (3% @ 60) and Tier 2 (2% @ 55), respectively, retirement plans will continue to be paid by the District. The Resolution then provides authority to the General Manager to make all necessary changes to District policies and procedures to make such policies and procedures consistent with Resolution No. 20-09.

At the August 17th regular Board meeting, the Board also directed staff to place an item on the agenda for the September 2020 regular Board meeting for a vote on whether to continue or discontinue paying the EPMC for classic employees in the 3% at 60 and 2% at 55 pension plans. A majority of the Board indicated an interest in continuing to pay the EPMC for existing employees in the subject pension plans based on the fact Resolution No. 20-09 was approved to only prospectively discontinue paying the EPMC for new employees eligible for a classic pension plan.

At the September 21, 2020 regular Board meeting, the majority of the Board preferred to continue addressing options that would phase out the District paying the EPMC for the 3% at 60 and 2% at 55 pension plans. Therefore, staff was directed to place the subject item on the agenda for the October 19, 2020 regular Board meeting.

As previously provided to the Board, there have been several agencies in the past 5-10 years who have phased out paying the EPMC contribution for their employees. However, as a reminder, the District is in a different situation than those agencies due to the LAFCo Resolution for the pre-merger 3% at 60 employees, along with the continued practice of paying the EPMC for post-merger 3% @ 60 and 2% @ 55 employees.

Below is a summary of how each agency phased out paying the EPMC:

San Juan Water District (SJWD):

SJWD is not represented by a union. SJWD had previously paid the 8% CalPERS employee share of the EPMC. In 2011, SJWD chose to discontinue paying the 8% EPMC. In doing so, they chose to immediately increase all salaries by 8%.

Placer County Water Agency (PCWA):

PCWA is represented by a union. PCWA had previously paid the 8% CalPERS employee share of the EPMC. At the union bargaining table in 2015, PCWA negotiated a phase out of EPMC over a 5-year period of time. Beginning in January 2016, PCWA increased employee salary ranges an additional 1.5% each year through 2019, with a final salary increase of 2% in 2020.

Elk Grove Water Agency (EGWA):

EGWA is not represented by a union. EGWA had previously paid the 8% CalPERS employee share of the EPMC. The EGWA Board chose to continue to issue Cost of Living Adjustments (COLA's) each year, assuming it is an average of 2% per year. EGWA deducted the equivalent COLA percentage from each employee's salary and applied that deduction towards the employee's contribution towards CalPERS. The deductions continued until the combined COLA percentages equaled 8%. In exchange for their employees to agree with the EGWA's Board to discontinue paying the EPMC by the above mentioned process, the EGWA Board approved a 9/80 work schedule by closing the office every other Friday.

City of Roseville (City):

The City is represented by a union. The cost sharing for their Classic employees was negotiated separately with each bargaining unit in 2013. Staff was informed that the phasing out process was completed in 2016, which was similar to PCWA's phase out program of the EPMC.

Phasing out the EPMC has the potential to cost the District more money due to the LAFCo Resolution for pre-merger employees that states the District must offer an equal, offsetting benefit to employees, which staff recommends to be a salary increase, and commensurate increases to pension expense and employer taxes.

Listed below are the current number of staff under each pension plan:

- Tier 1 Pre-Merger 3% @ 60 Plan = 14 employees
- Tier 1 Post-Merger 3% @ 60 Plan = 10 employees
- Tier 2 Post Merger 2% @ 55 Plan = 13 employees
- Tier 3 PEPR 2% @ 62 Plan = 31 employees

Note: Currently there are two vacancies. New employees will be either on a Classic Plan and are now required to pay the EPMC or on the PEPR Plan.

Below are options for consideration and discussion:

**Tier 1 Pre-Merger 3% @ 60 Plan** (pre-2003)

- Employees pay 2%, via COLA, of their EPMC beginning January 1, 2021, and annually thereafter until the full EPMC of 8% is met in 2024. To meet the “comparable benefit” clause in the LAFCo resolution, increase salary by 2% (from Merit) beginning January 1, 2021, through 2024. The 2% of 2021 salaries equates to \$26,018 in increased salary, \$11,017 in increased pension cost and \$1,990 in increased taxes for a total cost of \$39,026. Less the employee contribution to EPMC of 2% of new salary of \$26,539. Total cost to District of \$12,488 per year cumulative. This number will increase each year based on CalPERS actuarial valuations and additional employee salary increases.

**Tier 1 Post-Merger 3% @ 60 Plan** (2003 – 2006)

- Employees pay 2%, via COLA, of their EPMC beginning January 1, 2021, and annually thereafter until the full EPMC of 8% is met in 2024. This option has no additional cost to the District; OR
- Employees pay 2%, via COLA, of their EPMC beginning January 1, 2021, and annually thereafter until the full EPMC of 8% is met in 2024. To offset the District paying the EPMC since 2002, increase salary by 2% (from Merit) beginning January 1, 2021, through 2024. The 2% of 2021 salaries equates to \$17,695 in increased salary, \$7,493 in increased pension costs and \$1,354 in increased taxes for a total cost of \$26,541. Less the employee contribution to EPMC of 2% of new salary of \$18,049. Total cost to District of \$8,493 per year cumulative. This number will increase each year based on CalPERS actuarial valuations and additional employee salary increases.

**Tier 2 2% @ 55 Plan** (2007-2012)

- Employees pay 2%, via COLA, of their EPMC beginning January 1, 2021, and annually thereafter through 2023, and by 1% in 2024 until the full EPMC of 7% is met. This option has no additional cost to the District.
- Employees pay 2%, via COLA, of their EPMC beginning January 1, 2021, and annually thereafter until the full EPMC of 7% is met in 2024. To offset the District paying the EPMC since 2007, increase salary by 2% (from Merit)



beginning January 1, 2021, through 2023, and a 1% (from Merit) salary increase in 2024. The 2% of 2021 salaries equates to \$26,345 in increased salary, \$5,067 in increased pension costs and \$2,015 in increased taxes for a total cost of \$33,427. Less the employee contribution to EPMC of 2% of new salary of \$26,872. Total cost to District of \$6,555 per year cumulative. This number will increase each year based on CalPERS actuarial valuations and additional employee salary increases.

If all options in Tiers 1 and 2 are approved, the cost to the District is \$26,950 per year cumulative.

The above options are based on an approach of minimizing impacts to District operating costs within the legal constraints imposed by the LAFCo Resolution and Board decisions made at the time of consolidation.

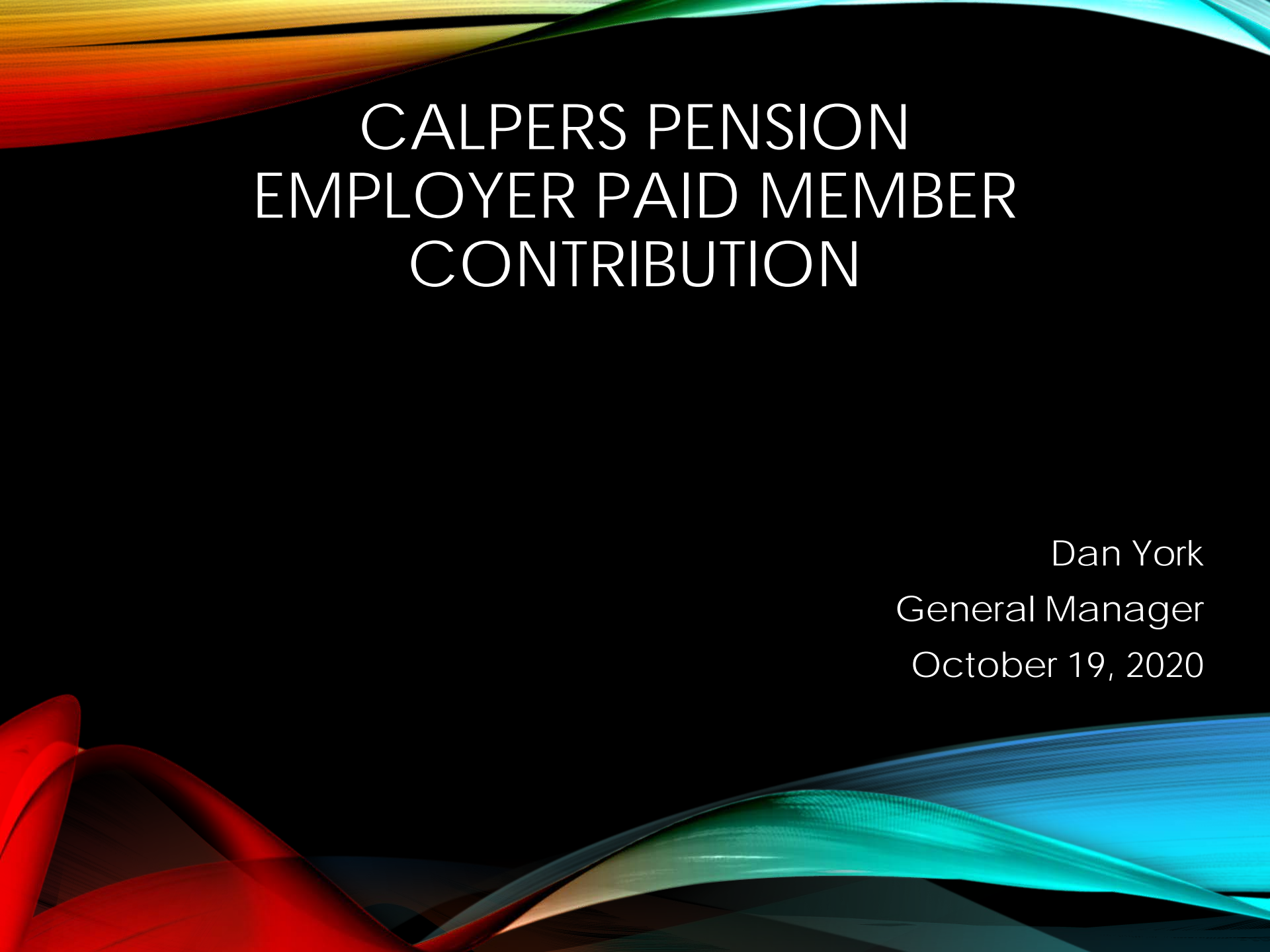
If a four-year phase out program is implemented, below are the number of employees eligible to retire by the end of such a program in both the Tier 1 and 2 pension plans:

- Tier 1 Pre-Merger: 2024 = 14 out of 14 employees
- Tier 1 Post-Merger: 2024 = 7 out of 10 employees
- Tier 2 Post Merger: 2024 = 3 out of 13 employees

If the Board chooses to proceed with the phasing aspects listed above, staff will need to prepare resolution(s) to be brought back at a subsequent Board meeting and, if adopted, file such resolution(s) with CalPERS.

**Fiscal Impact:**

No fiscal impact at this time.



# CALPERS PENSION EMPLOYER PAID MEMBER CONTRIBUTION

Dan York  
General Manager  
October 19, 2020

# PHASE-OUT EMPLOYER PAID MEMBER CONTRIBUTION (EPMC)

Resolution No. 20-09 – Effective August 2020, requires all new employees who are eligible to participate in a Classic retirement plan to begin paying their normal member contribution.

## Phase-Out Over a 4 Year Period:

- Allows time for all employee classes to fully pay EPMC.
- Avoids retirement “Spiking” claim.

# EMPLOYER PAID MEMBER CONTRIBUTION

- CalPERS Members = Employees
  - Tier 1 Members = Pre-Merger Employees hired prior to February 1, 2002. 3% at 60 Plan.
  - Tier 1 Members = Post-Merger employees hired between February 2002 and September 2006. 3% at 60 Plan.
  - Tier 2 Classic Members = Employees hired between September 2006 and January 2013, or hired after January 2013 and already in CalPERS. 2% at 55 Plan.
  - Tier 3 PEPRA Members = Employees hired after January 1, 2013 not already in CalPERS. 2% at 62 Plan.

## EMPLOYEES IN EACH TIER

- Tier 1 - Pre Merger 3% @ 60 Plan = 14 employees
- Tier 1 - Post Merger 3% @ 60 Plan = 10 employees
- Tier 2 - Post Merger 2% @ 55 Plan = 13 employees
- Tier 3 - PEPRA 2% @ 62 Plan = 30 employees

Note: Currently there are three vacancies. New employees will either be on a Classic Plan and are now required to pay the EPMC or on the PEPRA Plan.

# TIER 1 & 2 STATISTICS

<u>Tier</u>	<u>Pension Formula</u>	<u># of Active Employees</u>	<u># of Employees Eligible to Retire by 2024</u>	<u># of Employees Eligible to Retire by 2030</u>
<b>1 - Pre Merger</b>	3% @ 60	14	14	14
<b>1 - Post Merger</b>	3% @ 60	10	7	9
<b>2 - Classic</b>	2% @ 55	13	3	9

# PHASE OUT EPMC PROGRAMS

The following agencies have phased out paying the EPMC contribution for their employees over the past 5-10 years:

- San Juan Water District
- Placer County Water Agency
- Elk Grove Water Agency
- City of Roseville



# SAN JUAN WATER DISTRICT

San Juan Water District (SJWD) is not represented by a union. SJWD had previously paid the 8% CalPERS employee share of the EPMC. In 2011, SJWD chose to discontinue paying the 8% EPMC. In doing so, they chose to immediately increase all salaries by 8%.



# PLACER COUNTY WATER AGENCY

Placer County Water Agency (PCWA) is represented by a union. PCWA had previously paid the 8% CalPERS employee share of the EPMC. At the union bargaining table in 2015, PCWA negotiated a phase out of EPMC over a 5-year period of time. Beginning in January 2016, PCWA increased employee salary ranges an additional 1.5% each year through 2019, with a final salary increase of 2% in 2020.

# ELK GROVE WATER AGENCY

Elk Grove Water Agency (EGWA) is not represented by a union. EGWA had previously paid the 8% CalPERS employee share of the EPMC. The EGWA Board chose to continue to issue Cost of Living Adjustments (COLA's) each year, assuming it is an average of 2% per year. EGWA deducted the equivalent COLA percentage from each employee's salary and applied that deduction towards the employee's contribution towards CalPERS. The deductions continued until the combined COLA percentages equaled 8%. In exchange for their employees to agree with the EGWA's Board to discontinue paying the EPMC by the above mentioned process, the EGWA Board approved a 9/80 work schedule by closing the office every other Friday.

# CITY OF ROSEVILLE

The City of Roseville (City) is represented by a union. The City had previously paid the 8% CalPERS employee share of the EPMC. The cost sharing for their Classic employees was negotiated separately with each bargaining unit in 2013. District staff was informed that the phasing out process was completed in 2016, which was similar to PCWAs phase out program of the EPMC.

# PHASE OUT EPMC PRE-MERGER EMPLOYEES

## Tier 1 Pre-Merger 3% @ 60 Plan

Fourteen (14) employees remain in this category.

- Employees pay 2%, via COLA, of their EPMC beginning January 1, 2021, and annually thereafter, via COLA, until the full EPMC of 8% is met in 2024. To meet the “comparable benefit” clause in the LAFCo Resolution, increase employees salary by 2% (from Merit pool) beginning January 1, 2021, through 2024.
- 2% of 2021 salaries equates to \$26,000 in increased salary, \$11,000 in increased pension cost and \$1,900 in increased taxes for a total cost of \$39,000. Less the employee contribution to EPMC of 2% of new salary of \$26,500.
- Total cost to District of \$12,400 per year cumulative.



# PHASE OUT EPMC POST-MERGER EMPLOYEES

## Tier 1 Post-Merger 3% @ 60 Plan

Eleven (11) employees remain in this category.

- Employees pay 2%, via COLA, of their EPMC beginning January 1, 2021, and annually thereafter, via COLA, until the full EPMC of 8% is met in 2024. This option has no additional cost to the District; OR

# PHASE OUT EPMC POST-MERGER EMPLOYEES (CONT)

## Tier 1 Post-Merger 3% @ 60 Plan

- Employees pay 2%, via COLA, of their EPMC beginning January 1, 2021, and annually thereafter, via COLA, until the full EPMC of 8% is met in 2024. To offset the District paying the EPMC since 2002, increase employees salary by 2% (from Merit pool) beginning January 1, 2021, through 2024.
- 2% of 2021 salaries equates to \$17,700 in increased salary, \$7,500 in increased pension costs and \$1,300 in increased taxes for a total cost of \$26,500. Less the employee contribution to EPMC of 2% of new salary of \$18,000.
- Total cost to District of \$8,500 per year cumulative.

# PHASE OUT EPMC POST-MERGER CLASSIC EMPLOYEES

## Tier 2 Post Merger 2% @ 55 Plan

Twelve (12) employees remain in this category.

- Employees pay 2%, via COLA, of their EPMC beginning January 1, 2021, and annually thereafter, via COLA, through 2023, and by 1% in 2024 until the full EPMC of 7% is met. This option has no additional cost to the District; OR

# PHASE OUT EPMC POST-MERGER CLASSIC EMPLOYEES

## Tier 2 Post Merger 2% @ 55 Plan

- Employees pay 2%, via COLA, of their EPMC beginning January 1, 2021, and annually thereafter, via COLA, until the full EPMC of 7% is met in 2024. To offset the District paying the EPMC since 2007, increase employees salary by 2% (from Merit pool) beginning January 1, 2021, through 2023, and a 1% (from Merit) salary increase in 2024.
- 2% of 2021 salaries equates to \$26,350 in increased salary, \$5,000 in increased pension costs and \$2,000 in increased taxes for a total cost of \$33,400. Less the employee contribution to EPMC of 2% of new salary of \$26,900.
- Total cost to District of \$6,450 per year cumulative.



# TOTAL COST PER YEAR CUMULATIVE

If all options in Tiers 1 and 2 are approved, the cost to the District is \$26,950 per year cumulative.



## Agenda Item: 9

**Date:** October 19, 2020

**Subject:** Fiscal Year 2021 Budget – 1<sup>st</sup> Draft Update

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

**Recommended Board Action:**

Direct staff as appropriate.

**Background:**

Staff presented to the Board at the October 12, 2020 Special Board Workshop its first draft of the Calendar Year 2021 Budget for review and comment. The Board had several comments and requested additional information to be provided.

**Discussion:**

Staff will address each of the comments and data requests from the October 12, 2020 Special Board Workshop.

1. Staff was directed to investigate with the City of Sacramento (City) the option to defer the receipt of the 6,500 Acre Feet (AF) of surface water related to the 2020 Water Transfer Agreement until after 2021, and to purchase surface water at some percentage of the 6,500 AF at the \$120.00 per AF rate during Calendar Year 2021.

Staff have submitted this request to the City and are awaiting the City’s response. If the City agrees to defer portions of the 6,500 AF to a future year, the budget will be adjusted to reflect the new increase in surface water costs. Assuming that half of the 6,500 AF or 3,250 AF of water is deferred until after 2021 and the District purchased the 3,250 AF from the City, the budget for water costs would increase \$390,000. This would increase the Operations & Maintenance (O&M) Budget to \$23.4 million and would reduce the budgeted increase in reserves from \$1.4 million to \$1.0 million.

2. In reviewing the Budget assumptions for 2021, Director Locke requested staff to confirm the projected construction cost index. Staff have reviewed the Engineering News Record (ENR) 20 Cities Construction Cost Index for 2018, 2019 and the current 2020 rate.

According to ENR, the 20 Cities Construction Cost Index yearly averages are as follows:

2018	3.0%
2019	2.0%
2020	1.2% (this is the yearly average increase through August of 2020)

At the time the Budget assumptions were prepared, staff calculated the June year over year increase to be 1.8%. That same June year over year amount is now 1.5%.

3. The water loss percentage was added in 2020 as a Budget assumption. The water loss percentage can have multiple meanings depending on its use. For conservation, it represents the amount of water that is lost in the system via unmonitored means through leaks, theft or other types of loss. This number does not include flat rate connections, which are unmonitored. As the District approaches becoming fully metered, staff will use this number for budgeting production. Budgeted consumption (anticipated water sales) will be grossed up by the water loss percentage to determine the required level of production to meet the budgeted level of consumption. Staff welcomes feedback on the addition of this number to the annual budget assumptions presented to the Board.
4. The 2020 Projected Actual and Highlights (slide 4) has been updated as discussed to include dollar amounts in addition to percentages for Projected Unspent amounts between the 2020 Approved Budget and the Projected 2020 Actual expenditures. The slide was also updated to include the anticipated rollover amount of funds budgeted for 2020 capital projects that will be spent in 2021. This number is only an estimate at this time and will be finalized and reported to the Board after December 31, 2020. This rollover only applies to Capital Improvement and Operating Capital Program budgets. It does not apply to O&M or the Debt Service budgets.

Additionally, the water deliveries of 41,304 AF projected for 2020 represents the production of water and not the sale of water. While the District did deliver 152 AF of water to Cal-American Water Company and are delivering 6,500 AF of water to the City, the District is not billing its customers 34,652 AF of water. As mentioned above, portions of this water will be lost and portions will be delivered to flat rate customers.

5. Director Locke requested staff to chart a comparison of capital costs per the 2017 Water System Master Plan (WSMP) and the 2019 Rate Study (RS). Staff have updated the budget presentation to overlay the 2017 WSMP and the 2019 RS capital amounts and compare to actual (2017 – 2019), projected (2020) and budgeted (2021) District capital spending.
6. The Board requested staff to update the Capital Budget details slides with actual projected project budgets. Staff have updated all of the Capital Budget detail slides to include projected project costs. Those revised slides are included in the presentation attached.
7. Staff was asked to update the COLA and Merit slides to better reflect the actual result of staff salary band increases in 2019. While no actual COLA or Merit was provided in 2019, the Board approved the results of the Compensation Study that was completed in 2018. However, the Board had approved setting the 2019 COLA and Merit percentages at 4.3% and 3.0%, respectively, pending the completion of the Compensation Study. The Compensation Study resulted in an 11.3% average increase in staff salaries and a 12.8% average increase in salary bands.

Staff have updated the COLA and Merit slides to reflect the COLA and Merit increases that were approved prior to the completion of the 2018 Compensation Study. Staff have also added two new slides graphing the increase in average salaries expense per Full Time Employee (FTE) and total salaries expense compared to the increase in approved FTEs to reflect the changes in District salaries expense.

8. Director Wichert requested a net present value calculation on the proposed funding of the 2021 actuarially determined contribution (ADC) over the amount required based on the latest actuary valuation received by the District. The new ADC is approximately \$116,000 less than that required by the previous valuation. The actuary estimates that funding the additional \$116,000 in 2021 will save the District approximately \$9,500 per year in contributions from 2022 through 2038 (17 years). Using a discount rate of 2.0% (current budgeted investment rate of return) the net present value over the initial investment is approximately \$19,800. This translates into a return of approximately 3.95%. While not an outstanding return, it is better than our current investment rate of return. Staff would recommend keeping the additional funding in the budget for 2021. However, if item 1 were agreed to by the City, staff would recommend only funding the new ADC amount allowing the \$116,000 to offset a portion of the increased water costs.
9. Director Wichert asked staff to prepare a slide comparing employee salary expense and contract (outside service) expense. Staff have added a slide presenting each departments budgeted costs and describing the comparison between salaries expense and contract services expense for Environmental Compliance (EC), Engineering and Information Technology (IT). EC contract services are 42.9% of salaries expense and comprise of testing services, engineering contract services are 16.1% of salaries expense and comprise consulting & inspection services, and IT contract services are 10.0% of salaries expense and comprise of consulting services. The slide has been included in the attached presentation.
10. Director McPherson requested information on the vacant position for the Distribution Superintendent. There were many organizational positions that were kept as part of the merger between Northridge and Arcade Water Districts. As a result of the merger, three superintendent positions were assigned for production, distribution and field services departments. With the retirement of the Distribution Superintendent in November of 2018, the General Manager instituted a pilot program to combine the field services and distribution departments under the direction of one superintendent. By the spring of 2020 the General Manager had determined that the pilot was successful and that the Distribution Superintendent was able to manage both departments. The General Manager then requested staff to submit requests to utilize the vacant superintendent position. Staff submitted eight position requests. The General Manager chose the position request submitted by the Finance Department for a new accountant position. This new position is ready for recruitment and is anticipated to be filled by the end of 2020.

