

**BOARD MEETING AGENDA
SPECIAL MEETING OF THE BOARD OF DIRECTORS OF
CITRUS HEIGHTS WATER DISTRICT (CHWD)
FEBRUARY 21, 2024 beginning at 6:00 PM**

**DISTRICT ADMINISTRATIVE OFFICE
6230 SYLVAN ROAD, CITRUS HEIGHTS, CA**



PHONE CALL IN: (669) 444-9171

PHONE MEETING ID: 864 7584 3377

COMPUTER AUDIO/LIVE MEETING PRESENTATIONS: <https://us06web.zoom.us/j/86475843377>

In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the General Manager at (916) 725-6873. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Members of the public may attend the meeting in person at the District headquarters or remotely through the phone number and link above.

Materials related to an agenda item for an open session of a regular meeting of the Citrus Heights Water District are posted on the Citrus Heights Water District website at www.chwd.org.

CALL TO ORDER:

Upon request, agenda items may be moved to accommodate those in attendance wishing to address that item. Please inform the General Manager.

ROLL CALL OF DIRECTORS:

PUBLIC COMMENT:

CLOSED SESSION:

CL-1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of Litigation pursuant to Government Code, section 54956.9(d)(4):
(2 cases)

CL-2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Government Code, section 54956.9(d)(1)

Name of case: *Citrus Heights Water District, et al. v. San Juan Water District, et al.*,
Sacramento Superior Court Case No. 23WM000080

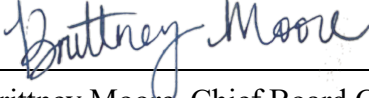
FUTURE CHWD BOARD OF DIRECTORS MEETING DATES:

February 21, 2024 6:30 PM Regular Meeting

ADJOURNMENT:

CERTIFICATION:

I do hereby declare and certify that this agenda for this Special Meeting of the Board of Directors of the Citrus Heights Water District was posted in a location accessible to the public at the District Administrative Office Building, 6230 Sylvan Road, Citrus Heights, CA 95610 at least 24 hours prior to the special meeting in accordance with Government Code Section 54956.



Brittney Moore, Chief Board Clerk

Dated: February 15, 2024

**BOARD MEETING AGENDA
REGULAR MEETING OF THE BOARD OF DIRECTORS OF
CITRUS HEIGHTS WATER DISTRICT (CHWD)
FEBRUARY 21, 2024 beginning at 6:30 PM**



**DISTRICT ADMINISTRATIVE OFFICE
6230 SYLVAN ROAD, CITRUS HEIGHTS, CA**

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CALL TO ORDER:

Upon request, agenda items may be moved to accommodate those in attendance wishing to address that item. Please inform the General Manager.

ROLL CALL OF DIRECTORS:

PLEDGE OF ALLEGIANCE:

VISITORS:

PUBLIC COMMENT:

The Public shall have the opportunity to directly address the Board on any item of interest to the public before or during the Board's consideration of that item pursuant to Government Code Section 54954.3. Public comment on items of interest within the jurisdiction of the Board is welcome. The Presiding Officer will limit comments to three (3) minutes per speaker.

(A) Action Item

(D) Discussion Item

(I) Information Item

CONSENT CALENDAR: (I/A)

All items under the Consent Calendar are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless a member of the Board, Audience, or Staff requests a specific item be removed for separate discussion/action before the motion to approve the Consent Calendar.

CC-1a. Minutes of the Special Meeting –January 17, 2024 (A)

CC-1b. Minutes of the Regular Meeting – January 17, 2024 (A)

CC-1c. Minutes of the Special Meeting – February 8, 2024 (A)

Recommendation:

Approve the minutes of the January 17, 2024 Special and Regular Meetings, and February 8, 2024 Special Meeting.

- CC-2. Revenue Analysis Report for January 2024 (I)
- CC-3. Assessor/Collector's Roll Adjustment for January 2024 (I)
- CC-4. Treasurer's Report for January 2024 (I)
- CC-5. Treasurer's Report of Fund Balances for January 2024 (I)
- CC-6. Operating Budget Analysis for January 2024 (I)
- CC-7. Capital Projects Summary for January 2024 (I)
- CC-8. Warrants for January 2024 (I)
- CC-9. Purchase Card Distributions for January 2024 (I)
- CC-10. Employee Recognitions (I)
- CC-11. Long-Range Agenda (I)
- CC-12. Engineering Department Report (I)
- CC-13. Operations Department Report (I)
- CC-14. 2024 Water Supply (I)
- CC-15. Water Supply Reliability (I)
- CC-16. Water Efficiency and Safety Program Update (I)
- CC-17. Discussion and Possible Action to Approve a Professional Services Agreement with KASL Consulting Engineers, Inc.(A)

Recommendation:

Approve the Professional Services Agreement with KASL Consulting Engineers, Inc. and authorize the General Manager to execute the agreement.

- CC-18. Discussion and Possible Action to Adopt New Policy 1045.00: Filming and Photographing at District Locations and Amend Policy 10102.00 Social Media Usage and Content Moderation (A)

Recommendation:

Adopt the new proposed Policy 1045.00: Filming and Photographing at District Locations and approve amendments to Policy 10102.00: Social Media Usage and Content Moderation.

- CC-19. Discussion and Possible Action to Adopt Resolution 03-2024 Changing the Date for Regular Meetings of the Board of Directors (A)

Recommendation:

Adopt Resolution 03-2024 changing the date of the Regular Meeting of the Board of Directors to the fourth Tuesday of each month.

PRESENTATIONS:

- P-1. Resolution Recognizing the Life and Service of Jason Tupper (A)

Recommendation:

Approve Resolution 01-2024 recognizing the life of Jason Tupper and his contributions to the Citrus Heights Water District and the Community of Citrus Heights.

PUBLIC HEARINGS:

None.

STUDY SESSION:

None.

BUSINESS:

- B-1. Presentation Regarding Investment of District Funds and Discussion and Possible Action to Approve Updates to Policy 6200.00 Operating Reserve, 6210.00 Operating Fund, 6255.00 Water Main Replacement Reserve and 6300.00 Investment of District Funds and Adoption of Resolution 02-2024 Updating Authorizing Investment of Funds in the Local Agency Investment Fund (LAIF) (A)

Recommendations:

Approve updates to the District's Policy 6200.00, 6210.00 & 6255.00 related to the District's Reserves policy and 6300.00 Investments of District Funds policy; and adopt Resolution R02-2024 authorizing investment of funds in the Local Agency Investment Fund (LAIF).

MANAGEMENT SERVICES REPORTS (I):

None.

CONSULTANTS' AND LEGAL COUNSEL'S REPORTS (I):

None.

DIRECTOR'S AND REPRESENTATIVE'S REPORTS (I):

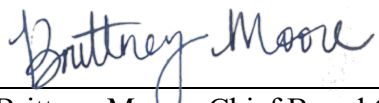
- D-1. Regional Water Authority (Sheehan/Straus).
- D-2. Sacramento Groundwater Authority (Sheehan).
- D-3. San Juan Water District (All).
- D-4. Association of California Water Agencies (Riehle/Wheaton).
- D-5. ACWA Joint Powers Insurance Authority (Wheaton/Moore).
- D-6. City of Citrus Heights (Pieri).
- D-7. Chamber of Commerce Update (Riehle).
- D-8. RWA Legislative and Regulatory Affairs Update (Nunes/Scott).
- D-9. Customer Advisory Committee (Riehle/Moore).
- D-10. Other Reports.

CLOSED SESSION:

None.

ADJOURNMENT:**CERTIFICATION:**

I do hereby declare and certify that this agenda for this Regular Meeting of the Board of Directors of the Citrus Heights Water District was posted in a location accessible to the public at the District Administrative Office Building, 6230 Sylvan Road, Citrus Heights, CA 95610 at least 72 hours prior to the Regular meeting in accordance with Government Code Section 54954.2.



Brittney Moore, Chief Board Clerk

Dated: February 15, 2024

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING MINUTES
January 17, 2024

The Special Meeting of the Board of Directors was called to order at 6:02 p.m. by President Sheehan.
Present were:

Caryl F. Sheehan, President
David C. Wheaton, Vice President
Raymond A. Riehle, Director

Also Present:

Steve Anderson, General Counsel
Annie Liu, Director of Administrative Services
Brittney Moore, Administrative Services Manager/Chief Board Clerk
Josh Nelson, Assistant General Counsel
Hilary Straus, General Manager

PUBLIC COMMENT:

None.

President Sheehan adjourned the meeting to Closed Session at 6:02 p.m.
President Sheehan adjourned the meeting back to Open Session at 6:17 p.m.

CLOSED SESSION:

CL.1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Initiation of Litigation pursuant to Government Code, section 54956.9(d)(4):
(2 cases)

No reportable action.

CL-2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Government Code, section 54956.9(d)(1)
Name of case: *Citrus Heights Water District, et al. v. San Juan Water District, et al.*,
Sacramento Superior Court Case No. 23WM000080

No reportable action.

ADJOURNMENT:

There being no other business to come before the Board, the meeting was adjourned at 6:24 p.m.

APPROVED:

BRITTNEY C. MOORE
Chief Board Clerk
Citrus Heights Water District

CARYL F. SHEEHAN, President
Board of Directors
Citrus Heights Water District

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES
January 17, 2024

The Regular Meeting of the Board of Directors was called to order at 6:31 p.m. by President Sheehan and roll was called. Present were:

Caryl F. Sheehan, President
David C. Wheaton, Vice President
Raymond A. Riehle, Director

Also Present:

Tamar Dawson, Assistant Engineer
Annie Liu, Director of Administrative Services
Brittney Moore, Administrative Services Manager/Chief Board Clerk
Josh Nelson, Assistant General Counsel
Melissa Pieri, Director of Engineering/ District Engineer
Rebecca Scott, Director of Operations
Kayleigh Shepard, Management Analyst/Deputy Board Clerk
Hilary Straus, General Manager

Laura Mason-Smith, Facilitator
Dane Wadle, California Special District Association
Pat West, Facilitator

VISITORS:

Paul Dietrich
Nick Spiers

PLEDGE OF ALLEGIANCE:

President Sheehan led the Pledge of Allegiance.

PUBLIC COMMENT:

None.

CONSENT CALENDAR:

- CC-1a. Minutes of the Special Meeting – December 18, 2023 (A)
- CC-1b. Minutes of the Special Meeting – December 20, 2023 (A)
- CC-1c. Minutes of the Regular Meeting – December 20, 2023 (A)

Recommendation:

Approve the minutes of the December 18, 2023 Special Meeting, and the minutes of the December 20, 2023 Special and Regular Meetings.

- CC-2. Revenue Analysis Report for December 2023 (I)

- CC-3. Assessor/Collector's Roll Adjustment for December 2023 (I)
- CC-4. Treasurer's Report for December 2023 (I)
- CC-5. Treasurer's Report of Fund Balances for December 2023 (I)
- CC-6. Operating Budget Analysis for December 2023 (I)
- CC-7. Capital Projects Summary for December 2023 (I)
- CC-8. Warrants for December 2023 (I)
- CC-9. Purchase Card Distributions for December 2023 (I)
- CC-10. Employee Recognitions (I)
- CC-11. Long-Range Agenda (I)
- CC-12. Engineering Department Report (I)
- CC-13. Operations Department Report (I)
- CC-14. 2023 Water Supply (I)
- CC-15. Water Supply Reliability (I)
- CC-16. Water Efficiency and Safety Program Update (I)
- CC-17. Discussion and Possible Action to Approve a Professional Services Agreement with Area West Engineers, Inc. (A)

Recommendation:

Approve the professional services agreement with Area West Engineers, Inc., and authorize the General Manager to execute the agreement.

ACTION:

Director Riehle moved, and Vice President Wheaton seconded the motion to approve the consent calendar.

The motion carried 3-0 with all Directors voting yes.

PRESENTATIONS:

- P-1. CSDA Presentation (I/D)

PUBLIC HEARINGS:

None.

STUDY SESSION:

None.

BUSINESS:

- B-1. 2023 Strategic Plan Update and 2024 Strategic Plan Preview (A)

ACTION:

Vice President Wheaton moved, and Director Riehle seconded the motion to adopt the amended 2024 Strategic Plan incorporating the proposed decision-making principles.

The motion carried 3-0 with all Directors voting yes.

- B-2. Discussion and possible action to approve a Merit-Based salary adjustment for the General Manager (A)

ACTION:

Vice President Wheaton moved, and Director Riehle seconded the motion to approve the proposed salary adjustments for the General Manager.

The motion carried 3-0 with all Directors voting yes.

MANAGEMENT SERVICES REPORTS (I):

None.

CONSULTANTS' AND LEGAL COUNSEL'S REPORTS (I):

None.

DIRECTOR'S AND REPRESENTATIVE'S REPORTS (I):

- D-1. Regional Water Authority (Sheehan/Straus).
- D-2. Sacramento Groundwater Authority (Sheehan).
- D-3. San Juan Water District (All).
- D-4. Association of California Water Agencies (Riehle/Wheaton).
- D-5. ACWA Joint Powers Insurance Authority (Wheaton/Moore).
- D-6. City of Citrus Heights (Pieri).
- D-7. Chamber of Commerce Update (Riehle).
- D-8. RWA Legislative and Regulatory Affairs Update (Nunes/Scott).
- D-9. Customer Advisory Committee (Riehle/Moore).
- D-10. Other Reports.

CLOSED SESSION:

None.

ADJOURNMENT:

There being no other business to come before the Board, the meeting was adjourned at 8:03 p.m.

APPROVED:

BRITTNEY C. MOORE
Chief Board Clerk
Citrus Heights Water District

CARYL F. SHEEHAN, President
Board of Directors
Citrus Heights Water District

CITRUS HEIGHTS WATER DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING MINUTES
February 8, 2024

The Special Meeting of the Board of Directors was called to order at 6:36 p.m. by President Sheehan.
Present were:

Caryl F. Sheehan, President
David C. Wheaton, Vice President
Raymond A. Riehle, Director

Also Present:

Steve Anderson, General Counsel
Annie Liu, Director of Administrative Services
Josh Nelson, Assistant General Counsel
Kayleigh Shepard, Management Analyst/Deputy Board Clerk
Hilary Straus, General Manager

PUBLIC COMMENT:

None.

President Sheehan adjourned the meeting to Closed Session at 6:36 p.m.

CLOSED SESSION:

CL-1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Initiation of Litigation pursuant to Government Code, section 54956.9(d)(4):
(1 case)

The Board voted 3-0 in closed session to initiate litigation, and that the action, the defendants, and the other particulars shall, once formally commenced, be disclosed to any person upon inquiry, unless to do so would jeopardize the agency's ability to effectuate service of process on one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.

ADJOURNMENT:

There being no other business to come before the Board, the meeting was adjourned at 7:12 p.m.

APPROVED:

BRITTNEY C. MOORE
Chief Board Clerk
Citrus Heights Water District

CARYL F. SHEEHAN, President
Board of Directors
Citrus Heights Water District

CITRUS HEIGHTS WATER DISTRICT
JANUARY 2024
REVENUE ANALYSIS

CC-02

Outstanding Receivables

Aged Trial Balance					
Total	Current	31-90	91-150	>150	Unapplied Current
1,748,123	1,362,459	139,308	88,993	263,321	105,958

General Ledger Balance	Total
Outstanding A/R	1,810,976
Outstanding Liens	-
Outstanding Grants	-
A/R Other	
Less Unapplied Payments	(107,911)
Total	\$1,502,805.00

**CITRUS HEIGHTS WATER DISTRICT
ASSESSOR/COLLECTOR'S ROLL ADJUSTMENTS FOR
January 31, 2024**

LID	CID	Charge Type	Trans.Date	Reason For Cancellation	Amount
11074	29773	DEFAULT	1/2/2024	ONE TIME COURTESY	7.10
9737	8644	DEFAULT	1/2/2024	ONE TIME COURTESY	8.41
1136	42947	DEPOSIT	1/11/2024	OWNER CHANGED MIND-DOESNT WANT TO BILL	224.00
10070	30059	NSF	1/9/2024	CUSTOMER REVERSED CHARGEBACK-PAYMENT RE	33.00
5000	4464	DEPOSIT	1/2/2024	ONE TIME COURTESY	8.83
6621	5908	DEFAULT	1/17/2024	ONE TIME COURTESY	7.62
15459	17580	DEFAULT	1/17/2024	ONE TIME COURTESY	6.90
8443	7555	DEFAULT	1/17/2024	ONE TIME COURTESY	6.12
190	42247	DEFAULT	1/17/2024	ONE TIME COURTESY	6.12
242	36142	DEFAULT	1/17/2024	ONE TIME COURTESY	7.83
19586	40737	DEFAULT	1/17/2024	ONE TIME COURTESY	6.57
482	4568	DEFAULT	1/17/2024	ONE TIME COURTESY	6.69
4172	3725	DEFAULT	1/17/2024	ONE TIME COURTESY	6.69
16250	36431	DEFAULT	1/17/2024	ONE TIME COURTESY	6.69
13399	11896	DEFAULT	1/23/2024	ONE TIME COURTESY	7.98
13856	18150	DEFAULT	1/23/2024	ONE TIME COURTESY	6.83
15091	41922	DEFAULT	1/23/2024	ONE TIME COURTESY	6.48
4995	24821	DEFAULT	1/2/2024	INVOICE CLOUD AUTOMATCH ERROR	8.55
9709	42676	DEFAULT	1/2/2024	ONE TIME COURTESY	7.40
16869	14864	DEFAULT	1/2/2024	ONE TIME COURTESY	8.76
11549	30144	DEFAULT	1/2/2024	ONE TIME COURTESY	3.73
17443	32323	DEFAULT	1/2/2024	ONE TIME COURTESY	6.40
					\$ 398.70

February 21, 2024

To: Citrus Heights Water District Board of Directors

Re: Citrus Heights Water District Investment Portfolio Report for February 21, 2024

The attached Investment Report for February 21, 2024 is submitted in accordance with the Citrus Heights Water District (District)'s Investment Policy. All investments are in compliance with the policy.

The Investment Report lists all short- term, mid-term and long-term investments held at the conclusion of business on the final day of the month. The combined cash and investments in the District's treasury total \$29,252,922 with \$8,978,654 under the management of the Local Agency Investment Fund, California Asset Management Program, Money Market Funds and BMO Bank.

Investments with original cost of \$20,274,269 are selected based on criteria contained in the District's Investment Policy, which emphasized safety, liquidity, yield, and diversification. The core investments are marked to market daily based on a current market price determined by U.S. Bancorp Investments. The aggregate investment portfolio and holdings are included in the Investment Report.

The Investment Report demonstrates that sufficient liquidity is available to meet anticipated expenditures during the next six months.

Respectfully submitted,



Annie Y. Liu

Director of Administrative Services/Treasurer

TREASURER'S REPORT TO THE BOARD OF DIRECTORS
For JANUARY 31, 2024


Summary of Funds

Fund Name	Par Amount	Book Value	Original Cost	Market Value
BMO Checking Plus Money Market Funds	2,626,644	2,626,644	2,626,644	2,626,644
Local Agency Investment Fund (LAIF)	687,882	687,882	687,882	687,882
California Asset Management Program (CAMP)	5,664,127	5,664,127	5,664,127	5,664,127
CHWD Investment CORE	20,781,455	20,370,748	20,274,269	20,521,706
Total	29,760,109	29,349,402	29,252,922	29,500,359

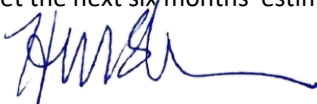
TREASURER'S REPORT TO THE BOARD OF DIRECTORS For January, 2024 Funds Reconciliation

BMO Beginning Balance 1/1/2024		\$3,803,022
RECEIPTS/TRANSFERS:		
Receipts	3,105,576	
		<u>3,105,576</u>
DISBURSEMENTS/TRANSFERS:		
Checks Issued / ACH Payments	3,676,025	
Returned Checks	1,883	
Payroll	604,045	
		<u>4,281,953</u>
		<u>(1,176,377)</u>
Balance Per Bank 1/31/2024		<u>2,626,644</u>
Outstanding Checks		(144,022)
Deposit in Transit		<u>107,786</u>
Balance Per Books 1/31/2024		<u>\$2,590,408</u>
RECONCILEMENT:		
BMO Checking Plus Money Market Funds		\$2,626,644
CAMP Pool Account		\$5,664,127
Local Agency Investment Fund		\$687,882
		<u></u>
TOTAL LIQUIDY BALANCE		<u>\$8,978,654</u>
CASH & INVESTMENT SUMMARY:		
CHWD-Liquidity		8,978,654
CHWD-Investment Core		<u>20,274,269</u>
Total		<u>29,252,922</u>

I certify that this report accurately reflects all pooled investments and is in compliance with applicable State of California Government Codes and is in conformity with Investment of District Funds Policy 6300. As Treasurer of the Citrus Heights Water District, I hereby certify that sufficient investment liquidity and anticipated revenue are available to meet the next six months' estimated expenditures.



ANNIE Y. LIU
 Treasurer Signed:
 2/21/2024



HILARY M. STRAUS
 Secretary

Monthly Investment Report Citrus Heights Water District

January 31, 2024

Total Aggregate Portfolio

Citrus Heights Water District | Total Aggregate Portfolio

Month End Commentary - January 2024

Yields ended the first month of the year mixed as the two-year Treasury note finished five basis points lower at 4.21% while the ten-year note increased by three basis points to 3.91%. The swift move down in rates experienced over the past couple of months appears to have lost some momentum on surprisingly vibrant economic activity that occurred in the final month of 2023. Risk assets continued to climb higher, supporting those who believe in the January effect, as the S&P 500 index advanced by 1.6% during the month while reaching record highs along the way.

We were given our first look at economic growth for the final quarter of 2023 with the advance reading showing that real GDP grew at a 3.3% annualized pace beating expectations as growth decelerated from the torrid 4.9% rate experienced in the previous quarter. Consumption was robust, contributing to almost 2% of the final reading, while an unexpected rise in business inventories also contributed. Despite buoyant economic growth, inflation readings continued to trend lower as the core CPI index decelerated to an annual rate of 3.9% in December while the Fed preferred, core PCE gauge, fell to 2.9%. Both figures are still running in elevated territory and may have a difficult last leg to go, but the Fed is sure to welcome any continued progress towards their target.

The labor market didn't just remain resilient in January, it picked up steam as the economy added an eye-popping 353 thousand jobs to payrolls in what was the largest monthly gain in a year. Further, revisions to prior periods added an additional 117 thousand workers to December's advance. Wage growth was robust with average hourly earnings accelerating to a 4.5% annualized pace. However, some economists are cautioning that number may not be what it seems, as average weekly hours fell to a three-year low of 34.1 due to inclement weather experienced throughout a vast part of the US. Regardless, the report does not garner support for Fed officials to cut interest rates in March, or even May as some market participants have been forecasting.

We remain neutral on most spread products as credit spreads remain tight relative to historical averages and as supply in agency markets has dwindled. With that, one pocket of opportunity where we have been seeing value and healthy supply is in supranational markets. With the Fed expected to ease monetary policy in mid-2024, we continue to be constructive on duration and advise clients to be near or slightly long relative to their benchmark.

Treasury Curve Total Returns Last 12 Months

Treasuries	Total Return
3 month bill	5.13%
1 year note	4.78%
2 year note	3.22%
3 year note	3.08%
5 year note	2.08%

Treasury Benchmark Total Returns In Month

Benchmark	Period Return	YTM	Duration (Years)
ICE BAML 90 Day Bill	0.43%	5.34%	0.22
ICE BAML 0-1 Year Treasury	0.41%	5.13%	0.49
ICE BAML 0-3 Year Treasury	0.40%	4.58%	1.37
ICE BAML 0-5 Year Treasury	0.37%	4.38%	2.1

Changes In The Treasury Market (Absolute Yield Levels)

Treasuries	01/31/2023	11/30/2023	12/31/2023	01/31/2024	1 Month Change	12 Month Change
3 month bill	4.64%	5.39%	5.33%	5.36%	0.03%	0.72%
6 month bill	4.80%	5.40%	5.25%	5.19%	-0.05%	0.40%
2 year note	4.20%	4.68%	4.25%	4.21%	-0.04%	0.01%
3 year note	3.90%	4.44%	4.01%	3.98%	-0.03%	0.08%
5 year note	3.62%	4.27%	3.85%	3.84%	-0.01%	0.22%
10 year note	3.51%	4.33%	3.88%	3.91%	0.03%	0.41%

Compliance Report

Citrus Heights Water District | Total Aggregate Portfolio

Category

Policy Diversification Constraint	Policy Limit	Actual Value*	Status
US Treasury Obligations Maximum % of Holdings	100.000	19.380	Compliant
US Agency Securities Maximum % holdings	100.000	27.096	Compliant
Supranationals - Issuer is IADB, IBRD, or IFC	0.000	0.000	Compliant
Supranationals Maximum % of Holdings (NM only)	30.000	2.603	Compliant
Municipal Bonds - Other States Outside of CA	25.000	1.253	Compliant
Municipal Bonds - Other States Outside of CA Issuer Concentration	10.000	1.253	Compliant
Municipal Bonds - State of California	25.000	0.508	Compliant
Municipal Bonds - State of California Issuer Concentration	10.000	0.508	Compliant
Municipal Bonds CA Entities Issuer Concentration	10.000	0.765	Compliant
Municipal Bonds CA Entities Max. % of Holdings	30.000	3.023	Compliant
Mortgages, CMOs and Asset Backed Securities Maximum % of Holdings	20.000	5.556	Compliant
Corporate Notes & Commercial Paper Single Issuer %	10.000	1.727	Compliant
Corporate Notes Maximum % of Holdings	30.000	10.559	Compliant
Corporate Notes must be Issued by US Corporation	0.000	0.000	Compliant
Commercial Paper Issued and Operating in the US	0.000	0.000	Compliant
Commercial Paper Maximum % of Holdings	25.000	0.000	Compliant
Negotiable CDs Issuer Concentration	10.000	0.000	Compliant
Negotiable CDs Maximum % of Holdings	30.000	0.000	Compliant
Banker's Acceptance Issuer Concentration	30.000	0.000	Compliant
Banker's Acceptance Maximum % of Holdings	40.000	0.000	Compliant
Money Market Issuer Concentration	10.000	2.119	Compliant
Money Market Maximum % of Holdings	20.000	2.213	Compliant
LGIP Maximum % of Holdings	100.000	2.332	Compliant

1) Actual values are based on market value.