Staff have updated the presentation made to the Board at the October 12, 2020 Special Board Workshop. The presentation attached to this staff report only includes those slides updated.

**Fiscal Impact:**

If adopted as presented at the October 12, 2020 Special Board Workshop, the 2021 O&M budget would be \$23.1 million; the 2021 Capital budget would be \$19.0 million, and the 2021 debt service budget would be \$7.5 million. The total of all three budgets would be \$49.6 million. Revenues are projected to be \$51.0 million (if customer rates per the Study are adopted) resulting in a potential funding of reserves of \$1.4 million.

**Strategic Plan Alignment:**

Goal C – Ensure Fiscal Responsibility and Affordable Rates.

**Attachments:**

1 –2021 Budget Presentation – updated slides.

# 2021 Proposed Budget Update

Board Meeting  
October 19, 2020

# 2021 Budget Development Process

- July Board Meeting – 07/20/20, 6:00 pm
  - Budget Preparation Timeline Approved
- August Board Meeting – 08/17/20, 6:00 pm
  - Approve Budget Assumptions; Provide Direction to Staff
- October Board Workshop – 10/12/20, 6:00 pm
  - First Draft Presentation; Provide Direction to Staff
- October Board Meeting – 10/19/20, 6:00 pm
  - Update Board; Provide Direction to Staff
- October Board Workshop – 10/26/20, 6:00 pm (If necessary)
  - Second Draft Presentation; Provide Direction to Staff
- November Board Meeting – 11/16/20, 6:00 pm
  - Budget Approved

# 2021 Budget Assumptions

Key Assumptions	2019		2020		2021	
	Actual	0.00%	Approved	5.00%	Proposed	4.00%
1 Rate Increase (Approved via Prop 218)		None		None		None
2 Change in SSWD Service Boundaries		None		None		None
3 New Service Connections (Growth)	Increase	0.52%	Increase	0.52%	Increase	0.52%
4 Water Production: (A)	Cost/AF	AF	Cost/AF	AF	Cost/AF	AF
a. Water Supply Forecast Based on 5 Year Average		30,610 AF		30,000 AF		31,400 AF
b. Water Loss %						7.10%
c. SSA Surface Water (City) (B)	\$ 120.00	2,604 AF	\$ 120.00	7,700 AF	\$ 120.00	3,500 AF
d. SSA Surface Water (City at NO Cost)	\$ -	3,800 AF			\$ -	6,500 AF
e. SSA Surface Water (Electrical Cost to Lift City's Water)	\$ 14.73		\$ 15.72		\$ 17.00	10,000 AF
f. SSA Groundwater (Variable costs)	\$ 128.23	7,079 AF	\$ 128.94	6,250 AF	\$ 133.84	3,700 AF
g. NSA Surface Water (PCWA Water) (C)	\$ 40.67	12,382 AF	\$ 36.94	12,000 AF	\$ 38.79	10,000 AF
h. NSA Surface Water (Bureau-PCWA Water)	\$ 23.40	12,382 AF	\$ 21.45	12,000 AF	\$ 22.52	10,000 AF
i. NSA Surface Water (SJWD Treatment-PCWA Water)	\$ 192.37	12,382 AF	\$ 209.68	12,000 AF	\$ 220.16	10,000 AF
j. NSA Surface Water (SJWD Water)					\$ 273.16	AF
k. NSA Groundwater (Variable costs)	\$ 102.42	6,283 AF	\$ 114.84	6,050 AF	\$ 116.17	7,700 AF
l. NSA Bureau 215 Water	\$ 265.40	AF	\$ 290.01	0	\$ 304.51	AF
m. NSA Wheel Water to Cal-AM (Cost)		1,539 AF		2,000 AF	\$ 281.47	2,000 AF
n. NSA Wheel Water to Cal-AM (Revenue)	\$ (371.26)	1,539 AF	\$ (385.48)	2,000 AF	\$ (400.89)	2,000 AF
5 Anticipated Outside Water Sales, Net	None	None	Unknown	Unknown	Unknown	Unknown
6 Investment Yield		2.00%		2.15%		2.00%
7 Variable Debt Interest Rate		3.86%		3.86%		3.86%
8 Electrical Cost Increase		2.00%		3.75%		4.50%
9 COLA (D)				2.30%		1.80%
10 Merit Program				4.00%		5.00%
11 Construction Inflation (E)		8.00%		1.70%		1.80%
12 Health Care Cost (F)		2.00%		6.40%		4.32%
13 Tier 1 Pension Cost (% of Salaries)	\$ 582,000	23.00%	\$ 657,862	23.77%	\$ 708,931	24.32%
14 Tier 2 Pension Cost (% of Salaries)	\$ 18,000	17.10%	\$ 22,998	17.66%	\$ 25,999	18.20%
15 Tier 3 Pension Cost (% of Salaries)	\$ 900	7.30%	\$ 5,403	7.34%	\$ 5,502	7.89%
16 New Hires		3		-		1
17 Prefunding of Post Retirement Benefits (G)		\$892,480		\$ 908,433		\$ 482,500
18 Retiree Benefit Payments (G)		\$ -		\$ -		\$ 418,464
19 Reserve Funds (Uses)		None		None		None
<b>Footnotes:</b>						
(A) SSA = South Service Area; NSA = North Service Area						
(B) City Rate at \$120/AF on a trial basis for 9,500 AF from Oct -2019 to Sept 2020. Assume City will extend this trial rate (\$120.00) for 2021. Current contract rate is \$500.68/AF.						
(C) Take-or-Pay contract for 2021 reduced to 8,000 AF.						
(D) District is now West - Size Class B/C (2.5 million or less). Previously District was classified as West - Class A						
(E) 20 Cities CCI Index, Source: ENR						
(F) Same as prior year, Western Health Advantage						
(G) Actuarially determined prefunding amount is \$482,497 in 2021 and does not include retiree premiums (2021 actuarial estimate \$450,254) which will be broken out separately (item 18).						



# 2020 Projected Actual and Highlights

	Approved 2020 Budget (\$ Millions)	Projected 2020 Actual (\$ Millions)	Projected Unspent (\$ Millions)	Projected Unspent (%)
Operations & Maintenance Budget	\$ 23.04	\$ 22.51	\$ 0.53	2.3%
Capital Improvement Program	19.57	19.07	0.50	2.6%
Operating Capital Program	1.23	1.23	-	0.0%
Debt Service Budget	7.43	7.29	0.13	1.8%
Total	\$ 51.26	\$ 50.10	\$ 1.16	2.3%

## 2020 Projected Results:

- Water Deliveries of 41,304 AF:
  - Comprised of 34,652 AF to Customers and Wheeled Water Deliveries of 152 AF and 6,500 AF to City of Sacramento (water transfer)
- Review and assess modified asset management plans:
  - Completed new Fleet Asset Management Plan
  - Completed update to Transmission Main Asset Management Plan
  - Completed Buildings and Structures Asset Management Plan
  - Completed Groundwater Well Asset Management Plan
- Water infrastructure asset replacements include:
  - Replace 4.9 miles of Distribution Main Lines (Thor, Naomi & Albatross), including approximately 247 Water Meters
  - Install (Retrofit) an additional 1,030 Water Meters
  - Replace 1,000 Old Water Meters that have outlived their useful life
  - Replace 7,500 Endpoints that have outlived their useful life or failed
  - Continue Design and Construction of Butano and Verner Wells; Begin work on Walnut Well
  - Destroy 4 Abandoned Well Sites
  - Continue Multi-Year Process to Acquire Property for Future Well Sites

# 2021 Goals

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

- Water Deliveries of 33,400 AF
  - 31,400 AF to Customers
  - 2,000 AF Wheeled to Cal-American
- Source of Supply
  - 12,000 AF from PCWA (additional water available from SJWD)
  - 6,500 AF from City of Sacramento at no cost (Water Transfer)
  - 3,500 AF from City of Sacramento at \$120/AF
  - 11,400 AF from SSWD Groundwater
- Complete update to the Urban Water Management Plan
- Water infrastructure asset replacements include:
  - Replace up to 0.75 miles of Distribution Main Lines
  - Complete ODS Main Replacement Program
  - SSA Well Rehabilitation
  - Install (Retrofit) an Additional 1,120 Water Meters
  - Replace 1,000 Old Meters and 10,000 Endpoints that have outlived their useful life
  - Continue work on Butano, Verner Well and Walnut Well
  - Destroy 2 Abandoned Well Sites
  - Continue Multi-Year Process to Acquire Property for Future Well Sites

# Reserve Balance Detail

## 2017-2019 Actual with 2020 Projected & 2021 Budget

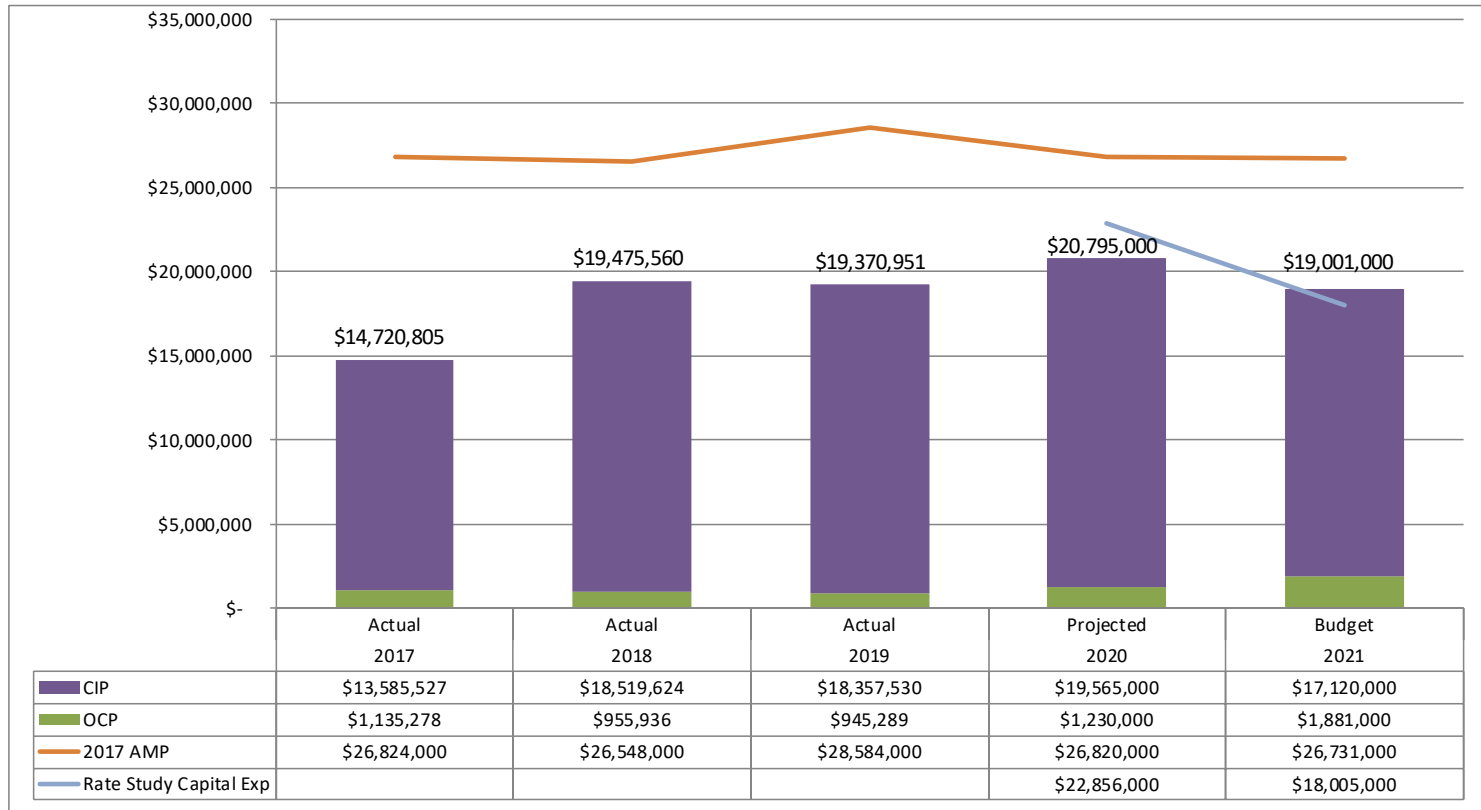
	Actual	Actual	Actual	Projected	Budget
	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>	<u>12/31/2021</u>
<b>Debt Service Reserve</b>	\$ 3,548,170	\$ -	\$ -	\$ -	\$ -
<b>Facilities Reimburseme</b>	-	-	-	-	-
<b>Emergency/Contingency</b>	10,931,500	11,255,000	11,905,048	11,905,048	11,905,048
<b>Operating</b>	4,248,150	6,248,175	5,939,161	4,751,975	6,320,145
<b>Rate Stabilization</b>	5,976,000	5,044,500	4,656,400	5,402,181	5,217,769
<b>Grant</b>	210,000	-	-	50,000	700,000
<b>Capital Asset</b>	17,733,285	18,957,605	17,373,028	17,323,028	16,673,028
<b>TOTAL</b>	<b>\$ 42,647,105</b>	<b>\$ 41,505,280</b>	<b>\$ 39,873,637</b>	<b>\$ 39,432,232</b>	<b>\$ 40,815,991</b>
<b>Reserve Target</b>	<b>\$ 48,317,715</b>	<b>\$ 49,072,754</b>	<b>\$ 49,518,303</b>	<b>\$ 49,649,903</b>	<b>\$ 49,793,506</b>
<b>Min. Reserve Target</b>	<b>\$ 41,584,250</b>	<b>\$ 42,164,930</b>	<b>\$ 41,726,390</b>	<b>\$ 42,165,080</b>	<b>\$ 42,144,676</b>

Individual reserve account changes for 2019 and 2020 based on Reserve Policy approved on June 17, 2019; 2020 and 2021 rate increases are on track with financial plan to build back up the reserve's target level.

# Capital Budget

# Capital Costs

## 2021 Proposed Budget By Capital Program



# CIP Project Detail

## Distribution Main Replacement Costs

			Budget	Forecast
			2021	2022
<b><u>2021/22 Projects</u></b>			<b>\$ 5,083,000</b>	<b>\$ 9,323,000</b>
Thor (Area 90B/C/D) - Paving			478,000	-
ODS Main Remnants Replacement			250,000	-
Arcade Creek Cross Repair			480,000	-
Greenberry Complex			100,000	500,000
U Street Improvement Project			1,230,000	-
Winding Way Creek Crossing			200,000	440,000
Small Improvement Projects			475,000	500,000
Main Looping Projects			225,000	-
Slippery Creek Main Replacement			330,000	-
CA & Risk Feasibility of HP Creek Crossing			400,000	-
Condition Assessment of Main Replacement Areas			320,000	320,000
Q Street Main Rehab.-MRA 03B (contingent on Condition Assessment)			200,000	5,126,400
Elkhorn Main Repl. - MRA 03B (contingent on Condition Assessment)			175,000	1,686,600
MBP Main Repl. - MRA7D2 & 7D3 (contingent on Condition Assessment)			220,000	-
MBP Main Repl. - MRA7D1 (contingent on Condition Assessment)			-	300,000
Watt Ave Main Repl.-MRA 03B (contingent on Condition Assessment)			-	200,000
TBD (contingent on Condition Assessment)			-	250,000
			<b>\$ 5,083,000</b>	<b>\$ 9,323,000</b>

# CIP Project Detail

## Well Replacement Costs

				<b>Budget</b>	Forecast
				<b>2021</b>	2022
<b><u>2021/22 Projects</u></b>				<b>\$ 4,620,000</b>	<b>\$ 500,000</b>
Well #78 - Butano/Cottage (SSA) - Pump Station Construction				<b>2,000,000</b>	-
Well #79 - Verner/Panorama (NSA) - Pump Station Construction				<b>2,120,000</b>	-
Well #80 - Walnut/Auburn (NSA) - Well Design/Construction & Pump Station Design				<b>500,000</b>	500,000
				<b>\$ 4,620,000</b>	<b>\$ 500,000</b>

# CIP Project Detail

## Well Rehabilitation And Related Capital Costs

				Budget	Forecast
				2021	2022
<b><u>2021/22 Projects</u></b>				<b>\$ 2,042,000</b>	<b>\$ 1,260,000</b>
Well Rehabilitation/Repair/Upgrade - Various Wells				<b>1,565,700</b>	634,000
Condition Assessment (Wells 25C, 32A, & 76 in 2021; 43, N3, N22, & N38 in 2022)				<b>204,300</b>	288,400
Investigation - Wells 68 & 72				<b>120,000</b>	-
Destroy abandoned wells - 2 wells in 2021 and 3 wells in 2022				<b>152,000</b>	228,000
Well sites demolition - 7-10 sites				-	110,000
				<b>\$ 2,042,000</b>	<b>\$ 1,260,400</b>



# CIP Project Detail

## Meter Retrofit Costs

				<b>Budget</b>	Forecast
				<b>2021</b>	2022
<b><u>2021/22 Projects</u></b>				<b>\$ 2,000,000</b>	<b>\$ 110,000</b>
2021 Meter Retrofit Program (1,120 meters)				<b>2,000,000</b>	-
2022 Meter Retrofit Program (50 meters)				-	100,000
				<b>\$ 2,000,000</b>	<b>\$ 100,000</b>

# CIP Project Detail

## Other Annual Re-Occurring Capital Costs

				Budget	Forecast
				2021	2022
<b><u>2021/22 Projects</u></b>				<b>\$ 2,195,000</b>	<b>\$ 2,195,000</b>
Adjust valves boxes for county paving projects				<b>200,000</b>	200,000
Right of way/easement acquisitions (contingency)				<b>5,000</b>	5,000
AMI Endpoints Replacements				<b>1,400,000</b>	1,400,000
Replace obsolete large meters (>3")				<b>40,000</b>	30,000
Replace water meters that outlived their useful life				<b>250,000</b>	260,000
Replace valves, hydrants and services that outlived their useful life				<b>300,000</b>	300,000
				<b>\$ 2,195,000</b>	<b>\$ 2,195,000</b>

# CIP Project Detail

## Reservoir and Booster P.S. Costs

				Budget	Forecast
				2021	2022
<b>2021/22 Projects</b>				<b>\$ 345,000</b>	<b>\$ 285,000</b>
Enterprise Northrop Reservoirs/PS				<b>30,000</b>	-
Reservoir Operational Retrofit - Valves /Mechanical				<b>50,000</b>	50,000
Hydropneumatic Tanks Interior Coating				<b>90,000</b>	60,000
Walnut Tank				<b>25,000</b>	-
Watt/Elkhorn Reservoir				<b>150,000</b>	-
Tank 216				-	25,000
Capehart Tank				-	150,000
				<b>\$ 345,000</b>	<b>\$ 285,000</b>

# CIP Project Detail

## SCADA Costs

				<b>Budget</b>	Forecast
				<b>2021</b>	<b>2022</b>
<b><u>2021/22 Projects</u></b>				<b>\$ 785,000</b>	<b>\$ 210,000</b>
Upgrade Marconi Building Electrical Component				<b>375,000</b>	-
Upgrade Well Site Electrical Component - Well N8				<b>249,500</b>	-
Reservoir Operational Retrofit - Antelope, and Watt/Elkhorn Reservoirs				<b>100,000</b>	-
Upgrade Tesco PLC for 10 Sites each year				<b>10,500</b>	10,000
SCADA Upgrades				<b>50,000</b>	200,000
				<b>\$ 785,000</b>	<b>\$ 210,000</b>

# OCP Project Detail

## Operations Project Costs

			Budget
			2021
<b><u>2021 Projects</u></b>			<b>\$ 459,500</b>
Fence Replacement - 3 Well Sites			<b>24,000</b>
Watt/Elkhorn Tree Repl & Irrigation Modification			<b>55,500</b>
Calibration of District's Hydraulic Model - Started in 2020			<b>130,000</b>
Update Urban Water Management Plan			<b>175,000</b>
Develop a pipeline Condition Assessment Direct Method			<b>75,000</b>
			<b>\$ 459,500</b>

# OCP Project Detail

## Vehicles/Fleet/Equipment

			Budget
			2021
<b><u>2021 Projects</u></b>			<b>\$ 310,000</b>
Vehicle Replacement - Truck # 9			32,500
Vehicle Replacement - Truck # 42			32,500
Vehicle Replacement - Truck # 50			47,000
Vehicle Replacement - Truck # 57			47,000
Trailer Replacement - Vacuum Trailer for Meter PM			51,000
Equip. Replacement - 2020 Front Loader w/Broom Sweep			100,000
			<b>\$ 310,000</b>

# OCP Project Detail

## Information Technology

			Budget
			2021
<b><u>2021 Projects</u></b>			<b>\$ 286,500</b>
Hardware Refresh Program			<b>161,500</b>
Software Enhancements/Modules			<b>125,000</b>
			<b>\$ 286,500</b>

# OCP Project Detail

## Maintenance

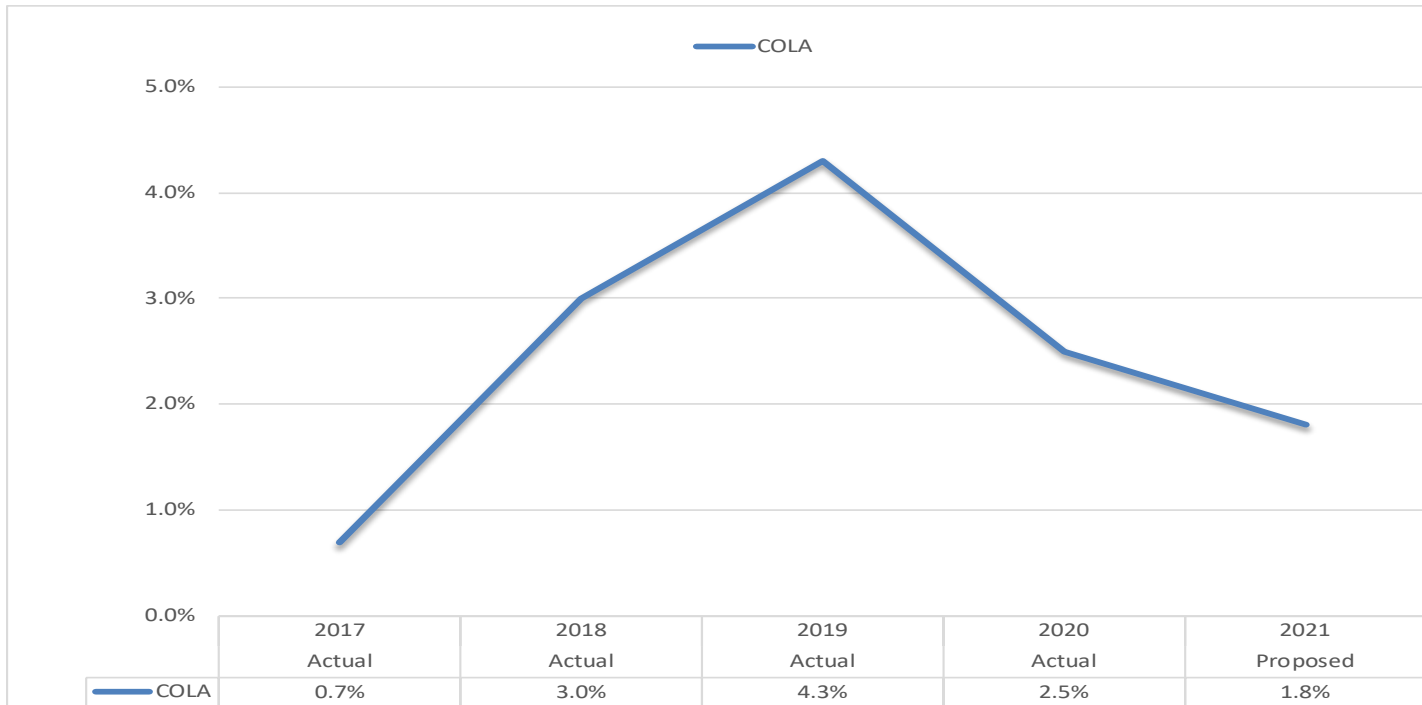
			Budget
			2021
<b><u>2021 Projects</u></b>			<b>\$ 120,000</b>
Customer Service Area Safety & Security Improvement			<b>100,000</b>
HVAC/Roof/Building Repairs			<b>20,000</b>
			<b>\$ 120,000</b>



# O&M Budget

# O&M Expense Detail

## COLA

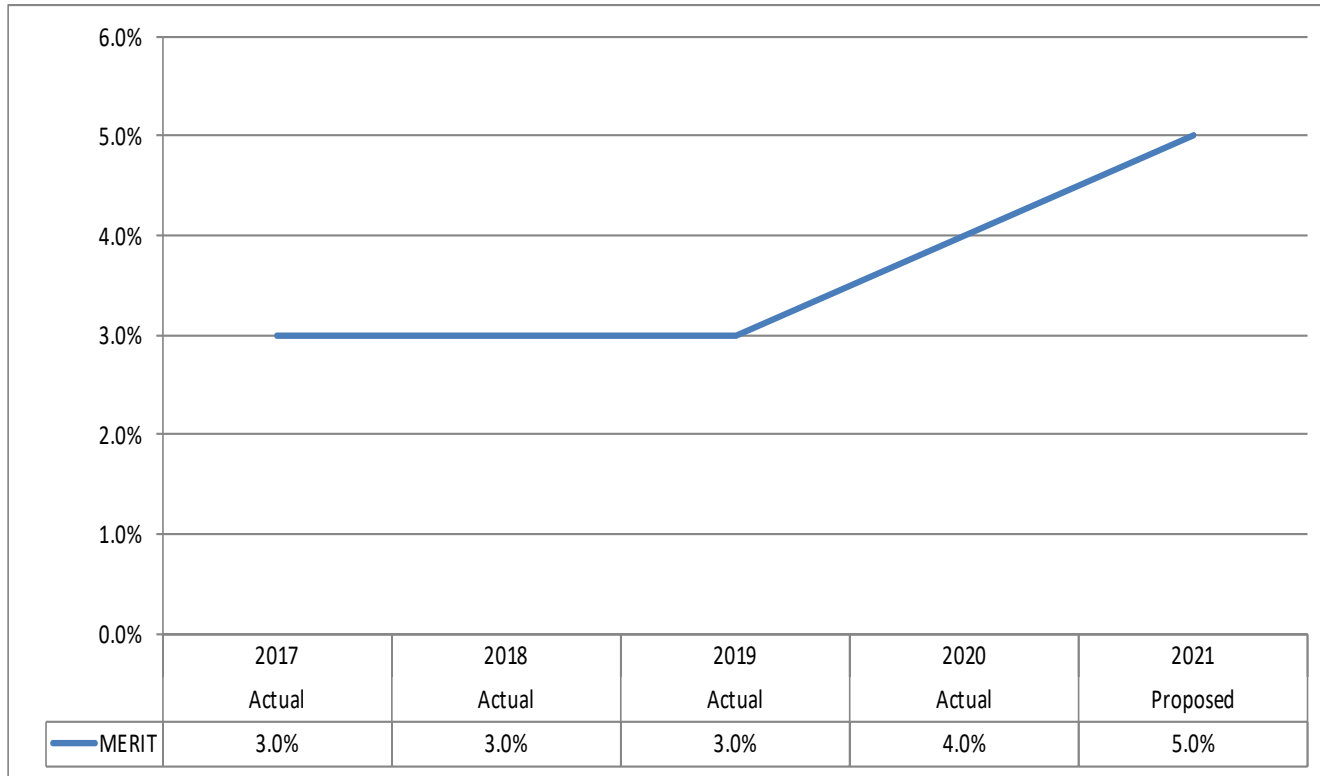


2019 approved COLA was 4.3%; However, final salaries were based on market median as per 2018 compensation study;

2021 COLA is currently based on August Western Cities – B/C Index.

# O&M Expense Detail

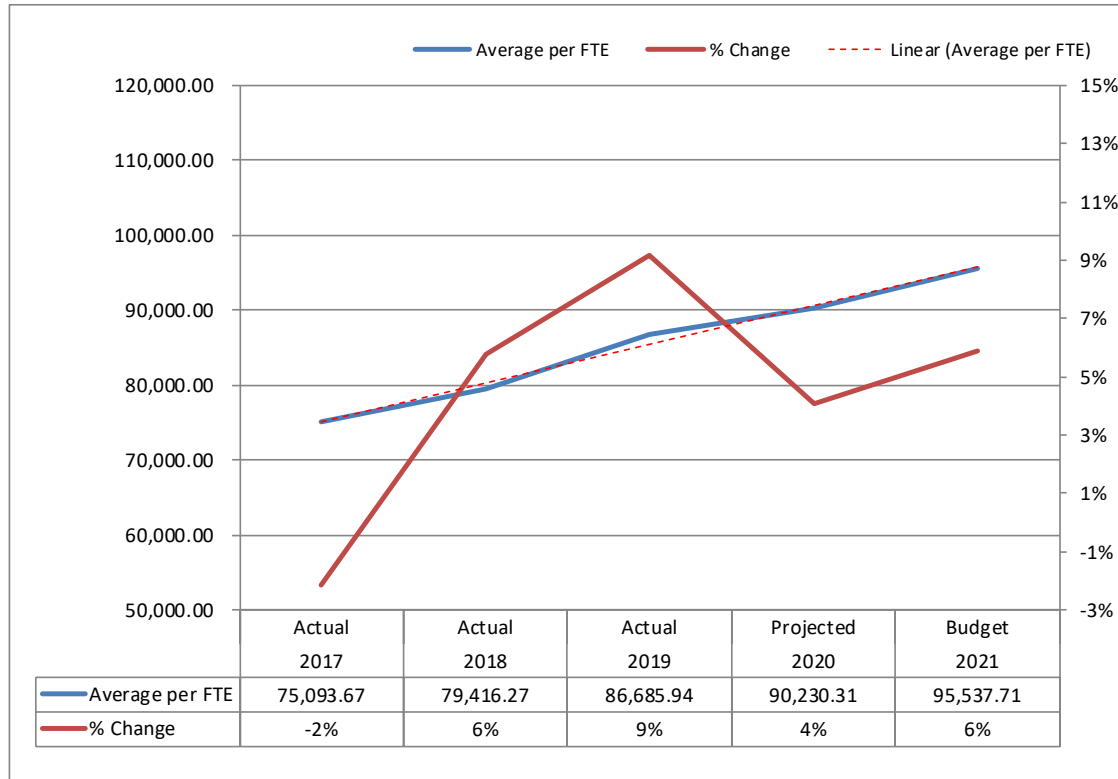
## Merit



2019 approved merit was 3%, However, final salaries were based on market median as per 2018 compensation study;  
2021 1% increase equals ~\$59K

# O&M Expense Detail

## Average Salaries per FTE



2018 average increase was 6%

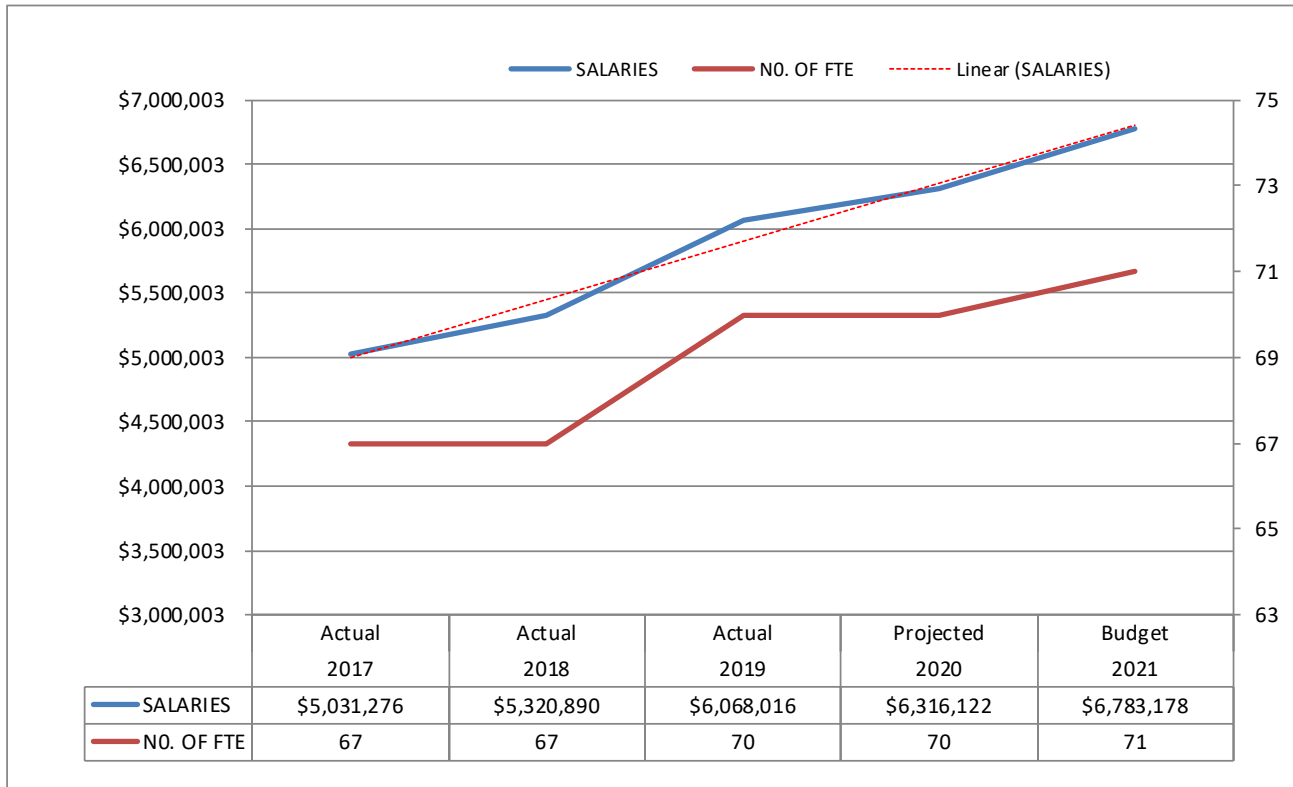
2019 average increase was 9% and included average 11.3% Compensation Study increase plus 3 additional FTEs

2020 increase is 4%

2021 increase is 6% including one new FTE

# O&M Expense Detail

## Salaries



2018 increase was 6%

2019 increase was 14% and included average 11.3% Compensation Study increase plus 3 additional FTEs

2020 increase is 4%

2021 increase is 7% including one new FTE

# O&M Expense Detail

## Environmental Compliance, Engineering and IT Department Details

	<u>Environmental Compliance</u>	<u>Engineering</u>	<u>MIS</u>
<b>SALARIES</b>	279,299.76	962,711.13	300,850.89
<b>EMPLOYEE BENEFITS</b>	97,733.32	393,954.77	152,080.79
<b>OTHER EMPLOYEE COSTS</b>	25,396.43	82,493.30	33,515.09
<b>SUPPLIES</b>	4,020.00	2,000.00	13,800.00
<b>OUTSIDE SERVICES</b>	119,760.00	155,000.00	30,000.00
<b>LICENSES, PERMITS, FEES &amp; DUES</b>	94,320.00	1,695.00	487,180.00
<b>BUILDING/EQUIPMENT/VEHICLE MAINTENANCE</b>	-	-	37,200.00
<b>GENERAL &amp; ADMINISTRATIVE</b>	5,505.00	7,650.00	147,600.00
<b>O &amp; M Total</b>	<u><u>626,034.52</u></u>	<u><u>1,605,504.20</u></u>	<u><u>1,202,226.77</u></u>

Outside Services includes consulting, construction, contract, testing and inspection services  
 EC services are 42.9% of salaries expense and comprise testing services  
 Engineering services are 16.1% of salaries expense and comprise consulting & inspection services  
 IT services are 10.0% of salaries expense and comprise consulting services

# 2021 Proposed Budget Summary

	2019 Actual	2019 Approved Budget	2020 Projected	2020 Approved Budget	2021 Proposed Budget
Income From Customers	\$ 45,678,975	\$ 46,171,000	\$ 47,537,042	\$ 47,843,000	\$ 48,886,080
Water Transfers	42,578	-	906,642	-	-
Total Other Income	2,392,497	1,907,000	1,715,000	2,224,000	2,094,000
Reserve Use	2,286,756	1,793,000	441,405	1,193,000	-
<b>Total Revenue</b>	<b>\$ 50,400,806</b>	<b>\$ 49,871,000</b>	<b>\$ 50,600,089</b>	<b>\$ 51,260,000</b>	<b>\$ 50,980,080</b>
<b>Budgets:</b>					
<b>Operations and Maintenance</b>	23,892,654	23,241,000	22,513,291	23,039,000	23,063,675
<b>Capital</b>	19,302,819	19,210,000	20,795,000	20,795,000	19,001,000
<b>Debt Service (Forecast)</b>	7,205,333	7,420,000	7,291,798	7,426,000	7,531,647
<b>Reserve Funding</b>	-	-	-	-	1,383,758
<b>Total Costs</b>	<b>50,400,806</b>	<b>49,871,000</b>	<b>50,600,089</b>	<b>51,260,000</b>	<b>50,980,080</b>
Change in Reserve Balance	-	-	-	-	-
<b>Reserve (Cash) Balance</b>	<b>\$ 39,873,637</b>	<b>\$ 39,873,637</b>	<b>\$ 39,432,232</b>	<b>\$ 38,680,637</b>	<b>\$ 40,815,991</b>



## Agenda Item: 10

**Date:** October 19, 2020

**Subject:** General Manager's Report

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

**a. City of Sacramento Surface Water Update**

As reported at the September 21, 2020, regular Board meeting, District and City of Sacramento (City) staff met to discuss the City's wholesale water rate analysis they are attempting to finalize. The City informed staff that they have been unable to complete the final analysis on their wholesale water rate due to other priorities within the City. However, the City informed staff that they are preparing the necessary communication/documentation to bring before their Council members a recommendation to sell surface water to the District at a reduced rate of \$120 per acre feet (af) in 2021. The approval process should be completed by December 2020, and if approved, the City plans on making the water available in the first quarter of 2021.

**b. Del Paso Manor Water District Update**

As of October 1, 2020, the District is no longer operating, or providing operational assistance, to Del Paso Manor Water District's (DPMWD). If any assistance is requested by DPMWD, it will be conducted by activation of the Mutual Aid Agreement (MAA) between the two agencies. The MAA is intended to be utilized for emergency purposes only.

DPMWD has paid in full all invoices submitted by the District. The District is currently in the process of finalizing the September 2020 invoice. Once the subject invoice is approved internally, it will be forwarded to DPMWD for payment.

**c. Arden Park Vista Service Area**

The County of Sacramento (County) is interested in exploring options that would allow them to no longer provide water service to the Arden Park Vista (APV) service area, which is their only water system north of the American River. The County would prefer to focus on their water system south of the American River.

District and County staff met on October 1, 2020, to further the discussions on the APV service area. Staff was informed that the County has internally explored options in which to allow either a public or private water purveyor to eventually provide water service to the APV service area. The County made the decision to continue those discussions with the District. As previously mentioned, the County and former Arcade Water District discussed a similar proposal in 1989 and 1998.



There is a substantial amount of analysis that needs to be conducted in order to present this item to the County's Council members. The analysis revolves around finance, debt, rates, operations, etc. It's anticipated that this would be at least a two year process, at a minimum. The subject topic was verbally presented to the District's Board at the September 2020, regular Board meeting to determine if there was any interest to discuss this opportunity with the County. The Board stated there was interest and directed staff to present the topic as it evolves. Staff is recommending presenting the item to the Facilities and Operations Committee as it evolves and present it to the full Board as appropriate.

**d. Carmichael Water District - Groundwater Well Cost Sharing Partnership**

Carmichael Water District (CWD) has one of the oldest post-1914 surface water rights in California. During the most recent drought, their surface water supplies were curtailed by the State. As a result, CWD is analyzing opportunities to develop a backup water supply in the event their water supplies are curtailed in the future. CWD and the District have been discussing opportunities to develop a partnership on a new groundwater well. CWD would purchase a share of capacity in a new groundwater well, primarily for a backup supply. The intent is for CWD to participate with a 50/50 cost split of a new groundwater well that the District plans to construct in the near future. Staff apprised the Board in 2019 of this potential partnership and supported such a partnership. CWD has placed the funding mechanism for this type of partnership in their upcoming water rate study. Staff and CWD will draft the necessary agreements to present to the District's Facilities & Operations Committee in preparation for Board approval.



## Agenda Item: 11

**Date:** October 19, 2020

**Subject:** Financial Report

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

### **COVID-19 Financial Update:**

The following information is provided as of September 30, 2020. The District has lost an estimated \$482,000 in collection and late fees and has incurred an additional \$38,000 in COVID-19 related expenses. It is estimated that the District will not incur \$171,000 in budgeted expenditures mostly related to canceled conferences, discontinuance of mailing collection notices and a premium refund from Cigna. Approximately \$629,000 is estimated as the deferred payments related to suspending disconnections per Governor of California's Executive Order 20-42.

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

- Financial Highlights – September 2020
- Financial Statements – September 2020
- Investments Outstanding and Activity – September 2020
- Cash Expenditures – September 2020
- Credit Card Expenditures – September 2020
- Directors Compensation and Expense Accounting – Third Quarter 2020
- District Reserve Balances – September 2020
- Information Required by LOC Agreement
- Financial Markets Report – September 2020

### **Financial Highlights**

Highlights from the Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position are presented in this report. They are gleaned from the financial statements presented on subsequent pages. Key information from this report indicates the District's cash balance is \$1.0 million less, while investments are \$2.4 million more than on September 30, 2019; long term debt has decreased by \$5.2 million; and net position has increased by \$9.9 million in the last 12 months as the District continues to invest in capital infrastructure replacements while decreasing its outstanding debt. With the Governor of California's Executive Order 20-42 suspending the disconnection of water service for non-payment for residential and certain commercial customers, the District is closely monitoring payment activity and accounts receivable balances. Accounts receivable have increased \$0.1 million year to date compared to the same

period last year. Operating revenues increased \$2.1 million while operating expenses increased \$0.4 million year to date compared to the same period a year ago.

### **Financial Statements:**

#### **Statements of Net Position:**

District cash and cash equivalents increased to \$11.5 million as of September 30, 2020, up \$3.5 million from \$8.0 million at December 31, 2019, subsequent to the January 2020 settlement payment of \$2.6 million to McClellan Business Park (MCBP) cash balances have been increasing. Cash held in the District's bank accounts (\$3.6 million as of September 30) is held in accordance with state and federal regulations, which state that cash held in the District's bank accounts above the FDIC insured limits must be fully collateralized with government securities that are equal to or greater than 110% of the District's cash balance in the bank at any time.

Investments increased since December 31, 2019, by \$1.9 million to a total of \$40.9 million, reflecting the reinvestment of interest received and unrealized market value gains. Investment portfolio balances and activity are reported on subsequent pages.

Gross capital assets increased by \$11.5 million to \$505.2 million as of September 30, 2020, since December 31, 2019, resulting from expenditures on CIP, which includes distribution main replacement projects, well improvement projects, and meter retrofits costs. Capital assets are primarily funded by monthly remuneration from customers through rates, facility development fees, developer contributions, as well as grant funds, when available, and District reserves when necessary.

Net position stands at \$271.0 million as of September 30, 2020, compared to \$259.5 million at December 31, 2019, for an increase of \$11.5 million. This increase is primarily due to \$10.7 million in operating income, \$0.1 million in net non-operating expense, and \$1.0 million in capital contributions as of September 31, 2020.

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

The net position increase of \$11.6 million as of September 30, 2020, is \$1.7 million more than the first nine months of 2019. Net changes are mainly comprised of:

1. Water consumption sales increased by \$1.7 million compared to the same period of 2019 due to increased water deliveries as 25,990 acre-feet of water was delivered in 2020 compared to 23,866 acre-feet in 2019. In addition to the increase in water consumption, a 5.0% rate increase also occurred on January 1, 2020.
2. Water Service Charges increased by \$1.1 million in line with the 5.0% rate increase referred to above.
3. Wheeling water charge decreased by \$0.5 million due to unavailability of Placer County Water Agency (PCWA) water to sell to Cal-American Water Company.

4. Other Charges for Services decreased by \$0.3 million as Collection Charges and Penalty Charges have not been levied since March 2020 to comply with the Governor's Executive Order relating to the COVID-19 pandemic.
5. Operating expenses increased by \$0.3 million from the same period in 2019 due primarily to: 1) a decrease in surface water costs as less surface water was taken from both PCWA and the City of Sacramento due to suspension of surface water availability in the spring which will be offset by the water costs of surface water currently being delivered from SJWD (\$1.7 million), 2) the increase in groundwater pumping costs (\$0.9 million) as more groundwater is being pumped to City of Sacramento for the water transfer, 3) an increase in distribution replacement and repair costs (\$0.3 million), and 4) an increase in administrative and general expenses (\$0.8 million).
6. Non-operating income decreased by \$0.1 million compared to the same period a year ago, primarily due to a decrease in the FMV of the investment portfolio in September 2020 and a decrease in rental and other non-operating revenues.
7. Facility Development Charges increased by \$0.2 million compared to the same period a year ago, primarily due to the increase in number of developer projects submitted.
8. Developer Contributions increased by \$0.4 million compared to the same period a year ago, primarily due to the increase in number of developer projects completed.

**Budgets:**

The District's operating and maintenance expenditures through September 2020 came in less than the approved budget by \$1.6 million. Most of this positive variance is due to: 1) water cost savings from not purchasing PCWA surface water due to PCWA surface water unavailability (\$1.0 million) and 2) expenditure timing differences (\$0.6million).

Operating capital project expenditures through September was \$0.6 million and \$0.4 was committed. The total budget for the year is \$1.2 million.

The District's Capital Improvement Program (CIP) budget for 2020 is \$19.6 million. For 2020, \$10.4 million has been spent while an additional \$4.7 million is under commitment. Expenditures continue to be primarily in distribution system replacements, new well construction, well improvements, and meter retrofit projects.

**Debt - September 2020**

This report shows District activity in repaying its long-term debt obligations. Scheduled 2020 principal payments of \$4.8 million are due the end of next month, October 2020. Total principal outstanding as of September 30, 2020, remains at \$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 the first nine months of 2020, the District has incurred interest expense of \$1,921,519 versus a forecast of \$1,976,845, or a \$55,326 positive variance. Since the initial spike in rates during week of March 16, 2020, 5.75%, rates have decreased significantly reducing interest expense on the naked portion of the District's variable rate debt. The last reset for the week of September 30 saw rates at 0.12% compared to 1.23%, the pre-pandemic level in the municipal VRDO market.

### **Investments Outstanding and Activity – September 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 Local Agency Investment Fund (LAIF). 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 1.77% per annum, while LAIF is earning 0.69%. District staff monitors investment assets quarterly and reviews/approves the effective duration of the District's portfolio against its benchmark index on a quarterly basis as well.

During the month of September 2020, the District purchased three Municipal Bonds for \$0.4 million (par) and four Federal Agency Notes for \$1.5 million (par). One Corporate Note was matured at \$0.9 million (par). The District received principal pay downs on three Federal Agency Collateralized Mortgage Obligations for \$47,946, (par) and three Asset-Backed Security Obligations for \$63,958 (par). The District also sold three U.S. Treasury bonds for \$1.0 million (par). See "Investment Activity" section in the attached report for further details.

The District's investment manager has been instructed to continue with the pre-COVID-19 investment strategy. The financial impact of COVID-19 pandemic on cash flow at this time has been minimal. Staff will continue to monitor cash flow and adjust investment strategy as conditions warrant.

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

### **Cash Expenditures – September 2020**

During the month of September, the District made cash payments totaling \$3.9 million. The primary expenditures were – \$2.0 million for 2020 capital improvement projects, \$0.7 million for payroll, pension and health benefits, \$0.6 million for water costs including pumping and chemical costs, \$0.1 construction and contract services, \$0.2 million for debt service, and \$0.3 million for all other O&M expenses.

### **Purchasing Card Expenditures – September 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 \$3,056 for various purchases on the six District purchasing cards. Details by vendor and purpose are included in this report.