2) The compliance report allows for resolutions to be documented if an actual value exceeds a limit. The specific resolution can be found on the client portal site.

Compliance Report

Citrus Heights Water District | Total Aggregate Portfolio

Category

Policy Maturity Structure Constraint	Policy Limit	Actual %	Status
Maturity Constraints Under 5 years Minimum % of Total Portfolio	100.000	100.000	Compliant
Policy Maturity Constraint	Policy Limit	Actual Term	Status
US Treasury Maximum Maturity At Time of Purchase (years)	5.000	5.000	Compliant
US Agency Maximum Maturity At Time of Purchase (years)	5.000	4.992	Compliant
Supranationals Maximum Maturity At Time of Purchase (years)	5.000	4.934	Compliant
Municipals Maximum Maturity At Time of Purchase (years)	5.000	4.995	Compliant
Mortgages, CMOs and Asset Backed Securities Maximum Maturity At Time of Purchase (years)	5.000	4.565	Compliant
Corporate Maximum Maturity At Time of Purchase (years)	5.000	4.995	Compliant
Commercial Paper Days to Final Maturity (days)	270.000	0.000	Compliant
Negotiable CDs Maximum Maturity At Time of Purchase (years)	1.000	0.000	Compliant
Banker's Acceptance Maximum Maturity At Time of Purchase (days)	180.000	0.000	Compliant
Repurchase Agreements Maximum Maturity At Time of Purchase (days)	365.000	0.000	Compliant
Policy Credit Constraint			Status
Supranationals Ratings AA-/Aa3/AA- or better (Rated by 1 NRSRO)			Compliant
Municipal Bonds Ratings Minimum AA-/Aa3/AA- (Rated by 1 NRSRO)			Compliant
Mortgages, CMOs and Asset Backed Securities Minimum Credit Rating AA-/Aa3/AA (Rated by 1 NRSRO)			Compliant
Corporate Notes Ratings Minimum A-/A-/A3 (Rated by 1 NRSRO)			Compliant
Commercial Paper Ratings Minimum A1/P1/F1 (Rated by 1 NRSRO)			Compliant
Commercial Paper Minimum Long Term Rating A-/A3/A- (Rated by 1 NRSRO)			Compliant
Banker's Acceptance Ratings Minimum A-/A3/A- (Rated by 1 NRSRO)			Compliant
Money Market Ratings Minimum AAA/Aaa/AAA (Rated by 1 NRSRO)			Compliant

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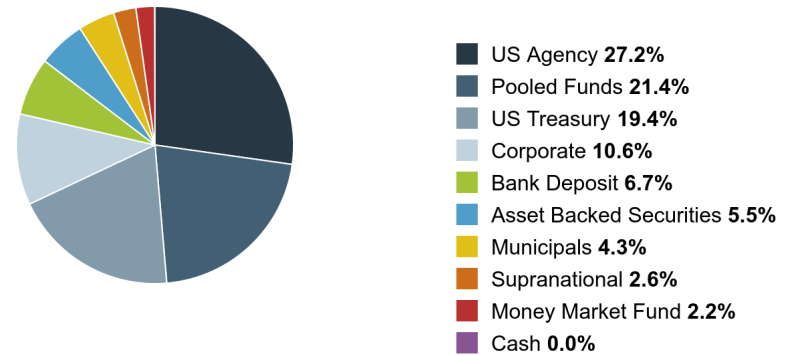
Summary Overview

Citrus Heights Water District | Total Aggregate Portfolio

Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	9,006,758.25
Investments	20,667,191.64
Book Yield	4.68%
Market Yield	4.71%
Effective Duration	1.56
Years to Maturity	1.69
Avg Credit Rating	AAA

Allocation by Asset Class



Strategic Structure

Account	Par Amount	Book Value	Original Cost	Market Value	Net Unrealized Gain (Loss)	Accrued	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
CHWD-Investment Core	20,781,455.04	20,370,748.11	20,274,268.74	20,521,705.85	150,957.73	173,590.43	4.90%	2.09	2.10	ICE BofA 0-5 Year US Treasury Index
CHWD-Liquidity	8,978,653.61	8,978,653.61	8,978,653.61	8,978,653.61	0.00	0.00	4.17%	0.01	0.07	ICE BofA US 1-Month Treasury Bill Index
Total	29,760,108.65	29,349,401.72	29,252,922.35	29,500,359.46	150,957.73	173,590.43	4.68%	1.56		



CHWD Holdings Report

As of 01/31/2024

CHWD_Total Portfolio (354503)

Dated: 02/08/2024

Identifier	Description	Final Maturity	Par Amount	Book Value	Original Cost	Market Value	Net Unrealized Gain/Loss	Accrued Balance	Book Yield	GPA Effective Duration, Years to Final Maturity
CHWD_CAMP	California Asset Management Program	01/31/2024	5,664,127.24	5,664,127.24	5,664,127.24	5,664,127.24	0.00	0.00	5.560	0.010 0.000
CAL_LGIP	CALIFORNIA LAIF	01/31/2024	687,881.94	687,881.94	687,881.94	687,881.94	0.00	0.00	3.929	0.010 0.000
60934N104	FEDERATED HRMS GV O INST	01/31/2024	625,226.26	625,226.26	625,226.26	625,226.26	0.00	0.00	5.220	0.000 0.000
CHWD_BMO_DE P	BMO Deposit	01/31/2024	2,001,418.17	2,001,418.17	2,001,418.17	2,001,418.17	0.00	0.00	0.000	---
31846V203	FIRST AMER:GVT OBLG Y	01/31/2024	27,598.92	27,598.92	27,598.92	27,598.92	0.00	0.00	4.950	0.000 0.000
CCYUSD	Receivable	01/31/2024	505.72	505.72	505.72	505.72	0.00	0.00	0.000	0.000 0.000
3130ATUQ8	FEDERAL HOME LOAN BANKS	03/08/2024	375,000.00	374,744.95	373,413.00	374,763.75	18.80	7,075.52	5.454	0.102 0.101
9128286R6	UNITED STATES TREASURY	04/30/2024	400,000.00	397,080.58	389,765.63	397,000.00	-80.58	2,299.45	5.354	0.244 0.246
912797JX6	UNITED STATES TREASURY	05/21/2024	625,000.00	615,108.69	614,838.93	615,131.25	22.56	0.00	5.353	0.298 0.304
9128286Z8	UNITED STATES TREASURY	06/30/2024	400,000.00	394,382.54	386,031.25	394,392.00	9.46	615.38	5.314	0.406 0.413
91282CFA4	UNITED STATES TREASURY	07/31/2024	350,000.00	345,760.17	342,972.66	346,363.50	603.33	28.85	5.530	0.487 0.498
3133EPDE2	FEDERAL FARM CREDIT BANKS FUNDING CORP	09/09/2024	400,000.00	400,211.04	400,424.00	400,880.00	668.96	8,480.56	5.276	0.578 0.608
3133EPVK8	FEDERAL FARM CREDIT BANKS FUNDING CORP	10/02/2024	400,000.00	399,523.35	399,244.00	400,788.00	1,264.65	6,941.67	5.440	0.641 0.671
91282CFX4	UNITED STATES TREASURY	11/30/2024	450,000.00	446,745.11	445,746.09	448,506.00	1,760.89	3,485.66	5.407	0.800 0.832
3130ATUR6	FEDERAL HOME LOAN BANKS	12/13/2024	350,000.00	348,502.85	347,474.75	349,401.50	898.65	2,158.33	5.144	0.835 0.868
91282CDS7	UNITED STATES TREASURY	01/15/2025	400,000.00	384,746.43	378,015.63	386,516.00	1,769.57	210.16	5.330	0.931 0.958
3130AV7L0	FEDERAL HOME LOAN BANKS	02/28/2025	300,000.00	300,063.16	300,099.00	300,939.00	875.84	6,375.00	4.975	1.015 1.077
3130AUZC1	FEDERAL HOME LOAN BANKS	03/14/2025	350,000.00	348,287.75	347,480.00	350,073.50	1,785.75	6,160.24	5.083	1.061 1.115
3135G03U5	FEDERAL NATIONAL MORTGAGE ASSOCIATION	04/22/2025	350,000.00	331,931.67	324,558.50	333,609.50	1,677.83	601.56	5.093	1.193 1.222
912828XB1	UNITED STATES TREASURY	05/15/2025	400,000.00	385,190.84	380,328.13	388,156.00	2,965.16	1,821.43	5.171	1.244 1.285
3133EPNB7	FEDERAL FARM CREDIT BANKS FUNDING CORP	06/20/2025	300,000.00	299,201.75	298,854.00	300,783.00	1,581.25	1,580.21	4.829	1.323 1.383
3133EPRS6	FEDERAL FARM CREDIT BANKS FUNDING CORP	07/28/2025	350,000.00	348,873.20	348,539.10	352,254.00	3,380.80	142.19	5.103	1.425 1.487
06428CAC8	BANK OF AMERICA NA	08/18/2025	250,000.00	249,968.88	249,960.00	253,025.00	3,056.12	6,395.49	5.658	1.358 1.545
89236TKZ7	TOYOTA MOTOR CREDIT CORP	09/11/2025	200,000.00	200,394.14	200,490.00	203,212.00	2,817.86	4,355.56	5.469	1.498 1.611
91282CFK2	UNITED STATES TREASURY	09/15/2025	300,000.00	294,747.93	292,769.53	295,968.00	1,220.07	4,009.62	4.649	1.536 1.621
17325FBA5	CITIBANK NA	09/29/2025	250,000.00	249,860.57	249,832.50	254,580.00	4,719.43	4,968.11	5.900	1.470 1.660
14041NGB1	COMET 2022-3 A	10/15/2025	200,000.00	199,376.71	199,156.25	200,630.00	1,253.29	440.00	5.196	1.600 1.704
3133EPMB8	FEDERAL FARM CREDIT BANKS FUNDING CORP	12/08/2025	300,000.00	297,426.09	296,577.00	298,947.00	1,520.91	1,821.88	4.621	1.755 1.851
89115A2K7	TORONTO-DOMINION BANK	01/09/2026	200,000.00	198,955.49	198,656.00	201,700.00	2,744.51	623.70	5.395	1.824 1.939
3133EPW68	FEDERAL FARM CREDIT BANKS FUNDING CORP	01/22/2026	500,000.00	497,799.16	497,790.00	498,160.00	360.84	515.63	4.360	1.875 1.975



CHWD Holdings Report

As of 01/31/2024

CHWD_Total Portfolio (354503)

Dated: 02/08/2024

Identifier	Description	Final Maturity	Par Amount	Book Value	Original Cost	Market Value	Net Unrealized Gain/Loss	Accrued Balance	Book Yield	GPA Effective Duration, Years to Final Maturity
91282CGL9	UNITED STATES TREASURY	02/15/2026	350,000.00	345,329.34	344,175.78	348,551.00	3,221.66	6,467.39	4.702	1.904 2.041
3133EPNV3	FEDERAL FARM CREDIT BANKS FUNDING CORP	03/30/2026	300,000.00	299,281.85	299,085.00	300,975.00	1,693.15	4,411.46	4.496	2.020 2.159
3133EPPR0	FEDERAL FARM CREDIT BANKS FUNDING CORP	04/10/2026	400,000.00	399,238.96	399,045.60	403,644.00	4,405.04	5,704.17	4.721	2.039 2.189
14913UAA8	CATERPILLAR FINANCIAL SERVICES CORP	05/15/2026	150,000.00	148,637.43	148,278.00	149,542.50	905.07	1,377.50	4.779	2.137 2.285
3133EPUD5	FEDERAL FARM CREDIT BANKS FUNDING CORP	05/28/2026	300,000.00	299,291.86	299,160.60	303,588.00	4,296.14	2,493.75	4.863	2.167 2.320
24422EWX3	JOHN DEERE CAPITAL CORP	06/08/2026	150,000.00	149,990.45	149,988.00	151,015.50	1,025.05	1,048.96	4.752	2.191 2.350
89239KAC5	TAOT 2022-A A3	06/15/2026	173,350.40	167,954.44	166,856.53	168,983.71	1,029.26	94.76	6.290	0.616 2.370
3133EPNG6	FEDERAL FARM CREDIT BANKS FUNDING CORP	06/23/2026	300,000.00	299,744.31	299,679.00	301,506.00	1,761.69	1,385.42	4.413	2.243 2.392
3133EPQC2	FEDERAL FARM CREDIT BANKS FUNDING CORP	07/17/2026	250,000.00	249,663.52	249,595.25	252,602.50	2,938.98	449.65	4.684	2.303 2.457
78016FZZ0	ROYAL BANK OF CANADA	07/20/2026	150,000.00	149,668.66	149,596.50	151,615.50	1,946.84	238.33	5.298	2.292 2.465
06051GLA5	BANK OF AMERICA CORP	07/22/2026	150,000.00	148,415.60	147,766.50	149,206.50	790.90	181.01	5.363	1.403 2.471
797272RN3	SAN DIEGO CALIF CMNTY COLLEGE DIST	08/01/2026	145,000.00	134,088.41	131,719.45	135,050.10	961.69	1,047.63	4.718	2.392 2.498
94988J6D4	WELLS FARGO BANK NA	08/07/2026	250,000.00	249,920.28	249,905.00	254,010.00	4,089.72	6,509.72	5.464	2.201 2.515
3133EPSW6	FEDERAL FARM CREDIT BANKS FUNDING CORP	08/14/2026	350,000.00	349,774.71	349,733.30	353,181.50	3,406.79	7,306.25	4.527	2.329 2.534
34533YAE0	FORDO 2020-C A4	08/15/2026	250,000.00	238,439.25	236,054.69	241,130.00	2,690.75	56.67	6.355	0.801 2.537
3130AWTQ3	FEDERAL HOME LOAN BANKS	09/11/2026	350,000.00	348,383.15	348,110.00	354,119.50	5,736.35	7,958.85	4.814	2.388 2.611
78016EZZ3	ROYAL BANK OF CANADA	11/02/2026	200,000.00	181,428.80	177,770.00	182,932.00	1,503.20	692.22	5.114	2.635 2.753
13067WRD6	CALIFORNIA ST DEPT WTR RES CENT VY PROJ REV	12/01/2026	165,000.00	147,485.30	145,063.05	149,838.15	2,352.85	253.00	5.028	2.737 2.832
17325FBC1	CITIBANK NA	12/04/2026	250,000.00	253,916.64	254,080.00	254,765.00	848.36	2,172.33	4.872	2.515 2.841
91282CJT9	UNITED STATES TREASURY	01/15/2027	500,000.00	498,266.54	498,261.72	499,885.00	1,618.46	934.07	4.125	2.757 2.956
912828Z78	UNITED STATES TREASURY	01/31/2027	375,000.00	344,750.92	339,667.97	348,810.00	4,059.08	15.45	4.438	2.885 3.000
3133ENV9	FEDERAL FARM CREDIT BANKS FUNDING CORP	04/26/2027	350,000.00	333,019.09	330,400.00	337,750.00	4,730.91	2,655.38	4.522	3.026 3.233
91412HFP3	UNIVERSITY CALIF REVS	05/15/2027	200,000.00	181,478.45	178,080.00	182,148.00	669.55	576.76	4.469	3.146 3.285
02582JIT8	AMXCA 2022-2 A	05/17/2027	200,000.00	194,453.51	193,437.50	196,370.00	1,916.49	301.33	5.692	1.233 3.290
254683CS2	DCENT 2022-2 A	05/17/2027	200,000.00	193,403.60	192,750.00	196,136.00	2,732.40	295.11	6.060	1.234 3.290
91282CEW7	UNITED STATES TREASURY	06/30/2027	300,000.00	291,263.98	289,699.22	293,298.00	2,034.02	857.14	4.187	3.186 3.411
7994082A6	SAN RAMON VALLEY CALIF UNI SCH DIST	08/01/2027	250,000.00	222,400.25	218,142.50	225,422.50	3,022.25	1,480.00	4.688	3.342 3.498
799038NS9	SAN MATEO CNTY CALIF CMNTY COLLEGE DIST	09/01/2027	220,000.00	196,679.17	192,810.20	199,309.00	2,629.83	1,344.75	4.768	3.402 3.583
65480BAD9	NAROT 2021-A A4	09/15/2027	200,000.00	185,679.95	183,296.88	189,218.00	3,538.05	50.67	5.977	1.364 3.621
91282CFM8	UNITED STATES TREASURY	09/30/2027	300,000.00	299,598.26	299,531.25	301,827.00	2,228.74	4,192.62	4.164	3.328 3.663



CHWD Holdings Report

As of 01/31/2024

CHWD_Total Portfolio (354503)

Dated: 02/08/2024

Identifier	Description	Final Maturity	Par Amount	Book Value	Original Cost	Market Value	Net Unrealized Gain/Loss	Accrued Balance	Book Yield	GPA Effective Duration, Years to Final Maturity
419792DB9	HAWAII ST	10/01/2027	200,000.00	192,315.52	191,052.00	194,256.00	1,940.48	2,233.33	4.514	2.817 3.665
89236TKL8	TOYOTA MOTOR CREDIT CORP	11/10/2027	150,000.00	153,016.42	153,498.00	155,358.00	2,341.58	1,839.38	4.850	3.356 3.775
12663JAC5	CNH 2022-B A3	11/15/2027	250,000.00	244,090.13	243,222.66	245,950.00	1,859.87	432.22	6.037	1.128 3.789
023135CP9	AMAZON.COM INC	12/01/2027	150,000.00	149,635.78	149,578.50	151,344.00	1,708.22	1,137.50	4.620	3.398 3.832
142921AD7	CARMX 2032-2 A3	01/18/2028	200,000.00	199,382.89	199,289.06	200,516.00	1,133.11	448.89	5.270	1.850 3.964
24422EWR6	JOHN DEERE CAPITAL CORP	01/20/2028	150,000.00	150,096.37	150,111.00	152,194.50	2,098.13	217.71	4.731	3.584 3.969
3133EPAV7	FEDERAL FARM CREDIT BANKS FUNDING CORP	02/14/2028	250,000.00	247,456.89	247,082.50	248,930.00	1,473.11	4,493.92	4.154	3.635 4.038
931142FB4	WALMART INC	04/15/2028	150,000.00	147,448.23	147,082.50	148,482.00	1,033.77	1,722.50	4.352	3.744 4.205
46647PDA1	JPMORGAN CHASE & CO	04/26/2028	150,000.00	145,609.14	144,790.50	147,580.50	1,971.36	1,711.19	5.145	2.948 4.235
91282CCE9	UNITED STATES TREASURY	05/31/2028	300,000.00	267,012.29	262,359.38	268,560.00	1,547.71	645.49	4.082	4.132 4.331
3130AWN63	FEDERAL HOME LOAN BANKS	06/30/2028	300,000.00	299,054.24	298,938.00	301,356.00	2,301.76	1,033.33	4.080	4.003 4.413
89115A2U5	TORONTO-DOMINION BANK	07/17/2028	150,000.00	151,089.20	151,221.00	154,266.00	3,176.80	322.18	5.335	3.920 4.460
419792YT7	HAWAII ST	08/01/2028	200,000.00	172,352.59	169,290.00	175,274.00	2,921.41	1,145.00	4.623	4.272 4.501
459058KW2	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	08/01/2028	500,000.00	509,652.38	509,670.00	512,455.00	2,802.62	8,029.51	4.150	3.976 4.501
3133EPUN3	FEDERAL FARM CREDIT BANKS FUNDING CORP	08/28/2028	350,000.00	352,233.53	352,439.50	357,339.50	5,105.97	6,693.75	4.328	4.034 4.575
45950VSM9	INTERNATIONAL FINANCE CORP	11/27/2028	250,000.00	254,798.07	254,912.50	255,580.00	781.93	2,000.00	4.056	4.276 4.824
3130AXQK7	FEDERAL HOME LOAN BANKS	12/08/2028	500,000.00	514,745.04	514,770.00	517,840.00	3,094.96	5,805.56	4.071	4.271 4.854
91282CDW8	UNITED STATES TREASURY	01/31/2029	425,000.00	382,125.04	382,101.56	384,110.75	1,985.71	20.43	3.997	4.705 5.000
---	---	10/08/2025	29,760,108.65	29,349,401.72	29,252,922.35	29,500,359.46	150,957.73	173,590.43	4.677	1.561 1.685

* Weighted by: Market Value. * Holdings Displayed by: Lot.

This report is for general informational purposes only and is not intended to provide specific advice or recommendations. Government Portfolio Advisors (GPA) is an investment advisor registered with the Securities and Exchange Commission and is required to maintain a written disclosure statement of our background and business experience.

Questions About an Account: GPA's monthly & quarterly reports are intended to detail the investment advisory activity managed by GPA. The custodial bank maintains the control of assets and settles all investment transactions. The custodial statement is the official record of security and cash holdings and transactions. GPA recognizes that clients may use these reports to facilitate record keeping and that the custodial bank statement and the GPA report should be reconciled, and differences documented.

Trade Date versus Settlement Date: Many custodial banks use settlement date basis and post coupons or maturities on the following business days when they occur on weekend. These items may result in the need to reconcile due to a timing difference. GPA reports are on a trade date basis in accordance with GIPS performance standards. GPA can provide all account settings to support the reason for any variance.

Bank Deposits and Pooled Investment Funds Held in Liquidity Accounts Away from the Custodial Bank are Referred to as Line Item Securities: GPA relies on the information provided by clients when reporting pool balances, bank balances and other assets that are not held at the client's custodial bank. GPA does not guarantee the accuracy of information received from third parties. Balances cannot be adjusted once submitted however corrective transactions can be entered as adjustments in the following months activity. Assets held outside the custodial bank that are reported to GPA are included in GPA's oversight compliance reporting and strategic plan.

Account Control: GPA does not have the authority to withdraw or deposit funds from or to any client's custodial account. Clients retain responsibility for the deposit and withdrawal of funds to the custodial account. Our clients retain responsibility for their internal accounting policies, implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions.

Custodial Bank Interface: Our contract provides for the ability for GPA to interface into our client's custodial bank to reconcile transactions, maturities and coupon payments. The GPA client portal will be available to all clients to access this information directly at any time.

Market Price: Generally, GPA has set all securities market pricing to match custodial bank pricing. There may be certain securities that will require pricing override due to inaccurate custodial bank pricing that will otherwise distort portfolio performance returns. GPA may utilize Refinitiv pricing source for commercial paper, discount notes and supranational bonds when custodial bank pricing does not reflect current market levels. The pricing variances are obvious when market yields are distorted from the current market levels.

Performance Calculation: Historical returns are presented as time-weighted total return values and are presented gross and net of fees.

Amortized Cost: The original cost on the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discounts or premiums are amortized on a straight-line basis on all securities. This can be changed at the client's request.

Callable Securities: Securities subject to redemption in whole or in part prior to the stated final maturity at the discretion of the security's issuer are referred to as "callable". Certain call dates may not show up on the report if the call date has passed or if the security is continuously callable until maturity date. Bonds purchased at a premium will be amortized to the next call date while all other callable securities will be amortized to maturity. If the bond is amortized to the call date, amortization will be reflected to that date and once the call date passes, the bond will be fully amortized.

Duration: The duration is the effective duration. Duration on callable securities is based on the probability of the security being called given market rates and security characteristics.

Benchmark Duration: The benchmark duration is based on the duration of the stated benchmark that is assigned to each account.

Rating: Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed.

Coupon Payments and Maturities on Weekends: On occasion, coupon payments and maturities occur on a weekend or holiday. GPA's report settings are on the accrual basis so the coupon postings and maturities will be accounted for in the period earned. The bank may be set at a cash basis, which may result in a reconciliation variance.

Cash and Cash Equivalents: GPA has defined cash and cash equivalents to be cash, bank deposits, LGIP pools and repurchase agreements. This may vary from your custodial bank which typically defines cash and equivalents as all securities that mature under 90 days. Check with your custodial bank to understand their methodology.

Account Settings: GPA has the portfolio settings at the lot level, if a security is sold our setting will remove the lowest cost security first. First-in-first-out (FIFO) settings are available at the client's request.

Historical Numbers: Data was transferred from GPA's legacy system, however, variances may exist from the data received due to a change of settings on Clearwater. GPA is utilizing this information for historical return data with the understanding the accrual settings and pricing sources may differ slightly.


Financial Situation: In order to better serve you, GPA should be promptly notified of any material change in your investment objective or financial situation.

No Guarantee: The securities in the portfolio are not guaranteed or otherwise protected by GPA, the FDIC (except for non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested.