**Directors Compensation and Expense Accounting – Third Quarter 2020**

Director meetings attended during the 3rd quarter of 2020 (that Directors have reported to staff) and expense reimbursements are attached in accordance with the District's Directors' Compensation and Expense Reimbursement Policy (PL – BOD 003) and Government Code Section 53065.5. Directors who have not reported their meeting attendance to District staff are not included in this report and are expected to make an oral report at the Board meeting.

**District Reserve Balances**

The District's Reserve Policy, PL – Fin 004, requires the District to maintain a certain level of cash and investments on hand at any one time, as determined by the Board annually. Balances as of September 30, 2020, are \$42,118,888 compared to \$39,873,637 at December 31, 2019. In September 2020, staff have made a change to the method of recording and reporting reserve balances. In the past, reserve balances contained funds set aside in managed investment accounts as well as on-hand operating cash and LAIF funds. This created a situation where reserve balances fluctuated dramatically during the year as operating cash fluctuated based on timing of receipts and payments as well as funds being reserved for the large debt service payments that occur in October of each year. To bring stability to the reserve numbers, staff will record and report reserve balances without operating cash balances being included. In addition, as part of the year-end closing process, reserve balances will be reestablished and reconciled taking into consideration the financial results of the year being closed.

**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.

**Sacramento Suburban Water District  
Financial Highlights  
Period Ended**

**STATEMENTS OF NET POSITION**

	<u>Year-To-Date</u> <u>9/30/2020</u>	<u>Year-To-Date</u> <u>9/30/2019</u>
<b>LIQUIDITY</b>		
Cash and cash equivalents	\$11,475,635.50	\$12,462,636.52
<b>INVESTMENT</b>		
Investments	40,864,349.33	38,492,275.77
<b>ACCOUNTS RECEIVABLE</b>	3,400,539.23	3,321,033.01
<b>CAPITAL ASSETS</b>		
Property, plant and equipment	505,240,436.37	488,810,719.14
Accumulated depreciation	<u>(200,617,282.77)</u>	<u>(189,971,348.03)</u>
	<b>304,623,153.60</b>	<b>298,839,371.11</b>
<b>LIABILITIES</b>		
Long Term Debt	<b>(75,777,939.35)</b>	<b>(80,992,021.15)</b>
<b>NET POSITION</b>		
Net Position	<u><b>271,006,459.83</b></u>	<u><b>261,125,894.44</b></u>

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	<u>Month</u> <u>9/30/2020</u>	<u>Year-To-Date</u> <u>9/30/2020</u>	<u>Month</u> <u>9/30/2019</u>	<u>Year-To-Date</u> <u>9/30/2019</u>
<b>NET INCOME</b>				
Operating Revenue	4,541,117.81	35,866,097.64	4,812,260.19	33,761,421.25
Operating Expense	(2,301,521.31)	(14,916,725.85)	(1,195,525.36)	(14,577,648.12)
Other, Net	<u>(1,089,084.26)</u>	<u>(9,398,894.19)</u>	<u>(1,156,434.98)</u>	<u>(9,331,889.38)</u>
<b>Change in Net Position</b>	<u><b>\$1,150,512.24</b></u>	<u><b>\$11,550,477.60</b></u>	<u><b>\$2,460,299.85</b></u>	<u><b>\$9,851,883.75</b></u>

**Financial Statements  
September 30, 2020**



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

	As Of	Month End <u>9/30/2020</u>	Year End <u>12/31/2019</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		\$11,475,555.06	\$8,011,078.56
Restricted Cash and cash equivalents		80.44	1,687.83
Accounts receivable, net of allowance for uncollectible accounts		3,215,980.56	2,901,672.06
Interest receivable		206,358.91	215,053.00
Grants receivables		7,296.94	351,969.29
Other receivables		42,278.00	97,320.57
Inventory		636,802.63	553,991.25
Prepaid expenses and other assets		1,216,829.20	1,249,069.53
<b>TOTAL CURRENT ASSETS</b>		<b><u>16,801,181.74</u></b>	<b><u>13,381,842.09</u></b>
<b>NONCURRENT ASSETS</b>			
Investments		40,864,349.33	39,040,578.27
Fair value of interest rate swaps		56,545.00	56,545.00
<b>TOTAL NONCURRENT ASSETS</b>		<b><u>40,920,894.33</u></b>	<b><u>39,097,123.27</u></b>
Property, plant and equipment		505,240,436.37	493,653,393.30
Accumulated depreciation		(200,617,282.77)	(190,327,387.33)
<b>TOTAL CAPITAL ASSETS</b>		<b><u>304,623,153.60</u></b>	<b><u>303,326,005.97</u></b>
<b>TOTAL ASSETS</b>		<b><u>362,345,229.67</u></b>	<b><u>355,804,971.33</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on long-term debt refunding		4,867,921.49	5,363,479.76
Pension contribution subsequent to measurement date		2,054,016.00	2,054,016.00
Other post-employment benefits		343,227.00	343,227.00
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		<b><u>369,610,394.16</u></b>	<b><u>363,565,694.09</u></b>
<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		498,099.74	3,769,360.97
Accrued interest		459,082.67	297,075.42
Deferred revenue and other liabilities		3,559,835.20	1,867,586.59
Accrued expenses		439,398.45	4,194,921.54
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>9,746,416.06</u></b>	<b><u>14,918,944.52</u></b>
<b>NONCURRENT LIABILITIES</b>			
Long-term debt		70,987,939.35	71,430,427.20
Compensated absences		1,241,900.23	1,121,671.14
Net pension liability		9,698,403.00	9,698,403.00
Net other post-employment benefits liability		6,101,412.00	6,101,412.00
<b>TOTAL NONCURRENT LIABILITIES</b>		<b><u>88,029,654.58</u></b>	<b><u>88,351,913.34</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>97,776,070.64</u></b>	<b><u>103,270,857.86</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred intflow of effective swaps		56,545.00	56,545.00
Employee pensions		769,919.00	769,919.00
Other post-employment benefits		12,390.00	12,390.00
<b>NET POSITION</b>			
Invested in capital assets, net of related debt		232,469,058.53	232,469,058.53
Restricted		1,687.83	1,687.83
Unrestricted		38,535,713.47	26,985,235.87
<b>TOTAL NET POSITION</b>		<b><u>271,006,459.83</u></b>	<b><u>259,455,982.23</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>		<b><u>369,621,384.47</u></b>	<b><u>363,565,694.09</u></b>

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

	Month	Year-To-Date	Month	Year-To-Date
	9/30/2020	9/30/2020	9/30/2019	9/30/2019
<b>OPERATING REVENUES</b>				
Water consumption sales	\$1,805,670.89	\$11,669,608.17	\$2,122,380.14	\$9,802,335.07
Water service charge	2,686,764.88	23,713,154.47	2,565,553.49	22,659,512.63
Wheeling water charge	2,366.82	29,715.92	22,587.14	504,048.04
Other charges for services	46,315.22	453,619.08	101,739.42	795,525.51
<b>TOTAL OPERATING REVENUES</b>	<b>4,541,117.81</b>	<b>35,866,097.64</b>	<b>4,812,260.19</b>	<b>33,761,421.25</b>
<b>OPERATING EXPENSES</b>				
Source of supply	367,610.20	637,583.04	338,275.62	2,318,173.75
Pumping	822,469.90	3,753,248.53	350,741.97	2,832,895.11
Transmission and distribution	375,504.54	3,235,836.38	(276,419.73)	2,861,837.16
Water conservation	33,451.26	290,548.97	34,342.77	315,408.44
Customer accounts	114,429.98	940,403.89	115,232.91	1,008,386.69
Administrative and general	588,062.54	6,061,011.11	633,351.78	5,243,193.44
<b>TOTAL OPERATING EXPENSES</b>	<b>2,301,528.42</b>	<b>14,918,631.92</b>	<b>1,195,525.32</b>	<b>14,579,894.59</b>
Operating income before depreciation	2,239,589.39	20,947,465.72	3,616,734.87	19,181,526.66
Depreciation and amortization	(1,143,378.35)	(10,289,895.44)	(1,082,863.64)	(9,748,911.41)
<b>OPERATING INCOME</b>	<b>1,096,211.04</b>	<b>10,657,570.28</b>	<b>2,533,871.23</b>	<b>9,432,615.25</b>
<b>NON-OPERATING REV. (EXP.)</b>				
Rental income	45,771.98	225,656.08	18,739.87	288,297.62
Interest and investment income	13,331.25	1,503,804.88	(28,489.57)	1,545,554.42
Interest expense and debt related costs	(284,043.87)	(1,974,589.17)	(208,244.95)	(1,977,228.00)
Other non-operating revenues	7,209.56	100,968.06	4,952.77	134,610.10
Other non-operating expenses		7.67	(1.00)	(244.96)
Gain(loss) on disposal of capital assets		9,255.00		30,820.00
<b>NON-OPERATING REV. (EXP.)</b>	<b>(217,731.08)</b>	<b>(134,897.48)</b>	<b>(213,042.88)</b>	<b>21,809.18</b>
<b>NET INCOME (LOSS) BEFORE CAPITAL</b>	<b>878,479.96</b>	<b>10,522,672.80</b>	<b>2,320,828.35</b>	<b>9,454,424.43</b>
<b>CAPITAL CONTRIBUTIONS</b>				
Facility development charges	42,497.00	428,384.00	138,970.00	239,104.00
Developer contributions	229,535.28	569,061.17		144,664.30
Federal, state and local capital grants		30,359.63	501.5	13,691.02
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<b>272,032.28</b>	<b>1,027,804.80</b>	<b>139,471.50</b>	<b>397,459.32</b>
<b>CHANGE IN NET POSITION</b>	<b>1,150,512.24</b>	<b>11,550,477.60</b>	<b>2,460,299.85</b>	<b>9,851,883.75</b>
Net position at beginning of period	269,855,947.59	259,455,982.23	258,665,594.59	251,274,010.69
<b>NET POSITION AT END OF PERIOD</b>	<b>271,006,459.83</b>	<b>271,006,459.83</b>	<b>261,125,894.44</b>	<b>261,125,894.44</b>

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

	Month Of September			2020 YTD		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>BUDGETED OPERATING EXPENSES</b>						
<b>Board of Directors</b>	\$1,621.29	\$6,186.34	\$4,565.05	\$25,262.01	\$46,677.06	\$21,415.05
<b>Administrative</b>	175,832.65	228,700.71	52,868.06	1,872,036.18	1,898,831.39	26,795.21
<b>Finance</b>	81,520.49	89,956.85	8,436.36	838,158.89	947,515.41	109,356.52
<b>Customer Services</b>	93,892.15	93,284.24	(607.91)	794,892.01	842,138.16	47,246.15
<b>Field Operations</b>	39,773.55	46,289.62	6,516.07	406,564.58	416,556.58	9,992.00
<b>Production</b>	1,134,330.68	1,289,657.74	155,327.06	3,980,753.88	4,965,446.66	984,692.78
<b>Environmental Compliance</b>	55,749.42	50,426.35	(5,323.07)	410,077.69	481,945.15	71,867.46
<b>Distribution</b>	268,212.13	266,060.20	(2,151.93)	2,030,721.91	1,905,990.80	(124,731.11)
<b>Field Services</b>	107,292.41	128,345.26	21,052.85	1,102,552.03	1,195,339.34	92,787.31
<b>Maintenance</b>	54,229.67	59,245.06	5,015.39	478,438.93	533,205.02	54,766.09
<b>Water Conservation</b>	33,451.26	49,660.34	16,209.08	290,548.97	405,148.06	114,599.09
<b>Engineering</b>	134,270.69	164,475.89	30,205.20	1,314,343.57	1,406,283.01	91,939.44
<b>GIS/CAD</b>	25,850.55	29,277.20	3,426.65	241,006.23	274,694.80	33,688.57
<b>Human Resources</b>	15,020.10	18,620.32	3,600.22	151,199.93	179,592.88	28,392.95
<b>Information Technology</b>	59,943.55	91,893.59	31,950.04	836,563.23	827,042.27	(9,520.96)
<b>Community Outreach</b>	20,537.83	19,429.00	(1,108.83)	145,511.88	189,837.00	44,325.12
<b>TOTAL OPERATING EXPENSES</b>	<b>2,301,528.42</b>	<b>2,631,508.71</b>	<b>329,980.29</b>	<b>14,918,631.92</b>	<b>16,516,243.59</b>	<b>1,597,611.67</b>

**SACRAMENTO SUBURBAN WATER DISTRICT  
OPERATING CAPITAL BUDGET  
9/30/2020**

<b>Project Number</b>	<b>Project Name</b>	<b>Original Budget</b>	<b>Changes</b>	<b>Amended Budget</b>	<b>Current Month Expenditures</b>	<b>Expenditures Year-To-Date</b>	<b>Committed Year-To-Date</b>	<b>Remaining Balance</b>
SF20-482	UPDATING ASSET MGMT PLANS	\$ 565,000.00	\$ 45,891.00 <sup>4</sup>	\$ 610,891.00 <sup>4</sup>	\$ 25,721.50	\$ 425,843.70	\$ 121,939.16	\$ 63,108.14
SF20-483	FENCE REPLACE - 2 WELL SITES	14,000.00	12,025.00 <sup>2</sup>	26,025.00 <sup>2</sup>		3,150.00	250.00	\$ 22,625.00
SF20-484	MARCONI CUST SERV AREA IMPRV	75,000.00	(75,000.00) <sup>1,2,4</sup>	- <sup>1,2</sup>		-	-	\$ -
SF20-485	OFF FURNITURE/WORKSTATIONS	5,000.00		5,000.00 <sup>-</sup>		-	-	\$ 5,000.00
SF20-486	HVA/ROOF/BUILD REPAIRS	30,000.00		30,000.00 <sup>-</sup>		8,247.00	12,200.00	\$ 9,553.00
SF20-487	VEHICLE REPL - TRUCK# 46	32,000.00		32,000.00 <sup>-</sup>		-	27,617.00	\$ 4,383.00
SF20-488	VEHICLE REPL - TRUCK# 49	47,000.00		47,000.00 <sup>-</sup>		-	41,812.00	\$ 5,188.00
SF20-489	VEHICLE REPL - TRUCK# 54	47,000.00		47,000.00 <sup>-</sup>		-	41,812.00	\$ 5,188.00
SF20-490	VEHICLE REPL - TRUCK# 56	47,000.00		47,000.00 <sup>-</sup>		-	41,812.00	\$ 5,188.00
SF20-491	VEHICLE REPL - TRUCK# 4	31,000.00		31,000.00 <sup>-</sup>		-	31,000.00	\$ -
SF20-492	VEHICLE REPL - TRUCK# 16	31,000.00		31,000.00 <sup>-</sup>		-	31,000.00	\$ -
SF20-493	BOARD ROOM WALL MAP	4,000.00		4,000.00 <sup>-</sup>		-	-	\$ 4,000.00
SF20-494	HARDWARE REFRESH PROGRAM	167,000.00		167,000.00 <sup>-</sup>	70,811.87	75,670.74	37,275.01	\$ 54,054.25
SF20-495	SOFTWARE ENHANCEMENTS/MODULES	110,000.00	(31,916.00) <sup>4</sup>	78,084.00 <sup>4</sup>		-	-	\$ 78,084.00
SF20-496	BOARD PACKAGE SOFTWARE	25,000.00	(25,000.00) <sup>3,4</sup>	- <sup>3,4</sup>		-	-	\$ -
SF20-497	SKYLIGHT GUARDS INSTALLATION	-	51,000.00 <sup>1</sup>	51,000.00 <sup>1</sup>		50,675.00	-	\$ 325.00
SF20-498	LED-HALO AIR PURIFICATION SYSTEM	-	23,000.00 <sup>3</sup>	23,000.00		22,173.00	652.00	\$ 175.00
<b>TOTAL</b>		<b>\$ 1,230,000.00</b>	<b>\$ -</b>	<b>\$ 1,230,000.00</b>	<b>\$ 96,533.37</b>	<b>\$ 585,759.44</b>	<b>\$ 387,369.17</b>	<b># \$ 256,871.39</b>

**Sacramento Suburban Water District  
Capital Improvement Project Budget  
9/30/2020**

Project No.	Project Name	Original Budget	Changes	Amended 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	\$ 46,473.11	\$ 637,026.43	\$ 546,458.28	\$ 769,515.29
SC20-010	SCADA RTU/COMMUN IMPROVEMENT	615,000.00		615,000.00	32,727.50	74,067.38	359,046.62	\$ 181,886.00
SC20-011	WELL DESTRUCTION/SITE DEMOLITI	300,000.00		300,000.00	22,780.00	32,813.00	105,576.00	\$ 161,611.00
SC20-012	WELL NEW CONST/REPLACEMENTS	3,300,000.00		3,300,000.00	9,052.50	211,277.19	718,983.43	\$ 2,369,739.38
SC20-018	DISTRIBUTION MAIN REPL/IMPRV	9,414,000.00	(200,000) <sup>1</sup>	9,214,000.00	1,054,546.09	6,490,655.00	2,295,173.01	\$ 428,171.99
SC20-022	WTR RELATED STREET IMPRV	200,000.00		200,000.00	-	140,008.00	2,954.00	\$ 57,038.00
SC20-024	METER RETROFIT PROGRAM	1,888,000.00	(40,000) <sup>2,3</sup>	1,848,000.00	-	1,725,046.44	99,670.89	\$ 23,282.67
SC20-034	RESERVIOR/TANK IMPROVMENT	210,000.00		210,000.00	-	1,166.00	182,975.00	\$ 25,859.00
SC20-035	CORROSION CONTROL-TRAN MAINS	50,000.00	5,000 <sup>2</sup>	55,000.00	15,000.00	36,000.00	17,135.00	\$ 1,865.00
SC20-038	LARGE WTR METER >3" REPL	80,000.00		80,000.00	6,833.51	9,577.44	39,932.00	\$ 30,490.56
SC20-039	PM METER REPLACEMENT	250,000.00		250,000.00	-	-	-	\$ 250,000.00
SC20-040	AMI ENDPOINTS REPL	1,300,000.00		1,300,000.00	108,127.01	993,487.04	173,594.57	\$ 132,918.39
SC20-048	RIGHT OF WAY/EASEMENT ACQUISIT	5,000.00	235,000 <sup>1,3</sup>	240,000.00	19,129.01	56,526.08	165,708.92	\$ 17,765.00
		<b>\$ 19,565,000.00</b>	<b>-</b>	<b>\$ 19,565,000.00</b>	<b>\$ 1,314,668.73</b>	<b>\$ 10,407,650.00</b>	<b>\$ 4,707,207.72</b>	<b>\$ 4,450,142.28</b>

**Sacramento Suburban Water District  
Debt  
9/30/2020**

**Principal Current Month**

	<b>Series 2009A COP</b>	<b>Series 2012A</b>	<b>Series 2018A</b>	<b>Total</b>
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**

	<b>Series 2009A COP</b>	<b>Series 2012A</b>	<b>Series 2018A</b>	<b>Total</b>
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**

	<b>Current Month Actual</b>	<b>Year-To-Date Actual</b>	<b>Budget</b>	<b>Variance</b>
Interest Expense	<u>\$ 278,348</u>	<u>\$ 1,921,519</u>	<u>\$ 1,976,845</u>	<u>\$ 55,326</u>

**Investments Outstanding and Activity  
September 2020**



**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2020**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

<b>Security Type/Description</b>	<b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>S&amp;P Par Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>	
<b>U.S. Treasury Bond / Note</b>												
US TREASURY NOTES DTD 05/31/2014 2.000% 05/31/2021		912828WN6	300,000.00	AA+	Aaa	09/01/16	09/02/16	310,781.25	1.22	2,016.39	301,506.39	303,750.00
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	642.27	375,501.55	381,386.70
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021		912828T67	475,000.00	AA+	Aaa	10/05/17	10/10/17	463,997.07	1.85	2,484.71	472,067.37	480,714.82
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021		912828T67	570,000.00	AA+	Aaa	08/30/17	08/31/17	561,004.69	1.64	2,981.66	567,665.47	576,857.78
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022		912828X47	135,000.00	AA+	Aaa	01/03/18	01/04/18	133,286.13	2.18	1,059.27	134,374.01	138,691.41
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022		912828X47	950,000.00	AA+	Aaa	05/03/18	05/07/18	919,644.53	2.73	7,454.14	937,974.72	975,976.61
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022		912828X47	1,050,000.00	AA+	Aaa	07/03/18	07/06/18	1,018,992.19	2.69	8,238.79	1,037,187.59	1,078,710.99
US TREASURY NOTES DTD 08/15/2012 1.625% 08/15/2022		912828TJ9	500,000.00	AA+	Aaa	09/05/18	09/07/18	479,023.44	2.76	1,037.70	490,036.86	513,984.40
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	671.28	123,980.53	130,546.88
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022		912828N30	1,375,000.00	AA+	Aaa	01/30/19	01/31/19	1,353,193.36	2.55	7,384.09	1,362,480.24	1,436,015.62
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023		912828R69	300,000.00	AA+	Aaa	06/03/19	06/07/19	297,644.53	1.83	1,638.32	298,425.37	311,765.64
US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023		912828T91	650,000.00	AA+	Aaa	07/01/19	07/03/19	645,708.98	1.78	4,420.18	646,946.62	679,148.47
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	13,940.55	2,058,899.81	2,141,929.79
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024		912828XX3	375,000.00	AA+	Aaa	02/03/20	02/07/20	385,180.66	1.36	1,895.38	383,677.35	400,195.31





**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2020**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

<b>Security Type/Description</b> <b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>U.S. Treasury Bond / Note</b>											
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	475,000.00	AA+	Aaa	03/02/20	03/06/20	498,137.70	0.85	2,400.81	495,071.26	506,914.06
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	650,000.00	AA+	Aaa	11/01/19	11/06/19	663,152.34	1.55	3,285.33	660,596.23	693,671.88
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	4,675.27	936,390.58	987,148.44
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	9,729.62	1,948,667.47	2,054,335.94
US TREASURY N/B DTD 12/31/2019 1.750% 12/31/2024	912828YY0	550,000.00	AA+	Aaa	08/05/20	08/07/20	587,855.47	0.18	2,432.40	586,559.86	585,234.37
US TREASURY N/B DTD 12/31/2019 1.750% 12/31/2024	912828YY0	975,000.00	AA+	Aaa	06/03/20	06/05/20	1,036,356.45	0.36	4,311.99	1,032,021.08	1,037,460.94
US TREASURY N/B DTD 12/31/2019 1.750% 12/31/2024	912828YY0	1,000,000.00	AA+	Aaa	07/01/20	07/06/20	1,065,312.50	0.28	4,422.55	1,061,845.64	1,064,062.50
<b>Security Type Sub-Total</b>		<b>15,730,000.00</b>					<b>15,874,008.59</b>	<b>1.64</b>	<b>87,122.70</b>	<b>15,911,876.00</b>	<b>16,478,502.55</b>

<b>Supra-National Agency Bond / Note</b>											
INTER-AMERICAN DEVELOPMENT BANK DTD 11/08/2013 2.125% 11/09/2020	4581X0CD8	700,000.00	AAA	Aaa	10/02/17	10/10/17	706,488.37	1.81	5,867.36	700,224.73	701,204.00
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	2,657.81	224,909.67	227,893.05
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 07/25/2018 2.750% 07/23/2021	459058GH0	750,000.00	AAA	Aaa	07/18/18	07/25/18	748,245.00	2.83	3,895.83	749,526.76	765,180.75
<b>Security Type Sub-Total</b>		<b>1,675,000.00</b>					<b>1,679,238.37</b>	<b>2.39</b>	<b>12,421.00</b>	<b>1,674,661.16</b>	<b>1,694,277.80</b>

**Municipal Bond / Note**



**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2020**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

<b>Security Type/Description</b> <b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>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	350.17	100,000.00	105,231.00
UNIV OF CAL TXBL REV BONDS DTD 07/16/2020 0.883% 05/15/2025	91412HGE7	100,000.00	AA	Aa2	07/10/20	07/16/20	100,000.00	0.88	183.96	100,000.00	100,414.00
FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	75,000.00	AA	Aa3	09/03/20	09/16/20	75,530.25	1.11	39.31	75,525.70	76,137.75
FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	105,000.00	AA	Aa3	09/03/20	09/16/20	105,696.15	1.12	55.04	105,690.18	106,592.85
FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	200,000.00	AA	Aa3	09/03/20	09/16/20	200,000.00	1.26	104.83	200,000.00	203,034.00
MN ST TXBL GO BONDS DTD 08/25/2020 0.630% 08/01/2025	60412AVJ9	130,000.00	AAA	Aa1	08/11/20	08/25/20	130,000.00	0.63	81.90	130,000.00	130,582.40

**Security Type Sub-Total 710,000.00 711,226.40 1.18 815.21 711,215.88 721,992.00**

<b>Federal Agency Collateralized Mortgage Obligation</b>											
FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/01/2021	3136B1XP4	107,919.97	AA+	Aaa	04/11/18	04/30/18	110,066.62	2.93	320.16	108,509.42	108,659.99
FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/01/2022	3137BM6P6	200,000.00	AA+	Aaa	04/04/18	04/09/18	201,703.13	2.88	515.00	200,723.42	206,076.16
FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	55,177.72	AA+	Aaa	12/07/18	12/17/18	55,177.55	3.20	147.28	55,177.62	57,150.88
FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/01/2024	3137FQ3V3	111,358.97	AA+	Aaa	11/20/19	11/26/19	111,356.29	2.09	194.14	111,356.78	114,940.39
FHMS K043 A2 DTD 03/01/2015 3.062% 12/01/2024	3137BGK24	275,000.00	AA+	Aaa	03/19/20	03/25/20	288,621.09	1.95	701.71	287,109.40	301,652.65

**Security Type Sub-Total 749,456.66 766,924.68 2.44 1,878.29 762,876.64 788,480.07**

**Federal Agency Bond / Note**



**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2020**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

<b>Security Type/Description</b> <b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Federal Agency Bond / Note</b>											
FHLB GLOBAL NOTE DTD 07/14/2016 1.125% 07/14/2021	3130A8QS5	975,000.00	AA+	Aaa	07/14/16	07/15/16	969,071.03	1.25	2,346.09	974,070.86	982,618.65
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	130,000.00	AA+	Aaa	08/17/16	08/19/16	129,555.27	1.32	198.61	129,921.98	131,276.73
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	420,000.00	AA+	Aaa	08/17/16	08/19/16	418,299.00	1.33	641.67	419,701.58	424,124.82
FREDDIE MAC NOTES DTD 08/21/2020 0.250% 08/24/2023	3137EAEV7	1,200,000.00	AA+	Aaa	08/19/20	08/21/20	1,198,776.00	0.28	333.33	1,198,821.70	1,200,802.80
FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	365,000.00	AA+	Aaa	09/02/20	09/04/20	365,066.65	0.24	68.44	365,065.01	365,140.89
FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	485,000.00	AA+	Aaa	09/02/20	09/04/20	484,839.95	0.26	90.93	484,843.88	485,187.21
FEDERAL HOME LOAN BANK NOTES DTD 04/16/2020 0.500% 04/14/2025	3130AJHU6	450,000.00	AA+	Aaa	04/15/20	04/16/20	447,768.00	0.60	1,031.25	447,973.58	452,054.25
FANNIE MAE NOTES DTD 04/24/2020 0.625% 04/22/2025	3135G03U5	450,000.00	AA+	Aaa	04/22/20	04/24/20	449,073.00	0.67	1,226.56	449,154.32	454,602.60
FREDDIE MAC NOTES DTD 07/23/2020 0.375% 07/21/2025	3137EAEU9	500,000.00	AA+	Aaa	07/21/20	07/23/20	497,510.00	0.48	354.17	497,605.56	498,732.00
FANNIE MAE NOTES DTD 08/27/2020 0.375% 08/25/2025	3135G05X7	450,000.00	AA+	Aaa	08/25/20	08/27/20	447,894.00	0.47	159.38	447,934.41	448,836.75
FEDERAL HOME LOAN BANK NOTES DTD 09/11/2020 0.375% 09/04/2025	3130AK5E2	200,000.00	AA+	Aaa	09/10/20	09/11/20	199,400.00	0.44	41.67	199,406.60	199,967.20
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	450,000.00	AA+	Aaa	09/23/20	09/25/20	448,645.50	0.44	28.13	448,649.96	448,597.80
<b>Security Type Sub-Total</b>		<b>6,075,000.00</b>					<b>6,055,898.40</b>	<b>0.63</b>	<b>6,520.23</b>	<b>6,063,149.44</b>	<b>6,091,941.70</b>
<b>Corporate Note</b>											
APPLE INC CORP NOTES DTD 11/13/2017 2.000% 11/13/2020	037833DJ6	400,000.00	AA+	Aa1	11/06/17	11/13/17	399,664.00	2.03	3,066.67	399,986.82	400,841.20



**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2020**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

<b>Security Type/Description Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Corporate Note</b>											
WAL-MART STORES INC CORP NOTE DTD 10/20/2017 1.900% 12/15/2020	931142EA7	375,000.00	AA	Aa2	10/11/17	10/20/17	374,456.25	1.95	2,097.92	374,964.60	376,289.63
US BANCORP CORP NOTES (CALLABLE) DTD 01/29/2016 2.350% 01/29/2021	91159HHL7	350,000.00	A+	A1	12/11/17	12/13/17	350,983.50	2.26	1,416.53	350,074.06	351,744.40
IBM CORP CORP NOTES DTD 02/06/2018 2.650% 02/05/2021	44932HAG8	400,000.00	A	A2	02/01/18	02/06/18	399,804.00	2.67	1,648.89	399,977.27	403,276.80
JOHN DEERE CAPITAL CORP NOTES DTD 03/13/2018 2.875% 03/12/2021	24422EUD9	375,000.00	A	A2	03/08/18	03/13/18	374,745.00	2.90	569.01	374,962.27	379,395.75
NATIONAL RURAL UTIL COOP NOTE DTD 02/26/2018 2.900% 03/15/2021	63743HER9	150,000.00	A	A2	02/21/18	02/26/18	149,833.50	2.94	193.33	149,975.32	151,801.20
NATIONAL RURAL UTIL COOP NOTE DTD 02/26/2018 2.900% 03/15/2021	63743HER9	225,000.00	A	A2	04/12/18	04/19/18	224,048.25	3.05	290.00	224,851.99	227,701.80
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	2,593.75	225,484.46	227,238.53
PEPSICO INC CORP (CALLABLE) NOTE DTD 10/10/2017 2.000% 04/15/2021	713448DX3	225,000.00	A+	A1	10/05/17	10/10/17	224,955.00	2.01	2,075.00	224,993.13	226,909.13
AMERICAN EXPRESS CREDIT (CALLABLE) NOTES DTD 05/05/2016 2.250% 05/05/2021	0258M0EB1	225,000.00	A-	A2	05/25/16	05/31/16	224,478.00	2.30	2,053.13	224,937.36	227,197.13
HERSHEY COMPANY CORP NOTES DTD 05/10/2018 3.100% 05/15/2021	427866BA5	150,000.00	A	A1	05/03/18	05/10/18	149,896.50	3.12	1,756.67	149,978.75	152,633.85
STATE STREET CORP NOTES DTD 05/19/2016 1.950% 05/19/2021	857477AV5	110,000.00	A	A1	05/19/16	05/24/16	109,532.50	2.04	786.50	109,940.95	111,085.70
CHARLES SCHWAB CORP NOTES DTD 05/22/2018 3.250% 05/21/2021	808513AW5	250,000.00	A	A2	05/17/18	05/22/18	249,992.50	3.25	2,934.03	249,998.41	254,003.50
PACCAR FINANCIAL CORP NOTE DTD 03/01/2019 2.850% 03/01/2022	69371RP75	150,000.00	A+	A1	02/22/19	03/01/19	149,868.00	2.88	356.25	149,937.85	155,334.45



**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2020**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

<b>Security Type/Description</b>	<b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Corporate Note</b>												
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	10,823.63	675,000.00	701,356.05
CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 07/08/2020 0.650% 07/07/2023		14913R2D8	300,000.00	A	A3	07/06/20	07/08/20	299,832.00	0.67	449.58	299,845.05	301,672.50
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 08/14/2020 0.500% 08/14/2023		89236THF5	250,000.00	A+	A1	08/11/20	08/14/20	249,807.50	0.53	163.19	249,815.94	250,180.75
PNC BANK NA CORP NOTES DTD 01/23/2019 3.500% 01/23/2024		693475AV7	380,000.00	A-	A3	02/12/19	02/15/19	382,705.60	3.34	2,512.22	381,814.24	413,588.20
MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024		61746BDQ6	375,000.00	BBB+	A3	07/19/19	07/23/19	396,483.75	2.59	6,135.42	391,106.65	412,577.25
AMERICAN HONDA FINANCE CORP NOTE DTD 06/27/2019 2.400% 06/27/2024		02665WCZ2	375,000.00	A-	A3	07/11/19	07/15/19	373,140.00	2.51	2,350.00	373,596.52	396,082.88
GOLDMAN SACHS GROUP INC BONDS DTD 07/08/2014 3.850% 07/08/2024		38141EC23	375,000.00	BBB+	A3	07/08/19	07/11/19	392,467.50	2.84	3,328.65	388,177.24	411,411.75
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	1,666.67	400,509.93	424,837.60
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	602.78	398,718.61	416,327.20
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	1,373.75	150,565.82	158,811.00
CITIGROUP INC CORP NOTES DTD 04/27/2015 3.300% 04/27/2025		172967JP7	275,000.00	BBB+	A3	08/28/20	09/01/20	305,236.25	0.88	3,882.08	304,702.36	302,882.53
BANK OF AMERICA CORP NOTES DTD 07/30/2015 3.875% 08/01/2025		06051GFS3	275,000.00	A-	A2	08/18/20	08/20/20	314,011.50	0.93	1,776.04	313,104.76	312,072.75
<b>Security Type Sub-Total</b>			<b>7,840,000.00</b>					<b>7,950,803.60</b>	<b>2.33</b>	<b>56,901.69</b>	<b>7,937,020.36</b>	<b>8,147,253.53</b>

**Commercial Paper**



**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2020**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

<b>Security Type/Description</b> <b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>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	799,800.00	799,972.80
<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>799,800.00</b>	<b>799,972.80</b>
<b>Certificate of Deposit</b>											
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	2.27	6,002.89	700,000.00	701,722.70
ROYAL BANK OF CANADA NY CD DTD 06/08/2018 3.240% 06/07/2021	78012UEE1	650,000.00	A-1+	P-1	06/07/18	06/08/18	650,000.00	3.24	6,669.00	650,000.00	663,831.35
CREDIT SUISSE NEW YORK CERT DEPOS DTD 08/07/2020 0.520% 02/01/2022	22549L6F7	300,000.00	A+	A1	08/05/20	08/07/20	300,000.00	0.52	238.33	300,000.00	300,255.90
SOCIETE GENERALE NY CERT DEPOS DTD 02/19/2020 1.800% 02/14/2022	83369XDL9	400,000.00	A	A1	02/14/20	02/19/20	400,000.00	1.80	940.00	400,000.00	403,648.00
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	2.96	6,767.08	375,000.00	389,365.88
SUMITOMO MITSUI BANK NY CERT DEPOS DTD 07/14/2020 0.700% 07/08/2022	86565CKU2	380,000.00	A	A1	07/10/20	07/14/20	380,000.00	0.70	583.72	380,000.00	380,411.16
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	1.84	740.00	400,000.00	411,818.40
SKANDINAV ENSKILDA BANK LT CD DTD 09/03/2019 1.860% 08/26/2022	83050PDR7	400,000.00	A+	Aa2	08/29/19	09/03/19	400,000.00	1.85	744.00	400,000.00	411,894.40
DNB BANK ASA/NY LT CD DTD 12/06/2019 2.040% 12/02/2022	23341VZT1	400,000.00	AA-	Aa2	12/04/19	12/06/19	400,000.00	2.03	2,742.67	400,000.00	414,831.60
<b>Security Type Sub-Total</b>		<b>4,005,000.00</b>					<b>4,005,000.00</b>	<b>2.06</b>	<b>25,427.69</b>	<b>4,005,000.00</b>	<b>4,077,779.39</b>
<b>Asset-Backed Security</b>											
TAOT 2018-B A3 DTD 05/16/2018 2.960% 09/15/2022	89238TAD5	209,358.85	AAA	Aaa	05/09/18	05/16/18	209,355.73	2.96	275.42	209,357.44	211,982.01



**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2020**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

<b>Security Type/Description Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Asset-Backed Security</b>											
ALLYA 2018-3 A3 DTD 06/27/2018 3.000% 01/15/2023	02007JAC1	217,097.00	AAA	Aaa	06/19/18	06/27/18	217,082.14	3.00	289.46	217,089.53	219,516.61
HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	287,770.95	AAA	Aaa	11/20/18	11/28/18	287,727.93	3.16	404.16	287,747.12	293,045.76
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	2.49	3,683.13	749,951.90	755,072.78
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	3.22	500.89	349,959.79	357,448.21
VZOT 2020-A A1A DTD 01/29/2020 1.850% 07/22/2024	92348TAA2	200,000.00	AAA	Aaa	01/21/20	01/29/20	199,976.58	1.85	113.06	199,980.10	205,094.60
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	799,842.28	821,962.32
<b>Security Type Sub-Total</b>		<b>2,814,226.80</b>					<b>2,813,770.08</b>	<b>2.46</b>	<b>5,877.68</b>	<b>2,813,928.16</b>	<b>2,864,122.29</b>
<b>Managed Account Sub-Total</b>		<b>40,398,683.46</b>					<b>40,646,190.12</b>	<b>1.77</b>	<b>196,964.49</b>	<b>40,679,527.64</b>	<b>41,664,322.13</b>
<b>Securities Sub-Total</b>		<b>\$40,398,683.46</b>					<b>\$40,646,190.12</b>	<b>1.77%</b>	<b>\$196,964.49</b>	<b>\$40,679,527.64</b>	<b>\$41,664,322.13</b>
<b>Accrued Interest</b>											<b>\$196,964.49</b>
<b>Total Investments</b>											<b>\$41,861,286.62</b>

**Investment Activity  
September 2020**





**Managed Account Security Transactions & Interest**

For the Month Ending **September 30, 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>											
	08/28/20	09/01/20	CITIGROUP INC CORP NOTES DTD 04/27/2015 3.300% 04/27/2025	172967JP7	275,000.00	(305,236.25)	(3,125.83)	(308,362.08)			
	09/02/20	09/04/20	FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	485,000.00	(484,839.95)	0.00	(484,839.95)			
	09/02/20	09/04/20	FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	365,000.00	(365,066.65)	0.00	(365,066.65)			
	09/03/20	09/16/20	FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	200,000.00	(200,000.00)	0.00	(200,000.00)			
	09/03/20	09/16/20	FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	75,000.00	(75,530.25)	0.00	(75,530.25)			
	09/03/20	09/16/20	FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	105,000.00	(105,696.15)	0.00	(105,696.15)			
	09/10/20	09/11/20	FEDERAL HOME LOAN BANK NOTES DTD 09/11/2020 0.375% 09/04/2025	3130AK5E2	200,000.00	(199,400.00)	0.00	(199,400.00)			
	09/23/20	09/25/20	FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	450,000.00	(448,645.50)	0.00	(448,645.50)			
<b>Transaction Type Sub-Total</b>					<b>2,155,000.00</b>	<b>(2,184,414.75)</b>	<b>(3,125.83)</b>	<b>(2,187,540.58)</b>			

<b>INTEREST</b>											
	09/01/20	09/01/20	MONEY MARKET FUND	MONEY0002	0.00	0.00	2.52	2.52			
	09/01/20	09/01/20	PACCAR FINANCIAL CORP NOTE DTD 03/01/2019 2.850% 03/01/2022	69371RP75	150,000.00	0.00	2,137.50	2,137.50			
	09/01/20	09/25/20	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/01/2022	3137BM6P6	200,000.00	0.00	515.00	515.00			
	09/01/20	09/25/20	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	99,660.34	0.00	266.01	266.01			
	09/01/20	09/25/20	FHMS K043 A2 DTD 03/01/2015 3.062% 12/01/2024	3137BGK24	275,000.00	0.00	701.71	701.71			
	09/01/20	09/25/20	FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/01/2024	3137FQ3V3	111,552.18	0.00	194.47	194.47			



**Managed Account Security Transactions & Interest**

For the Month Ending **September 30, 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>											
	09/01/20	09/25/20	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/01/2021	3136B1XP4	111,190.40	0.00	330.85	330.85			
	09/12/20	09/12/20	INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	0.00	0.00	7,029.00	7,029.00			
	09/12/20	09/12/20	JOHN DEERE CAPITAL CORP NOTES DTD 03/13/2018 2.875% 03/12/2021	24422EUD9	375,000.00	0.00	5,390.63	5,390.63			
	09/15/20	09/15/20	HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	310,026.28	0.00	816.40	816.40			
	09/15/20	09/15/20	NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	350,000.00	0.00	939.17	939.17			
	09/15/20	09/15/20	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			
	09/15/20	09/15/20	NATIONAL RURAL UTIL COOP NOTE DTD 02/26/2018 2.900% 03/15/2021	63743HER9	375,000.00	0.00	5,437.50	5,437.50			
	09/15/20	09/15/20	TAOT 2018-B A3 DTD 05/16/2018 2.960% 09/15/2022	89238TAD5	229,849.56	0.00	566.96	566.96			
	09/15/20	09/15/20	ALLYA 2018-3 A3 DTD 06/27/2018 3.000% 01/15/2023	02007JAC1	238,308.64	0.00	595.77	595.77			
	09/20/20	09/20/20	VZOT 2020-A A1A DTD 01/29/2020 1.850% 07/22/2024	92348TAA2	200,000.00	0.00	308.33	308.33			
<b>Transaction Type Sub-Total</b>					<b>3,825,587.40</b>	<b>0.00</b>	<b>26,378.49</b>	<b>26,378.49</b>			

<b>MATURITY</b>											
	09/12/20	09/12/20	INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	900,000.00	900,000.00	0.00	900,000.00	2,160.00	0.00	
<b>Transaction Type Sub-Total</b>					<b>900,000.00</b>	<b>900,000.00</b>	<b>0.00</b>	<b>900,000.00</b>	<b>2,160.00</b>	<b>0.00</b>	

<b>PAYDOWNS</b>											
	09/01/20	09/25/20	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/01/2021	3136B1XP4	3,270.43	3,270.43	0.00	3,270.43	(65.05)	0.00	



**Managed Account Security Transactions & Interest**

For the Month Ending **September 30, 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>										
09/01/20	09/25/20	FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/01/2024	3137FQ3V3	193.21	193.21	0.00	193.21	0.00	0.00	
09/01/20	09/25/20	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	44,482.62	44,482.62	0.00	44,482.62	0.13	0.00	
09/15/20	09/15/20	ALLYA 2018-3 A3 DTD 06/27/2018 3.000% 01/15/2023	02007JAC1	21,211.64	21,211.64	0.00	21,211.64	1.45	0.00	
09/15/20	09/15/20	TAOT 2018-B A3 DTD 05/16/2018 2.960% 09/15/2022	89238TAD5	20,490.71	20,490.71	0.00	20,490.71	0.30	0.00	
09/15/20	09/15/20	HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	22,255.33	22,255.33	0.00	22,255.33	3.33	0.00	
<b>Transaction Type Sub-Total</b>				<b>111,903.94</b>	<b>111,903.94</b>	<b>0.00</b>	<b>111,903.94</b>	<b>(59.84)</b>	<b>0.00</b>	
<b>SELL</b>										
08/28/20	09/01/20	US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828Q78	175,000.00	176,476.56	810.80	177,287.36	4,949.22	2,007.59	FIFO
09/02/20	09/04/20	US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	400,000.00	416,187.50	1,704.92	417,892.42	19,328.12	18,345.33	FIFO
09/02/20	09/04/20	US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	450,000.00	468,210.94	1,918.03	470,128.97	29,039.06	25,475.74	FIFO
<b>Transaction Type Sub-Total</b>				<b>1,025,000.00</b>	<b>1,060,875.00</b>	<b>4,433.75</b>	<b>1,065,308.75</b>	<b>53,316.40</b>	<b>45,828.66</b>	
<b>Managed Account Sub-Total</b>					<b>(111,635.81)</b>	<b>27,686.41</b>	<b>(83,949.40)</b>	<b>55,416.56</b>	<b>45,828.66</b>	
<b>Total Security Transactions</b>					<b>(\$111,635.81)</b>	<b>\$27,686.41</b>	<b>(\$83,949.40)</b>	<b>\$55,416.56</b>	<b>\$45,828.66</b>	

**Cash Expenditures  
September 2020**

## AP Warrant List from 9/1/2020 to 9/30/2020

Group	Vendor Name	Amount	Description
<b>Benefits</b>			
	ACWA JPIA INSURANCE/EAP - Invoices:1	\$159.80	Miscellaneous Employee Benefits
	AFLAC - Invoices:1	\$746.34	Supplemental Insurance
	AMERITAS (VISION) - Invoices:1	\$2,034.24	Employee Benefit - Vision
	BASIC PACIFIC - Invoices:2	\$1,127.40	Miscellaneous Employee Benefits
	CIGNA GROUP INS LIFE/LTD - Invoices:1	\$4,788.84	Employee Benefit - LTD Insurance
	CIGNA-DENTAL INS - Invoices:1	\$14,000.02	Employee Benefit - Dental
	PERS HEALTH - Invoices:2	\$112,479.16	Employee Benefit - Health
	PERS PENSION - Invoices:7	\$87,264.84	Employee Benefit - Pension
	PAYROLL - 2	\$482,797.32	Payroll Processing
<b>CIP &amp; OCB</b>			
	BADGER METER INC - Invoices:3	\$10,278.59	Construction In Progress
	BROWN & CALDWELL - Invoices:7	\$51,404.25	Construction In Progress
	CDWG - Invoices:6	\$50,763.96	Construction In Progress
	COUNTY OF SAC PUBLIC WORKS -	\$3,026.00	Construction In Progress
	DELL MARKETING LP - Invoices:1	\$20,936.88	Construction In Progress
	DOMENICHELLI & ASSOCIATES -	\$13,387.01	Construction In Progress
	DOUG VEERKAMP GENERAL ENGR -	\$1,120,364.14	Construction In Progress
	ERC CONTRACTING - Invoices:1	\$12,125.00	Construction In Progress
	FLOWLINE CONTRACTORS INC -	\$505,774.73	Construction In Progress
	GM CONSTRUCTION & DEVELOPERS -	\$41,560.23	Construction In Progress
	HYDROSCIENCE ENGINEERS INC -	\$1,455.00	Construction In Progress
	LEGION SOLUTIONS & SERVICES -	\$15,000.00	Construction In Progress
	LOEWEN PUMP MAINTENANCE -	\$25,915.00	Construction In Progress
	PACE SUPPLY CORP - Invoices:15	\$44,424.32	Construction In Progress
	PSOMAS - Invoices:1	\$19,129.01	Construction In Progress
	S E AHLSTROM INSPECTION - Invoices:1	\$16,020.00	Construction In Progress
	WOOD RODGERS ENGINEERING -	\$76,475.00	Construction In Progress
<b>Debt Service</b>			
	SUMITOMO MITSUI BANKING	\$107,467.05	2009A COP Interest Expense
	WELLS FARGO SWAP - Invoices:1	\$74,849.45	2009A COP Interest Expense
<b>Financial Services</b>			
	ADP, INC - Invoices:2	\$2,267.11	Financial Services
	PFM ASSET MANAGEMENT LLC -	\$3,881.16	Financial Services
	WESTAMERICA BANK ANALYSIS FEES -	\$6,646.85	Financial Services
	WESTAMERICA CARD PROCESSING STMT -	\$9,877.76	Financial Services
	WORLDPAY INTEGRATED PAYMENTS -	\$674.92	Financial Services
<b>Other</b>			
	A.I. ELECTRIC - Invoices:3	\$5,880.88	Contract Services
	A1 FABRICATION & WELDING - Invoices:2	\$1,482.33	Operating Supplies
	AIRGAS USA LLC - Invoices:1	\$108.74	Operating Supplies
	ALL PRO BACKFLOW - Invoices:1	\$3,540.00	Backflow Services
	ALLIED UNIVERSAL - Invoices:2	\$1,348.32	Building Service Expense - Office
	ALLTECH GATES - Invoices:1	\$380.00	Building Maintenance - Office &