TREASURER'S REPORT OF ACCOUNT BALANCES
January 31, 2024

Fund Name	Beginning Balance 01/01/2024	Year to Date Transfers In / Collections	Year to Date Transfers Out	Current Month Transfers In / Collections	Current Month Transfers Out	Ending Balance 01/31/2024
Operating Fund	\$ 3,943,592			\$ 1,665,990	\$ (1,665,990)	\$ 3,943,592
Operating Reserve	\$ 10,193,794				\$ (869,125)	\$ 9,324,669
Rate Stabilization Fund	\$ 1,000,000					\$ 1,000,000
Capital Improvement Reserve	\$ 3,146,633					\$ 3,146,633
Restricted for Debt Service	\$ -					\$ -
Water Supply Reserve	\$ 2,823,173					\$ 2,823,173
Water Efficiency Reserve	\$ 200,000					\$ 200,000
Water Meter Replacement Reserve	\$ 1,925,000					\$ 1,925,000
Water Main Reserve - Project 2030	\$ 2,787,556			142,547.07		\$ 2,930,103
Fleet Equipment Reserve	\$ 471,395					\$ 471,395
Employment-Related Benefits Reserve	\$ 1,015,536					\$ 1,015,536
	<u>\$ 27,506,680</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,808,537</u>	<u>\$ (2,535,115)</u>	<u>\$ 26,780,101</u>



ANNIE Y. LIU, Treasurer

TREASURER'S REPORT OF FUND BALANCES
December 31, 2024

Fund Transfers Summary:

Operating Fund:

Fund Collected/Transferred	\$ 1,665,990
Fund Disbursed/Transferred	<u>\$ (2,535,115)</u>
Net Fund Transferred:	\$ (869,126)

<u>Water Main Reserve - Project 2030</u>	<u>\$ 142,547</u>
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Citrus Heights Water District
Budget Performance Report
As of 01/31/2024

CC-06

	January Actual	Year-to-Date Actual	Year-to-Date Budget	YTD Variance		Annual Budget
				Amount	Percent	
Revenues						
Metered Service Charges	\$1,273,186.48	\$1,273,186.48	\$987,152.79	\$286,033.69	28.98%	\$11,845,833.44
Metered Water Deliveries	326,540.17	326,540.17	334,399.79	(7,859.62)	-2.35%	6,511,343.09
Water Main Replacement Revenue	142,547.07	142,547.07	114,333.33	28,213.74	24.68%	1,372,000.00
Penalties	17,928.70	17,928.70	5,765.68	12,163.02	210.96%	69,188.19
Interest	36,714.87	36,714.87	28,728.30	7,986.57	27.80%	344,739.60
Backflow Fees	9,127.25	9,127.25	4,605.03	4,522.22	98.20%	55,260.40
Water Service Install & S&R	0.00	0.00	800.00	(800.00)	-100.00%	9,600.00
Grant Funds	900.00	900.00	0.00	900.00	0.00%	3,107,000.00
Miscellaneous *	1,067.13	1,067.13	1,065.71	1.42	0.13%	12,788.50
Cost Reimbursements	525.00	525.00	475.00	50.00	10.53%	5,700.04
Income - Wheeling Water	0.00	0.00	6,094.77	(6,094.77)	-100.00%	73,137.28
Income - Connection Fees	0.00	0.00	10,742.62	(10,742.62)	(1.00)	128,911.46
Total Revenue	1,808,536.67	1,808,536.67	1,702,380.14	314,373.65	18.47%	23,535,502.00
*includes Assessments, New Account, Back Charges & other Miscellaneous Revenue Sources						
Operating Expenses						
Cost of Water						
Purchased Water	254,698.19	254,698.19	265,542.72	(10,844.53)	-4.08%	3,186,512.73
Ground Water	77,169.53	77,169.53	90,756.38	(13,587)	-14.97%	1,027,917.89
	331,867.72	331,867.72	356,299.10	(24,431.38)	-6.86%	4,214,430.62
Labor & Benefits						
Labor Regular	375,209.40	375,209.40	360,734.57	14,474.83	4.01%	4,328,814.89
Labor Non-Regular	613.12	613.12	514.98	98.14	19.06%	3,353.11
Labor Taxes	36,263.26	36,263.26	27,536.23	8,727.03	31.69%	330,434.76
Labor Workers Comp	0.00	0.00	6,662.35	(6,662.35)	-100.00%	79,948.16
Labor External	1,050.00	1,050.00	1,892.93	(842.93)	-44.53%	22,715.11
Benefits Med/Den/Vis	95,423.43	95,423.43	48,379.64	47,043.79	97.24%	580,555.24
Benefits LTD/Life/EAP	10,808.42	10,808.42	5,193.21	5,615.21	108.13%	62,318.46
Benefits CalPers	50,408.48	50,408.48	30,543.72	19,864.76	65.04%	366,524.65
Benefits Other	15,507.40	15,507.40	11,727.23	3,780.17	32.23%	140,726.74
Benefit Retiree Expenses	4,770.65	4,770.65	5,336.33	(565.68)	-10.60%	64,035.99
Benefit GASB 68	36,552.92	36,552.92	48,704.45	(12,151.53)	-24.95%	584,453.37
Capitalized Labor & Benefit Contra	(36,902.67)	(36,902.67)	(37,925.45)	1,022.78	-2.70%	(455,105.49)
	589,704.41	589,704.41	509,300.19	80,404.22	15.79%	6,108,774.99

Citrus Heights Water District
Budget Performance Report
As of 01/31/2024

CC-06

	January Actual	Year-to-Date Actual	Year-to-Date Budget	YTD Variance		Annual Budget
				Amount	Percent	
General & Administrative						
Fees & Charges	17,138.08	17,138.08	19,197.90	(2,059.82)	-10.73%	230,374.69
Regulatory Compliance/Permits	10,522.34	10,522.34	10,042.69	479.65	4.78%	120,512.29
District Events & Recognition	4,073.62	4,073.62	3,800.06	273.56	7.20%	40,634.73
Maintenance/Licensing	11,798.29	11,798.29	22,573.26	(10,774.97)	-47.73%	270,879.08
Equipment Maintenance	5,847.70	5,847.70	13,277.90	(7,430.20)	-55.96%	159,334.78
Professional Development	16,815.06	16,815.06	8,521.20	8,293.86	97.33%	91,526.93
Dues & Subscriptions	10,365.39	10,365.39	24,469.69	(14,104.30)	-57.64%	291,208.39
Facility Improvements	0.00	0.00	318.12	(318.12)	-100.00%	3,817.47
Fuel & Oil	5,922.28	5,922.28	8,762.94	(2,840.66)	-32.42%	105,155.26
General Supplies	6,232.47	6,232.47	7,107.86	(875.39)	-12.32%	85,551.39
Insurance - Auto/Prop/Liab	7,825.09	7,825.09	15,228.77	(7,403.68)	-48.62%	182,745.23
Leasing/Equipment Rental	6,134.69	6,134.69	4,450.26	1,684.43	37.85%	51,803.36
Parts & Materials	45,282.37	45,282.37	82,252.77	(36,970.40)	-44.95%	987,033.24
Postage/Shipping/Freight	4,643.90	4,643.90	9,472.82	(4,828.92)	-50.98%	112,773.97
Rebates & Incentives	1,050.00	1,050.00	1,070.88	(20.88)	-1.95%	12,850.53
Telecom/Network	5,005.37	5,005.37	5,352.25	(346.88)	-6.48%	64,226.99
Tools & Equipment	798.66	798.66	7,640.46	(6,841.80)	-89.55%	91,247.64
Utilities	3,533.51	3,533.51	4,291.60	(758.09)	-17.66%	51,499.20
Write-Off Bad Debt Exp	0	0.00	26.10	(26.10)	-100.00%	26.10
Capitalized G&A Contra	(24,814.46)	(24,814.46)	(69,153.67)	44,339.21	-64.12%	(829,844.00)
Capitalized Equipment Contra	(27,168.50)	(27,168.50)	(51,095.08)	23,926.58	-46.83%	(613,141.00)
	111,005.86	111,005.86	127,608.78	(16,602.92)	-13.01%	1,510,216.27
Professional & Contract Services						
Support Services	161,339.14	161,339.14	161,833.86	(494.72)	-0.31%	1,942,006.21
Legal Services	61,666.28	61,666.28	54,834.00	6,832.28	12.46%	655,788.35
Printing Services	7,113.00	7,113.00	2,742.11	4,370.89	159.40%	33,315.55
	230,118.42	230,118.42	219,409.97	10,708.45	4.88%	2,631,110.11
Reserves & Debt Services						
Interest Expense	32,644.44	32,644.44	32,044.00	600.44	1.87%	64,088.00
	32,644.44	32,644.44	32,044.00	600.44	1.87%	64,088.00
Total Operating Expenses	1,295,340.85	1,295,340.85	1,244,662.04	50,678.81	4.07%	14,528,619.99
Net Income / (Expense)	513,195.82	513,195.82	457,718.10	55,477.72	12.12%	9,006,882.01

Citrus Heights Water District
Capital Projects Summary
Fiscal Period End as of 1/2024

CC-7

		BUDGET	AMOUNTS PAID			PROJECTION
Project Number	Project Name	Approved 2024 Budget	Month to Date	Year to Date	Project to Date	Remaining Budget for Total Project
C16-134	Auburn Blvd-Rusch Park Placer	\$538,021	\$0	\$0	\$8,946	\$529,075
C20-108	Corp Yard PreArchitecture Stdy	\$100,000	\$0	\$0	\$1,676	\$98,324
C20-109	Corp Yard Plans Specs Estimate	\$400,000	\$0	\$0	\$0	\$400,000
C24-003	Fleet & Field Operations Eqpm	\$330,000	\$0	\$0	\$0	\$330,000
C24-004	Technology Hardware & Software	\$55,000	\$0	\$0	\$0	\$55,000
C24-005	Facilities Improvements	\$108,000	\$0	\$0	\$0	\$108,000
C24-011	Valve Replacement	\$120,000	\$0	\$0	\$0	\$120,000
C24-012	Water Service Connections	\$1,507,000	\$0	\$0	\$0	\$1,507,000
C24-013	Water Meter Replacement	\$125,000	\$0	\$0	\$0	\$125,000
C24-014	Fire Hydrants-Repl, Upgrades,	\$175,000	\$0	\$0	\$0	\$175,000
C24-020	Groundwater Well Improvement	\$200,000	\$0	\$0	\$0	\$200,000
C24-101	Minnesota Drive	\$727,000	\$0	\$0	\$0	\$727,000
C24-102	Fair Oaks Blvd at Leafcrest Wy	\$344,000	\$0	\$0	\$0	\$344,000
C24-103	Menke Way	\$103,000	\$0	\$0	\$0	\$103,000
Construction in Progress		\$4,832,021	\$0	\$0	\$10,622	\$4,821,399
C15-104B	Document Management System	\$64,639	\$0	\$0	\$179,755	(\$115,116)
C23-003	Fleet/Field Operations Equip	\$300,727	\$0	\$0	\$124,273	\$176,454
Fleet and Equipment		\$365,366	\$0	\$0	\$304,028	\$61,338
C21-102	Old Auburn Road	\$0	\$0	\$0	\$2,029	(\$2,029)
C21-104	Mesa Verde HS	\$0	\$0	\$0	\$747,517	(\$747,517)
C21-105	Madison Ave & Dewey Dr	\$0	\$0	\$0	\$78,746	(\$78,746)
C22-101	Carriage Drive	\$0	\$0	\$0	\$579,234	(\$579,234)
C22-104	Patton Ave Main	\$0	\$0	\$0	\$78,732	(\$78,732)
C23-040A	City of Citrus Heights Wachtel	\$0	\$0	\$0	\$16,217	(\$16,217)
Water Mains		\$0	\$0	\$0	\$1,502,475	-1502474.73
C17-103	Operations Building Remodel	\$0	\$0	\$0	\$21,180	(\$21,180)
C21-040B	Elec. Greenway Bike Trail	\$0	\$0	\$0	\$1,797	(\$1,797)
C22-005	Facilities Improvements	\$0	\$0	\$0	\$44,748	(\$44,748)
C22-040D	SACOG 22 AC Overlay P1	\$0	\$0	\$0	\$174	(\$174)
C22-102	Well Site Acquisition	\$0	\$0	\$0	\$265,468	(\$265,468)
C23-005	Facilities Improvements	\$9,548	\$0	\$0	\$102,978	(\$93,430)

Citrus Heights Water District
Capital Projects Summary
Fiscal Period End as of 1/2024

CC-7

		BUDGET	AMOUNTS PAID			PROJECTION
Project Number	Project Name	Approved 2024 Budget	Month to Date	Year to Date	Project to Date	Remaining Budget for Total Project
C23-040	Other City Partnerships	\$100,000	\$0	\$0	\$0	\$100,000
C23-041	Misc Infrastructure Projects	\$100,000	\$0	\$0	\$0	\$100,000
C23-104	Patton/Pardal/Alondra/Perdez	\$1,010,000	\$127	\$127	\$127	\$1,009,873
C23-105	Reno Lane 8-inch	\$0	\$49	\$49	\$350,678	(\$350,678)
C23-106	Admiral & Anchor 8-inch	\$897,819	\$0	\$0	\$52,376	\$845,443
C24-010	Annual Water Main Pipeline Rep	\$51,500	\$0	\$0	\$0	\$51,500
Miscellaneous Projects		\$2,168,867	\$176	\$176	\$839,526	\$1,329,341
C17-104A	Well #7 Patton	\$0	\$0	\$0	\$67,434	(\$67,434)
C18-106	Groundwater Well #7	\$0	\$0	\$0	\$10,780	(\$10,780)
C20-107	Well Design & Construction	\$4,442,536	\$1,593	\$1,593	\$1,234,177	\$3,208,359
C22-020	Groundwater Well Improvements	\$0	\$0	\$0	\$7,332	(\$7,332)
C22-102A	SJUSD Property	\$0	\$0	\$0	\$12,100	(\$12,100)
C23-020	Groundwater Well Improvements	\$100,000	\$0	\$0	\$0	\$100,000
C23-103	Highland Well	\$1,900,000	\$1,118	\$1,118	\$3,056	\$1,896,944
Wells		\$6,442,536	\$2,710	\$2,710	\$1,334,879	\$5,107,657
Grand Totals:		\$13,808,790	\$2,886	\$2,886	\$3,991,530	\$9,817,260

JANUARY 2024 WARRANTS

<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
77074	ROBIN COPE	Health Insurance	\$520.00
77075	MARY LYNN SCHERRER	Health Insurance	\$174.70
77076	MABEL CHOU LU OR VICTOR LU	Customer Refund	\$2,000.00
77077	CANDACE S MARTY	Customer Refund	\$158.65
77078	MARINA V RYKOFF	Customer Refund	\$187.32
77079	CHRISTINA M BERGER	Customer Refund	\$224.24
77080	FABROCINI TRUST	Customer Refund	\$30.49
77081	DORA OR DANIEL E BROCK	Customer Refund	\$22.78
77082	MICHAEL A SNOWDEN	Customer Refund	\$17.75
77083	JERRIANN WELLS OR ROBERT BALTAR	Customer Refund	\$179.40
77084	CITRUS HEIGHTS 23 LLC	Customer Refund	\$68.92
77085	ACWA	Professional Development	\$22,775.00
77086	ACWA JPIA	Workers Comp Insurance	\$106.64
77087	AIA SERVICES LLC	Tools/Equipment	\$214.17
77088	ANSWERNET	Telephone-Answering Service	\$785.06
77089	CALIFORNIA NEVADA SECTION AWWA	Dues & Subscriptions	\$285.00
77090	B AND M BUILDERS	Contract Services-Engineering	\$114,780.00
77091	BART RIEBES AUTO PARTS	Repair-Trucks	\$302.82
77092	BEST BEST AND KRIEGER	Legal & Audit	\$8,503.20
77093	BLUE JAY TRUCKING INC	Contract Services-Other	\$3,753.76
77094	CALIFORNIA WATER EFFICIENCY PARTNERSHIP	Dues & Subscriptions	\$3,907.25
77095	CITRUS HEIGHTS CHAMBER OF COMMERCE	Professional Development	\$10,000.00
77096	CITRUS HEIGHTS SENTINEL	Contract Services-Other	\$6,888.00
77097	COGSDALE	Maintenance/Software	\$83,065.92
77098	COLANTUONO HIGHSMITH WHATLEY PC	Legal & Audit	\$5,185.00
77099	CORELOGIC INFORMATION SOLUTIONS INC	Dues & Subscriptions	\$231.85
77100	EVERBANK NA	Equipment Rental-Office	\$522.59
77101	FP MAILING SOLUTIONS	Equipment Rental-Office	\$355.68
77102	GOVERNMENT FINANCE OFFICERS ASSOCIATION	Dues & Subscriptions	\$345.00
77103	GRAINGER	Small Tools	\$4.96
77104	FERGUSON ENTERPRISES INC 1423	Material	\$18,864.34
77105	IB CONSULTING LLC	Consulting Services	\$5,970.00
77106	INTEGRITY ADMINISTRATORS INC	Health Insurance	\$5,000.00
77107	J4 SYSTEMS	Contract Services-Other	\$2,757.25
77108	KEI WINDOW CLEANING 12	Janitorial	\$120.00
77109	MIA KOLOSOV	Water Cons-Material/Supplies	\$50.00
77110	LUND CONSTRUCTION	Contract Services-Engineering	\$41,277.50
77111	M AND M BACKFLOW AND METER MAINTENANCE	Contract Services-Other	\$3,015.00
77112	MESSENGER PUBLISHING GROUP	Publication Notices	\$225.00
77113	MIDAMERICA ADMINISTRATIVE RETIREMEN	Employee Paid Insurance	\$216.00
77114	MITCHS CERTIFIED CLASSES	Professional Development	\$800.00
77115	BRITTNEY MOORE	Professional Development	\$1,300.00
77116	NAVIAANT	Maintenance Agreement-Software	\$1,608.75
77117	NOWSPEED INC	Contract Services-Other	\$250.00
77118	ODP BUSINESS SOLUTIONS LLC	Office Expense	\$171.93
77119	REPUBLIC SERVICES 922	Utilities	\$423.14
77120	REGIONAL GOVERNMENT SERVICES	Consulting Services	\$13,438.40
77121	ROAD TECH SAFETY SERVICES INC	Contract Services-Other	\$600.00
77122	SAGENT	Contract Services-Other	\$5,078.39
77123	SDI PRESENCE LLC	Contract Services-Other	\$1,137.00
77124	SIMON AND COMPANY INC	Contract Services-Other	\$1,000.00
77125	SMUD	Utilities	\$12,696.69
77126	SONITROL	Equipment Rental-Office	\$209.26
77127	SWRCB	Dues & Subscriptions	\$78,762.59
77128	T MOBILE	Telephone-Wireless	\$1,005.28
77129	THOMSON REUTERS	Dues & Subscriptions	\$131.46
77130	VERIZON WIRELESS	Telephone-Wireless	\$377.77
77131	WATER SYSTEMS CONSULTING INC	Contract Services-Other	\$957.54
77132	WEX BANK	Gas & Oil	\$2,553.74
77133	INTEGRITY ADMINISTRATORS INC	Health Insurance	\$246.42
77134	TRACY OR AMY E PLASTER	Customer Refund	\$114.74

JANUARY 2024 WARRANTS

<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
77135	RAYMOND RIEHLE OR DIANE EBBITT	Customer Refund	\$367.37
77136	PAUL L SHEPHERD RVBLE FAMILY TRST	Customer Refund	\$135.22
77137	ALEXANDERS CONTRACT SERVICES	Contract Services-Meter Read	\$6,744.57
77138	ANG AUDIO VISUAL SERVICES	Contract Services-Miscellaneous	\$1,475.00
77139	BACKFLOW DISTRIBUTORS INC	Small Tools	\$242.85
77140	BART RIEBES AUTO PARTS	Repair-Trucks	\$16.67
77141	BEST BEST AND KRIEGER	Legal & Audit	\$48,477.40
77142	CALIFORNIA LANDSCAPE ASSOCIATES INC	Janitorial	\$245.00
77143	YSMAEL CEPEDA	Toilet Rebate Program	\$75.00
77144	COMCAST	Equipment Rental-Office	\$96.68
77145	CONSOLIDATED	Telephone-Local/Long Distance	\$2,250.57
77146	FLOWLINE CONTRACTORS INC	Contract Services-Engineering	\$2,847.00
77147	GOVERNMENT PORTFOLIO ADVISORS	Contract Services-Financial	\$1,238.87
77148	IB CONSULTING LLC	Consulting Services	\$6,788.67
77149	INDOOR ENVIRONMENTAL SERVICES	Maintenance Agreement-Equipment	\$1,706.25
77150	PAMELA JO JOHNSON	Toilet Rebate Program	\$150.00
77151	RHONDA KISSANE	Toilet Rebate Program	\$75.00
77152	LOWES	Supplies-Field	\$282.09
77153	MACQUARIE EQUIPMENT CAPITAL INC	Equipment Rental-Office	\$376.97
77154	MARY E MCCARRICK	Toilet Rebate Program	\$150.00
77155	MMANC	Dues & Subscriptions	\$2,000.00
77156	MOONLIGHT BPO LLC	Contract Services-Bill Print/Mail	\$1,619.94
77157	RDO EQUIPMENT	Repair-Trucks	\$706.77
77158	LES SCHWAB TIRES	Repair-Trucks	\$1,296.68
77159	MIRDUL SINGH	Toilet Rebate Program	\$75.00
77160	TEE JANITORIAL MAINTENANCE	Contract Services-Other	\$2,246.00
77161	WATERWISE CONSULTING INC	Contract Services-Conservation	\$1,325.00
77162	LEIGH ANN WEISS	Toilet Rebate Program	\$225.00
77163	ZOHO CORPORATION	Maintenance Agreement-Software	\$1,220.00
77164	JAMES R TOLEMAN	Customer Refund	\$309.09
77165	RUBY IDRIS HENSLEY ESTATE	Customer Refund	\$41.49
77166	ROBIN L RINEHART	Customer Refund	\$43.97
77167	MICHAEL R DEGROOT	Customer Refund	\$302.73
77168	VANCEA REVOCABLE LIVING TRUST	Customer Refund	\$52.92
77169	DAN E STEICHEN	Customer Refund	\$43.64
77170	ALLA YEMOLOVA	Customer Refund	\$107.93
77171	JEFFREY D OR LOURDES WASHINGTON	Customer Refund	\$32.47
77172	SECRETARY OF HOUSING AND URBAN DEVELOP	Customer Refund	\$13.82
77173	AFLAC	Employee Paid Insurance	\$290.74
77174	AFMAN SUPPLY	Supplies-Field	\$1,523.67
77175	AREA PORTABLE SERVICES	Equipment Rental-Field	\$116.68
77176	Jodi Ash	Contract Services-Miscellaneous	\$50.00
77177	BEST BEST AND KRIEGER	Legal & Audit	\$17,399.38
77178	JULIE BEYERS	Contract Services-Miscellaneous	\$25.00
77179	BSK ASSOCIATES	Water Analysis	\$1,835.00
77180	DIANA MILLER PHOTOGRAPHY	Contract Services-Miscellaneous	\$875.00
77181	PAUL DIETRICH	Contract Services-Miscellaneous	\$100.00
77182	FAST ACTION PEST CONTROL	Contract Services-Miscellaneous	\$184.80
77183	GLADWELL GOVERNMENTAL SERVICES INC	Contract Services-Financial	\$250.00
77184	FERGUSON ENTERPRISES INC 1423	Material	\$1,025.61
77185	HUNT AND SONS INC	Gas & Oil	\$1,611.73
77186	J4 SYSTEMS	Contract Services-Other	\$5,136.25
77187	VERNON OR HELEN JOHNSON	Toilet Rebate Program	\$75.00
77188	KIWANIS OF CITRUS HEIGHTS	Professional Development	\$245.00
77189	JEFFREY LESLIE	Toilet Rebate Program	\$75.00
77190	ERIC LINDBERG	Contract Services-Miscellaneous	\$50.00
77191	LARRY MANDELBERG	Toilet Rebate Program	\$75.00
77192	JENNA MOSER	Continued Education	\$50.00

JANUARY 2024 WARRANTS

<u>CHECK</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
77193	YESENIA NICHOLS	Toilet Rebate Program	\$75.00
77194	NOR CAL PERLITE INC	Supplies-Field	\$2,952.64
77195	PAT WEST LLC	Contract Services-Other	\$1,775.00
77196	PACIFIC GAS AND ELECTRIC	Utilities	\$243.18
77197	PLANNING PARTNERS INC	Contract Services-Wells	\$1,117.50
77198	PROUD AV INC	Contract Services-Other	\$600.00
77199	QUICK QUACK CAR WASH	Maintenance Agreement-Equipment	\$298.30
77200	REGIONAL GOVERNMENT SERVICES	Consulting Services	\$11,940.00
77201	SAGENT	Contract Services-Other	\$5,791.25
77202	MICHAEL SHORTER	Professional Development	\$315.00
77203	STAPLES BUSINESS CREDIT	Office Expense	\$120.67
77204	HILARY STRAUS	Professional Development	\$1,111.88
77205	HENLEY PACIFIC LA LLC	Repair-Equipment	\$213.17
77206	VERIZON WIRELESS	Telephone-Wireless	\$366.92
77207	WALKERS OFFICE SUPPLIES	Office Expense	\$126.66
77208	WATER SYSTEMS CONSULTING INC	Contract Services-Other	\$2,490.00
77209	WOLF CONSULTING	Contract Services-Other	\$3,875.00
77210	WYJO SERVICES CORP	Repair-Trucks	\$310.00
77211	HOGAI ZALMAI	Professional Development	\$265.00
77212	PATRICK OR PAMELA J MCGUIRE	Customer Refund	\$84.07
77213	CLAUDIA A STAN	Customer Refund	\$124.33
77214	ABA DABA RENTAL	Supplies-Field	\$161.23
77215	BEST BEST AND KRIEGER	Legal & Audit	\$25,998.50
77216	ROBIN COPE	Health Insurance	\$520.00
77217	PACE SUPPLY CORP	Material	\$33,892.18
77218	RDO EQUIPMENT	Repair-Trucks	\$131.94
77219	RENTAL GUYS	Equipment Rental-Field	\$307.64
77220	REPUBLIC SERVICES 922	Utilities	\$415.02
77221	REGIONAL GOVERNMENT SERVICES	Consulting Services	\$16,807.75
77222	MARY LYNN SCHERRER	Health Insurance	\$174.70
77223	SHRED CITY	Contract Services-Other	\$788.72
77224	WYJO SERVICES CORP	Repair-Trucks	\$965.54
Total			<u>\$696,710.62</u>
ACH	1168-2023-12 IC	Bank Fee	\$6,051.85
ACH	ADP 3641905-00	Contract Services-Financial	\$1,743.30
ACH	ADP 3643131-00	Contract Services-Financial	\$301.04
ACH	ADP 650644367	Contract Services-Financial	\$576.15
ACH	ADP 651152926	Contract Services-Financial	\$80.60
ACH	CHASE BANK DECEMBER 2023	Bank Fee	\$4,580.06
ACH	ICMA 1/4/24 PAYDAY	Deferred Compensation	\$11,253.02
ACH	ICMA 1/4/24	Deferred Compensation	\$190.11
ACH	JP MORGAN DECEMBER 2023	See January Agenda Item CC-9	\$16,920.69
ACH	MID AMERICA 1/9-1/15/202	Employee Paid Insurance	\$275.00
ACH	PRINCIPAL FEBRUARY 2024	Health Insurance	\$11,292.01
ACH	STERLING 746712	Contract Services-Miscellaneous	\$800.00
ACH	ADP 651785644	Contract Services-Financial	\$544.90
ACH	ADP 3643130-00	Contract Services-Financial	\$110.15
ACH	BMO DECEMBER 2023	Bank Fee	\$1,371.43
ACH	CAL CHOICE FEBRUARY 2024	Health Insurance	\$53,228.84
ACH	ICMA 1/18/20244 PAYDAY	Deferred Compensation	\$16,110.66
ACH	MID AMERICA 1/23-1/29/24	Employee Paid Insurance	\$63.00
ACH	MID AMERICA 12/26/23-1/1/2	Employee Paid Insurance	\$4.99
ACH	PERS 1/4/24 PAYDAY	PERS	\$28,601.00
ACH	PERS 1/18/24 PAYDAY	PERS	\$38,630.53
ACH	PERS 12/21/23 PAYDAY	PERS	\$28,601.00
ACH	VALIC 1/18/24 PAYDAY	Deferred Compensation	\$7,444.23
ACH	VALIC 1/4/24 PAYDAY	Deferred Compensation	\$2,957.49
ACH	US BANK	Bank Fee	\$142,043.75
Total			<u>\$373,775.80</u>
Grand Total			<u><u>\$1,070,486.42</u></u>

JP Morgan Purchase Card Distributions
Jan-24

Name	District Events & Recognition	Dues & Subscription	General Supplies	Professional Development	Support Services	Equipment Maintenance	Tools & Equipment	Printing Services	Total Bill
Moore	\$ 1,456.06			\$ 69.85	\$ 45.00			\$ 199.00	\$ 1,769.91
Abaya		\$ 25.79	\$ (271.16)		\$ 61.28				\$ (184.09)
Shockley	\$ 1,972.38	\$ 288.80	\$ 1,899.95	\$ 3,622.76		\$ 252.15	\$ 353.54		\$ 8,389.58
Liu		\$ 878.99							\$ 878.99
Shepard	\$ 470.61	\$ 2.95							\$ 473.56
Spiers						\$ 185.38			\$ 185.38
Total Bill	\$ 3,899.05	\$ 1,196.53	\$ 1,628.79	\$ 3,692.61	\$ 106.28	\$ 437.53	\$ 353.54	\$ 199.00	\$ 11,513.33

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS FEBRUARY 21, 2024 REGULAR MEETING

SUBJECT : EMPLOYEE RECOGNITION
 STATUS : Information Item
 REPORT DATE : February 1, 2024
 PREPARED BY : Brittney Moore, Administrative Services Manager/Chief Board Clerk
 Kayleigh Shepard, Management Analyst/Deputy Board Clerk

The following District employees were recognized for perfect attendance, outstanding customer service, and quality of work during the month of January 2024.