## AP Warrant List from 9/1/2020 to 9/30/2020

Group	Vendor Name	Amount	Description
Other			
	ANSWERNET - Invoices:2	\$803.44	Communication
	APPLIED BEST PRACTICES - Invoices:1	\$2,800.00	Consulting Services
	ARMANINO - Invoices:3	\$8,087.63	Consulting Services
	ARMSTRONG REMEDIATION - Invoices:1	\$466.15	Building Service Expense - Office
	AT&T - Invoices:1	\$148.58	Communication
	ATLAS DISPOSAL - Invoices:2	\$380.70	Building Service Expense - Office
	ATLAS FENCE - Invoices:1	\$750.00	Construction Services
	AVILES SIGN AND ELECTRICAL REPAIR -	\$385.26	Building Service Expense - Office
	BARTKIEWICZ KRONICK & SHANAHAN -	\$18,389.22	Legal Services
	BROADRIDGE MAIL LLC - Invoices:18	\$25,017.64	Contract Services
	BROWER MECHANICAL - Invoices:1	\$811.00	Building Maintenance - Office &
	BRYCE CONSULTING INC - Invoices:1	\$160.00	Consulting Services
	BUD'S TRI COUNTY TREE SERVICE -	\$4,980.00	Construction Services
	BURTON ROBB /BURT'S LAWN & GARDEN	\$600.00	Contract Services
	CALIFORNIA LABORATORY SERVICES -	\$13,212.00	Inspection & Testing
	CAPITAL SWEEPER SERVICE - Invoices:1	\$170.00	Building Service Expense - Office
	CELL ENERGY INC - Invoices:1	\$185.61	Vehicle Maintenance Services
	CENTRAL VALLEY ENG & ASPHALT -	\$20,575.00	Misc. Repairs
	CINTAS - Invoices:11	\$2,464.55	Building Maintenance - Office &
	CITY OF SACRAMENTO DEPT OF	\$55.70	Utilities
	CLEAR VISION WINDOW CLEANING -	\$225.00	Building Service Expense - Office
	COLLEGE OAK TOWING - Invoices:1	\$151.00	Vehicle Maintenance Services
	COMCAST - Invoices:1	\$45.69	Communication
	COTTON SHOPPE - Invoices:1	\$1,839.51	Uniforms
	COUGHRAN MECHANICAL SERVICE -	\$1,902.10	Contract Services
	COUNTY OF SAC UTILITIES - Invoices:3	\$621.47	Utilities
	CULLIGAN - Invoices:1	\$42.00	Building Maintenance - Office &
	Customer Refunds: 37	\$6,477.85	Refund Clearing Account
	DAVID CRAMER - Invoices:1	\$150.00	BMP Rebates
	DOMCO PLUMBING - Invoices:1	\$175.00	Building Maintenance - Office &
	DOUG CATER - Invoices:1	\$215.47	Uniforms
	E.H. WACHS COMPANY - Invoices:1	\$141.38	Equipment Maintenance Services
	ELEVATOR TECHNOLOGY INC - Invoices:2	\$200.00	Building Service Expense - Office
	EMIGH ACE HARDWARE - Invoices:3	\$24.11	Operating Supplies
	EUROFINS EATON ANALYTICAL -	\$15,764.00	Inspection & Testing
	FASTENAL COMPANY - Invoices:2	\$122.00	Operating Supplies
	FEDERAL EXPRESS CORPORATION -	\$40.72	Postage/Shipping/UPS/Fed Ex
	FERGUSON WATERWORKS - Invoices:1	\$5,326.29	Operating Supplies
	FLEETWASH INC - Invoices:3	\$761.47	Vehicle Maintenance Services
	FUTURE FORD - Invoices:1	\$44.69	Vehicle Maintenance Services
	GRAINGER - Invoices:5	\$730.35	Operating Supplies
	GREGORY WILSON - Invoices:1	\$106.67	BMP Rebates
	H2H PROPERTIES - Invoices:1	\$1,296.00	H&D WALNUT PARKING LOT
	HACH COMPANY - Invoices:1	\$392.23	Operating Supplies
	HARRINGTON PLASTICS - Invoices:2	\$5,531.15	Operating Supplies

## AP Warrant List from 9/1/2020 to 9/30/2020

Group	Vendor Name	Amount	Description
Other			
	HARROLD FORD - Invoices:15	\$7,693.21	Vehicle Maintenance Services
	HD Supply/WHITE CAP - Invoices:1	\$252.22	Operating Supplies
	HECTOR SEGOVIANO - Invoices:1	\$90.00	Required Training
	HEROLD & MIELENZ INC - Invoices:1	\$4,863.73	Contract Services
	IB CONSULTING LLC - Invoices:1	\$5,850.00	Consulting Services
	ICONIX WATERWORKS (US) INC -	\$17,899.87	Operating Supplies
	IN COMMUNICATIONS - Invoices:1	\$5,438.13	Public Relations
	INFERRERA CONSTRUCTION	\$3,780.00	Consulting Services
	IRON MOUNTAIN OFF SITE DATA	\$551.48	Equipment Maintenance Services
	J&J LOCKSMITH - Invoices:1	\$130.00	Building Maintenance - Office &
	JERRY BEAMS - Invoices:1	\$241.92	Uniforms
	JOSHUA GAGNON - Invoices:1	\$250.00	Uniforms
	LES SCHWAB - do not use - Invoices:1	\$112.99	Vehicle Maintenance Services
	LES SCHWAB TIRE CENTER/MADISON -	\$598.67	Vehicle Maintenance Services
	MANAGEMENT PARTNERS - Invoices:1	\$5,000.00	Consulting Services
	MCGUIRE & HESTER - Invoices:1	\$2,132.96	Hydrant Deposit Return
	MICHAEL PHILLIPS LANDSCAPE CORP -	\$3,560.00	Building Service Expense - Office
	NINJIO LLC - Invoices:1	\$127.60	Equipment Maintenance Services
	NORMAC - Invoices:1	\$5.51	Operating Supplies
	NORTH STAR CONSTRUCTION - Invoices:1	\$2,298.67	Hydrant Deposit Return
	OFFICE DEPOT INC - Invoices:2	\$258.04	Office Supplies
	PG&E - Invoices:3	\$400.94	Utilities
	PITNEY BOWES EASYPERMIT POSTAGE -	\$417.86	Postage/Shipping/UPS/Fed Ex
	PITNEY BOWES LEASES - Invoices:1	\$531.33	Equipment Rental/Lease
	POLLARD WATER - Invoices:2	\$8,485.17	Operating Supplies
	RAFTELIS - Invoices:1	\$34,348.75	Consulting Services
	RAMOS ENVIRONMENTAL - Invoices:1	\$725.29	Hazardous Waste Disposal
	RAWLES ENGINEERING - Invoices:7	\$59,519.67	Construction Services
	RAY MORGAN CO - Invoices:1	\$114.09	Equipment Maintenance Services
	RIVER CITY FIRE EQUIP CO INC -	\$1,343.63	Building Service Expense - Office
	RUE EQUIPMENT INC - Invoices:15	\$5,687.15	Equipment Maintenance Services
	SACRAMENTO METRO CHAMBER OF	\$1,259.50	Membership & Dues
	SACRAMENTO SUBURBAN WATER	\$147.66	Operating Supplies
	SHRED-IT - Invoices:1	\$78.84	Contract Services
	SKILLPATH SEMINARS - Invoices:1	\$349.00	Other Training
	SONITROL - Invoices:2	\$2,857.58	Building Service Expense - Office
	SUTTER MEDICAL FOUNDATION -	\$391.00	Overtime Meal
	TEE JANITORIAL & MAINTENANCE -	\$4,108.00	Building Service Expense - Office
	TESCO - Invoices:1	\$5,485.00	Consulting Services
	TRAFFIC MANAGEMENT GROUP INC (TMI)	\$1,984.00	Construction Services
	TULLY & YOUNG - Invoices:1	\$225.00	Consulting Services
	ULINE SHIPPING SUPPLY SPECIALISTS -	\$173.36	Operating Supplies
	US BANK CORPORATE PAYMENT SYSTEM -	\$3,055.97	Vehicle Maintenance Supplies
	VERIZON WIRELESS/DALLAS TX -	\$6,157.54	Communication

## AP Warrant List from 9/1/2020 to 9/30/2020

Group	Vendor Name	Amount	Description
<b>Other</b>			
	VOYAGER FLEET SYSTEMS - Invoices:1	\$10,877.03	Operating Supplies
	WASTE MANAGEMENT - Invoices:3	\$1,089.25	Building Service Expense - Office
	WATERWISE CONSULTING, INC. -	\$5,775.00	Consulting Services
	WEST YOST & ASSOCIATES - Invoices:3	\$18,715.75	Consulting Services
	WESTERN ENGINEERING - Invoices:1	\$2,234.83	Hydrant Deposit Return
	WHOLESALE TRAILER SUPPLY - Invoices:1	\$474.86	Vehicle Maintenance Supplies
<b>Water Costs</b>			
	CITY OF SACRAMENTO WATER -	\$500.68	Purchased Water-City of
	SIERRA CHEMICAL COMPANY - Invoices:9	\$88,958.26	HFA, Chemical & Delivery
	SMUD - Invoices:3	\$517,785.92	Electrical Charges
		<u>\$3,940,003.19</u>	



**Credit Card Expenditures  
September 2020**

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

Vendor Name	Description	Amount	Proj/GLAcct
EB HEADWATERS TOUR	GREG BUNDESEN - WATER EDUCATION FOUNDATION HEADWATER TOUR VIRTUAL	\$ 75.00	13-55001
PAYPAL - GROUP GREETING	DIGITAL CARD FOR CONGRATS BABY - MITCHELL MCCARTHY	\$ 4.99	17-52108
AMAZON.COM	DESK FAN -HEATHER HERNANDEZ-FORT	\$ 16.15	03-52108
CDW GOVT	PARTS FOR CUSTOMER SERVICE HEADSETS - JULIE NEMITZ	\$ 64.83	03-52108
CDW GOVT	PARTS FOR CUSTOMER SERVICE HEADSETS - JULIE NEMITZ	\$ 44.13	03-52108
THE HOME DEPOT	HANDRAIL BRACKETS FOR WALNUT, DOOR STOPS AND ADHESIVE FOR SIGNS	\$ 57.05	12-52101
NATIONAL PRODUCTS INC.	RAM MOUNT COMPUTER DESK FOR VEHICLE #4	\$ 256.40	12-54005
WALMART	DEF FOR DIESEL VEHICLES	\$ 67.18	12-54006
AMAZON.COM	SOUND DEADENING APPLICATION ROLLER	\$ 8.61	12-52101
THE HOME DEPOT	1" INSULATION BOARD AND LOCITITE POWER GRAB - VEHICLE #50	\$ 34.46	12-54005
THE HOME DEPOT	SUPPLIES TO REPAIR LOOSE SHELVING - VEHICLE #50	\$ 8.36	12-54005
AMAZON.COM	SOUND DEADENING MATS FOR VEHICLE #50	\$ 142.20	12-54005
AMAZON.COM	BLANK PARKING PERMIT HANG TAGS FOR ELECTRIC VEHICLE CHARGING	\$ 11.30	12-52101
HOBBY LOBBY (LOST RECEIPT)	GREEN VINYL MATERIAL TO MAKE PERMIT HANG TAGS FOR ELECT. VEHICLE CHARGING	\$ 12.50	12-52101
AUTONATION DODGE	SERVICE VEHICLE #74	\$ 131.36	12-54005
THE HOME DEPOT	COVID WIRELESS DOOR BELL FOR MARCONI & BRASS FITTING TO REPAIR ICE MACHINE AT ANTELOPE	\$ 48.71	12-54008
THE HOME DEPOT	COVID RETURN DOOR BELL - DEFECTIVE	\$ (43.07)	12-54008
AMAZON.COM	20 EACH 20" BOSH #40520 WIPER BLADES	\$ 80.77	12-54006
AMAZON.COM	NAME PLATE HOLDER FOR GREG BUNDENSEN	\$ 8.54	12-52101
PEP BOYS	GREASE FOR EQUIPMENT	\$ 38.73	12-54004
AMAZON MARKETPLACE	TOOL FOR IT TO REMOVE BROKEN HEADPHONE JACK FROM PORT	\$ 21.54	18-52101
AMAZON MARKETPLACE	COVID - CAMERA FOR DANA DEAN FOR ZOOM CONFERENCE MEETINGS	\$ 134.68	18-52101
TERAMIND	COVID - COMPUTER MONITORING SOFTWARE PARTIAL MONTH	\$ 0.73	18-54003
BLUESNAP SMARTFTP	ANNUAL RENEWAL FOR SMARTFTP SOFTWARE 6 LICENSES	\$ 299.70	18-54509
TERAMIND	COVID - MONTHLY FEE FOR COMPUTER MONITORING	\$ 108.00	18-54003
AMAZON MARKETPLACE	COVID - DESKTOP CAMERA FOR JEFF OTT FOR ZOOM CONFERENCE MEETINGS	\$ 148.95	18-52101
TERAMIND	COVID - PARTIAL MONTH FEE FOR COMPUTER MONITORING	\$ 20.41	18-54003
AMAZON MARKETPLACE	MEMORY UPGRADE FOR IT MANAGER AND IT ANALYST LAPTOPS	\$ 143.10	18-52101
MISAC	ANNUAL DUES RENEWAL FOR MISAC FOR IT DEPARTMENT	\$ 390.00	18-52502
MISAC	ANNUAL DUES RENEWAL FOR MISAC FOR DIRECTOR OF FINANCE	\$ 130.00	18-52502
US BANK	LATE PAYMENT FEE	\$ 9.18	03-54503
AMAZON	WAREHOUSE SUPPLIES	\$ 77.20	05-52101
HOME DEPOT	WAREHOUSE SUPPLIES	\$ 55.51	05-52101

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

<b>Vendor Name</b>	<b>Description</b>	<b>Amount</b>	<b>Proj/GLAcct</b>
AMAZON	COVID REFUND THERMOMETERS	\$ (929.25)	05-52101
RTIC	RTIC SSWD TUMBLERS	\$ 1,037.89	02-51403
AMAZON	ENVIROMENTAL COMPLIANCE SUPPLIES	\$ 106.09	14-52101
BEACH HUT DELI	INVENTORY LUNCH	\$ 87.56	03-55002
CHIPTOLE	INVENTORY LUNCH	\$ 48.49	03-55002
FERGUSON	ICE MACHINE PART	\$ 8.59	12-54008
TARGET	WAREHOUSE SUPPLIES	\$ 10.82	05-52101
HOME DEPOT	WELDING SUPPLIES	\$ 33.01	06-52101
AMAZON	WAREHOUSE SUPPLIES	\$ 24.03	05-52101
	Totals:	<b>\$ 3,055.97</b>	

**Directors Compensation and Expense Accounting  
Third Quarter, 2020**

**Directors Expense Report  
Calendar Year 2020  
Current Quarter**

<b>Event/Purpose</b>	<b>Jones</b>	<b>Locke</b>	<b>McPherson</b>	<b>Thomas</b>	<b>Wichert</b>	<b>Total</b>
Local Meeting Mileage						-
Reimbursed by District						
Local Meeting Expenses						
Reimbursed by District						
Paid Directly by District						
Conferences						
Reimbursed by District						-
Paid Directly by District						-
<b>Total</b>	-	-	-	-	-	-

**Directors Expense Report  
2020 Year to Date**

<b>Event/Purpose</b>	<b>Jones</b>	<b>Locke</b>	<b>McPherson</b>	<b>Thomas</b>	<b>Wichert</b>	<b>Total</b>
Local Meeting Mileage						-
Reimbursed by District						-
Local Meeting Expenses						-
Reimbursed by District		36.23				36.23
Paid Directly by District						-
Conferences						-
Reimbursed by District		4,363.20				4,363.20
Paid Directly by District	3,385.80	35.00				3,420.80
Refunded by Director *		(1,745.00)				(1,745.00)
Refunded Directly by Vendor *	(1,309.00)	(35.00)				(1,344.00)
<b>Total</b>	<b>2,076.80</b>	<b>2,654.43</b>	-	-	-	<b>4,731.23</b>

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

\* Meeting and Conference costs were refunded due to cancellation because of COVID-19.

Sacramento Suburban Water District  
Board of Directors Meetings Attended (1)  
Pay Rate per Diem is \$100.00  
**3rd Quarter 2020**

Director Thomas:

07/07/2020 Del Paso Manor Water District Board Meeting  
07/08/2020 Meeting with GM  
07/09/2020 RWA Meeting  
07/10/2020 Water Forum Steering Committee  
07/15/2020 Aeroject CAG  
07/16/2020 Water Forum Steering Committee  
07/20/2020 SSWD Regular Board Meeting  
07/22/2020 San Juan Water District Board Meeting  
07/24/2020 Meeting with GM  
07/28/2020 Collaboration Study Ad Hoc  
08/04/2020 Del Paso Water District Board Meeting  
08/05/2020 Meeting with Dan York  
08/07/2020 Groundwater Replenishment Webinar  
08/08/2020 Meeting with Craig Locke  
08/10/2020 Finance and Audit Committee Meeting  
08/11/2020 Employee Benefits Ad Hoc  
08/13/2020 Sacramento Groundwater Authority  
08/17/2020 SSWD Regular Board Meeting  
08/20/2020 Water Forum Steering Committee

Director Jones:

07/07/2020 Del Paso Water District Board Meeting  
07/15/2020 Facilities and Operations Committee Meeting  
07/28/2020 Del Paso Manor Water District Board Meeting

Director Wichert: - No Pay Verbal Report

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

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

Director McPherson:

07/15/2020 Facilities and Operations Committee Meeting  
07/20/2020 SSWD Regular Board Meeting

Director Locke:

07/07/2020 Del Paso Manor Water District Board Meeting  
07/08/2020 San Juan Water District Special Meeting  
07/09/2020 RWA Special Meeting  
07/10/2020 Water Forum – Climate Change Meeting  
07/15/2020 Aerojet CAG  
07/16/2020 Water Forum – Climate Change Meeting  
07/20/2020 SSWD Regular Board Meeting  
07/22/2020 RWA Executive Committee Meeting  
07/28/2020 Collaboration Meeting – Raftelis  
07/29/2020 AWWA Cross Connection Control Webinar  
08/03/2020 SSWD DPM 2x2  
08/04/2020 Water Forum II  
08/08/2020 Meeting with Board President  
08/10/2020 Finance and Audit Committee Meeting  
08/11/2020 Employee Benefits Ad Hoc  
08/13/2020 Sacramento Groundwater Authority  
08/17/2020 SSWD Regular Board Meeting  
08/20/2020 Water Forum Steering Committee  
08/26/2020 RWA Executive Committee  
09/03/2020 EPA Session 7B Source & Treatment  
09/09/2020 Meeting with Dan York  
09/10/2020 RWA Board Meeting  
09/15/2020 APWA Webinar Public Health and Economy  
09/16/2020 AWWA Smart Water 2020  
09/17/2020 Financing Options and Strategies for Groundwater Sustainability Plan Development  
09/20/2020 Meeting with Board President  
09/21/2020 SSWD Regular Board Meeting  
09/23/2020 Successful IRWM and GSA Collaboration – Mavens  
09/29/2020 AWWA Webinar – Metering without a Hitch

**District Reserve Balances  
September 30, 2020**

**Sacramento Suburban Water District  
Reserve Fund Balance**

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Debt Service Reserve	\$ -	\$ -
Facilities Reimbursement	-	-
Emergency/Contingency	12,275,211	11,194,277
Operating	7,211,349	6,512,432
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>	<b><u>\$ 42,118,888</u></b>	<b><u>\$ 39,873,637</u></b>

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

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Cash and Cash Equivalents	\$ 1,048,099	\$ 616,318
Investments	40,864,349	39,040,578
Interest Receivable	206,359	215,053
Restricted Cash	80	1,688
<b>TOTAL</b>	<b><u>\$ 42,118,888</u></b>	<b><u>\$ 39,873,637</u></b>



## **Information Required by Bond Agreement**

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

	<b>Actual Year-To-Date 9/30/2020</b>	<b>Budget Year-To-Date 9/30/2020</b>
<b>REVENUES</b>		
Water sales charges	\$35,866,097.64	\$35,243,000.00
Facility development charges	428,384.00	225,000.00
Interest and investment income	875,186.56	727,497.00
Rental & other income	335,879.14	337,500.00
<b>TOTAL REVENUES</b>	<b>37,505,547.34</b>	<b>36,532,997.00</b>
<b>EXPENSES</b>		
Source of supply	637,583.04	1,613,814.00
Pumping	3,343,170.84	3,351,632.66
Transmission and distribution	3,218,708.44	3,195,083.14
Water conservation	290,548.97	405,148.06
Customer accounts	940,403.89	1,031,975.16
Administrative and general	6,633,720.95	7,108,427.57
<b>TOTAL EXPENSES</b>	<b>15,064,136.13</b>	<b>16,706,080.59</b>
<b>NET REVENUE</b>	<b>22,441,411.21</b>	<b>19,826,916.41</b>

**Sacramento Suburban Water District  
6 - Months Debt Service Schedule  
9/30/2020**

<b>Total SSWD Debt Service</b>					
Month	Principal	Interest Adjustable/Fixed/Swap	Facility Fee	Remarketing	Debt Service
<b>Oct-20</b>	\$4,790,000.00	\$ 618,693.55	-	-	\$5,408,693.55
<b>Nov-20</b>	-	87,793.55	-	-	87,793.55
<b>Dec-20</b>	-	87,793.55	50,400.00	13,125.00	151,318.55
<b>Jan-21</b>	-	87,793.55	-	-	87,793.55
<b>Feb-21</b>	-	87,793.55	-	-	87,793.55
<b>Mar-21</b>	-	87,793.55	50,400.00	13,125.00	151,318.55

<b>Series 2012A Fixed Rate Bonds (\$23,440,000.00)</b>					
Month	Principal	Interest - Fixed 4.25%			Debt Service
<b>Oct-20</b>	\$2,235,000.00	\$ 306,613.00	-	-	\$2,541,613.00
<b>Nov-20</b>	-	-	-	-	-
<b>Dec-20</b>	-	-	-	-	-
<b>Jan-21</b>	-	-	-	-	-
<b>Feb-21</b>	-	-	-	-	-
<b>Mar-21</b>	-	-	-	-	-

<b>Series 2009A Adjustable Rate COPs (\$42,000,000.00)</b>					
Month	Principal	Interest, Adjustable 0.12%	Facility Fee 0.480%	Remarketing 0.125%	Debt Service
<b>Oct-20</b>		\$ 4,200.00			\$ 4,200.00
<b>Nov-20</b>		4,200.00			4,200.00
<b>Dec-20</b>		4,200.00	50,400.00	13,125.00	67,725.00
<b>Jan-21</b>		4,200.00			4,200.00
<b>Feb-21</b>		4,200.00			4,200.00
<b>Mar-21</b>		4,200.00	50,400.00	13,125.00	67,725.00

<b>Series 2018A Fixed Rate COPs (\$27,915,000)</b>					
Month	Principal	Interest - Fixed 3.17%			Debt Service
<b>Oct-20</b>	\$2,555,000.00	\$ 224,287.00	-	-	\$2,779,287.00
<b>Nov-20</b>	-	-	-	-	-
<b>Dec-20</b>	-	-	-	-	-
<b>Jan-21</b>	-	-	-	-	-
<b>Feb-21</b>	-	-	-	-	-
<b>Mar-21</b>	-	-	-	-	-

<b>2012 SWAP Interest, Net (\$33,000,000.00)</b>					
Month	Principal	Interest, Swap Net 3.283%-(0.09062 +.18)%			Debt Service
<b>Oct-20</b>		\$ 83,593.55	-	-	83,593.55
<b>Nov-20</b>		\$ 83,593.55	-	-	83,593.55
<b>Dec-20</b>		\$ 83,593.55	-	-	83,593.55
<b>Jan-21</b>		\$ 83,593.55	-	-	83,593.55
<b>Feb-21</b>		\$ 83,593.55	-	-	83,593.55
<b>Mar-21</b>		\$ 83,593.55	-	-	83,593.55

**Financial Markets Report  
September 30, 2020**

## Financial Markets Report September 30, 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	<u>\$ 19,615,000</u>	<u>\$ 14,830,000</u>	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	0.73%
	Notional Amount	Counterparty	FMV	Receive Rate	Fixed Rate
Swap	\$33,300,000	Wells Fargo Bank, N.A.	(\$9,240,988)	0.2706%	3.283%

### Current Status of District's Investment Portfolio (September 30, 2020):

Fair Market Value	Security Type	Yield
\$ 248,127.82	Money Market	0.03%
7,357,387.51	LAIF	0.69%
799,972.80	commercial paper	1.82%
2,864,122.29	Asset-Backed Securities	2.46%
4,077,779.39	Certificates of Deposit	2.06%
8,147,253.53	Corporate Notes	2.33%
6,091,941.70	Federal Agency Securities Bonds/Notes	0.63%
788,480.07	Federal Agency Collateralized Mortgage Obligation	2.44%
721,992.00	Municipal Obligations	1.18%
1,694,277.80	Supra-National Agency Bond	2.39%
16,478,502.55	Treasury Bonds/Notes	1.64%
<b>\$ 49,269,837.46</b>		<b>1.60%</b>

**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 as Treasury debt issuance weighed on the markets and the new Fed policy suggested if price increases take hold, the central bank would refrain from what some might view as precipitous action to dampen inflation. The front end of the yield curve remained relatively unchanged, with yields maintaining a low and tight range. Meanwhile, maturities beyond seven years increased 18 to 28 basis points (bps) (0.18% to 0.28%).
- As a result, longer-maturity Treasuries underperformed; returns on shorter tenors were muted. For August, the 3-month Treasury Index returned 0.01%; the 5-year Treasury Index returned -0.22% and the 10-year Treasury Index returned -1.33%.
- Investment-grade (IG) corporate bonds out-performed once again, even though issuance heated up again in August. IG corporate spreads continued to grind tighter, nearing pre-pandemic levels.
- For the month, IG companies raised \$144 billion of debt compared to \$70 billion issued in July.