Administrative Services

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Dana Mellado	Yes	Assisted Board Clerk staff with meeting logistics for the January Customer Advisory Committee Meeting.	Completed 201 work orders for meter change-outs in Cogsdale.
Brittney Moore	Yes		Assisted with coordination and set-up for the January Customer Advisory Committee Meeting. Researched and handled an unprecedented, difficult, and time-sensitive HR project.
Viviana Munoz	Yes	A customer complimented the front counter team, expressing her appreciation for CHWD's customer relations. She stated that the team is always nice and pleasant every time she comes into the office.	

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Kayleigh Shepard		Was able to process a system change on short notice, to assist a retiree who provided revised documents the same day payroll was being processed. Assisted customer service team with lockbox issues on 1/9/2024.	Staffed the District's marketing table at the Citrus Heights Chamber Luncheon on 1/9/2024. Presented at the January 17, 2024 Regular Board Meeting. Assisted with coordination and set-up for the January Customer Advisory Committee Meeting.
Beth Shockley	Yes	Assisted Board Clerk staff with meeting logistics for the January Customer Advisory Committee Meeting.	
Mike Shorter			Presented at the January Customer Advisory Committee meeting.
Desiree Smith	Yes	A customer complimented the front counter team, expressing her appreciation for CHWD's customer relations. She stated that the team is always nice and pleasant every time she comes into the office.	
Hogai Zalmai	Yes		

Engineering Department

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Tamar Dawson	Yes		Prepared staff report for a Professional Services Agreement and Attended the January Board Meeting.
Todd Jordan	Yes		
Ali Shafaq	Yes		

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Neil Tamagni			Worked on Friday, 01/05/24 and 01/12/23 on a District water main project – Reno Lane.

Operations Department

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Andrew Callister	Yes		
Brady Chambers	Yes	1/2/2024 – A customer called and complimented Brady for his customer service and assistance in helping him identify that one of his automatic shut-off valves on his property was not working. He was grateful for Brady's thorough assistance in helping him identify where his water meter was located and for helping him get his water turned off for repairs.	
Kelly Drake	Yes		
James Ferro	Yes		
Jarrett Flink			Assisted with an emergency leak on Marsala Ct.
Brandon Goad			1/26 – Assisted with an emergency water main repair on Appian Way.
Brian Hensley	Yes		
Chris Nichols	Yes		
Jace Nunes	Yes		

<u>Name</u>	<u>Attendance</u>	<u>Customer Service</u>	<u>Work Quality</u>
Nick Spiers	Yes		
John Spinella	Yes		

CITRUS HEIGHTS WATER DISTRICT
DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
FEBRUARY 21, 2024 REGULAR MEETING

SUBJECT : LONG RANGE AGENDA
STATUS : Consent/Information Item
REPORT DATE : FEBRUARY 6, 2024
PREPARED BY : Brittney Moore, Administrative Services Manager/Chief Board Clerk

OBJECTIVE:
Listed below is the current Long Range Agenda.

Legend	
S	Study Session
CC	Consent Calendar
P	Presentation
B	Business
PH	Public Hearing
CL	Closed Session

CITRUS HEIGHTS WATER DISTRICT LONG RANGE AGENDA					
MEETING DATE	MEETING TYPE	ITEM DESCRIPTION	ASSIGNED	AGENDA TYPE	AGENDA ITEM
March 26, 2024					
March 26, 2024		RiverARC Presentation	Scott	P	I/D
March 26, 2024		Water MasterPlan Study Session	Pieri	SS	I/D
April 23, 2024					
April 23, 2024		Award Contract for Admiral and Anchor WaterMain	Pieri/Dawson	CC	A
April 23, 2024	Biennial	Conflict-of Interest Code Updates	Moore	B	A
May 28, 2024					
May 28, 2024	Annual	Poster Contest Presentation	Scott/Nunes	P	I/D
May 28, 2024		2024 Strategic Plan Update	Moore	SS	I/D
June 25, 2024					
June 25, 2024		Development Standards & Procedures	Pieri	SS	I/D
June 25, 2024	Biennial	Resolution calling for November Election	Moore	B	A
June 25, 2024	Annual	Finance Corporation officer appointment and status of Finance Corp	Liu	B	A
JULY-SUMMER RECESS					
August 27, 2024					
August 27, 2024	Annual	Approval of 2025 Strategic Plan	Moore	CC	A
August 27, 2024	Annual	Budget Rate Model Options Workshop	Liu	P	I/D
August 27, 2024		Annual Financial Report	Liu/Shorter	CC	A
September 24, 2024					
September 24, 2024	Annual	Refined Budget Options/Prop 218 Direction	Liu/Straus	SS	I/D
October 22, 2024					
October 22, 2024	Annual	Misc charges and Fees -proposed	Liu	SS	I/D
November 26, 2024					
November 26, 2024		2025 Board Meeting Schedule	Moore	CC	I/D
December 2024 -Meeting Date TBD					
	Annual	Committee Assignments	Moore	B	A
	Annual	District Officers	Moore	B	A
	Annual	Selection of President and Vice President	Moore	B	A

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS FEBRUARY 21, 2024 REGULAR MEETING

SUBJECT : ENGINEERING DEPARTMENT REPORT
 STATUS : Information Item
 REPORT DATE : February 6, 2024
 PREPARED BY : Missy Pieri, Director of Engineering/District Engineer

Significant assignments and activities for the Engineering Department are summarized below. I will be available at the meeting to answer questions and/or provide additional details.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PROJECT 2030 Water Main Replacement Project - Pipeline Condition Assessment	Engineering	Director of Engineering	Yes, updates as necessary	Yes	Pipeline Condition Assessment	Corrosion Test Stations installation complete. Segment 1 follow-up testing occurred and data being reviewed. Begin Phase 1 of Segment 3. Field location in progress.
CAPITAL IMPROVEMENT PROJECT Corporation Yard / Facilities Master Plan Buildout	Engineering	Director of Engineering	Yes, 07/17/19 (Award of Contract)	Yes	Masterplan for office space requirements through 2045.	Pre-Architectural Alternatives Analysis underway. Building layout options being prepared.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
CAPITAL IMPROVEMENT PROJECT - Reno Lane Water Main Project	Engineering	Director of Engineering and Assistant Engineer	Yes, 08/07/23 (Award of Contract)	No	2023 design, 2023/24 construction	Award of Contract on 08/07/23. Construction began on 09/29/23. 90% Complete. Remaining items are pavement/concrete restoration and punch list.
CAPITAL IMPROVEMENT PROJECT - Patton Ave Water Main Project	Engineering	Director of Engineering and Assistant Engineer	Yes, 10/18/23 (Award of Contract)	No	2023 design, 2024 construction	Notice to Proceed issued 01/02/24. Construction start anticipated end of February.
CAPITAL IMPROVEMENT PROJECT - Admiral Ave and Anchor Cir Water Main Project	Engineering	Director of Engineering and Assistant Engineer	Yes, 04/17/23 (Anticipated Award of Contract)	No	2023 design, 2024 construction	Potholing complete. District preparing 100% plans and contract. Anticipate Award of Contract at the April 2024 CHWD Board of Directors meeting.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT 12057 Fair Oaks Blvd Fair Oaks Senior Apartments	Engineering	Senior Construction Inspector, Director of Engineering and Assistant Engineer	No	No	Seniors apartment complex with 42 one bedroom and 68 two bedroom units.	All fees paid on 10/18/21. District signed plans on 10/19/21. Construction 99% complete.
PRIVATE DEVELOPMENT 8043 Holly Dr Parcel Split 1 - 3	Engineering	Director of Engineering and Assistant Engineer	No	No	Parcel being split into 3 for 3 home subdivision.	Plan check fees paid 04/13/21. Plans signed 06/07/22. Awaiting payment of fee balance.
PRIVATE DEVELOPMENT 8258 Holly Dr Parcel Split 1 - 2	Engineering	Director of Engineering and Assistant Engineer	No	No	Parcel Split - 1 parcel to 2 parcels.	Received Project Review Request from City on 10/18/23. District provided a Will Serve letter on 10/24/23.
PRIVATE DEVELOPMENT 208 Langley Ave Parcel Split 1 - 2	Engineering	Director of Engineering and Assistant Engineer	No	No	Parcel being split into 2 lots. New single family home construction on one lot.	District sent correspondence to property owner on 04/20/20. New will serve letter sent on 10/17/22.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT 8556 Pheasant Ridge Ln Fire Improvements	Engineering	Director of Engineering and Assistant Engineer	No	No	Extension of water main, addition of fire hydrant, and fire sprinklers.	All fees paid on 03/11/21. District approved plans on 01/24/22. Awaiting construction.
PRIVATE DEVELOPMENT 6031 Sunrise Vista Dr Apartments	Engineering	Director of Engineering and Associate Civil Engineer	No	No	Proposed apartments.	Plan check fees paid. Plans signed on 08/28/23. Awaiting payment of fee balance & construction.
PRIVATE DEVELOPMENT Talbot Way Citrus Place Subdivision	Engineering	Director of Engineering and Assistant Engineer	No	No	8 lot subdivision.	Plan check fees paid 6/2022. Plans signed on 6/21/22. Awaiting remaining fees and construction.
PRIVATE DEVELOPMENT 7311 Hickory Ave Single Family Home	Engineering	Director of Engineering and Associate Civil Engineer	No	No	Customer requesting water service for a recently split lot.	Verify lot is split prior to initiating new water service.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT 7705 Hickory Ave Single Family Home	Engineering	Director of Engineering and Associate Civil Engineer	No	No	Parcel being split into 2 lots.	Plans submitted on 08/21/23. District provided Will Serve letter on 09/14/23.
PRIVATE DEVELOPMENT 8207 Oak Ave Parcel Split, Annexation & Single Family Home	Engineering	Director of Engineering and Assistant Engineer	Yes, Inclusion approved by Board on 05/18/22.	No	Parcel Split, Annexation & 2 single family homes.	Plan check fees paid. Annexation/Inclusion fees paid and approved by Board on 05/18/22. Plans signed on 08/02/22. Awaiting payment of fee balance and construction.
PRIVATE DEVELOPMENT 7975 Twin Oaks Ave Parcel Split 1 - 3	Engineering	Director of Engineering and Associate Engineer	No	No	Parcel Split - 1 to 3 lot split; 3 single family homes with frontage improvements.	All comments incorporated. Awaiting payment of fees.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT 7501 Greenglen Ave Parcel Split 1 - 2	Engineering	Director of Engineering and Assistant Engineer	No	No	Parcel Split - 1 to 2 lot split per SB9; 2 single family homes.	Plan check fees paid. Plans signed on 08/09/23. Awaiting payment of fee balance. CHWD to provide installation of water facilities.
PRIVATE DEVELOPMENT 7641 Poplar Ave Parcel Split 1 - 2	Engineering	Director of Engineering and Associate Engineer	No	No	Parcel Split - 1 parcel to 2 parcels.	Received Project Review Request from City on 6/29/23. District provided a Will Serve letter on 07/10/23.
PRIVATE DEVELOPMENT 6245 Sunrise Blvd Tenant Improvements	Engineering	Director of Engineering and Associate Engineer	No	No	Tenant Improvements & upgrade to fire system & supply.	Received plans on 06/29/23. District provided comments on 07/17/23.
PRIVATE DEVELOPMENT 7828 Old Auburn Blvd Parcel Split 1 - 4	Engineering	Director of Engineering and Associate Engineer	No	No	Parcel Split - 1 parcel to 4 parcels.	Received Project Review Request from City on 10/12/23. District provided a Will Serve letter on 10/19/23.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT 7401 Mariposa Ave Parcel Split 1 - 2	Engineering	Director of Engineering and Associate Engineer	No	No	Parcel Split - 1 parcel to 2 parcels.	Received Project Review Request from City on 10/18/23. District provided a Will Serve letter on 10/24/23.
PRIVATE DEVELOPMENT 7939 Hanson Dr Parcel Split 1 - 2	Engineering	Director of Engineering and Associate Engineer	No	No	Parcel Split - 1 parcel to 2 parcels.	Received Project Review Request from City on 11/20/23. District provided a Will Serve letter on 11/28/23.
PRIVATE DEVELOPMENT 7509 Twin Oaks Ave Food Truck Plaza	Engineering	Director of Engineering and Associate Engineer	No	No	Existing vacant site (with existing water service) to be used for a Food Truck Plaza.	Received Project Review Request from City on 11/20/23. District provided a Will Serve letter on 11/28/23.
PRIVATE DEVELOPMENT 7727 Wachtel Ave Parcel Split 1 - 2	Engineering	Director of Engineering and Associate Engineer	No	No	Parcel Split - 1 parcel to 2 parcels.	Received Project Review Request from City on 11/28/23. District provided plan review comments on 11/29/23.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
PRIVATE DEVELOPMENT 8461 Olivine Ave Accessory Dwelling Unit	Engineering	Director of Engineering and Associate Engineer	No	No	Accessory Dwelling Unit	Received Project Review Request from City on 12/05/23. District provided a Will Serve letter on 12/07/23.
PRIVATE DEVELOPMENT 5740 San Juan Ave Parcel Split 1 - 4	Engineering	Director of Engineering and Associate Engineer	No	No	Parcel Split 1 parcel to 4 parcels.	Received Project Review Request from City on 12/06/23. District provided a Will Serve letter on 12/07/23.
PRIVATE DEVELOPMENT 8540 Auburn Blvd Starbucks	Engineering	Director of Engineering and Associate Engineer	No	No	New commercial development.	Received preliminary plans on 04/21/22. District provided a Will Serve letter on 04/27/22. District provided addendum option as part of the Auburn Blvd - Complete Streets Phase 2 on 11/27/23.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
CITY OF CITRUS HEIGHTS PROJECT Auburn Blvd - Complete Streets Phase 2	Engineering	Director of Engineering and Assistant Engineer	No	No	City of Citrus Heights Frontage Improvements and Utility relocation on Auburn Blvd from Rusch Park to north. 3 new irrigation services.	Final plans signed on 02/24/23. Awaiting fees for irrigation services. Project being re-bid, expected Feb 2024.
CITY OF CITRUS HEIGHTS PROJECT San Juan Ave (Madison Ave to Spicer) Road Improvements	Engineering	Director of Engineering and Assistant Engineer	No	No	City of Citrus Heights Road Improvements.	District and City finalized Cost Liability. Awaiting construction.
COUNTY OF SACRAMENTO AC Overlay Project SACOG 2022 Phase 1 to 3	Engineering	Director of Engineering and Associate Civil Engineer	No	No	County of Sacramento Road Improvements along Greenback Lane from Fair Oaks Blvd. to Hazel Ave. Valve box adjustments on CHWD facilities.	Project includes valve box adjustments. District to prepare Engineer's Estimate. County anticipates Award of Construction on 03/26/24.

Items of Interest	Department	Project Team	To Board? If so, Date	Strategic Planning Item	Item Description	Update from Last Report/ Current Status
District-wide Easement Project (Phase 4)	Engineering	Director of Engineering and Assistant Engineer	Yes, updates as necessary	Yes	Obtaining easements for District-owned facilities.	Group 2 Easement Acquisition in progress. Properties for Group 3 Easement being determined.

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS FEBRUARY 21, 2024 REGULAR MEETING

SUBJECT : OPERATIONS DEPARTMENT REPORT
 STATUS : Information Item
 REPORT DATE : February 5, 2024
 PREPARED BY : Jace Nunes, Management Analyst
 Rebecca Scott, Director of Operations

The Citrus Heights Water District has 20 employees in its Operations Department. The following report summarizes their work in January.

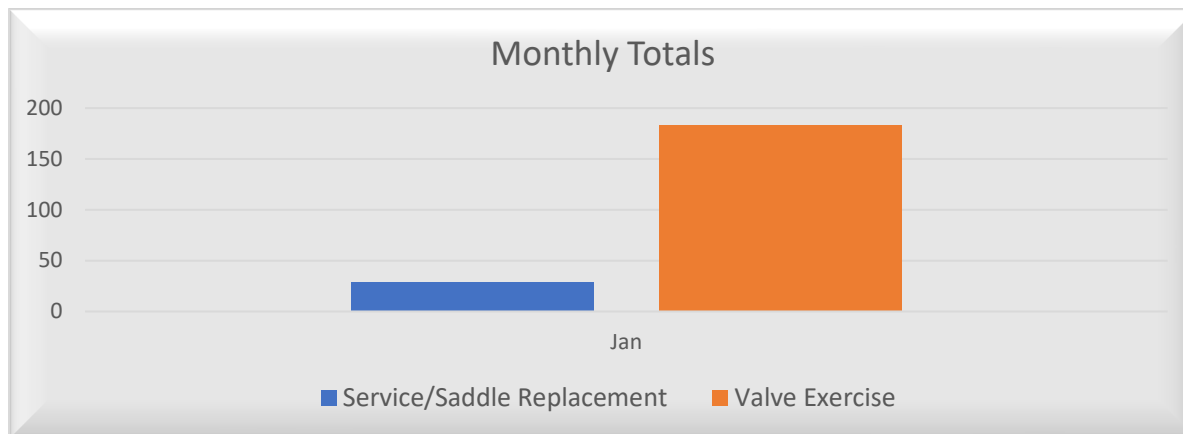
OPERATIONS MONTHLY ACTIVITIES

A. Distribution Division

The Operations Department includes 10 Distribution Operators who perform the necessary maintenance to properly operate and maintain over 250 miles of pipelines and more than 20,000 service connections. The table below summarizes noteworthy common tasks staff perform.

Distribution Maintenance	January 2024	Total # in System
Air Valve Inspection	0	147
Hydrant Maintenance	0	2,170
Mainline Repair/Maintenance	0	
Meter Box Maintenance	1	21,007
Meter Register Replacement	60	21,007
Service/Saddle Replacement	29	21,007
Valve Exercise	129	4,631
Total	219	

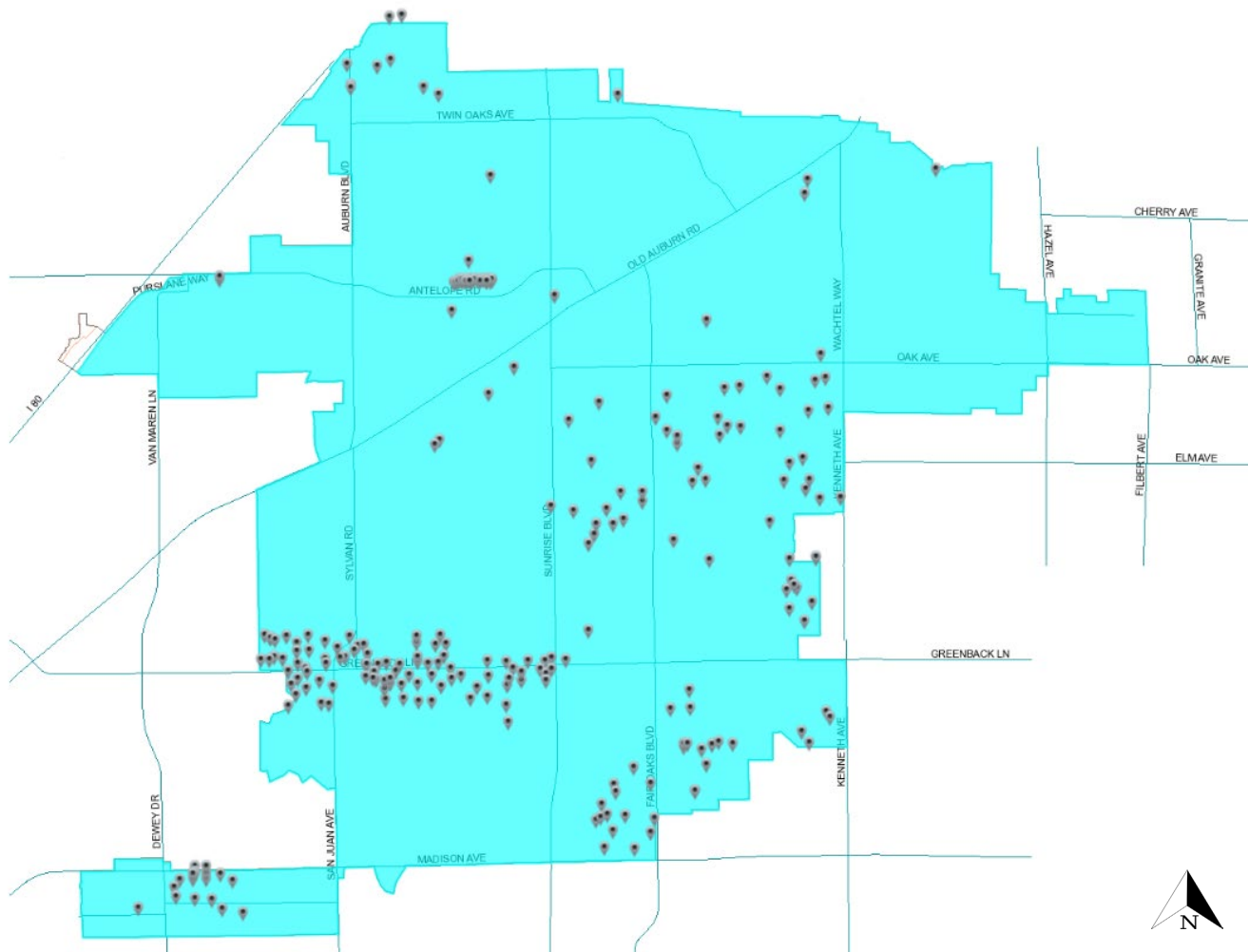
CIP Projects	January 2024
C24-010 Water Mainline	0
C24-011 Water Valves	1
C24-012 Water Services	27
C24-013 Water Meters	2
C24-014 Fire Hydrants	1
C24-103 Pothole Main	0
Total	31



Note: Hydrant Maintenance was not conducted in January due to the wet weather conditions.

The map below shows the locations where the Operations crews worked in January.

Locations Worked within the Citrus Heights Water District



B. Standby Summary

The Operations Department assigns employees to weekly standby duty to provide 24-hour coverage in case of water emergencies within the District. January's standby activity is provided below.

Standby Summary			
Standby Reporting Month	Total Calls to After-Hours Answering Service	Site Visits	Resolutions Via Phone Call
January	16	7	9

C. Operations Specialist

The District's Operations Specialist performs the USA markings to help protect the District's distribution system by identifying CHWD utilities for entities working in our area. The Operations Specialist also responds to leak investigations; requests to locate meters; and water turn on's/off's (additional information in the chart below).

Work Description	January 2024
USA Markings	385
Check for Leak	18
Fire Hydrant Investigation	0
Locate a Meter	0
Turn Water On/Off	6
Total	409

D. Water Quality/Sampling Summary

The Water Resources Division oversees routine monthly bacteriological testing as required by the California Division of Drinking Water. In January, 90 samples were collected with no positive results.

Asbestos Cement Pipe:

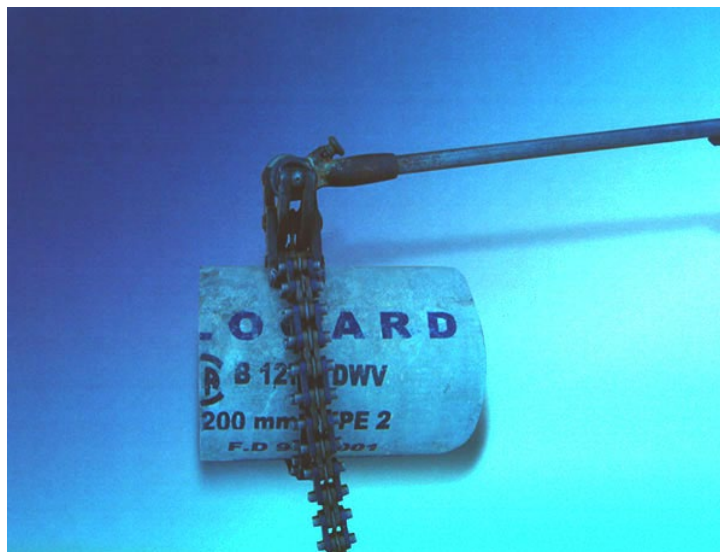
More than 2/3 of the District's water mains are constructed of asbestos cement pipe (ACP). This material was commonly used for pipelines until the 1980s, when legislation started limiting the manufacturing of asbestos products. Although undisturbed asbestos does not pose a threat, precautions must be taken when working with or around this material to ensure that the asbestos fibers do not become airborne. The California Division of Occupational Safety and Health requires CHWD staff who may come into contact with asbestos cement pipe to complete ACP safety training annually. The course teaches proper ACP handling, the appropriate tools when working with the material, and disposal procedures.



Asbestos Cement Pipe (stock photo)



Worker painting the end of asbestos pipe to prevent fibers from becoming airborne (stock photo)



Proper tools are essential when working with asbestos cement pipe. The stock photo above shows a pipe cutter used to prevent asbestos fibers from becoming airborne.

CITRUS HEIGHTS WATER DISTRICT
DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
FEBRUARY 21, 2024 REGULAR MEETING

SUBJECT : 2024 WATER SUPPLY - PURCHASED & PRODUCED
STATUS : Information Item
REPORT DATE : February 4, 2024
PREPARED BY : Brian M. Hensley, Water Resources Supervisor
: Rebecca Scott, Director of Operations

OBJECTIVE:

Monthly water supply report, including a comparison to the corresponding month in the prior 5 years. The 2013 data is included for reference as it is the baseline consumption year for water conservation mandates.

Month	2013	2019	2020	2021	2022	2023	2024				Year-to-Date	
	Total Water Monthly acre feet						Surface Water Purchased	Ground Water Produced	Total Water Monthly	Total Water Annual	Comparison to 2013	
							acre feet				acre feet	%
	Jan	602.52	520.86	519.03	575.54	528.73	501.92	460.92	54.37	515.29	515.29	-87.23
Feb	606.36	447.48	589.8	485.17	605.17	487.3						
Mar	819.55	516.87	654.31	601.02	774.74	472.65						
Apr	1,029.73	682.90	767.24	1,001.96	763.83	698.84						
May	1,603.43	977.41	1,168.99	1,277.33	1,133.06	1,016.07						
Jun	1,816.73	1,328.07	1,475.82	1,541.32	1,288.62	1,265.25						
Jul	2,059.21	1,582.40	1,682.83	1,643.73	1,536.69	1,513.02						
Aug	1,924.28	1,603.36	1,660.59	1,538.76	1,461.15	1,494.76						
Sep	1,509.82	1,297.12	1,381.14	1,333.29	1,228.49	1,220.46						
Oct	1,297.42	1,083.17	1,185.00	972.09	1,065.99	966.12						
Nov	911.55	839.06	779.34	576.37	637.25	648.08						
Dec	700.94	548.17	620.34	536.97	541.93	558.87						
Total	14,881.54	11,426.87	12,484.43	12,083.55	11,565.65	10,843.34	460.92	54.37	515.29	515.29		
% of Total							89.45%	10.55%				

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS FEBRUARY 21, 2024 REGULAR MEETING

SUBJECT	: WATER SUPPLY RELIABILITY
STATUS	: Information Item
REPORT DATE	: February 5, 2024
PREPARED BY	: Brian Hensley, Water Resources Supervisor Rebecca Scott, Director of Operations

OBJECTIVE:

Receive and file status report on surface water supplies available to the Citrus Heights Water District (District).

BACKGROUND AND ANALYSIS:

As of February 1, 2024, storage in Folsom Lake was at 542,280 acre-feet, fifty-six percent (56%) of the total capacity of 977,000 acre-feet. This represents an increase in storage of 77,199 acre-feet in the past month.

The District's total water use during January 2024 (515.29 acre-feet) was fourteen percent (14%) below that of January 2013 (602.52 acre-feet).

The District's groundwater production wells: Bonita, Skycrest, Mitchell Farms, and Sylvan are operational and used on a rotational or as-needed basis. Other District groundwater production wells, Palm and Sunrise, are available for emergency use.

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS FEBRUARY 21, 2024 REGULAR MEETING

SUBJECT : WATER EFFICIENCY & SAFETY PROGRAM UPDATE
 STATUS : Information Item
 REPORT DATE : February 5, 2024
 PREPARED BY : Jace Nunes, Management Analyst
 Rebecca Scott, Director of Operations

Water Efficiency, Safety and Meter Program updates are summarized below.

ACTIVITIES AND PROGRESS REPORT

- Water Efficiency activities during the month of January 2024 included the following:
 - Eleven High Efficiency Toilet (HET) rebates were processed.
 - Three smart irrigation controllers were installed.
 - Two High Efficiency Clothes Washer (HECW) rebates were processed.
- Ten reports of water waste were received in January. Staff continues to reach out to customers concerning water waste violations.
- The District holds several safety meetings per month. The January safety meetings covered Safe Work Habits, Asbestos Cement Pipe Training, Hearing Conservation, and Forklift Training.
- The District offers a variety of WaterSmart classes throughout the year. The 2024 WaterSmart schedule is below.

Date	Title	Format
Sat., Mar. 16	Seed Starting 101	In-person at the Sylvan Ranch Community Garden
Wed., May 22	Beneficial Bees, Birds, and Butterflies: Pollinators for Your Yard	Webinar
Wed., Aug. 28	Leaf with the Right Tree: A Guide to Regional Tree Selection	Webinar
Sat., Oct. 5	Manageable Maintenance Part 1: Planning with Purpose for Your Easy-Care Landscape	In-person at the Citrus Heights Community Center
Sat., Oct. 19	Manageable Maintenance Part 2: DIY Do's & Don'ts for Your Landscape	In-person at the Citrus Heights Community Center

- CHWD has a demonstration garden that occupies three garden plots at the Sylvan Ranch Community Garden featuring water efficient landscaping. CHWD is working with a customer-based volunteer "Garden Corps," who maintain the plots by removing weeds and checking the irrigation system and controller timers. The Garden Corps met in January to perform winter maintenance in the Garden and discuss the group's role in the 2024 WaterSmart classes. The dedicated webpage for the garden, chwd.org/garden, allows viewers to see detailed information about each plant in the District's plots,

and create a customized plant list for their property.

The following table summarizes CHWD's Residential Gallons Per Capita Per Day (R-GPCD) values for 2024:

Month	R-GPCD 2024	R-GPCD 2023	% CHANGE
January	*67	64	4%

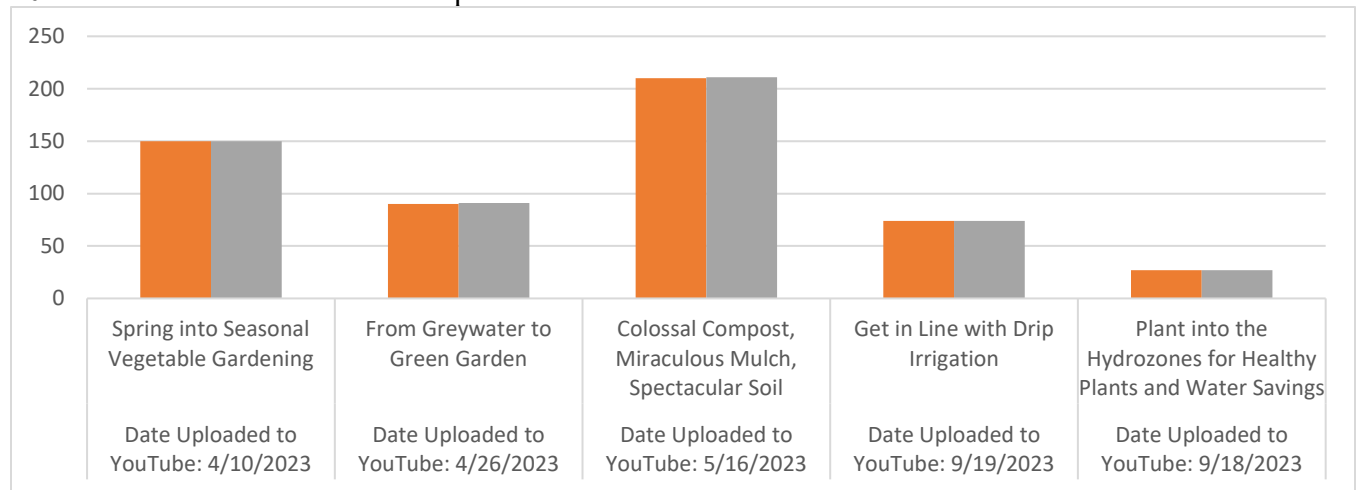
**Preliminary number as of the report date*

The following table summarizes the service requests and work orders of Water Efficiency staff for January 2024:

Work Orders	Jan 2024	Jan 2023
CHANGE TOUCH-READ TO RADIO READ	1	0
CONVERT TO RADIO-READ METER	9	4
METER BOX MAINTENANCE	5	1
METER REPAIR	0	0
METER REPLACEMENT	0	0
METER TESTING	0	0
REGISTER REPLACEMENT	60	16
RADIO-READ REGISTER REPLACEMENT	11	4
INSTALL METER	0	0
TOTAL	86	25

Service Requests	Jan 2024	Jan 2023
CONSERVATION REQUEST	10	9
CHECK FOR LEAK	4	0
UNABLE TO OBTAIN METER READ	31	33
TRIM SHRUBS	9	9
METER BURIED	31	36
METER MAINT.	14	4
LOCKED GATE	3	0
RE-READ METER	4	12
READ METER	16	1
METER BOX MAINT.	3	2
MOVE-IN/MOVE-OUT	11	5
CAR OVER METER	19	17
TOTAL	155	128

2024 WaterSmart Class Viewership



Orange bar = Viewership, January 8, 2024
Grey bar = Viewership, February 5, 2024

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS FEBRUARY 21, 2024 REGULAR MEETING

SUBJECT : DISCUSSION AND POSSIBLE ACTION TO APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH KASL CONSULTING ENGINEERS, INC.
STATUS : Action Item
REPORT DATE : February 06, 2024
PREPARED BY : Tamar Dawson, Assistant Engineer
: Missy Pieri, Director of Engineering/District Engineer

OBJECTIVE:

Consider approval of an agreement with KASL Consulting Engineers, Inc. for engineering support services.

BACKGROUND AND ANALYSIS:

CHWD has been working with KASL Consulting Engineers, Inc. (KASL) in various capacities over the past decade to complete several projects, including the District-wide Annexation Project, surveying services, engineering services, and easement preparation services. CHWD staff has leveraged KASL's work and resources to complete assigned projects in a timely and effective manner.

As CHWD maintains a small staff, utilizing contract resources such as KASL is essential to keeping ongoing operating expenses down, while assuring that the resources are available as required and on an as-needed basis to complete projects in a timely and effective manner. This is especially true with Project 2030 ramping up and its associated increase in water main replacement output. CHWD currently has two engineering firms under a professional services agreement, and adding KASL would provide a necessary redundancy to our at-hand resources as well as a third firm as required for certain project bidding.

KASL is a local engineering firm that has been providing high quality land surveying and civil engineering services to public agencies for over 40 years. KASL's staff is experienced and knowledgeable, with an in-depth understanding of the challenges involved in water main replacement projects, annexations, easement development, land development, and land surveying.

It is recommended that CHWD formalize a task order style professional services agreement with KASL. The task order style agreement is structured to offer the options of a Time-and-Materials/Hourly Billable arrangement or Project Basis/Not-to-Exceed (NTE) amount with a defined scope of work, schedule, and a not-to-exceed budget. The term of the updated agreement is ongoing but includes a fifteen (15) day termination provision by either party without cause.

Funding for the various services covered in the agreement is budgeted for in the annual Operating and Capital Budgets. Work performed will be subject to the availability of budgeted funds.

RECOMMENDATION:

Approve the professional services agreement with KASL Consulting Engineers, Inc., and authorize the General Manager to execute the agreement.

ATTACHMENT:

Professional Services Agreement for Engineering Support Services

ACTION:

Moved by Director _____, Seconded by Director _____, Carried _____

CITRUS HEIGHTS WATER DISTRICT PROFESSIONAL SERVICES AGREEMENT FOR ENGINEERING SUPPORT SERVICES

1. PARTIES AND DATE.

This Agreement is made and entered into this **21st day of February 2024**, by and between the Citrus Heights Water District, a public agency organized and operating under the laws of the State of California with its principal place of business at 6230 Sylvan Road, Citrus Heights, CA 95610 (“District”) and **KASL Consulting Engineers, Inc.** (“Consultant”). District and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

2. RECITALS.

2.1 District. District is a public agency organized under the laws of the State of California, with power to contract for services necessary to achieve its purpose.

2.2 Consultant. Consultant desires to perform and assume responsibility for the provision of certain professional services required by the District on the terms and conditions set forth in this Agreement and in the task order(s) to be issued pursuant to this Agreement and executed by the District and Consultant (“Task Order”). Consultant represents that it is experienced in providing all of the support services listed in the scope of services provided for in Exhibit “A” to public clients, is licensed in the State of California, and is familiar with the plans of District.

2.3 Project. District desires to engage Consultant to render such services on an on-call basis. Services shall be ordered by Task Order(s) to be issued pursuant to this Agreement for future projects as set forth herein (each such project shall be designated a “Project” under this Agreement).

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant agrees to furnish to the District labor, materials, tools, equipment, services, and incidental and customary work, on an on-call basis, to provide management, planning and other engineering services to the District for the Project (“Services”). The types of Services to be provided are generally described in Exhibit “A,” attached hereto and incorporated herein by reference. The Services shall be more particularly described in the individual Task Order issued by the District’s General Manager or designee. No Service shall be performed unless authorized by a fully executed Task Order in the form attached hereto as Exhibit “B”. All Services shall be subject to, and performed in accordance with, this Agreement, the relevant Task Order, the exhibits attached hereto and incorporated herein by

reference, and, as is consistent with the generally accepted professional standard of care, applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall continue in force for a period of one year from the date of execution. Upon expiration thereof, this agreement will continue in force until either party notifies the other party in writing of its intent to terminate this agreement as outlined in Section 3.5.1. Consultant shall meet any other established schedules and deadlines set forth in the applicable Task Order. All applicable indemnification provisions of this Agreement shall remain in effect following the termination of this Agreement.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement and such directions and amendments from District as herein provided. District retains Consultant on an independent contractor basis and not as an employee. No employee or agent of Consultant shall become an employee of District. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of District and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the specific schedule that shall be set forth in the Task Order ("Schedule of Services"). Consultant shall be required to commence work within five (5) calendar days, or as soon thereafter as reasonably practicable, of receiving a fully executed Task Order. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule of Services, District shall respond to Consultant's submittals in a timely manner. Upon request of District, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of District.

3.2.4 RESERVED.

3.2.5 District's Representative. The District hereby designates the General Manager, or his or her designee, to act as its representative for the performance of this Agreement ("District's Representative"). District's Representative shall have the power to act on behalf of the District for all purposes under this Contract. Consultant shall not accept direction or orders from any person other than the District's Representative or his or her designee.

3.2.6 Consultant's Representative. Consultant hereby designates John C. Scroggs, Principle-in-Charge, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Consultant agrees to work closely with District staff in the performance of Services and shall be available to District's staff, consultants and other staff at all reasonable times.

3.2.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a City of Citrus Heights Business License, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from the District, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by the District to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the District, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.9 Laws and Regulations. Consultant shall keep itself informed of and in compliance with all applicable local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including applicable Cal/OSHA requirements, and shall give all notices required by law. If required, Consultant shall assist District, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies. Consultant shall be liable for all of its violations of local, state and federal laws, rules and regulations in connection with the Project and the Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the District, Consultant shall be solely responsible for all costs arising therefrom. It is understood, however, that various laws, rules, and regulations are subject to varying and sometimes contradictory interpretation. Where there are conflicting interpretations in laws, rules or regulations, the more stringent interpretation shall be applied. Consultant shall defend, indemnify and hold District, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or

liability arising out of Consultant's failure or alleged failure to comply with such applicable laws, rules or regulations.

3.2.10 Insurance.

3.2.10.1 Time for Compliance. Consultant shall not commence the Services under this Agreement until it has provided evidence satisfactory to the District that it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the District that the subcontractor has secured all insurance required under this section.

3.2.10.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance meeting the requirements set forth herein. In the event Consultant is self-insured, Consultant shall provide evidence of self-insured coverage that provides coverage that is equal to the insurance requirements set forth herein. Consultant shall require all of its subcontractors to procure and maintain the same insurance specified herein for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance; and (4) *Professional Liability (Errors and Omissions)*: professional liability or Errors and Omissions insurance appropriate to its profession.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: One Million Dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: One Million Dollars (\$1,000,000) combined single limit (each accident) for bodily injury and property damage; (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of One Million Dollars (\$1,000,000) per accident for bodily injury or disease; and (4) *Professional Liability (Errors and Omissions)*: One Million Dollars (\$1,000,000) per claim and aggregate (errors and omissions).

Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as additional insured pursuant to this Agreement. Defense costs shall be payable in addition to the limits.

3.2.10.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by the District to add the following provisions to the insurance policies:

(A) Commercial General Liability. The commercial general liability policy shall be endorsed to provide the following: (1) the District, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage; (2) the insurance coverage shall be primary insurance as respects the District, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the District, its directors, officials, officers, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way; and (3) the insurance coverage shall contain or be endorsed to provide waiver of subrogation in favor of the District, its directors, officials, officers, employees, agents and volunteers or shall specifically allow Consultant to waive its right of recovery prior to a loss. Consultant hereby waives its own right of recovery against District, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(B) Automobile Liability. The automobile liability policy shall be endorsed to provide the following: (1) the District, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; (2) the insurance coverage shall be primary insurance as respects the District, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the District, its directors, officials, officers, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way; and (3) the insurance coverage shall contain or be endorsed to provide waiver of subrogation in favor of the District, its directors, officials, officers, employees, agents and volunteers or shall specifically allow Consultant to waive its right of recovery prior to a loss. Consultant hereby waives its own right of recovery against District, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(C) Workers' Compensation and Employers Liability Coverage. The insurer shall agree to waive all rights of subrogation against the District, its directors, officials, officers, employees, agents and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) Professional Liability (Errors and Omissions). This insurance shall include or be endorsed to include contractual liability for negligence only and applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against negligent acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must include work performed under this Agreement. The

policy must “pay on behalf of” the insured and must include a provision establishing the insurer's duty to defend.

(E) All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (1) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the District; and (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the District, its directors, officials, officers, employees, agents and volunteers.

3.2.10.4 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the District, its directors, officials, officers, employees, agents and volunteers.

3.2.10.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the District. Consultant shall guarantee that, at the option of the District, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its directors, officials, officers, employees, agents and volunteers; or (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.2.10.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VII, admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law, and satisfactory to the District.

3.2.10.7 Verification of Coverage. Consultant shall furnish District with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the District. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the District if requested. All certificates and endorsements must be received and approved by the District before work commences. The District reserves the right to require complete, certified copies of all required insurance policies, at any time.

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

3.2.10.9 Compliance With Coverage Requirements. If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, District has the right but not the duty to

obtain the insurance it deems necessary and any premium paid by District will be promptly reimbursed by Consultant or District will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, District may terminate this Agreement for cause.

3.2.11 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall exercise usual and customary professional care in its efforts to be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of its employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (1) adequate life protection and life-saving equipment and procedures; (2) instructions in accident prevention for all employees and subcontractors, such as equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (3) adequate facilities for the proper inspection and maintenance of all safety measures. Nothing herein shall be construed as establishing any responsibility or obligation on the part of the Consultant for jobsite safety issues, programs, or precautions or anyone but its own employees and subconsultants for whom it is legally responsible.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C," attached hereto and incorporated herein by reference. Said rates may be updated annually by the consultant upon the date of execution of this agreement and are subject to approval by District staff. The total compensation per Task Order shall be set forth in the relevant Task Order, and Consultant shall be compensated in one of two billable methods: a) Time and Materials/Hourly Billable; or b) Project Basis/Not-to-Exceed (NTE) amount. Extra Work may be authorized, as described below; and if authorized, said Extra Work will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to District a monthly itemized invoice which indicates work completed and hours of Services rendered by Consultant. The invoice shall reference the relevant Task Order and describe the amount of Services and supplies provided since the initial commencement date of Services under this Agreement, and since the start of the subsequent billing periods, through the date of the invoice. Consultant shall include a Project Task Tracking Sheet with each invoice submitted. District shall, within forty-five (45) days of receiving such invoice and Project Task Tracking Sheet, review the invoice and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized under Exhibit "B" or otherwise in writing by District.

3.3.4 Extra Work. At any time during the term of this Agreement, District may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by District to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization

from District's Representative. Where Extra Work is deemed merited by the District, an amendment to this Agreement shall be prepared by the District and executed by both Parties before performance of such Extra Work, or the District will not be required to pay for the changes in the scope of work. Such amendment shall include the change in fee and/or time schedule associated with the Extra Work. Amendments for Extra Work shall not render ineffective or invalidate unaffected portions of this Agreement

3.3.5 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq., and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is One Thousand Dollars (\$1,000) or more, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall obtain a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and at the project site. Consultant shall defend, indemnify and hold the District, its officials, officers, employees, volunteers and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

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

3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of District during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. Either party may terminate the whole or any part of this Agreement at any time and without cause by giving written notice to the other

party of such termination, and specifying the effective date thereof, at least fifteen (15) business days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those Services which have been adequately rendered to District, and Consultant shall be entitled to no further compensation.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, District may require Consultant to provide all finished or unfinished Documents and Data (defined below) and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such documents and other information within fifteen (15) business days of the request.

3.5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, District may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

<u>District</u> Citrus Heights Water District P.O. Box 286 Citrus Heights, CA 95611 Attn: Melissa Pieri, PE District Engineer	<u>Consultant</u> John C. Scroggs, Principle-in-Charge KASL Consulting Engineers, Inc. 7777 Greenback Ln., Suite 104 Citrus Heights, CA 95610
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Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for District to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement (“Documents & Data”). Consultant shall require all subcontractors to agree in writing that District is granted a non-exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement. Consultant represents that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by the District. District shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at District’s sole risk.

3.5.3.2 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents & Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of District, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use District's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of District. This section shall not restrict the Consultant from giving notices required by law or complying with an order to provide information or data when such order is issued by a court, administrative agency or other authority with proper jurisdiction, or if disclosure is reasonably necessary for the Consultant to defend itself from any suit or claim.

3.5.4 Cooperation; Further Acts. The Parties shall reasonably cooperate with one another, and shall take additional acts or sign additional documents as may be reasonably necessary, appropriate or convenient to attain the purposes of this Agreement. The Consultant shall not be required to execute any documents or take any acts that in any way might, in the sole judgment of the Consultant, increase the Consultant's contractual or legal obligations or risks, or the availability or costs of its professional or general liability insurance.

3.5.5 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.6 Indemnification.

3.5.6.1 Standard Indemnification. To the fullest extent permitted by law, Consultant shall defend, indemnify and hold the District, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or relating to any negligence, recklessness, or willful misconduct of Consultant, its officials, officers, employees, agents, consultants, and contractors arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees, and attorney's fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against District, its directors, officials, officers, employees, agents, or volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against District or its directors, officials, officers, employees, agents, or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse District and its directors, officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in

enforcing the indemnity herein provided, including correction of errors or omissions. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the District, its directors, officials, officers, employees, agents or volunteers.

3.5.7 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.

3.5.8 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Sacramento County.

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

3.5.10 District's Right to Employ Other Consultants. District reserves right to employ other consultants in connection with this Project.

3.5.11 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the District. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.5.12 Subcontracting. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of District. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

3.5.13 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents and subcontractors of Consultant, except as otherwise specified in this Agreement. All references to District include its officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

3.5.14 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.15 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit,

privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

3.5.16 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.17 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

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

3.5.19 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

3.5.20 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.5.21 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party maintains that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.22 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

**SIGNATURE PAGE
TO
CITRUS HEIGHTS WATER DISTRICT
PROFESSIONAL SERVICES AGREEMENT
FOR ENGINEERING SUPPORT SERVICES**

CITRUS HEIGHTS WATER DISTRICT

By:

**Hilary M. Straus
General Manager**

Date:

KASL CONSULTING ENGINEERS, INC.

By:



**John C. Scroggs
Principal-in-Charge**

Date:

2-8-24

EXHIBIT “A” SCOPE OF SERVICES

Based on the District’s needs and issuance of an approved Task Order (see Exhibit “B”), **KASL Consulting Engineers, Inc.** will accomplish one or more of the following tasks in the performance of providing requested General Engineering support services including:

1. Topographic, aerial photography, mapping, construction staking, legal description services, and plan and specification development including:
 - ALTA Surveys
 - Topographic Mapping
 - Aerial Photography
 - Subdivision Mapping (Parcel Maps / Final Maps)
 - Annexations
 - Lot Line Adjustments
 - Records of Survey
 - Legal Descriptions and Plats*
 - Easements
 - Water Plan and Profiles
 - Technical Specifications
 - Engineer’s Cost Estimates
2. Project Management & Oversight
 - Project Management – **KASL Consulting Engineers, Inc.** will provide proactive project management as needed to include close communication with the District and all assigned project team members.
 - Quality Assurance/Quality Control – This task includes effort budgeted for quality review by principal team members ultimately responsible for the final products.
 - Project review meetings – This task includes attendance to project meetings with the District as requested.
3. Peer reviews – Provide peer review services to review and comment on the District’s work and District’s contractor work products for accuracy, thoroughness, and cost estimation.