**PFM Strategy Recap**

- A slowing recovery, stable rates and a flat yield curve are reasons for us to maintain a neutral duration strategy.
- We continued to add federal agency securities at attractive yields, especially for maturities three years and longer. In some cases, agency yields were comparable to those on high-quality corporate issues.
- IG corporate yield spreads have now receded to near pre-pandemic levels. As a result, the sector has been a boon for portfolio performance. Nevertheless, economic uncertainty clouds corporate outlooks, even amid unprecedented Fed support. Prompted by tight spreads, and expectations for a drawn-out recovery, we are implementing a modestly defensive bias in the sector.
- Spreads on AAA-rated asset-backed securities (ABS) also moved tighter, to near pre-COVID-19 levels. We are maintaining allocations in the sector, and focusing on tranches with increased credit enhancements.
- We have trimmed allocations in the mortgage-backed securities (MBS) sector, awaiting better fundamentals.
- The taxable municipal sector continued to offer value. Though credit stresses may emerge in the state and local government sector large state-level and essential services issuers were attractive.

(Source: PFM September 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: 12

**Date:** October 19, 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) Water Operations Activity Report, (2) District Claims Update Report, (3) Customer Service Monthly Activity Report, and (4) Community Outreach Report.

### 1. Water Operations Activity Report

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

#### Water Operations Activity

September 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	1	1	6	--	--	--
Taste & Odor Complaints	0	0	0	--	--	--

**Distribution Department**

**Service Orders**

Main Leaks	5	4	37	--	--	--
Service Line Leaks	6	5	48	--	--	--

**Water Main Shutdown**

-- Emergency	2	3	25	--	--	--
-- Scheduled	2	5	43	--	--	--

**Preventive Maintenance Program**

Fire Hydrants Inspected	171	66	594	6,173	1,235	48.1%
Fire Hydrant Valves Inspected	167	62	561	5,869	1,174	47.8%
Fire Hydrant Valves Exercised	138	56	504	5,869	1,174	42.9%
Mainline Valves Inspected	287	116	1,044	11,023	2,205	47.4%
Mainline Valves Exercised	190	83	743	11,023	2,205	33.7%
Blow Off Valves Inspected	30	12	112	1,049	210	53.4%
ARV/CARV Inspected	4	3	25	283	57	44.2%

**Field Services Department**

**Meters**

PM - Meters Tested (3 - 10 inch)	42	13	118	450	120	98.3%
PM - Meters Replaced ( <sup>5</sup> / <sub>8</sub> - 1 inch)	1	6	53	41,167	1,000	5.3%
PM - Meter Re-Builds (1 <sup>1</sup> / <sub>2</sub> - 2 inch)	0	28	253	2,449	245	103.3%
Customer Pressure Inquiries	9	12	104	--	--	--

**Field Operations Department**

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

Calls Received Distribution	57	47	424	--	--	--
Calls Responded Distribution	28	27	246	--	--	--
Calls Received Production	24	26	233	--	--	--
Calls Responded Production	4	7	63	--	--	--



## 2. District Claims Update Report

This summarizes claims received by the District. Under the District's Claims Processing 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. 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 presenting claims. All claims will be presented as information to the Board of Directors at a regularly scheduled Board Meeting.

Claims Status: No claims under investigation or approved by the General Manager in September 2020.

## 3. Customer Service Monthly Activity Report

Customer Service Activity Report for the month of September 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>
2,459	35	1.4%	20s	6m, 44s	2m,48s

## 4. Community Outreach Report

### November Bill Insert

The November bill insert will begin on October 27, 2020, and will continue until, November 22, 2020. A sample of the bill insert is shown below.

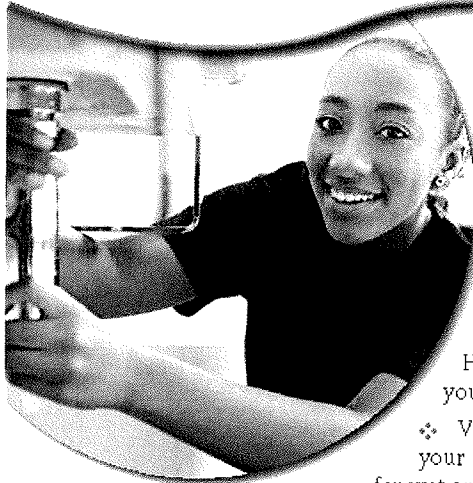
## November Bill Insert

00239922



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

November 2020



### Get Your Home Ready for Winter

Cooler days are upon us, and that means less time spent working outdoors and more time to focus on improvements inside your home.

Here is a handy checklist to help you find and fix household leaks.

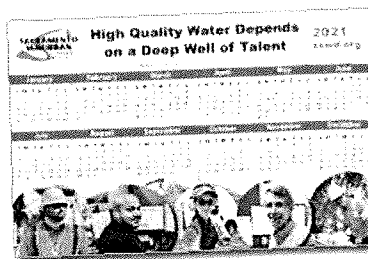
- ❖ Visually inspect the area around your dishwasher and clothes washer for wet or damp spots.
- ❖ Check your faucets and showerheads for leaks or drips, which are typically caused by worn-out washers or loose connections. If you spot a leak, turn off the water to the problem area, check the washers to see if they are damaged and replace if necessary.
- ❖ Toilet leaks are the most common leaks inside a home and can waste 200 gallons of water per day. They are also one of the easiest leaks to detect and fix. Add a few drops of food coloring or a dye tab to the toilet tank and wait around 10 to 15 minutes. If the color appears in the bowl, you have a leak.

The cause of a toilet leak is most often a worn toilet flapper, which can degrade over time. To fix it, turn off the water and replace the flapper with the same type or a universal model.

If you would like to be even more water-wise, consider installing a WaterSense-labeled high-efficiency toilet. SSWD has rebates available.

### Get Your 2021 Calendar Magnet!

SSWD's 2021 calendar magnets are now available. Due to COVID-19, the Customer Service center remains closed. Customer Service Staff will be mailing out magnets on an as-requested basis. If you are interested in receiving a magnet, please let them know by calling 916.972.7171 or by emailing [help@sswd.org](mailto:help@sswd.org).



## Tap Talk

### Tap Talk | Expertise Through Experience

Just like successful sports teams depend on a deep and experienced bench of talent, so does a successful water provider.

SSWD's employees bring decades of experience and knowledge to their positions. This enables the District to operate very efficiently, be prepared for problems as they arise, and keep the water flowing.

Here are a few of our all-stars:

#### **Rodney** – Field Operations Coordinator

Rodney has nearly 20 years experience working in the water industry. He started his professional career as a plumber and when a position opened at a water provider, he saw it as a way to utilize his training and talents on a bigger scale. He has risen through the ranks at SSWD,

Tap Talk | page 2

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

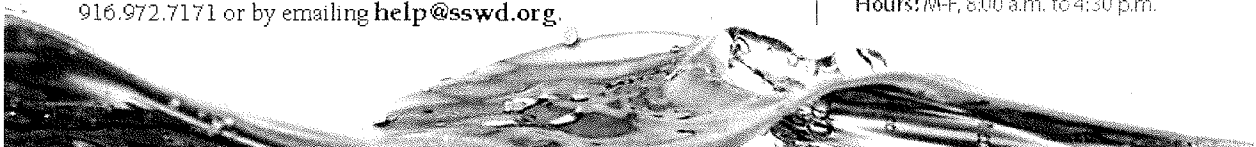
Phone: 916.972.7171

Fax: 916.972.7639

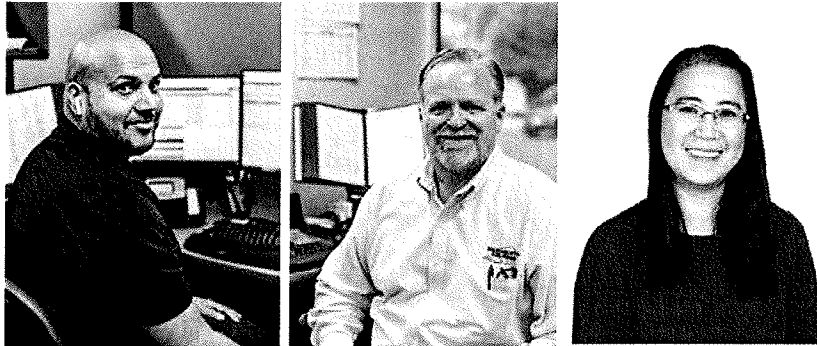
3701 Marconi Avenue, Suite 100

Sacramento, CA 95821-5346

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



## November Bill Insert



Rodney

Todd

Lynn

### Tap Talk | from page 1

advancing from Distribution Operator Level I to Level II, and then onto his current position as Field Operations Coordinator. Rodney has special certifications in Distribution, Water Treatment and as a Certified Backflow Tester. He enjoys having the opportunity to help solve problems for customers and fellow employees.

### Todd – Distribution Superintendent

Todd began his career working for Rio Linda/Elverta Community Water District, his hometown water provider. In 2005, Todd joined the SSWD team and began working in the Field Services Department as a Distribution Operator II. After a few years, he was promoted to Distribution Foreman and in 2018 was named Distribution Superintendent. In this role, Todd oversees 21 employees responsible for Distribution, Field Services and Preventive Maintenance.

Todd was instrumental in researching and identifying the new meter reading system for SSWD and is proud of how he has helped guide the District's technological advances. "SSWD's software and work management systems are among the most advanced in the industry," Todd said. "I've been part of the team that demonstrates our operating systems with other agencies; even the City of Honolulu made the trip to see us."

### Lynn – Financial Analyst

Lynn has 21 years of experience working for a water provider, including 18 years at SSWD and three years at the District's predecessor, Arcade Water District. She is responsible for overseeing a wide variety of accounting operations, including managing accounting records and financial software systems; coordinating and directing the preparation of the District's annual operating budget and revenue forecasts; and assisting the District's management with long term financial planning and business operations.

"I like that my job provides timely, relevant and useful financial information that management can use to make informed decisions and achieve the District's long-term financial plans and goals," Lynn said. "I'm glad that my job contributes to the District's financial accountability for management, the Board of Directors, and ratepayers."

## Get a Head Start on Holiday Savings

SSWD's rebates can help you save on all sorts of improvements for your home, and the best news is you don't have to wait for Black Friday to take advantage of these great savings.

SSWD can help you save money on:

- High Efficiency Toilets
- Sprinkler System Upgrades
- Weather-Based Sprinkler Timers
- Pool Covers
- Rain Sensors
- Energy Star-rated Clothes Washers

And more!

Complete details at  
[sswd.org/rebates](http://sswd.org/rebates)

## Holiday Hours

SSWD will be closed on the following days in November and December:

- \* **Thanksgiving Day**  
Thursday, November 26th
- \* **Friday after Thanksgiving**  
Friday, November 27th
- \* **Christmas Eve**  
Thursday, December 24th
- \* **Christmas Day**  
Friday, December 25th
- \* **New Year's Eve Day**  
Thursday, December 31st



## Agenda Item: 13

**Date:** October 19, 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	Approximate Completion		Change in Completion Status Since Last Report
	Design	Construction	
78 Butano / Cottage	Complete	Summer 2021	N/A
79 Verner / Panorama <sup>1</sup>	Summer 2020	Winter 2021	N/A

<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	Approximate Completion		Change in Completion Status Since Last Report
	Design	Construction	
Thor (3.3 miles of main)	Complete	Fall 2020 <sup>2</sup>	N/A

<sup>2</sup> Paving to be completed in spring 2021.

Meter Retrofit Program

The Meter Retrofit Program is on track to be complete in 2022 before the State deadline of January 2025. The 2020 project shown in the table below is on schedule.

Project	Approximate Completion		Change in Completion Status Since Last Report
	Design	Construction	
2020 Project (796 meters)	Complete	Fall 2020	N/A

**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.

Below are the approximate completion time frames.

<b>Plan</b>	<b>Approximate Completion</b>	<b>Change in Completion Status Since Last Report</b>
Buildings and Structures AMP	Draft – Q3 2020 Final – Q4 2020	N/A
Groundwater Well AMP	Draft – Q3 2020 Final – Q4 2020	N/A
Reservoir and Booster Pump Station AMP	2021	N/A
2020 Urban Water Management Plan <sup>3</sup>	2021	N/A
SCADA AMP	2022	Moved to 2022 to follow completion of the current investigation into the SCADA system’s radio communications interference issues. Any necessary repairs/upgrades to restore communication functionality are expected to be completed in 2021.
Meter AMP	2022	Moved to 2022 to follow completion of the Regional Meter Replacement Program effort, which is planned to be completed in 2021.

<sup>3</sup> Schedule is set by the California Department of Water Resources.

**c. Other**

**Major Activities Related to Active Wells**

The table below shows current Condition Assessment (CA) work. A CA is the initial step in determining whether: 1) a well requires rehabilitation or repair; and 2) a pump requires repair or replacement.

<b>Well</b>	<b>Approximate Completion</b>	<b>Change in Completion Status Since Last Report</b>
None	N/A	N/A

The table below shows the current work for well casing repair or rehabilitation, pump repair or replacement, and other well facility activities.

Well	Activity	Status	Approximate Completion	Change in Completion Status Since Last Report
N32B Poker	Well Casing Repair; Pump Replacement	Construction	October 2020	N/A
41 Albatross/ Iris	Electrical Repair	Design	June 2021	N/A
52 Weddigen/ Gothberg	Electrical Repair	Design	June 2021	N/A
N8 Field	Electrical Repair	Design	June 2021	N/A
N6A Palm	Water Quality Assessment	Investigation	TBD	N/A
N20 Cypress	Water Quality Assessment	Investigation	TBD	N/A
N33 Walerga	Water Quality Assessment	Investigation	TBD	N/A
N34 Cottage	Electrical Investigation	Planning	TBD	N/A

#### **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 design and construction schedule is to complete the design in Winter 2020 and complete construction by Summer 2021. Staff initially anticipated that this project was to be complete by the end of 2020; however, during the preliminary design process, it was determined that the design-construction process will not be complete until Summer of 2021.

Agenda Item 14. b.

**SACRAMENTO GROUNDWATER AUTHORITY  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
Thursday, October 8, 2020; 9:00 a.m.**

**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 on SGA's website. 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 [cpartridge@rwah2o.org](mailto:cpartridge@rwah2o.org). Requests must be made as early as possible, and at least one full business day before the start of the meeting.

**Note: Pursuant to the Governor's Executive Order N-29-20, and given the state of emergency regarding the threat of COVID-19, the meeting will be held via teleconference.**

We encourage Board members and participants to join the meeting 10 minutes early. Note that we will use GoToMeeting to share slides and other information during the meeting. Use the link below to join GoToMeeting. If you have a microphone that you can use with your computer, it should be possible to both listen to, and participate in, the meeting through GoToMeeting. If you do not have a microphone, or a headset with a microphone, that plugs into your computer via USB port, you will need to call into the conference line to listen and comment, although you still should be able to view the meeting materials on GoToMeeting. Please do not simultaneously use a microphone through GoToMeeting and the telephone conference line. That combination results in audio problems for all participants.

**Meeting Information:**

Please join my meeting from your computer, tablet or smartphone.

**<https://global.gotomeeting.com/join/150451413>**

You can also dial in using your phone.

**United States: +1 (872) 240-3311**

Access Code: **150-451-413**

- 1. CALL TO ORDER AND ROLL CALL**
- 2. PUBLIC COMMENT:** Members of the public who wish to address the Board may do so at this time. Please keep your comments to less than three minutes.

**3. CONSENT CALENDAR**

Minutes of August 13, 2020 meeting

**Action: Approve August 13, 2020 meeting minutes**

**4. SGA GOVERNANCE**

Information Presentation: Chris Sanders, Counsel

**5. SACRAMENTO CENTRAL GROUNDWATER AUTHORITY**

Information and Discussion: Jim Peifer, Executive Director

**6. SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA)-RELATED AND GROUNDWATER MANAGEMENT PROGRAM UPDATES**

Information Update: Rob Swartz, Manager of Technical Services

**7. APPOINTMENT OF NOMINATIONS COMMITTEE FOR 2021 SGA OFFICERS**

**Action: Chair Sheehan to Appoint Nominations Committee for 2021 SGA Officers**

**8. EXECUTIVE DIRECTOR'S REPORT**

**9. DIRECTORS' COMMENTS**

**ADJOURNMENT**

**Next SGA Board of Director's Meeting** – December 10, 2020, 9:00 a.m. at the RWA/SGA office, 5620 Birdcage Street, Ste. 110, Citrus Heights, the location is subject to change depending on the COVID-19 emergency

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





## **Agenda Item: 14. c.**

**Date:** October 19, 2020

**Subject:** Director's Reports – AB 1234

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

In accordance with Directors' Compensation and Expense Reimbursement Policy (PL – BOD 003) section 300.50, "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."

**Minutes**

Sacramento Suburban Water District  
**Ad Hoc Water Banking and Transfer Committee**  
Monday, September 28, 2020

**Location:**

Video and Audio Conference Only at 1-669-900-6833, or Zoom at Meeting Id #899 6579 7665

**Call to Order – Videoconference/Audioconference Meeting**

Chair Thomas called the meeting to order at 5:00 p.m.

**Roll Call**

Directors Present: Kevin Thomas and Robert Wichert.

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Mike Huot, and Heather Hernandez-Fort.

Public Present: None.

**Announcements**

None.

**Public Comment**

None.

**Items for Discussion and/or Action**

**1. Placer County Water Agency Agreement Amendment No. 3**

Assistant General Manager Mike Huot (AGM Huot) presented the staff report and answered clarifying questions.

Director Wichert inquired whether the water that comes to the District from PCWA and leaves our system at a future time, or through a groundwater substitution is subject to paying PCWA 50% of the revenue.

AGM Huot expressed he will look into it.

Director Wichert congratulated staff on good negotiating, and requested staff look into discussing a take-or-pay option with the City of Sacramento.

Chair Thomas stated he would rather lease or rent the capacity in a future agreement for the CTP rather than sell it.

Staff agreed with Chair Thomas.

The Committee endorsed providing the Item to the full Board with the Consent Items, with a recommendation to approve.

**Adjournment**

Chair Thomas adjourned the meeting at 5:18 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District

### Agenda Item 16

Barbara called on September 16, 2020, to state meter box wasn't level. She stated she had a busy schedule and wasn't home much. Flowline contacted the customer and let her know they would take care of the situation when she was had time. On September 29, 2020, Flowline took care of the situation.

Barbara called back to say Mike and Wesley did a great job raising her meter box today. She stated they were fantastic, very helpful and efficient. She stated they were wonderful and that she has a great Water District.

-----Original Message-----

From: Lucia

Sent: Tuesday, October 6, 2020 10:56 AM

To: feedback <[feedback@sswd.org](mailto:feedback@sswd.org)>

Cc: Ahlstrom Scott <>; Rachel Middlestead <>;

Subject: Director Craig M. Locke

Dear Commissioner Locke. I live in your district and recently went through the water meter installation process. Due to my concerns about a large tree on my property and details about connecting to my water line, I had quite a bit of communication with Scott Ahlstrom, project inspector and Rachel Middlestead, engineering coordinator. I wanted to let you know how impressed I was with their work. They are both very knowledgeable, excellent communicators, professional, and constructive. They worked closely with me to resolve my issues, and I am 100% satisfied with the work done on my property. They are valuable SSWD assets.

Thank you.

Lucia



## Agenda Item: 17

**Date:** October 19, 2020

**Subject:** Legislative and Regulatory Update

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

**1. RWA Government Affairs Committee**

The 2020 Legislative Session ended on August 31, 2020. Table 1 has been updated to show the Bills that staff has been tracking and the results. The text of each bill can be provided upon request. Staff follows bills of interest by staff, the Regional Water Authority, and the Association of California Water Agencies.

**2. Correspondence**

Alliance for Water Efficiency Department of Energy Letters – The District signed onto two letters from the Alliance for Water Efficiency to the Federal Department of Energy denouncing the President’s call to change the flow standards for showerheads and energy conservation standards for clothes washers. Copies of each letter can be provided upon request.

<b>Table 1: Assembly and Senate Bill Tracking</b>		
<b>Bill Number</b>	<b>Name</b>	<b>Result</b>
AB 685	Occupational Safety: COVID-19 Exposure: Notification	Approved by Governor
AB 1867	Small Employer Family Leave Mediation: Supplemental Paid Sick Leave	Approved by Governor
AB 2296	State Water Resources Control Board: Local Primacy Delegation: Funding Stabilization Program	Vetoed by Governor
AB 2560	Water Quality: Notification Levels and Response Levels: Procedures	Approved by Governor
AB 2968	County Emergency Plans: Best Practices	Approved by Governor
SB 865	Excavations: Subsurface Installations	Approved by Governor
SB 974	CEQA: Small Community Water System: Exemption	Approved by Governor
SB 1044	Firefighting Equipment and Foam: Perfluorooctanoic Acid (PFAS) Chemicals	Approved by Governor
SB 1159	Workers’ Compensation: COVID-19: Critical Workers	Approved by Governor
SB 1320	Climate Change: California Climate Change Assessment	Approved by Governor
SB 1386	Local Government: Assessments, Fees, and Charges: Water	Approved by Governor



## Agenda Item: 18

**Date:** October 19, 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.

\*Due to the current pandemic, until further notice, all meetings listed will be virtual.

Below is a list of upcoming water industry events:

### Upcoming Events

1. American Water Works Association Annual Fall Conference & Exposition  
October 26-29, 2020  
Virtual  
[https://www.ca-nv-awwa.org/canv/CNS/Events\\_Classes/Future\\_Events/CNS/EventsandClasses/Copy\\_of\\_events.aspx?hkey=40976128-710b-4097-b27b-c35fe6133849](https://www.ca-nv-awwa.org/canv/CNS/Events_Classes/Future_Events/CNS/EventsandClasses/Copy_of_events.aspx?hkey=40976128-710b-4097-b27b-c35fe6133849)
2. ACWA Northern CA Virtual Tour 2020  
November 12, 2020  
Online  
<https://www.acwa.com/events/>
3. RWA Board Meeting  
November 12, 2020  
Virtual  
<http://rwah2o.org/>
4. ACWA Fall Conference  
December 1-4, 2020  
Virtual  
<https://www.acwa.com/events/2020-fall-conference-exhibition/>

## Upcoming Water Industry Events

October 19, 2020

Page 2 of 2

5. SGA Board Meeting  
December 10, 2020  
Virtual  
<https://www.sgah2o.org>

### **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> Tuesday of the month at 6:00 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 2<sup>nd</sup> Wednesday of the month at 10:00 a.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: 19. a.