The rate for these services will be in accordance to the rates noted on prospective task orders as detailed in Exhibit B.

*Title Reports, if requested, will be ordered from the title company as a reimbursable expense.

EXHIBIT "B"
SAMPLE TASK ORDER FORM

TASK ORDER

Task Order No. _____ (YEAR - ##)

Contract: Agreement for Support Services with Citrus Heights Water District

Consultant: KASL Consulting Engineers, Inc.

The Consultant is hereby authorized to perform the following work subject to the provisions of the Contract identified above: [Description of scope of work]

List any attachments: (Please provide if any.)

Compensation Form: [INSERT HOURLY OR PROJECT BUDGET/NOT-TO-EXCEED (NTE)]

Reimbursements: [INSERT WHETHER MILEAGE AND OTHER REIMBURSEMENTS WILL BE PROVIDED]

Dollar Amount of Task Order: Not to exceed \$_____, _____.00 (If NTE)

Completion Date: _____, 20__

The undersigned consultant hereby agrees that it will provide all labor, equipment, furnish all materials, except as may be otherwise noted above, and perform all services for the work above specified in accordance with the Contract identified above and will accept as full payment therefore the amount shown above.

Citrus Heights Water District

KASL Consulting Engineers, Inc.

Dated: _____

Dated: _____

By: _____

By: _____

EXHIBIT "C"

2024 STANDARD RATE SCHEDULE

KASL CONSULTING ENGINEERS, providing superior service in civil engineering, water resources and surveying since 1982.

We define the art of engineering.



PROFESSIONAL RATES

Engineer, Surveyor 1	\$184.00 per hour
Engineer, Surveyor 2	\$157.00 per hour
Engineer, Surveyor 3	\$140.00 per hour
Engineer, Surveyor 4	\$124.00 per hour
Engineer, Surveyor 5	\$108.00 per hour
Engineer, Surveyor, Technician 6	\$ 96.00 per hour
Engineer, Surveyor, Technician 7	\$ 91.00 per hour
Engineer, Surveyor, Technician 8	\$ 81.00 per hour
Technician, Administration 9	\$ 75.00 per hour
Technician, Administration 10	\$ 65.00 per hour
Technician, Administration 11	\$ 39.00 per hour
2-Man Survey Crew	\$205.00 per hour
3-Man Survey Crew	\$235.00 per hour

BASIC CHARGES

TRAVEL OUTSIDE OF SACRAMENTO METROPOLITAN AREA -- \$0.67 per mile for truck or private vehicle, or direct cost of public transportation, plus direct cost of meals and lodging.

WHEN PERSONNEL are required to work during premium overtime pay hours, the above hourly rates will be multiplied by 1.50 for time-and-one-half hours and by 2.00 for double time hours.

OTHER DIRECT EXPENDITURES on behalf of the client will be billed at cost plus 15% percent for handling.

UNDER PROVISIONS OF THIS AGREEMENT, a late payment finance charge will be computed at the periodic rate of 1.5% percent per month, which is an annual percentage rate of 18% percent, and will be applied to an unpaid balance commencing 30 days after the date of the original invoice.

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS FEBRUARY 21, 2024 REGULAR MEETING

SUBJECT : DISCUSSION & POSSIBLE ACTION TO ADOPT NEW POLICY
1045.00: FILMING AND PHOTOGRAPHING AT DISTRICT LOCATIONS,
AND AMEND POLICY 10102.00: SOCIAL MEDIA USAGE AND CONTENT
MODERATION

STATUS : Action Item

REPORT DATE : February 7, 2024

PREPARED BY : Brittney Moore, Administrative Services Manager/Chief Board Clerk
Rebecca Scott, Director of Operations

OBJECTIVE:

Consider adopting a new policy proposal, 1045.00: Filming and Photographing at District Locations, and consider approving amendments to the District's Policy 10102.00: Social Media Usage and Content Moderation.

BACKGROUND AND ANALYSIS:

In August 2023, a First Amendment auditor filmed CHWD's front counter staff. Following this, staff sought clarification on the public's rights in public areas of government sites and buildings. To address this, it is recommended to implement Policy 1045.00, to establish clear filming and photography guidelines for District locations and/or staff.

The proposed new policy clarifies the public's right to take photographs and film District employees in public spaces and specifies where filming and photography is permitted.

The August 2023 occurrence highlighted a need for the District to enhance its social media procedures to more clearly address content moderation/content management. At the November 15, 2023 Regular Meeting, the Board adopted Policy 10102.00: Social Media Usage and Content Moderation, which provides guidelines for all stakeholders and participants involved in CHWD's social media activities. Staff recommends amending this policy with additional language to further clarify situations in which a user-generated post or comment may be deleted by District staff.

RECOMMENDATION:

Adopt the new proposed Policy 1045.00: Filming and Photographing at District Locations and approve amendments to Policy 10102.00: Social Media Usage and Content Moderation.

ATTACHMENTS:

1. Proposed New Policy 1045.00: Filming and Photographing at District Locations
2. Redlined Policy 10102.00: Social Media Usage and Content Moderation

ACTION:

Moved by Director _____, Seconded by Director _____, Carried _____

ATTACHMENT 1
Proposed New Policy 1045.00
Filming and Photographing at District Locations

CITRUS HEIGHTS WATER DISTRICT
POLICIES AND PROCEDURES MANUAL

POLICY TYPE : GENERAL
POLICY TITLE : FILMING AND PHOTOGRAPHING AT DISTRICT LOCATIONS
POLICY NUMBER : 1045.00
DATE ADOPTED : February 21, 2024
DATE AMENDED :
AMENDMENTS :

1045.00 FILMING AND PHOTOGRAPHING AT DISTRICT LOCATIONS

The public has a right under the First Amendment to the US Constitution and similar provisions of California law to observe, photograph and film District employees in public spaces. Consistent with this requirement, filming and photography are permitted in the following locations:

- Public customer area in the administration building during regular business hours.
- In areas open to the public during Board of Directors and similar public meetings.
- District facilities and site operations visible from the public right-of-way.
- District work performed in the field visible from the public right-of-way and outside of marked work areas. Filming must not disrupt or potentially disrupt District work.
- At District hosted events and/or other events open to the public, held online or in Person.

Areas that are private, and generally inaccessible to the public, such as employee breakrooms, restrooms, or secure areas, should be marked with signage such as “staff only” or “authorized access only” and filming and photography are not permitted within those areas.

Employees should contact their supervisor or General Counsel if they have questions about this policy.

ATTACHMENT 2
Redlined Policy 10102.00
Social Media Usage and Content Moderation

10102.00

SOCIAL MEDIA USAGE AND CONTENT MODERATION

10102.01 Purpose of Policy

The District runs several official social media accounts, with the purpose of sharing news, information, ~~and~~ updates regarding the District's activities, policies, and programs, and to provide an online presence to allow for communication between the District and the public. The information and content contained on District social media sites is only intended to supplement—not replace—the information available through the District's other official channels, including the District's website (chwd.org).

The District seeks to maintain an environment on its social media channels which is relevant, civil, and appropriate for all ages. The District's social media pages are deemed to be a moderated online discussion site, and designated as a limited public forum. The District does not monitor third-party comments or posts in real time but reserves the right to review and/or screen comments during regular business hours or when possible.

Communications made on the District's social media accounts do not constitute a legal or official notice or comment to the District.

10102.02 Comments on District Social Media Pages

The District is not responsible for comments, statements, messages, or other material posted to its social media sites by non-District sources, and does not in any way guarantee, ensure, or warrant the accuracy of any such content. The District specifically disclaims all liability for claims or damages that may result from non-District content on its social media sites. Opinions expressed by or through non-District sources are those of the expressing party only and do not necessarily reflect the opinions, practices, or policies of the District. In no event shall the District be liable to any person for any decisions made or actions taken in reliance on information posted by a non-District source on District social media sites.

By accessing, viewing, and/or posting content to a District social media page, third parties accept, without limitation or qualification, these terms and conditions of use, as well as any other terms of use required by the company that owns and operates the social media site. Use of District social media sites is deemed acceptance of these terms and conditions.

District social media sites are public pages that are viewable by any person. Comments and shared information become part of the public record and may be archived by the District in order to comply with applicable laws, e-discovery requirements, and document retention policies. Information shared through the District's social media sites may be subject to release through the California Public Records Act or other public information statutes. Use of the District's social media sites is deemed a waiver of any rights to privacy or confidentiality in accordance with state and federal law.

Users of District social media sites are advised that the District reviews all comments posted on its sites. Consistent with the purposes of this Policy, applicable law, and the nature of the District's social media sites as limited public forums, the District reserves the right to moderate, monitor, remove, prohibit, restrict, block, suspend, terminate, delete, discontinue, or reject comments or access to comments if they are:

- A. Profane, obscene, pornographic, abusive, threatening, racist, defamatory, offensive or contain violent language
- B. Trolling (posts that are deliberately offensive, provocative, or disruptive and

intended to hijack our content, deflect our information off-track, upset someone, or create angry responses from employees or other visitors)

- C. Messages that are a violation of existing law or regulation
- D. Violations of the intellectual property rights of the District or others
- E. Defamatory or libelous statements, or comments which contain any statements that are made for the purpose of holding up an individual or groups of people for public ridicule, derision, or embarrassment
- F. Personally identifiable information or sensitive personal information that if released violates federal or state law
- G. Inaccurately implying endorsement, approval, or sponsorship by the District
- H. Spam (unsolicited messages that are usually intended as advertising or messages that are repeatedly posted on the same site)
- I. Posts or links that contain malicious software (malware) such as viruses, worms, trojans, rootkits, spyware, adware or any other unwanted software
- J. Attacks or calls-to-action for attacks on specific groups
- K. Intended to harass, threaten, or abuse an individual or which are derogatory or represent personal attacks on any District official, employee, resident, or agent
- L. Hateful or discriminatory comments regarding or comments that promote, foster, or perpetuate discrimination of harassment on the basis of race, ethnicity, religion, gender, disability, sexual orientation, political beliefs, or a protected class under local, state, or federal law
- M. Intended to advocate for or oppose a religion or religious belief
- N. Political in nature, including, but not limited to, promotion or endorsement of a political campaign or candidate, advertisement of public meetings pertaining to political campaigns or candidates, or solicitation of public comments for meetings pertaining to political campaigns or candidates
- O. Links or comments containing sexually explicit content or material
- P. Links to malicious software or sites
- Q. Links to any site or content posted by automatic software programs (i.e. "bots")
- R. Cyber-stalking or threats to an individual or organization, or intended to collect or post private information and data without disclosure (e.g., doxxing)
- S. Messages that relate to confidential, private, or proprietary information
- T. Messages that are inappropriate, in poor taste, or otherwise contrary to the purposes and services of the District
- U. Self-promotion
- V. Solicitation of funds
- W. Unsolicited business proposals and inquiries, or otherwise represent solicitation,

promotion, or endorsement of specific commercial services, products, or entities

- X. Reports of criminal or suspicious activity (Commenters should contact the local police agency directly with this type of information)
- Y. Encouragement of illegal or unlawful activity
- Z. Any form of legal and/or administrative notices or processes
- AA. Posts not in compliance with the social media site's own terms and conditions
- BB. Posts that attempt to or do take over a thread in ways that are contrary to these terms and conditions (including random or unintelligible posts)
- CC. Comments not topically related to the particular District social media post being commented on
- DD. Information that may compromise the safety or security of the public or public systems

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Questions regarding removal of comments shall be directed to the District's General Manager and/or legal counsel.

Individuals who comment or post to District social media sites and who repeatedly violate this Policy may, among other things, be prohibited from posting future comments or be reported to the social media site.

The District will not edit posts or comments for the purpose of removing only objectionable or inappropriate content and leaving non-objectionable or appropriate content in a post.

Information contained on District social media sites may be intercepted, recorded, read, copied, and disclosed by and to authorized personnel for any official purpose, including criminal investigations. Unauthorized access or use of District social media sites, including attempting unauthorized copying, altering, destroying, or damaging site content may violate the Federal Computer Fraud and Abuse Act of 1986 and may subject violators to criminal, civil, and/or administrative action.

The District does not post or respond to reporters' questions on its social media sites; reporters are advised to direct any inquiries to the District's General Manager.

10102.03 Non-Endorsement of Information on Social Media

The District does not endorse any non-District entities, products, services, or other non-governmental organizations or individuals through social media. References to such entities, products, services, or non-governmental organizations or individuals may be made for informational purposes but should in no circumstance be understood as an endorsement or approval of any non-District entity, service, practice, or procedure.

The information provided on District social media sites and any links or references thereon are provided as a courtesy. The District does not endorse, recommend, or approve of any person, product, or service mentioned on its social media sites nor referenced or contained on any other website or social media page.

External links may be provided at times and are posted only as additional information or resource material. The District does not attest to the accuracy of information provided by any links. Should any user access another site through a link on the District's social media sites, that user is subject to that destination site's own privacy policy and terms of use.

10102.04 Non-District Posts Not Legal Advice or Official Notice

Any posts, interactions, and messages conveyed through District social media sites do not constitute legal advice. Likewise, anything posted by non-District sources is not considered an official notice or comment to the District or to any of its officials or employees for any purpose. The District disclaims all warranties, expressed or implied, for any of the information and content provided in its social media site.

Interested persons may contact the District by visiting its official website, calling its official phone number listed on the website, or visiting the District's offices at 6230 Sylvan Road, Citrus Heights, CA 95610.

10102.05 Ownership of Content on District Social Media Sites; Intellectual Property Rights

The District does not own any comments, content, messages, or information posted by non-District sources, subject to any terms or conditions of the relevant social media site. By posting on the District social media sites, posters grant the District a non-exclusive, transferable, sub-licensable, royalty-free, worldwide license to use that content. That means the District can reproduce, distribute, publish, display, and otherwise use the posted content.

Images, photographs, written works and graphics used by the District on its social media site, unless otherwise noted, are the property of the District and are protected under both United States and International Copyright Laws. District images, photographs, written works, and graphics may not be reproduced, copied, transmitted, or manipulated without the written permission of the District. Use of any image or content from District social media sites as the basis for any other literary writing, photograph, or illustration (in any format) may constitute a violation of state, federal, or international copyright laws.

10102.06 Personal Information and Privacy

For privacy reasons, individuals are advised to avoid including personal information (e.g., email address or phone number) in any comments or posts on the District's social media sites. The District can be reached for specific, individual questions through its official website, by phone, or in person at the District's office during regular business hours.

10102.07 Temporary or Permanent Blocking

Two or more posts containing inappropriate content as outlined by this Policy, or posts from a spam account, may result in the account being blocked from the District's social media channels, either temporarily or permanently. Blocking a user will be at the discretion of the General Manager or designee in accordance with the requirements of this Policy.

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INDEX

POLICY NUMBER	POLICY TITLE	DATE ADOPTED	DATE AMENDED	PREVIOUS AMENDMENTS
10102.00	Social Media Usage and Content Moderation	November 15, 2023	<u>February 21, 2024</u>	

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS FEBRUARY 21, 2024 REGULAR MEETING

SUBJECT : BOARD OF DIRECTORS REGULAR MEETING DATE
 STATUS : Action Item
 REPORT DATE : February 12, 2024
 PREPARED BY: : Brittney Moore, Administrative Services Manager/ Chief Board Clerk

OBJECTIVE:

Consider adoption of a resolution changing the date for regular meetings of the Board of Directors to the fourth Tuesday of each month.

BACKGROUND AND ANALYSIS:

Staff recently suggested modifying the Board of Directors regular monthly meeting date that currently occurs on the third Wednesday of every month. The proposed change is to move the regular meeting date to the fourth Tuesday in the calendar month to alleviate meeting conflicts between CHWD and neighborhood associations, and other various organizations where the Board of Directors serve as representatives and/or alternates. A copy of the draft resolution to change the Board's regular meeting schedule accompanies this staff report.

The first Tuesday of the month is the standard date established for regular meetings of irrigation districts in the California Water Code. However, the Water Code also provides that the Board may, by resolution, set any day of the month for its regular monthly meeting. Such a resolution must be published once a week for two successive weeks before the change becomes effective.

In 2003, CHWD Board of Directors passed a resolution to fix the date of its regular monthly meeting to be the second Tuesday of each month; and in 2017, the regular monthly meeting was changed to be the third Wednesday of each month.

RECOMMENDATION:

Adopt Resolution No. 03-2024 changing the date of the Regular Meeting of the Board of Directors to the fourth Tuesday of each month.

ATTACHMENT:

Resolution 03-2024 Fixing the Regular Monthly Date of the Board of Directors

ACTION:

Moved by Director _____, Seconded by Director _____, Carried _____

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 03-2024

RESOLUTION OF THE BOARD OF
DIRECTORS OF CITRUS HEIGHTS WATER
DISTRICT
FIXING THE REGULAR MONTHLY MEETING DATE OF THE BOARD OF
DIRECTORS

WHEREAS, pursuant to Section 21378 of the State of California Water Code may by resolution entered upon its minutes fix any day of the month for its regular monthly meeting; and

WHEREAS, the Board of Directors of CITRUS HEIGHTS WATER DISTRICT has determined that it serves the best interest of the CITRUS HEIGHTS WATER DISTRICT to fix the date of its regular monthly meeting to be the fourth Tuesday of each month.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of CITRUS HEIGHTS WATER DISTRICT that the fourth Tuesday of each month at 6:30 p.m. at the District Office located at 6230 Sylvan Road, Citrus Heights, California, shall be fixed as the date, time, and location for the regular monthly meeting of the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT.

BE IT FURTHER RESOLVED that the Secretary of the CITRUS HEIGHTS WATER DISTRICT shall cause this resolution to be published once a week for two successive weeks in a newspaper published in the County of Sacramento prior to the regular monthly meeting scheduled to be held on Tuesday, March 26, 2024.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT this 21st day of February 2024 by the following vote, to wit:

AYES:	Directors:
NOES:	Directors:
ABSTAIN:	Directors:
ABSENT:	Directors:

CARYL SHEEHAN, President
Board of Directors
Citrus Heights Water District

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of Resolution 03-2024 adopted by the Board of Directors of Citrus Heights Water District at its regular meeting held February 21, 2024.

BRITTNEY MOORE, Chief Board Clerk
Citrus Heights Water District

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS
FEBRUARY 21, 2024 REGULAR MEETING

SUBJECT	: Resolution Recognizing the Life and Service of Jason Tupper
STATUS	: Action Item
REPORT DATE	: February 5, 2024
PREPARED BY	: Brittney C. Moore, Administrative Services Manager/Chief Board Clerk

OBJECTIVE:
Consider adoption of Resolution 01-2024 recognizing the life and service of Jason Tupper.

BACKGROUND AND ANALYSIS:
A resolution recognizing the life and service of Citrus Heights Water District’s Water Resources Specialist, Jason Tupper, who passed away on January 26, 2024.

RECOMMENDATION:
Approve Resolution 01-2024 recognizing the life of Jason Tupper and his contributions to the Citrus Heights Water District and the Community of Citrus Heights.

ATTACHMENT:
Resolution 01-2024 Recognizing the Life of Jason Tupper

ACTION:
Moved by Director _____, Seconded by Director _____, Carried _____

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 01-2024

RESOLUTION OF THE BOARD OF DIRECTORS
OF CITRUS HEIGHTS WATER DISTRICT
RECOGNIZING THE LIFE AND SERVICE TO THE COMMUNITY OF JASON TUPPER

WHEREAS, on behalf of the Citrus Heights Water District, the Board of Directors wishes to record our deep sorrow over the passing of Jason E. Tupper on January 26, 2024, and;

WHEREAS, Jason E. Tupper was a beloved husband, father, and friend, and;

WHEREAS, Jason E. Tupper began his career with Citrus Heights Water District as a Laborer on July 1, 1991; and was reclassified to serve as a Maintenance and Construction Worker I for the District in 1995, and was further reclassified to a Maintenance and Construction Worker II until 2006 when he was promoted to a Water Quality Technician; and on November 14, 2016 was promoted to a Water Resources Specialist and served in this role through January 2024; and

WHEREAS, Jason E. Tupper received numerous professional certifications during his tenure with the District, including a Water Distribution Operator Grade D4 through the State of California, Department of Health Services; and Backflow Prevention Assembly Tester and Cross-Connection Control Specialist certificates through the American Water Works Association, California-Nevada Section;

WHEREAS, Jason E. Tupper was acknowledged on several occasions for commendable work in the Distribution and Water Resources work programs of the District; and recognized for his leadership efforts in organizing the District's participation in various charity and fundraiser initiatives; and

WHEREAS, Jason E. Tupper's personal work ethic and his dedication to the fight against cancer earned him the respect of Directors, co-workers, and customers of the District; and

THEREFORE BE IT RESOLVED that the Board of Directors of the Citrus Heights Water District does hereby honor the life, service and legacy of Jason E. Tupper.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT, this 21st day of February 2024, by the following vote, to wit:

AYES: Directors:
NOES: Directors:
ABSTAIN: Directors:
ABSENT: Directors:

CARYL SHEEHAN, President
Board of Directors
Citrus Heights Water District

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution 01-2024 adopted by the Board of Directors of Citrus Heights Water District at its regular meeting held February 21, 2024.

BRITTNEY MOORE, Chief Board Clerk
Citrus Heights Water District

CITRUS HEIGHTS WATER DISTRICT

DISTRICT STAFF REPORT TO BOARD OF DIRECTORS FEBRUARY 21, 2024 REGULAR MEETING

SUBJECT	PRESENTATION REGARDING INVESTMENT OF DISTRICT FUNDS; DISCUSSION AND POSSIBLE ACTION TO APPROVE UPDATING POLICIES 6200.00 OPERATING RESERVE, 6210.00 OPERATING FUND, 6255.00 WATER MAIN REPLACEMENT RESERVE AND 6300.00 INVESTMENT OF DISTRICT FUNDS (INVESTMENT POLICY); DISCUSSION AND POSSIBLE ACTION TO ADOPT RESOLUTION R02-2024 AUTHORIZING INVESTMENT OF FUNDS IN THE LOCAL AGENCY INVESTMENT FUND
STATUS	: Action Item
REPORT DATE	: FEBRUARY 21, 2024
PREPARED BY	: Annie Liu, Director of Administrative Services Michael Shorter, Principal Accountant

OBJECTIVE:

Consider approving updates to the District’s Policies 6200.00, 6210.00 & 6255.00, related to the District’s Reserves policy, and 6300.00, Investments of District Funds policy; and adopting Resolution R02-2024 authorizing investment of funds in the Local Agency Investment Fund (LAIF).

BACKGROUND AND ANALYSIS:

The District’s investment advisor will provide a status report on the District’s investment performance since the District updated its investment strategy in the past year.

Proposed Updates to Policy 6200.00, 6210.00 and 6255.00:

The update to Policies 6200.00 and 6210.00 is clerical/administrative in nature. By definition, the Operating Reserve is established and maintained to meet the ongoing cash outlay obligations of District operations and capital improvement expenditures, which has a target amount of funds that is sufficient to meet the estimated financial obligations of the District for 90 calendar days (working capital). On the other hand, the Operating Fund is established and maintained as a repository for monies received by the District that are not otherwise specifically restricted, assigned or committed to any of the other Funds and Reserves of the District. The proposed update will change the names of the reserves to reflect the nature of the accounts more accurately. Operating Fund (6200.00) will become Operating Reserve, and Operating Reserve (6210.00) will become Operating Fund.

The update to Policy 6255.00 is to add an additional paragraph to specify that the District shall utilize the Local Agency Investment Fund (LAIF) or California Asset Management Program (CAMP), whichever is higher, to calculate interest on the Water Main Replacement Reserve funds.

Proposed Update to Policy 6300:

The current proposed updates to the District’s Investment Policy are not material, nor do they change the risk in the portfolio, but rather provide further transparency around mitigating potential risks and adding

best practice recommendations surrounding diversification and maturity constraints, etc. Below is a summary of the recommended changes:

- Advisors – Add language to section 6300.21 regarding registered investment advisors.
- Ethics and Conflicts of Interest – Add language regarding disclosure of material financial interests as a best practice recommendation.
- Authorized Investments – Add recent legislative update regarding time to maturity measurement from settlement date.
- Update descriptions of authorized investments to include minimum ratings, max maturity, and diversification constraints.
- Include Diversification Table to clearly define allowable investment types and constraints.
- Include Maturity Constraints on total funds (max maturity 5 years, weighted average maturity)
- Safekeeping – Update language
- Reporting Requirements – Add language regarding downgrades and fluctuation balances.

Proposed Resolution R02-2024, authorizing investment of monies in the LAIF Fund:

Existing Resolution R08-2003 authorizes the District's Officers including Secretary, Treasurer and Assessor-Collector or their successors in office to order the deposit or withdrawal of funds in the LAIF Fund. The proposed Resolution R02-2024 adds one more Officer, the Deputy Treasurer, to the list of persons authorized to order the deposit or withdrawal of monies in the LAIF Fund.

RECOMMENDATIONS:

Approve updates to the District's Policy 6200.00, 6210.00 & 6255.00 related to the District's Reserves policy and 6300.00 Investments of District Funds policy; and adopt Resolution R02-2024 authorizing investment of funds in the Local Agency Investment Fund (LAIF).