**Date:** October 19, 2020

**Subject:** Upcoming Policy Review – Debt Obligation Continuing Disclosure Policy (PL – Fin 013)

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

### **Background:**

The subject Policy is scheduled for its biennial review. The Policy was adopted March 16, 2015, and was last reviewed by the Board on November 19, 2018.

Staff has reviewed the Policy and has no recommended changes.

The Policy is scheduled for Board review and approval at the November 16, 2020, regular Board meeting. If a Director wishes to comment on the policy, staff requests that they do so by November 2, 2020. If no comment is received, this policy will be placed as a Consent Item on the November regular Board meeting agenda.

This Policy update was not reviewed by legal counsel for this update.

### **Attachments:**

- 1) Debt Obligation Continuing Disclosure Policy (PL – Fin 013) – Policy

## Sacramento Suburban Water District

**Debt Obligation Continuing Disclosure Policy**

Adopted: March 16, 2015; Ratified without changes on November 19, 2018

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**100.00 Purpose of the Policy**

The purpose of this Debt Obligation Continuing Disclosure Policy (“Policy”) is to memorialize and communicate Board direction in connection with obligations, including notes, bonds and certificates of participation, issued by or on behalf of the Sacramento Suburban Water District (the “District”) so as to ensure that the District continues to comply with all applicable disclosure obligations and requirements under the federal securities laws.

**200.00 Policy**

The District from time to time issues certificates of participation, revenue bonds, notes or other obligations (collectively, “Obligations”) in order to fund or refund capital investments or other long-term programs. Certain obligations are executed and delivered through the Sacramento Suburban Water District Financing Corporation (the “Financing Corporation”) and others are incurred directly by the District. In offering Obligations to the public, and at other times when the District makes certain reports, the District must comply with the “anti-fraud rules” of federal securities laws. (“Anti-fraud rules” refers to Section 17 of the Securities Act of 1933 and Section 10(b) of the Securities and Exchange Act of 1934, and regulations adopted by the Securities and Exchange Commission under those Acts, particularly “Rule 10b-5” under the 1934 Act.)

The core requirement of these rules is that potential investors in Obligations must be provided with all “material” information relating to the offered Obligations. The information provided to investors must not contain any material misstatements, and the District must not omit material information which would be necessary to provide to investors a complete and transparent description of the Obligations and the District’s financial condition. In the context of the sale of securities, a fact is generally considered to be “material” if there is a substantial likelihood that a reasonable investor would consider it to be important in determining whether or not to purchase the securities being offered.

In connection with the issuance or execution and delivery of Obligations, the District has entered and may enter into a number of contractual agreements (“Continuing Disclosure Certificates”) to provide annual reports related to its financial condition (including its audited financial statements) as well as notice of certain events relating

to the Obligations specified in the Continuing Disclosure Certificates. The District must comply with the specific requirements of each Continuing Disclosure Certificate. The District's Continuing Disclosure Certificates generally require that the annual reports be filed within 270 days after the end of the District's fiscal year, and material event notices are generally required to be filed within 10 business days of their occurrence.

Specific events which require "material event" notices are set forth in each particular Continuing Disclosure Certificate.

The District Treasurer shall be responsible for preparing and filing the annual reports and material event notices required pursuant to the Continuing Disclosure Certificates. Particular care shall be paid to the timely filing of any changes in credit ratings on Obligations (including changes resulting from changes in the credit ratings of insurers of particular Obligations).

**300.00 Policy Review**

This Policy shall be reviewed at least biennially.



## Agenda Item: 19. b.

**Date:** October 19, 2020

**Subject:** Upcoming Policy Review – Employee Compensation Policy  
(PL – HR 002)

**Staff Contact:** Cassie Crittenden, Human Resources Coordinator

The Employee Compensation Policy (PL – HR 002) is scheduled for its biennial review. The subject policy was originally adopted by the Board on July 19, 2004, and last reviewed on November 19, 2018.

Staff recommends minor grammatical and formatting changes throughout, and the following substantive changes:

- *Section 100 – Purpose of the Policy* – Removed reference that the compensation program is based on the skills the employee brings to the District. It does not have to do with the individual employee skills; it is the skills related to the job specification.
- *Section 200 – Policy* - Removed reference that the compensation program is based on the skills the employee brings to the District. It does not have to do with the individual employee skills; it is the skills related to the job specification.

*Subsection a)* - Titled this subsection “Wage/Salary Compensation” for clarity. Removed redundant language regarding what the total compensation program encompasses, as this information is included in subsection b).

*Subsection b)* – Titled this subsection “Total Compensation” for clarity. Removed reference to direct wages, as overtime and standby pay is not included when comparing the District’s pay level to the labor market. Instead, referenced the “wage/salary compensation” in subsection a).

*Subsection c)* – Titled this subsection “Advancement” for clarity. Updated the definition that a merit-based system is based on “performance and goal achievement through an evaluation process”, as this is consistent with the definition used in the District’s Employee Performance Evaluation, Merit & COLA Policy.

The policy is scheduled for Board review and approval at the November 16, 2020, regular Board meeting. If a Director wishes to comment on the policy, please provide those comments to staff by November 5, 2020. If no comments are received by any Director, this policy will be placed as a Consent Item on the November 2020 agenda. Legal counsel did not review these changes.

**Attachments:**

1 – Employee Compensation Policy (PL – HR 002) – Policy Redline

## Sacramento Suburban Water District

**Employee Compensation Policy**

Adopted: July 19, 2004

Approved with changes on November 1~~6~~<sup>9</sup>, 20~~20~~<sup>18</sup>**100.00 Purpose of the Policy**

The purpose of this policy is to state the intention of the District in regards to employee compensation, delineate the process, and clarify the role and responsibility of the General Manager in the process. ~~A compensation program is necessary to provide each employee with fair and equitable compensation. for the value of the skills the employee brings to the District and the position.~~ In order to provide each employee with fair and equitable compensation, it is desirable to develop a systematic method of establishing and maintaining a compensation program. ~~Pursuant to California Water Code Section 30580(d), the General Manager has the responsibility to “fix and alter the compensation of employees and assistants subject to approval by the board” as given during the annual budget process.~~

**200.00 Policy**

It is the District's policy to provide all of its employees with fair and equitable compensation defined in terms of comparison to other positions within the District and to the local labor market for the value of the skills related to their job specifications. ~~the employee brings to the position and the District.~~

**a) Wage/Salary Compensation**

~~a) It is the District's policy to remain competitive within the local labor market. To accomplish this, when setting wage/salary compensation for District positions, the General Manager ~~will target~~ will target compensation within a range ~~(bound by the from~~ market median at the low end and the to mid-point of the third quartile at the high end) of the compensation in the appropriate labor market. ~~when setting compensation for District positions. This includes retirement, health and dental insurance, life insurance, holidays and other benefits, including vacation and sick leave.~~~~

**b) Total Compensation**

~~b) The total compensation program will include, in addition to wage/salary compensation, direct wages (regular, overtime and stand-by pay), all District holidays and other paid time off benefits, and contributions toward medical/dental/vision insurance, life insurance, short and ~~long term~~long-term disability, retirement, incentive program and training/educational programs.~~

The total compensation program will be used when comparing the District's pay level to the ~~appropriate~~current labor market.

c) Advancement

e) It is the District's policy to provide a program for employee advancement ~~of its employees~~ within their pay/salary range ~~of their position~~ using a merit-based system based on performance and goal achievement through an evaluation process. ~~objective, regular goal setting and performance evaluations.~~

### 300.00 Authority and Responsibility

The Board of Directors has the responsibility and authority to establish annual budgetary guidelines for the District that include the ~~annual~~ labor budget.

- a) As part of the proposed annual Operations and Maintenance Budget, the General Manager will prepare and present to the Board of Directors a proposed ~~annual~~ labor budget that will consist of:
- 1) a detailed annual compensation budget;
  - 2) a proposed merit pool percentage increase;
  - 3) a ~~n annual~~ cost-of-living adjustment (COLA); and
  - a) 4) revised pay/salary bands.
- b) The Board of Directors will consider, amend as needed, and approve the annual labor budget.
- c) The General Manager ~~will have~~has the authority to fix and alter employee compensation within the approved annual labor budget.

The General Manager is responsible to ~~may~~ change or alter the labor budget, when needed, during the year by either:

- a) ~~1) R~~requesting the Board of Directors to authorize the General Manager to make such changes at budget adoption; or
- b) ~~2) S~~submitting an amended labor budget, with justification, explaining reasons for the change, and receiving Board approval. ~~for the change.~~

The General Manager ~~has the~~will have full authority to implement this policy up to the limits of the approved labor budget, which includes:

- Determining staffing requirements, titles, positions, responsibilities, and organizational structure.
- Setting goals and conducting performance reviews.
- ~~I~~Proposing and, as approved, implementing annual pay/salary adjustments ~~that include~~ annual merit and COLA increases.
- Creating incentive pay programs.
- Creating programs for position upgrades and special assignments.
- Providing pay/salary and benefit benchmarking information and surveys for Board review.
- Creating dual or multiple grade positions as needed.

The General Manager will ensure the equitable and uniform implementation of this policy, ~~which includes~~and reporting to the Board ~~on~~ at least an annually (~~basis,~~ typically during the budget process).

**400.00 Policy Review**

This Policy will be reviewed at least biennially.





## Agenda Item: 19. c.

**Date:** October 19, 2020

**Subject:** Upcoming Policy Review - Water Service Rates, Fees, and Charges Setting Policy (PL - Fin 009)

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

### **Background:**

The Water Service Rates, Fees and Charges Setting Policy (PL - Fin 009) (Policy) was last approved by the Board at the August 17, 2020, Board meeting on Consent. Director McPherson desired to have an opportunity to pull and review the item subsequent to approval to discuss some potential revisions. Subsequent to the Board meeting, Director McPherson contacted staff to recommend changes to the policy. Staff received Director McPherson's proposed changes, and reviewed and incorporated the changes into the Policy. With the amount of changes to the policy, staff sought to have legal counsel review the policy before submitting to the Board for review to ensure compliance with applicable law.

### **Discussion:**

Director McPherson proposed changes that simplified or clarified the policy language in addition to the following specific changes:

Section 200.00 – removed “including establishing appropriate cost bases for any existing or future water service rates, fees, and charges structure imposed or proposed to be imposed on District ratepayers, and in compliance with California law”.

Section 300.00 – Added water banking and water transfers as additional examples of revenue diversification.

At the request of Director McPherson, Staff enhanced section 200.00 (D) adding details on how fees and charges are developed and priced.

Staff had no objections to the proposed changes in the policy but desired for legal counsel to review and comment. Legal counsel has reviewed this policy and their updates are included in the attached versions.

The review by legal counsel included the following specific changes:

Update references to additional California law and statutes. Some language changes to clarify the policy. Finally, breaking out Rates from Fees and Charges to differentiate more clearly between the two including, which laws apply to each.

Water Service Rates, Fees and Charges Setting Policy (PL - Fin 009)

October 19, 2020

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The Policy is scheduled for Board review and approval at the November 16, 2020, regular Board meeting. If a Director desires to comment on the policy, staff requests that they do so by November 2, 2020. If no comment is received, this policy will be placed as a Consent Item on the November 2020 regular Board meeting agenda.

The redlined version (Attachment 1) and a clean version (Attachment 2) are included with this staff report.

**Attachment:**

1 – Water Service Rates, Fees and Charges Setting Policy PL - Fin 009 redlined

2 - Water Service Rates, Fees and Charges Setting Policy PL - Fin 009 clean

Sacramento Suburban Water District

**Water Service Rates, Fees, and Charges Setting Policy**

Adopted: September 15, 2014

Approved with Changes: ~~August 17~~ November 16 ~~PDYH~~, 2020

**100.00 Purpose of the Policy**

The Sacramento Suburban Water District ~~shall have~~ is required to establish cost-based water service rates, fees, and charges that reflect the costs of providing the services rendered and that are fair, equitable, and defensible. The basis for establishing water service rates, fees, and charges has traditionally been ~~cost-of-service~~ principles and methodologies.<sup>1</sup> ~~At the same time, t~~ Under principles established in California law, he ~~courts have historically recognized that public entities the District can take into account~~ factors ~~other than the cost of service when establishing rates (e.g., such as~~ conservation, water use efficiency ~~use~~, ability to pay, and ~~accrual of prudent reserves when determining the costs of providing District water service, etc.).~~ The people of California law, however, have also imposes established certain legal constraints on setting water service rates, fees, and charges pursuant to Propositions 218 and Proposition 26 (Articles XIII C and XIII D of the California State Constitution), the Proposition 218 Omnibus Implementation Act (Government Code sections 53750 and following), and the Mitigation Fee Act (Government Code sections 66000 and following). Therefore, this policy has been developed to provide guidance for District financial planning and the ~~rate-setting~~ decision-making process for the Board of Directors and staff. This policy also provides a foundation for the long-term financial sustainability of the District, while providing ~~the rate payers~~ ratepayers and ~~the~~ outside financial community with a better understanding of ~~the District's commitment to managing the District in a financially prudent and sustainable manner.~~ how District water rates, fees, and charges are determined.

**200.00 Policy**

The District's water service rates, fees, and charges will be reviewed annually to confirm sufficient funding and to assess the need for adjustments to reflect inflation, construction needs, maintain bond covenants, and/or to avoid ~~immediate or~~ major rate adjustments resulting from the lack of regular analysis and planning.

**200.10. Water Service Rates.** The District will establish water service rates, ~~fees, and charges~~ using "generally accepted" ~~rate-setting and costing methodologies, which includes compliance with applicable legal requirements including Proposition 218 and the Proposition 218 Omnibus Implementation Act, including establishing appropriate cost bases for any existing or future water service rates, fees, and charges structure~~

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

~~imposed or proposed to be imposed on District ratepayers, and in compliance with California law.~~ The analyses associated with “generally accepted” rate-setting methodologies include the following:

- A. Revenue Requirement Analysis – Establishes the level of financial resources required to prudently administer District operations and programs, and to maintain, repair, improve, and replace requirements of the District water service facilities. In developing the District’s revenue requirements for current and forecasted future operations of the District, the District Board and staff will consider the following:
1. The Revenue requirements, including anticipated external funding, will include adequate funding for all District programs, operations, and maintenance expenses, applicable taxes/transfer payments, debt service (P&I), and capital improvements funded from rates.
  2. Revenues and costs will be projected annually, at a minimum, for a ~~three~~<sup>[H2]</sup> year period (the proposed budget year plus two additional projected years).
  3. Projections of ~~O~~Operations and & Maintenance (O&M) costs should include any estimated incremental O&M costs associated with increased service levels or future capital improvements.
  4. Annually, the District will fund, through its water service rates, fees, and charges, an amount to adequately maintain the existing infrastructure of the District. The District will fund selected capital projects based on the District’s Capital Asset Replacement Management Plans and the Water System Master Plan.
  5. ~~The level of any proposed adjustment(s) will reflect all costs (direct, indirect and costs of administration), such that rates, fees, and charges will be cost based and provide for full cost recovery of providing water services to customers and to other local water retailers.~~ The level of any proposed increase in rates, fees, or charges will be based on the full cost of providing water service to retail and wholesale customers and other local retailers.
- B. Cost of Service Analysis – Determines the equitable allocation of ~~costs (the 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 various customer classifications of service.
  2. The District will utilize generally-accepted methodologies in this analysis, but that are “generally accepted” by the industry (e.g. American Water Works Association) and will also consider the specific circumstances and unique characteristics of the District.
- C. Rate Design Analysis – The District will design rates to collect the required level of revenue taking into consideration the following:

1. Rate designs will be reflective of the customers served base, District needs, and ~~also reflect~~ the policy goals ~~set by~~ of the Board of Directors.
2. Rates will be set to recover ~~all the~~ costs of delivering water, by to different customer classes sifications (e.g. single family, multi-family, or commercial, etc).
3. Rates will be designed to be equitable for the service provided ~~(e.g., private fire protection, multi-family services, etc)~~.
4. Rates will be set in a manner that is that are easy for customers to understand and for the District to administer.
5. It ~~will shall~~ be the policy of the ~~District and the~~ Board of Directors to set rates at the lowest responsible rate level.
6. If ~~it is determined by the Board of Directors that~~ revenue generated exceeds planned expenditures, ~~(including planned reserve requirements increases)~~, rates can be adjusted downward reduced by the Board of Directors.

**200.20. Fees and Charges Analysis.** ~~The District maintains various fees and charges to recover the costs of providing certain services or facilities to specific customers or users. Fees and charges must comply with applicable legal requirements, including Proposition 26 and the Mitigation Fee Act. A fee or charge will be developed when:~~ 1) ~~where a specific customer or user can be identified,~~ 2) ~~the amount of the fee cost and the service for which it is being charged can be determined with reasonable accuracy,~~ and 3) ~~to encourage or discourage certain behavior,~~ and 4) ~~to enhance equity by minimizing subsidization of services it is necessary to encourage or discourage certain behavior.~~ The District will set fees and charges that reflect the goals, objectives, and policies of the Board of Directors and take into consideration the following principles:

1. Beneficiaries of a service should pay for that service.
2. Services provided for the benefit of a specific individual, or group class requiring District services other than ordinary water service, or business should not be paid from general water rate revenues to avoid subsidies from ratepayers for special benefits.
3. The level of fees and charges should be related to the cost of providing the service consistent with legal requirements.
1. The cost of administering a service should not exceed the revenues. [JH3]

### **300.00 Revenue Diversification**

The District has limited ability for revenue diversification. Where possible, the District will explore additional revenue sources such as water banking, water transfers, and grants, ~~developer contributions,~~ [JH4] etc.

### **400.00 Reviews and Updates**

The financial ~~rate~~ performance of the District will be closely monitored to maintain adequate rates, fees, and charges adequate to finance District operations through:

- A. Annual Reviews - District water service rates, fees, and charges will be reviewed annually as part of the budget process to determine the adequacy of revenues to cover the planned expenditures and to ~~meet-comply with this the p~~olicies set forth herein.
- B. Comprehensive Studies — ~~The District water service rates, fees, and charges studies will be conducted~~ studies of its water service rates and fees and charges, at least a minimum, every five years to update assumptions, ensure that rates, fees and charges reflect the costs of service and are sufficient to fund District operations, and plan for the long-term solvency and viability of the District.

**500.00**

**Authority**

The General Manager and Director of Finance and Administration are responsible for ~~adherence to~~complying with this policy and ~~to the~~for regular reporting to the Board of Directors of the District’s financial status. ~~Oversight by the Board of Directors will be accomplished through regular reporting of financial status and review of this Policy.~~

**600.00**

**Policy Review**

This Policy will be reviewed by the Board of Directors at least biennially.

Sacramento Suburban Water District

**Water Service Rates, Fees, and Charges Setting Policy**

Adopted: September 15, 2014  
Approved with Changes: November 16, 2020

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**100.00 Purpose of the Policy**

The Sacramento Suburban Water District is required to establish water service rates, fees, and charges that reflect the costs of providing the services rendered and that are fair, equitable, and defensible. The basis for establishing water service rates, fees, and charges has traditionally been cost-of-service principles and methodologies.<sup>1</sup> Under principles established in California law, the District can take into account factors such as conservation, water use efficiency, ability to pay, and accrual of prudent reserves when determining the costs of providing District water service. California law, however, also imposes certain legal constraints on setting water service rates, fees and charges pursuant to Propositions 218 and Proposition 26 (Articles XIII C and XIII D of the California State Constitution), the Proposition 218 Omnibus Implementation Act (Government Code sections 53750 and following), and the Mitigation Fee Act (Government Code sections 66000 and following). Therefore, this policy has been developed to provide guidance for District financial planning and the rate-setting process for the Board of Directors and staff. This policy also provides a foundation for the long-term financial sustainability of the District, while providing ratepayers and the outside financial community with a better understanding of how District water rates, fees, and charges are determined.

**200.00 Policy**

The District's water service rates, fees, and charges will be reviewed annually to confirm sufficient funding and to assess the need for adjustments to reflect inflation, construction needs, maintain bond covenants, and/or to avoid major rate adjustments resulting from the lack of regular analysis and planning.

**200.10 Water Service Rates.** The District will establish water service rates using generally accepted rate-setting and costing methodologies, which includes compliance with applicable legal requirements including Proposition 218 and the Proposition 218 Omnibus Implementation Act. The analyses associated with generally accepted rate-setting methodologies include the following:

- A. Revenue Requirement Analysis – Establishes the level of financial resources required to prudently administer District operations and programs, and to maintain, repair, improve, and replace District water service facilities. In

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

developing the District's revenue requirement for current and forecasted future operations of the District, the District will consider the following:

1. Revenue requirements, including anticipated external funding will include all District programs, operations, and maintenance expenses, applicable taxes/transfer payments, debt service (P&I), and capital improvements funded from rates.
2. Revenues and costs will be projected annually, at a minimum, for a three-year period (the proposed budget year plus two additional projected years).
3. Projections of operations and maintenance (O&M) costs should include any estimated incremental O&M costs associated with increased service levels or future capital improvements.
4. Annually, the District will fund, through its water service rates, fees, and charges, an amount to adequately maintain the existing infrastructure of the District. The District will fund selected capital projects based on the District's Capital Asset Replacement Management Plans and the Water System Master Plan.
5. The level of any proposed increase in rates, fees, or charges will be based on the full cost of providing water service to retail and wholesale customers.

B. Cost of Service Analysis – Determines the equitable allocation of the revenue requirement between the various customer groups.

1. When possible, a cost of service study will be utilized to equitably allocate District costs to the various customer classes.
2. The District will utilize generally-accepted methodologies in this analysis, but will also consider the specific circumstances and unique characteristics of the District.

C. Rate Design Analysis – The District will design rates to collect the required level of revenue taking into consideration the following:

1. Rate designs will be reflective of the customers served, District needs, and the policy goals set by the Board of Directors.
2. Rates will be set to recover the costs of delivering water to different customer classes (e.g. single family, multi-family, or commercial).
3. Rates will be designed to be equitable for the service provided.
4. Rates will be set in a manner that is easy for customers to understand and for the District to administer.
5. It shall be the policy of the Board of Directors to set rates at the lowest responsible level.
6. If revenue generated exceeds planned expenditures, including planned reserve requirements, rates can be reduced by the Board of Directors.

**200.20 Fee and Charge Analysis.** The District maintains various fees and charges to recover the costs of providing certain services or facilities to specific customers or users. Fees



and charges must comply with applicable legal requirements, including Proposition 26 and the Mitigation Fee Act. A fee or charge will be developed when a specific customer or user can be identified, the amount of the fee and the service for which it is being charged can be determined with reasonable accuracy, and it is necessary to encourage or discourage certain behavior. The District will set fees and charges that reflect the goals, objectives, and policies of the Board of Directors and take into consideration the following principles:

1. Beneficiaries of a service should pay for that service.
2. Services provided for the benefit of a specific individual or class requiring District services other than ordinary water service should not be paid from general water rate revenues to avoid subsidies from ratepayers for special benefits.
3. The level of fees and charges should be related to the cost of providing the service consistent with legal requirements.

**300.00 Revenue Diversification**

The District has limited ability for revenue diversification. Where possible, the District will explore additional revenue sources such as water banking, water transfers, and grants.

**400.00 Reviews and Updates**

The financial performance of the District will be closely monitored to maintain rates, fees, and charges adequate to finance District operations through:

- A. Annual Reviews - District water service rates, fees, and charges will be reviewed annually as part of the budget process to determine the adequacy of revenues to cover the planned expenditures and to comply with this Policy.
- B. Comprehensive Studies – The District will conduct studies of its water service rates and fees and charges at least every five years to update assumptions, ensure that rates, fees and charges reflect the costs of service and are sufficient to fund District operations, and plan for the long-term solvency and viability of the District.

**500.00 Authority**

The General Manager and Director of Finance and Administration are responsible for complying with this policy and for regular reporting to the Board of Directors of the District's financial status.

**600.00 Policy Review**

This Policy will be reviewed by the Board of Directors at least biennially.