ATTACHMENTS:

1. Resolution 02-2024 Authorizing Investment of Funds in the Local Agency Investment Fund (LAIF).
2. Red-lined Version of Policy No. 6200.00, 6210.00, 6255.00 & 6300.00
3. Clean Version of Revised 6000 Series Policy

ACTION:

Moved by Director _____, Seconded by Director _____, Carried _____

ATTACHMENT 1

**Resolution 02-2024 Authorizing Investment of Funds in
the Local Agency Investment Fund (LAIF)**

CITRUS HEIGHTS WATER DISTRICT
RESOLUTION NO. 02-2024

RESOLUTION OF THE BOARD OF DIRECTORS
AUTHORIZING INVESTMENT OF FUNDS IN THE LOCAL AGENCY INVESTMENT FUND

WHEREAS, pursuant to Chapter 730 of the statutes of 1976, Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Directors of CITRUS HEIGHTS WATER DISTRICT does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein is in the best interests of the District.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of CITRUS HEIGHTS WATER DISTRICT does hereby authorize the deposit and withdrawal of CITRUS HEIGHTS WATER DISTRICT funds in the Local Agency Investment Fund in the State Treasury in accordance with provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein, and that verification by the State Treasurer's Office of all banking information shall be provided as required by statute.

BE IT FURTHER RESOLVED that the following Officers of the CITRUS HEIGHTS WATER DISTRICT or their successors in office shall be authorized to order the deposit or withdrawal of funds in the Local Agency Investment Fund: Treasurer, Secretary, Deputy Treasurer and Assessor-Collector.

PASSED AND ADOPTED by the Board of Directors of the CITRUS HEIGHTS WATER DISTRICT, this 21st day of February 2024, by the following vote, to wit:

AYES: Directors:
NOES: Directors:
ABSTAIN: Directors:
ABSENT: Directors:

CARYL SHEEHAN, President
Board of Directors
Citrus Heights Water District

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution 02-2024 adopted by the Board of Directors of Citrus Heights Water District at its regular meeting held February 21, 2024.

BRITTNEY MOORE, Chief Board Clerk
Citrus Heights Water District

ATTACHMENT 2

Red-lined Versions of Policy No. 6200.00, 6210.00,
6255.00 and 6300.00

6200.00

OPERATING ~~Fund~~ RESERVE

The District shall establish and maintain an Operating ~~Fund~~-Reserve to meet the ongoing cash outlay obligations of District operations and capital improvement expenditures. The Operating ~~Fund~~-Reserve shall be the source of monies for payment of the District's financial obligations including but not limited to District employee payroll and benefits costs, invoices for goods and services used by the District, debt obligations of the District and all other payments that are made by the District and reviewed by the Board of Directors on a monthly basis.

The Operating ~~Fund~~-Reserve shall be the repository for all monies received by the District that are not otherwise specifically restricted, assigned or committed to any of the other Funds and Reserves of the District. Monies may be transferred to or from the Operating ~~Fund~~-Reserve at the direction of the General Manager and designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Operating ~~Fund~~-Reserve at the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Operating ~~Fund~~-Reserve shall be monies sufficient to meet the estimated financial obligations of the District for 90 calendar days. Monies in excess of this amount that are not otherwise specifically restricted, assigned or committed to any of the other Funds and Reserves of the District shall be transferred to the District's Operating Reserve Fund. Funds maintained in the Operating ~~Fund~~-Reserve shall be funds readily available to meet the financial obligations of the District.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Operating ~~Fund~~-Reserve at the end of the preceding calendar month and any amounts transferred to or from the Operating ~~Fund~~-Reserve during the month.

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6210.00

OPERATING ~~RESERVE~~ FUND

The District shall establish and maintain an ~~Operating Reserve~~ Operating Fund as a repository for monies received by the District that are not otherwise specifically restricted, assigned or committed to any of the other Funds and Reserves of the District, and are not required to be retained in the Operating ~~Fund Reserve~~ to meet the estimated financial obligations of the District for the next 90 calendar days.

Monies may be transferred to or from the ~~Operating Reserve~~ Operating Fund at the direction of the General Manager and designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the ~~Operating Reserve~~ Operating Fund at the specific direction of the Board of Directors.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the ~~Operating Reserve~~ Operating Fund at the end of the preceding calendar month and any amounts transferred to or from the ~~Operating Reserve~~ Operating Fund during the month.

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WATER MAIN REPLACEMENT RESERVE

The District shall establish and maintain a Water Main Replacement Reserve to provide funds for use in evaluating, planning, designing, constructing, replacing or rehabilitating capital facilities to benefit District customers, including, but not limited to, the following:

- Water Transmission and Distribution Facilities and related appurtenances, including water services, water valves, fire hydrants, etc.

Monies may be transferred to or from the Water Main Replacement Reserve at the direction of the General Manager or designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Water Main Replacement Reserve at the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Water Main Replacement Reserve shall be monies to meet the District's future estimated capital outlays for evaluating, planning, designing and constructing water transmission or distribution facilities as determined by the water main capital improvement plan adopted by the Board of Directors.

Investment earnings resulting from funds in the Water Main Replacement Reserve shall be reinvested in the Water Main Replacement Reserve as retained earnings. The District shall utilize the Local Agency Investment Fund (LAIF) or California Asset Management Program (CAMP), whichever is higher, to calculate interest on the Water Main Replacement Reserve funds. The interest calculations shall be conducted in accordance with LAIF or CAMP's prevailing rates and terms. ~~Investment earnings resulting from funds in the Water Main Replacement Reserve shall be reinvested in the Water Main Replacement Reserve as retained earnings. The General Manager will apply accepted accounting practices in the calculation and allocation of investment earnings to the Water Main Replacement Reserve.~~

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance at the end of the preceding calendar month and any amounts transferred to or from the Water Main Replacement Reserve during the month.

6300.00

INVESTMENT OF DISTRICT FUNDS

6300.01

Purpose

This fiscal management policy is intended to provide a policy and guidelines for the District's Treasurer or designee for the prudent and suitable investment of funds and monies of the District without regard to source. The ultimate goal is to enhance the economic status of the District while protecting its funds.

The District's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the District to invest operating and reserve funds to the fullest extent possible. The District shall attempt to obtain the highest yield, provided that all investments first meet the criteria established for safety and liquidity.

Funds not included in this Policy include deferred compensation funds.

6300.10

Definition and Provision of the Government Code

The Board of Directors and Officers authorized to make investment decisions on behalf of the District investing public funds pursuant to California Government Code sections 53600 et seq. and 53630 et seq. are trustees and therefore fiduciaries subject to the prudent investor standard. As an investment standard, any investment shall be made as if it is one which a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

6300.20

Authority

The investment policies and practices of the District are based upon compliance with federal, state and local law and prudent money management. Investments will be in compliance with governing provisions of law (California Government Code sections 53600 et seq. and 53630 et seq. as amended) and this Policy. This Policy shall take precedence when more restrictive than the California Government Code.

6300.21 The Board of Directors delegates for a one-year period the day-to-day management of the District's investments to the Treasurer, subject to the conditions of this Policy. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of documentation and reporting pursuant to Section 6300.70 of this Policy.

The District may also enter into an agreement with a registered investment advisor for investment management/advisory services, and the investment advisor will operate under the direction of the Treasurer. If the District hires an investment advisor to provide investment management services, the advisor is authorized to transact with its direct dealer relationships on behalf of the District. Such advisers shall provide recommendations and advice regarding the District's investment program including but not limited to the purchase and sale of investments in accordance with this Investment Policy. Such advisers must be registered under the Investment Advisers Act of 1940.

Commented [WM1]: Added as a best practice/per GIOA sample policy

6300.30

Ethics and Conflicts of Interest

Directors and Officers involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Investment officials shall disclose to the Treasurer any material financial interests in financial institutions that conduct business with the District, and they will further disclose any personal financial or investment positions that could be related to the performance of the District's portfolio, particularly with regard to the timing of purchases and sales.

Commented [WM2]: Added as a best practice/per GIOA sample policy

6300.35 Prudence

Investments shall be made in the context of the “Prudent Investor” rule, which states that:

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The General Manager, District Treasurer and their designees involved in the investment process, acting in accordance with this Investment of District Funds Policy and exercising due diligence, shall not be held personally responsible for a specific security’s credit risk or market price changes, provided that these deviations are reported immediately and that appropriate action is taken to control adverse developments.

6300.40 Objectives

6300.41 Safety of Principal - Safety of principal is the primary objective of the District. Each investment transaction shall seek to preserve the principal of the portfolio, whether from institutional default, broker-dealer default or erosion of market value of securities. The District shall seek to preserve principal by mitigating the following two types of risk:

A. Credit Risk - Credit risk, defined as the risk of loss due to failure of an issuer of a security, shall be mitigated by investing in only very safe institutions and by diversifying the investment of District funds so that the failure of any one issuer would not unduly harm the District’s cash flow.

B. Market Risk - The risk of market value fluctuations due to overall changes in the general level of interest rates shall be mitigated by limiting the weighted average maturity of the District’s invested funds to three (3) years. It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured losses are inevitable, and must be considered within the context of the overall investment return.

6300.42 Liquidity - Liquidity is the second most important objective. Investments shall be made whose maturity dates are compatible with cash flow requirements and which can be easily and rapidly converted into cash without substantial loss of value.

6300.43 Return on Investment - Investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal, liquidity, and without undue risk.

6300.50 Authorized Investments

District investments are governed by the California Government Code sections 53600 et seq. and 53630 et seq. A permissible investment's term or remaining maturity is to be measured from the investment's settlement date to final maturity. Any forward settlement that exceeds 45 days from the time of investment is prohibited. Within the context of these sections the following investments are authorized:

Commented [WM3]: Added to clearly define per recent legislative updates (2023)

A. Local Agency Investment Fund - The District may invest in the Local Agency Investment Fund (LAIF) established by the California State Treasurer and created by Government Code sections 16429.1 through 16429.4 for the benefit of local agencies up to the maximum permitted by the LAIF's Local Investment Advisory Board.

B. Securities of the U.S. Government and its Agencies - United States Treasury Bills, Notes, Bonds, or Certificates of Indebtedness, or those for which the faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the District funds which can be invested in this category as they are all safe and liquid. Purchases may not have a term remaining to maturity in excess of five (5) years. (Gov. Code, §§ 53601(b) and 53635(a).)

~~C. State of California Obligations~~ - Registered State Warrants or Treasury Notes or Bonds ~~of this State issued by the State of California, any of the other 49 states, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state, or any of the other 49 United States;~~ as defined in Government Code sections 53601(c), 53601(d) and 53651 and pursuant to Government Code section 53635.2. Obligations eligible for investment shall be rated "A" or its equivalent or better by a nationally recognized statistical rating organization. No more than 25 percent of the District's total portfolio may be invested in state obligations, and no more than 10 percent of any single issuer. Purchases may not have a term remaining to maturity in excess of five (5) years.

Commented [WM4]: Including additional language from state Code for clarification as well as maximum maturity and diversification constraints. GPA recommends including minimum rating requirement of A or better, combined (CA and outside CA) maximum state obligations 25% with 10% per issuer constraint.

~~E-D.~~ Local Agency Obligations - Obligations issued by any local agency, as defined by the Government Code, within the State. Obligations may be bonds, notes, warrants, or other evidences of indebtedness, as defined in Government Code sections 53601(e) and 53651 and pursuant to Government Code section 53635.2. Obligations eligible for investment shall be rated "A" or its equivalent or better by a nationally recognized statistical rating organization. No more than 25 percent of the District's total portfolio may be invested in local agency obligations, and no more than 10 percent of any single issuer. Purchases may not have a term remaining to maturity in excess of five (5) years.

Commented [WM5]: GPA recommends including minimum rating requirement of A or better, max 25% holdings with 10% per issuer constraint.

~~D-E.~~ Securities of the U.S. Government Agencies and Instrumentalities - Federal agency or United States government-sponsored enterprise obligations (GSEs) such as: Federal Farm Credit Bank Funding Corporation (FFCB), Federal Home Loan Bank (FHLB), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Government National Mortgage Association (GNMA), Federal Agricultural Mortgage Corporation (FAMC) and Tennessee Valley Authority (TVA). Such securities are obligations of the participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government- sponsored enterprises and shall not have a term to remaining to maturity in excess of five (5) years. There is no limitation as to the percentage of the District funds which can be invested in this category. No more than 35

percent of any single issuer may be purchased. (Gov. Code, §§ 53601(f), 53651).

E.F. Bankers' Acceptances – Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days' maturity or ~~40-25~~ percent of the District's money that may be invested pursuant to Government Code section 53601(g). However, no more than ~~30-5~~ percent of the District's money may be invested in the bankers' acceptances of any one commercial bank pursuant to Government Code section 53601(g). (Gov. Code, §§ 53601(g), 53651)

Commented [WM6]: GPA recommends reducing to 25% max with 5% per issuer

F.G. Prime Commercial Paper - Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

- (1) The entity meets the following criteria:
 - (a) Is organized and operating in the United States as a general corporation.
 - (b) Has total assets in excess of five hundred million dollars (\$500,000,000).
 - (c) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical rating organization.
- (2) The entity meets the following criteria:
 - (a) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
 - (b) Has program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.
 - (c) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization.

Eligible commercial paper shall have a maximum maturity of 270 days or less. In addition:

- (a) No more than 25 percent of the District's ~~money-total portfolio~~ may be invested in eligible commercial paper; and,
- (b) No more than ~~10-5~~ percent ~~of the District's money that may be invested pursuant to this section~~ may be invested in ~~the outstanding commercial paper of~~ any single issuer. (Gov. Code, § 53601(h), 53635.)

Commented [WM7]: GPA recommends 5% per issuer constraint.

~~G. Investment of Surplus Funds in Deposits Notwithstanding Government Code section 53601 or any other provision of the Government Code, the District, at its discretion, may invest a portion of its surplus funds in deposits at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of certificates of deposit. The following conditions shall apply:~~

Commented [WM8]: Placement Service Deposits and Certificates of Deposit. GPA recommends replacing with Collateralized Bank Deposits.

- ~~(1) The District shall choose a nationally or State chartered commercial bank, savings bank, savings and loan association, or credit union in this State to invest the funds, which shall be known as the "selected" depository institution.~~
- ~~(2) The selected depository institution may use a private sector entity to help place District deposits with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States, and are within the network used by the private sector entity for this purpose.~~
- ~~(3) Any private sector entity used by a selected depository institution to help place District deposits shall maintain policies and procedures requiring both of the following:~~
 - ~~(a) The full amount of each deposit placed pursuant to paragraph (2) above and the interest that may accrue on each such deposit shall at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.~~

~~(b) — Every depository institution where funds are placed shall be capitalized at a level that is sufficient, and be otherwise eligible, to receive such deposits pursuant to regulations of the Federal Deposit Insurance Corporation or the National Credit Union Administration, as applicable.~~

~~(c) — At the time of the local agency's investment with a selected depository institution and no less than monthly thereafter, the private sector entity shall ensure that the local agency is provided with an inventory of all depository institutions in which deposits have been placed on the local agency's behalf, that are within the private sector entity's network.~~

~~(d) — Within its network, the private sector entity shall ensure that it does not place additional deposits from a particular local agency with any depository institution identified pursuant to subdivision (c) as holding that local agency's deposits if those additional deposits would result in that local agency's total amount on deposit at that depository institution exceeding the Federal Deposit Insurance Corporation or the National Credit Union Administration insurance limit.~~

~~(4) — If a selected depository uses two or more private sector entities to assist in the placement of a local agency's deposits, the selected depository shall ensure that it does not place additional deposits from a particular local agency with a depository institution if those additional deposits would result in that local agency's total amount on deposit at that depository institution exceeding the Federal Deposit Insurance Corporation or the National Credit Union Administration insurance limit.~~

~~(5) — The selected depository institution shall serve as a custodian for each such deposit.~~

~~(6) — On the same date that the District's funds are placed pursuant to paragraph (2) above by the private sector entity, the selected depository institution shall receive an amount of insured deposits from other financial institutions that, in total, are equal to, or greater than, the full amount of the principal initially deposited through the selected depository institution pursuant to paragraph (2) above.~~

~~(7) — Notwithstanding Government Code section 53601.8 subdivisions (a) to (g), inclusive, a credit union shall not act as a selected depository institution under Government Code sections 53601.8 or 53635.8 unless both of the following conditions are satisfied:~~

~~(a) — The credit union offers federal depository insurance through the National Credit Union Administration.~~

~~(b) — The credit union is in possession of written guidance or other written communication from the National Credit Union Administration authorizing participation of federally insured credit unions in one or more certificate of deposit placement services and affirming that the monies held by those credit unions while participating in a deposit placement service will at all times be insured by the federal government.~~

~~(8) Purchases of certificates of deposit pursuant to Government Code section 53601.8 shall not, in total, exceed fifty (50) percent of the District's funds that may be invested for this purpose.~~

~~(9) Excluding purchases of certificates of deposit pursuant to Government Code sections 53601.8, no more than ten (10) percent of the District's funds that may be invested for this purpose may be submitted, pursuant to paragraph (2) above, to any one private sector entity that assists in the placement of deposits with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States, for the District's account. (Gov. Code, §§ 53601.8.)~~

H. ~~Non-negotiable~~ Certificates of Deposits and Time Deposits - The District may invest in nonnegotiable time deposits collateralized in accordance with the Uniform Commercial Code, in those banks and State and federal associations which meet the requirements for investment in negotiable certificates of deposit (NCD). When conditions so warrant, the first \$~~100~~250,000 of collateral security for such deposits can be waived if the financial institution is insured pursuant to federal and State law. The term of non-negotiable certificates of deposit is restricted to a maximum of one year. No more than 10 percent of the District's total portfolio may be invested in non-negotiable CD's, and no more than 5 percent of any single issuer.

Commented [WM9]: We believe this is related to non-negotiable CDs - recommend 25% max with 10% per issuer. Time/Bank Deposits is covered above.

I. ~~Negotiable~~ Certificates of Deposits - Negotiable certificates of deposit issued by a nationally or state-chartered bank or a federal association, a state or Federal credit union, or by a federally licensed or state licensed branch of a foreign bank. The term of negotiable certificates of deposit is restricted for a minimum of 7 days and a maximum of one year. No more than 10 percent of the District's total portfolio may be invested in negotiable CD's, and no more than 5 percent of any single issuer. (Gov. Code, §§ 53601(i)).

Commented [WM10]: Separate Description added for Negotiable CD's

Commented [WM11]: GPA recommends 5% per issuer constraint on MTN notes only.

H.J. Medium-Term Corporate Notes - Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five (5) years or less issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment shall be rated "A" or better by a nationally recognized statistical rating organization. No more than 30 percent of the District's ~~invested funds~~total portfolio may be invested in medium-term notes, and no more than ~~510~~ percent of the District's ~~invested funds~~ may be ~~invested in the commercial paper and medium term notes~~ of any single issuer. (Gov. Code, §§ 53601(k) and 53635.2)

Commented [WM12]: GPA recommends 5% per issuer constraint on MTN notes only.

L.K. Mutual Funds/Money Market Mutual Funds - To be eligible for investment pursuant to this subsection (~~K.K.~~), these funds shall meet the following conditions in either paragraph (1) or (2) below:

(1) Shares of beneficial interest issued by diversified management companies (otherwise known as mutual funds) that invest in the securities and obligations as authorized by subdivisions (a) to (k), inclusive, or (m) to (q) inclusive, of Government Code section 53601 and that comply with the investment restrictions of Government Code sections 53600 et seq. and 53630 et seq. However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of

the sales price if the securities are marked to market daily. To be eligible for investment pursuant to this paragraph (1), the companies must have either:

~~(a)~~—Retained an investment adviser registered with the Securities and Exchange Commission with not less than five (5) years' experience investing in securities and obligations and authorized by subdivisions (a) to (k), inclusive, (m) or (q) inclusive

(a) of Government Code Section 53601 and with assets under management in excess of five hundred million dollars (\$500,000,000); or,

(b) Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) nationally recognized statistical rating organizations. (Gov. Code, § 53601(l)(1) & (3).)

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.). To be eligible for investment pursuant to this paragraph (2), the companies must either have:

(a) Retained an investment adviser registered with the Securities Exchange Commission with not less than five (5) years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000); or

(b) Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) nationally recognized statistical rating organizations. (Gov. Code, § 53601(l)(2) & (4).)

(3) The purchase price of shares of mutual funds and money market mutual funds purchased pursuant to this Section ~~K-K~~ of this Policy shall not include any commission that the companies may charge and shall not exceed 20 percent of ~~the District's funds that may be invested pursuant to Government Code Section 53601~~ the total portfolio. Further, no more than ~~20~~ percent of the District's total funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1) above. (Gov. Code, § 53601(l)(5).)

Commented [WM13]: GPA recommends increasing to 20% to allow for flexibility with fluctuating balances

~~J-L. Mortgage Pass-through Asset-Backed Securities~~ ~~Any Securities include mortgage pass-through security securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds~~ of a maximum remaining maturity of five (5) years or less. Securities eligible for investment under this ~~Section L subdivision of this Policy~~ shall be rated in a rating category of "AA" or its equivalent or better by a nationally recognized statistical rating organization. Purchases of ~~securities authorized by this Section L~~ asset-backed securities may not exceed 20 percent of the total portfolio. ~~No more than 5 percent of the portfolio may be invested in any single issuer. District's surplus monies that may be invested pursuant to Government Code section 53601.~~ (Gov. Code, §§ 53601(o), 53635.2.)

Commented [WM14]: GPA recommends 20% max holdings with 5% issuer constraint.

~~K-M. Joint Powers Authority~~ - Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (r), inclusive, of Government Code section 53601. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this Section M of this Policy, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

(1) — The adviser is registered or exempt from registration with the Securities and Exchange Commission;

(1) —

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive, of Government Code section 53601; and,

(3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000) (Gov. Code, § 53601(p).)

~~L.N. Passbook-Collateralized Bank Deposits -- Section 6300.56 of this policy addresses collateralization requirements for deposits. These are authorized by California Government Code Section 53637. No more than 50 percent of the portfolio may be invested in any single bank. Savings account(s) shall be maintained for amounts under \$250,000 as a source of funds for immediate use if required for selective commercial accounts. Savings account deposits may exceed the specified amount for periods not to exceed 45 days in anticipation of payment of monthly accounts payable.~~

~~M. Supranationals - United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The maximum remaining maturity for these obligations must be five (5) years or less, and they must be eligible for purchase and sale within the United States. In addition, these investments must be rated "AA" or better by at least two (2) nationally recognized statistical ratings organization. Investments in Supranationals shall not exceed 30 percent of the total portfolio. No more than 5 percent of the portfolio may be invested in any single issuer. District's monies that may be invested pursuant to Government Code section 53601. (Gov. Code, § 53601(q).)~~

O.

Commented [WM15]: GPA recommends aligning to statute in ratings requirements and include per issuer constraint of 5%.

6300.51 Investment Parameters

A. Diversification Constraints on Total Funds:

~~Permissible investments and limits are based on total funds at time of purchase (settlement date). This subset listing of authorized and permitted securities with specific limitations is determined to more closely fit the District's risk tolerance and requirements for liquidity. The following table lists the District's authorized and permitted investments and certain limitations thereon provided by this Investment Policy:~~

Commented [WM16]: GPA recommends adding a diversification table to clearly define allowable investments, maximum holdings and issuer constraints as well as minimum ratings requirements and maximum maturities.

Investment Type	Maximum Maturity	Maximum % Holdings	Maximum % per Issuer	Minimum Rating
Securities of the U.S. Government	5 Years	100%	100%	N/A
Registered State Warrants, Treasury Notes, or Bonds of the State of California or other states in the United States	5 Years	25%	10%	A-
Bonds, Notes, Warrants, or Other Evidences of Indebtedness of any Local Agency within the State of California	5 Years	25%	10%	A-
Securities of U.S. Government Agencies and Instrumentalities	5 Years	100%	35%	N/A
Commercial Paper	270 days	25%	5%	A-1 Plus A- long Term
Corporate or Medium-Term Notes	5 Years	30%	5%	A-
Bonds of Supranationals (IBRD, IFC, IADB)	5 Years	30%	5%	AA-
Mortgage Pass-Through and Asset-Backed Securities	5 Years	20%	5%	AA-
Non-Negotiable Certificates of Deposit	1 Year	10%	5%	N/A
Negotiable Certificates of Deposit	1 Year	10%	5%	N/A
Money Market Mutual Funds	2(A) 7 Eligible	20%	20%	AAA / AAA
Local Agency Investment Fund	N/A	Max permitted by State Treasurer	Max permitted by State Treasurer	N/A
Collateralized Bank Deposits	N/A	100%	50%	N/A
Bankers' Acceptances	180 Days	25%	5%	N/A
Joint Powers Authority Pool	N/A	N/A	N/A	N/A

Note: Minimum credit ratings and percentage limitations apply to the time of purchase (settlement date)

B. Maturity Constraints on Total Funds:

Every effort will be made to match investment maturities to cash flow needs. Matching maturities with expected cash flow needs will reduce the need to sell securities prior to maturity, thus reducing market risk. At all times, the District will maintain a minimum amount of funds to meet liquidity needs.

The portfolio's maximum weighted average maturity (WAM) shall not exceed 2.5 years.

The maximum percent of callable agency securities in the portfolio shall be 25 percent.

Maximum maturities by authorized and permitted investments are included above. Unless matched to a specific requirement and approved by the Board of Directors, no investment may be made with a maturity greater than five (5) years. If greater than five-year maturity investments are approved and allowable by the Board of Directors, purchases of the investment instruments exceeding the five-year maturity shall not be made until after said approval.

Maturity Constraints	Minimum % of Total Portfolio
Under 5 years	100%
Maturity Constraints	Maximum of Total Portfolio in Years
Weighted Average Maturity	2.5
Maturity Constraints	Maximum % of Total Portfolio
Callable Agency Securities	25%

Commented [WM17]: GPA recommends including this information in policy. It is a best practice recommendation of the GIOA to include Maturity Parameters such as WAM and maximum single maturity, as well as include diversification constraint on callable agencies.

6300.~~54~~53 Non-Compliance with Authorized Investments

Investments which were obtained prior to adoption of this Policy which are currently not in compliance with said policy may be held until maturity pursuant to Government Code section 53601.6(b). Reporting of said non-compliant investments shall be made per Section 6300.70 of this Policy.

6300.55 Designation of Depositories

The Board of Directors shall, by Resolution, and in accordance with Government Code sections 53600 et seq. and 53630 et seq., designate depositories for District funds. A State or federal credit union may not be designated as a depository for District funds if a member of the Board of Directors or any person with investment decision-making authority for the District serves on the Board of Directors, any committee appointed by the Board of Directors, or the credit committee or supervisory committee of the State or federal credit union.

As far as possible, all money belonging to, or in the custody of the District, including money paid to the Treasurer or other official to pay the principal, interest, or penalties of bonds, shall be deposited for safekeeping in State or national banks, savings associations, federal associations, credit unions, or federally insured industrial loan companies in this State, selected by the Treasurer or other official having legal custody of the money; or may be invested in the investments set forth in Government Code section 53601. To be eligible to receive District money, a bank, savings association, federal association, or federally insured industrial loan company shall have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities, including low- and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code.

Government Code sections 53601.5 and 53601.6 shall apply to all investments that are acquired pursuant to Government Code section 53635.2. (Gov. Code, § 53635.2).

6300.56 Collateralization

Commented [WM18]: Added

A financial institution must provide coverage for at least 110 percent of all District deposits that are placed in the institution. Acceptable pooled collateral requirements are governed by California Government Code Section 53651. Although permitted by California Government Code (Section 53651(m)), real estate mortgages are not considered acceptable collateral for District deposits. All banks are required to provide the District with a regular statement of pooled collateral. This report will state that they are meeting the 110 percent collateral rule (Government Code Section 53652(a)), a listing of all collateral with location and market value, plus an accountability of the total amount of deposits secured by the pool.

The market value of the collateral must not fall below 110 percent of the value of the deposit(s) at any time. The District will maintain a first perfected security interest in the securities pledged against the deposit and shall have a contractual right to liquidation of pledged securities upon the bankruptcy, insolvency or other default of the counter party.

As per section 53638 of the California Government Code, any deposit shall not exceed the total paid-up capital and surplus of any depository bank, nor shall the deposit exceed the total net worth of the depository institution.

Deposits that are within the Federal Deposit Insurance Corporation (FDIC) insured limit amounts are exempt from the District's collateralization and minimum bank financial strength rating requirements.

6300.60 Safekeeping of Securities

To protect against potential losses caused by collapse of individual securities dealers, all securities ~~may shall~~ be delivered ~~against versus~~ payment (DVP) and shall be kept in safekeeping pursuant to Government Code section 53608. ~~Depositories having custody of the District's funds, securities, and other investment instruments shall be directed to forward copies of verification of such deposits in accordance with policies consistent with generally accepted reporting procedures of depositories. All investment transactions require the bank to provide safekeeping receipt or acknowledgement generated from the transaction. All security transactions, including collateral for repurchase agreements, entered into by the District, shall be conducted on a delivery versus payment basis. The safekeeping institution is required to provide a listing of all securities held in safekeeping with current market data and other information on a monthly basis.~~ In no case shall funds be wired or transmitted in any manner to brokers.

6300.70 Reporting Requirements

Under provisions of Government Code sections 53646 and 53607, the Treasurer shall render a monthly report to the District's Board of Directors and General Manager. The report shall include the type of investment, issuer, date of maturity, par value and the dollar amount invested in all securities, investments and monies held by the District, and shall additionally include a description

of any of the District's funds, investments or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the District, and under management of any outside party that is not also a local agency of the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report, and shall include the source of this same valuation.

In the report, a subsidiary ledger of investments may be used in accordance with generally accepted accounting practices.

The Treasurer shall report whatever additional information or data may be required by the District's Board of Directors.

For District investments that have been placed in the Local Agency Investment Fund, created by Government Code section 16429.1, in National Credit Union Share Insurance Fund-insured accounts in a credit union, in accounts insured or guaranteed pursuant to Financial Code section 14858, or in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in a county investment pool, or any combination of these, the Treasurer may supply to the District's Board of Directors and General Manager the most recent statement(s) received by the District from these institutions in lieu of the aforementioned information regarding the type of investment, issuer, date of maturity, par value and the dollar amount invested in all securities, investments and monies held by the District.

The monthly Treasurer's report shall state compliance of the portfolio with this Investment of District Funds Policy, or manner in which the portfolio is non-compliant. The report shall include a statement denoting the ability of the District to meet its expenditure requirement for the next six months or an explanation as to why sufficient monies will not or may not be available.

The Investment Policy sets forth concentration constraints and minimum credit ratings for each type of security. These limits apply to the initial purchase of a security and do not automatically trigger the sale of a security as the portfolio value fluctuates or in the event of credit rating downgrade. Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

Commented [WM19]: Added as a best practice to address credit downgrades and time of purchase considerations as it relates to compliance.

6300.90

Investment Policy Review

This policy governing Investment of District Funds shall be reviewed, modified as necessary and re-adopted or amended at a public meeting of the Board of Directors annually or more frequently if necessary.

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ATTACHMENT 3

Clean Version of Updated

6000 Series Policies

CITRUS HEIGHTS WATER DISTRICT
POLICIES MANUAL

6000.00 BUDGET PREPARATION AND ADOPTION

A budget on a calendar year basis shall be prepared and adopted by Resolution of the Board of Directors.

6000.01 Budget Preparation

The General Manager or designee, in consultation with other staff members, shall prepare a draft budget for initial review and discussion by the Board of Directors.

6000.02 Budget Contents

The budget shall contain recommended appropriations of funds necessary to support the mission, operations and capital improvements of the District for the budget year. Recommended dollar amount appropriations will be specifically identified for individual Expense Account Numbers as shown in the Citrus Heights Water District Chart of Accounts.

6000.03 Public Review and Comment

The final draft budget, as modified and amended to reflect additional information and comments, shall be presented to the public for comment at a noticed Public Hearing to be conducted prior to the start of the new budget year, typically at the Board's regular meeting in November.

6000.04 Budget Adoption

The final budget, including any modifications and amendments directed by the Board of Directors to reflect additional information and public comments, shall be considered for adoption by the Board of Directors prior to the start of the new budget year.

6000.05 Budget Amendment

The Board may amend the budget during the budget year as deemed necessary or advisable.

6010.00

FINANCIAL AUDIT

An audit of the District's financial records shall be made annually by a certified public accountant appointed by the Board of Directors. The auditor shall submit the annual audit as required by law after the end of the calendar year.

6010.01

Purpose of Audit

The purpose of the independent audit is to provide an objective, impartial assessment of the District's financial records. The audit shall be conducted in accordance with generally accepted accounting and financial auditing standards. The audit shall serve to determine if, in the opinion of the auditor, the District's financial statements are free of material misstatement. The audit shall also serve to examine evidence supporting the amounts and disclosures in the District's financial statements, and to assess the accounting principles used and significant financial estimates made by District management.

6010.02

Appointment of Auditor

The General Manager shall make a recommendation to the Board of Directors regarding the appointment of the auditor. In appointing the auditor, the Board shall consider the qualifications and experience of the individual or firm, including specific experience in audits of public agencies and/or water utilities. The District may appoint the same auditor in two or more consecutive years to gain the benefit of acquired knowledge and insight on District financial issues. The District may appoint the same auditor for more than five consecutive years in order to provide continuity in regard to specific District financial matters. However, in order to maintain the highest level of objectivity and impartiality, the District shall consider appointing a different auditor after not more than five consecutive years of service by the same auditor. In all cases, no audit partner shall conduct the District's audit for six consecutive years.

A copy of the independent auditor's report shall be maintained on file in the District office, and shall be readily available for public inspection. Copies of the report shall also be filed as required by law.

It is the policy of the Board of Directors to facilitate the development of controls that will aid in the detection and prevention of fraud, impropriety or irregularity within the District. It is the intent of the Board of Directors to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

6020.01 Scope of Policy

This policy applies to any actual or suspected fraud, impropriety or irregularity involving employees as well as consultants, vendors, contractors, employees with outside agencies and/or any other parties with a business relationship with the District.

All District employees have a responsibility to help detect and prevent fraud, improprieties and other irregularities involving the District. Employees shall be familiar with the types of improprieties that might occur within his/her area of responsibility, and be alert to any indication of fraud, abuse or illegal act.

The General Manager, or the highest supervisor/manager within the organizational chain of command who is not suspected of being involved in the potentially fraudulent activity, without regard to the suspected wrongdoer's length of service, position/title, or relationship with the District, shall evaluate suspected fraud and initiate any necessary investigative activity.

Any fraud that is detected or suspected shall be reported immediately to the General Manager or to the District's Legal Counsel if the General Manager is suspected of being involved in the fraudulent activity. This individual will coordinate all investigations as necessary.

6020.05 Procedures

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is in progress.

An employee who discovers or suspects fraudulent activity shall immediately report it to the General Manager or to the District's Legal Counsel if the General Manager is suspected of being involved in the fraudulent activity. If the investigation substantiates that fraudulent activities have occurred, the individual with primary responsibility for investigation will notify other District employees or the Board of Directors as appropriate. Investigation may involve retaining the services of a financial or other investigative professional to assist in determining whether fraudulent activities have occurred or to determine the extent of fraudulent activities.

6200.00

OPERATING RESERVE

The District shall establish and maintain an Operating Reserve to meet the ongoing cash outlay obligations of District operations and capital improvement expenditures. The Operating Reserve shall be the source of monies for payment of the District's financial obligations including but not limited to District employee payroll and benefits costs, invoices for goods and services used by the District, debt obligations of the District and all other payments that are made by the District and reviewed by the Board of Directors on a monthly basis.

The Operating Reserve shall be the repository for all monies received by the District that are not otherwise specifically restricted, assigned or committed to any of the other Funds and Reserves of the District. Monies may be transferred to or from the Operating Reserve at the direction of the General Manager and designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Operating Reserve at the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Operating Reserve shall be monies sufficient to meet the estimated financial obligations of the District for 90 calendar days. Monies in excess of this amount that are not otherwise specifically restricted, assigned or committed to any of the other Funds and Reserves of the District shall be transferred to the District's Operating Fund. Funds maintained in the Operating Reserve shall be funds readily available to meet the financial obligations of the District.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Operating Reserve at the end of the preceding calendar month and any amounts transferred to or from the Operating Reserve during the month.

6210.00

OPERATING Fund

The District shall establish and maintain an Operating Fund as a repository for monies received by the District that are not otherwise specifically restricted, assigned or committed to any of the other Funds and Reserves of the District, and are not required to be retained in the Operating Reserve to meet the estimated financial obligations of the District for the next 90 calendar days.

Monies may be transferred to or from the Operating Fund at the direction of the General Manager and designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Operating Fund at the specific direction of the Board of Directors.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Operating Fund at the end of the preceding calendar month and any amounts transferred to or from the Operating Fund during the month.

6220.00

RATE STABILIZATION RESERVE

The District shall establish and maintain a Rate Stabilization Reserve to provide funds for use to ensure financial and customer rate stability in responding to conditions, including but not limited to, the following:

- Unanticipated operating and/or capital expenditures;
- Unanticipated revenue shortfall due to water shortages, drought or other conditions;
- Changes to the District's billing methods, policies and procedures;
- Natural or man-made disasters;
- Major transmission or distribution main failures; and,
- Purchase of water from other than normal or budgeted sources, including electrical expense associated with long-term use of the District's groundwater wells.

The target amount of funds to be maintained in the Rate Stabilization Reserve shall be \$1,000,000. Should transfers from the Rate Stabilization Reserve be made for any purpose, it shall be the policy of the Board of Directors to restore the Reserve to its \$1,000,000 target level at the earliest opportunity. Monies shall be transferred to or from the Rate Stabilization Reserve only at the specific direction of the Board of Directors.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Rate Stabilization Reserve at the end of the preceding calendar month and any amounts transferred to or from the Rate Stabilization Reserve during the month as directed by the Board of Directors.

6225.00

DEBT SERVICES RESERVE

The District shall establish and maintain a restricted Debt Services Reserve to provide funds for use, including but not limited to, maintaining debt coverage ratios in accordance with bond covenants or other agreements or requirements associated with the issuance of debt by the District.

The amount of funds to be maintained in the Debt Services Reserve shall be in compliance with the requirements set forth in the agreement with the financing institution. The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Debt Services Reserve at the end of the preceding calendar month.

The District shall establish and maintain a Capital Improvement Reserve to provide funds for use in evaluating, designing, constructing, replacing or rehabilitating capital facilities to benefit District customers, including, but not limited to, the following:

- Water Transmission and Distribution Facilities and related appurtenances, including water services, water meters, water valves, fire hydrants, etc.;
- Pressure Control Facilities;
- In-Conduit Power Generation Facilities;
- Buildings and Improvements;
- Machinery and Equipment;
- Land and Right-of-Way Acquisition; and,
- Technology Hardware and Software Improvements.

Monies may be transferred to or from the Capital Improvement Reserve at the direction of the General Manager or designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Capital Improvement Reserve at the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Capital Improvement Reserve shall be the lesser of the following two amounts: 1) monies sufficient to meet the District's estimated capital outlays for evaluating, designing and constructing new capital facilities during the current and following fiscal year as determined by the capital improvement plan adopted by the Board of Directors; or 2) five percent (5.00%) of net total capital assets being depreciated, as determined by the District's most recent financial statements.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Capital Improvement Reserve at the end of the preceding calendar month and any amounts transferred to or from the Capital Improvement Reserve during the month.

6245.00

WATER SUPPLY RESERVE

The District shall establish and maintain a Water Supply Reserve to provide funds for use in evaluating, planning, designing, constructing, replacing or rehabilitating capital facilities to benefit District customers, including, but not limited to, the following:

- Groundwater Production Wells;
- Aquifer Storage and Recovery (ASR) Wells;
- Surface Water Supply Projects including but not limited to water diversion, treatment and transmission facilities;
- Recycled / Reclaimed Water Projects; and,
- Land and Right-of-Way Acquisition.

Monies may be transferred to or from the Water Supply Reserve at the direction of the General Manager or designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Water Supply Reserve at the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Water Supply Reserve shall be monies as a build up to meet the District's future estimated capital outlays for evaluating, designing and constructing new water supply facilities as determined by the capital improvement plan adopted by the Board of Directors.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Capital Improvement Reserve at the end of the preceding calendar month and any amounts transferred to or from the Capital Improvement Reserve during the month.

6250.00

WATER METER REPLACEMENT RESERVE

The District shall establish and maintain a Water Meter Replacement Reserve to provide funds for use in evaluating, designing, constructing, acquiring, replacing or rehabilitating capital facilities pertaining to meters to benefit District customers.

Monies may be transferred to or from the Water Meter Replacement Reserve at the direction of the General Manager or designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Water Meter Replacement Reserve at the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Water Meter Replacement Reserve shall be monies as a build up to meet the District's future estimated capital outlays for planning, evaluating, designing, constructing, installing and/or implementing new water meter technology and equipment as determined by the capital improvement plan adopted by the Board of Directors.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance at the end of the preceding calendar month and any amounts transferred to or from the Water Meter Replacement Reserve during the month.

The District shall establish and maintain a Water Main Replacement Reserve to provide funds for use in evaluating, planning, designing, constructing, replacing or rehabilitating capital facilities to benefit District customers, including, but not limited to, the following:

- Water Transmission and Distribution Facilities and related appurtenances, including water services, water valves, fire hydrants, etc.

Monies may be transferred to or from the Water Main Replacement Reserve at the direction of the General Manager or designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Water Main Replacement Reserve at the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Water Main Replacement Reserve shall be monies to meet the District's future estimated capital outlays for evaluating, planning, designing and constructing water transmission or distribution facilities as determined by the water main capital improvement plan adopted by the Board of Directors.

Investment earnings resulting from funds in the Water Main Replacement Reserve shall be reinvested in the Water Main Replacement Reserve as retained earnings. The District shall utilize the Local Agency Investment Fund (LAIF) or California Asset Management Program (CAMP), whichever is higher, to calculate interest on the Water Main Replacement Reserve funds. The interest calculations shall be conducted in accordance with LAIF or CAMP's prevailing rates and terms.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance at the end of the preceding calendar month and any amounts transferred to or from the Water Main Replacement Reserve during the month.

6260.00

FLEET EQUIPMENT RESERVE

The District shall establish and maintain a Fleet Equipment Reserve to set aside funds over an extended period of time to replace fleet equipment at the end of its useful life, including, but not limited to, the following:

- Pickup trucks and automobiles;
- Backhoes and loaders;
- Dump trucks;
- Crew trucks;
- Vacuum Trailer Excavation Systems;
- Vehicle-mounted equipment, such as tool boxes, cranes, safety lights and two-way radios; and,
- Trailer-mounted mobile equipment, such as air compressors.

Monies may be transferred to or from the Fleet Equipment Reserve at the direction of the General Manager or designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Fleet Equipment Reserve at the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Fleet Equipment Reserve shall be ten percent (10.00%) of the equipment and machinery capital assets cost (i.e., non-depreciated value), as determined by the District's most recent financial statements.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Fleet Equipment Reserve at the end of the preceding calendar month and any amounts transferred to or from the Fleet Equipment Reserve during the month.

EMPLOYMENT-RELATED BENEFITS RESERVE

The District shall establish and maintain an Employment-Related Benefits Reserve to set aside funds over an extended period of time to pay the costs of employment-related benefits for existing and retired District employees, including, but not limited to, the following:

- Payment of accrued leave balances, including sick leave, annual leave, management leave, compensatory time off (CTO) and other leave types per District Policy, upon retirement or separation of employment from the District;
- Payments to employees under the District's Recognition, Rewards and Accountability Program; and,
- Defraying the future cost of other employment-related benefits for District employees.

Monies may be transferred to or from the Employment-Related Benefits Reserve at the direction of the General Manager or designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Employment-Related Benefits Reserve at the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Employment-Related Benefits Reserve shall be the sum of monies sufficient to meet the total of the following amounts: 1) the cost for payouts of accrued leave balances due to retirement or separation of employment from the District for the current and following fiscal year as estimated by the General Manager or designee; and 2) the cost for payments to employees under the District's Recognition, Rewards and Accountability Program for the current and following fiscal year as estimated by the General Manager or designee.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Employment-Related Benefits Reserve at the end of the preceding calendar month, and any amounts transferred to or from the Employment-Related Benefits Reserve during the month.

6280.00

WATER EFFICIENCY RESERVE

The District shall establish and maintain a Water Efficiency Reserve to provide funds for use in a water supply shortage, water supply interruption, Federal/State/Regional/Local mandates, or other programmatic needs. The Water Efficiency Reserve is to be used for programs including, but not limited, to the following:

- Water Efficiency Projects;
- Drought Response;
- Temporary Labor;
- Consulting Services;
- Public Outreach and Communication;
- Water Use Monitoring;
- Workshops;
- Outdoor and Indoor Incentives;
- Information Technology Services;
- Regional Efficiency Programs;
- Water Loss Programs;
- Grants;
- Demonstration Garden; and,
- Cooling Towers.

Monies may be transferred to or from the Water Efficiency Reserve at the direction of the General Manager or designee in accordance with this Policy and the Policies setting forth the purpose, guidelines and restrictions for other District Funds and Reserves. Monies may also be transferred to or from the Water Efficiency Reserve at the specific direction of the Board of Directors.

The target amount of funds to be maintained in the Water Efficiency Reserve shall be \$200,000.

The District Treasurer shall report in writing each month to the Board of Directors on the dollar balance of the Water Efficiency Reserve at the end of the preceding calendar month and any amounts transferred to or from the Water Efficiency Reserve during the month.

6290.00

RESERVE FUND MANAGEMENT

Funds in each of the Designated Reserves and for the Operating Fund may be comingled and invested in compliance with the District's Investment Policy 6300 and any applicable Government Code Section.

6300.00

INVESTMENT OF DISTRICT FUNDS

6300.01

Purpose

This fiscal management policy is intended to provide a policy and guidelines for the District's Treasurer or designee for the prudent and suitable investment of funds and monies of the District without regard to source. The ultimate goal is to enhance the economic status of the District while protecting its funds.

The District's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the District to invest operating and reserve funds to the fullest extent possible. The District shall attempt to obtain the highest yield, provided that all investments first meet the criteria established for safety and liquidity.

Funds not included in this Policy include deferred compensation funds.

6300.10

Definition and Provision of the Government Code

The Board of Directors and Officers authorized to make investment decisions on behalf of the District investing public funds pursuant to California Government Code sections 53600 et seq. and 53630 et seq. are trustees and therefore fiduciaries subject to the prudent investor standard. As an investment standard, any investment shall be made as if it is one which a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

6300.20

Authority

The investment policies and practices of the District are based upon compliance with federal, state and local law and prudent money management. Investments will be in compliance with governing provisions of law (California Government Code sections 53600 et seq. and 53630 et seq. as amended) and this Policy. This Policy shall take precedence when more restrictive than the California Government Code.

6300.21 The Board of Directors delegates for a one-year period the day-to-day management of the District's investments to the Treasurer, subject to the conditions of this Policy. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of documentation and reporting pursuant to Section 6300.70 of this Policy.

The District may also enter into an agreement with a registered investment advisor for investment management/advisory services, and the investment advisor will operate under the direction of the Treasurer. If the District hires an investment advisor to provide investment management services, the advisor is authorized to transact with its direct dealer relationships on behalf of the District. Such advisers shall provide recommendations and advice regarding the District's investment program including but not limited to the purchase and sale of investments in accordance with this Investment Policy. Such advisers must be registered under the Investment Advisers Act of 1940.

6300.30 Ethics and Conflicts of Interest

Directors and Officers involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Investment officials shall disclose to the Treasurer any material financial interests in financial institutions that conduct business with the District, and they will further disclose any personal financial or investment positions that could be related to the performance of the District's portfolio, particularly with regard to the timing of purchases and sales.

6300.35 Prudence

Investments shall be made in the context of the "Prudent Investor" rule, which states that:

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The General Manager, District Treasurer and their designees involved in the investment process, acting in accordance with this Investment of District Funds Policy and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported immediately and that appropriate action is taken to control adverse developments.

6300.40 Objectives

6300.41 Safety of Principal - Safety of principal is the primary objective of the District. Each investment transaction shall seek to preserve the principal of the portfolio, whether from institutional default, broker-dealer default or erosion of market value of securities. The District shall seek to preserve principal by mitigating the following two types of risk:

A. Credit Risk - Credit risk, defined as the risk of loss due to failure of an issuer of a security, shall be mitigated by investing in only very safe institutions and by diversifying the investment of District funds so that the failure of any one issuer would not unduly harm the District's cash flow.

B. Market Risk - The risk of market value fluctuations due to overall changes in the general level of interest rates shall be mitigated by limiting the weighted average maturity of the District's invested funds to three (3) years. It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured losses are inevitable, and must be considered within the context of the overall investment return.

6300.42 Liquidity - Liquidity is the second most important objective. Investments shall be made whose maturity dates are compatible with cash flow requirements and which can be easily and rapidly converted into cash without substantial loss of value.

6300.43 Return on Investment - Investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal, liquidity, and without undue risk.

6300.50 Authorized Investments

District investments are governed by the California Government Code sections 53600 et seq. and 53630 et seq. A permissible investment's term or remaining maturity is to be measured from the investment's settlement date to final maturity. Any forward settlement that exceeds 45 days from the time of investment is prohibited. Within the context of these sections the following investments are authorized:

- A. Local Agency Investment Fund - The District may invest in the Local Agency Investment Fund (LAIF) established by the California State Treasurer and created by Government Code sections 16429.1 through 16429.4 for the benefit of local agencies up to the maximum permitted by the LAIF's Local Investment Advisory Board.

- B. Securities of the U.S. Government - United States Treasury Bills, Notes, Bonds, or Certificates of Indebtedness, or those for which the faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the District funds which can be invested in this category as they are all safe and liquid. Purchases may not have a term remaining to maturity in excess of five (5) years. (Gov. Code, §§ 53601(b) and 53635(a).)

- C. State Obligations - Registered State Warrants or Treasury Notes or Bonds issued by the State of California, any of the other 49 states, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state, as defined in Government Code sections 53601(c), 53601(d) and 53651 and pursuant to Government Code section 53635.2. Obligations eligible for investment shall be rated "A" or its equivalent or better by a nationally recognized statistical rating organization. No more than 25 percent of the District's total portfolio may be invested in state obligations, and no more than 10 percent of any single issuer. Purchases may not have a term remaining to maturity in excess of five (5) years.

- D. Local Agency Obligations - Obligations issued by any local agency, as defined by the Government Code, within the State. Obligations may be bonds, notes, warrants, or other evidences of indebtedness, as defined in Government Code sections 53601(e) and 53651 and pursuant to Government Code section 53635.2. Obligations eligible for investment shall be rated "A" or its equivalent or better by a nationally recognized statistical rating organization. No more than 25 percent of the District's total portfolio may be invested in local agency obligations, and no more than 10 percent of any single issuer. Purchases may not have a term remaining to maturity in excess of five (5) years.

- E. Securities of the U.S. Government Agencies and Instrumentalities - Federal agency or United States government-sponsored enterprise obligations (GSEs) such as: Federal Farm Credit Bank Funding Corporation (FFCB), Federal Home Loan Bank (FHLB), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Government National Mortgage Association (GNMA), Federal Agricultural Mortgage Corporation (FAMC) and Tennessee Valley Authority (TVA). Such securities are obligations of the federal agencies or United States government-sponsored enterprises and shall not have a term to remaining to maturity in excess of five (5) years. There is no limitation as to the percentage of the District funds which can be invested in this category. No more than 35 percent of any single issuer may be purchased. (Gov. Code, §§ 53601(f), 53651).

F. Bankers' Acceptances – Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days' maturity or 25 percent of the District's money that may be invested pursuant to Government Code section 53601(g). However, no more than 5 percent of the District's money may be invested in the bankers' acceptances of any one commercial bank pursuant to Government Code section 53601(g). (Gov. Code, §§ 53601(g), 53651)

G. Prime Commercial Paper - Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

- (1) The entity meets the following criteria:
 - (a) Is organized and operating in the United States as a general corporation.
 - (b) Has total assets in excess of five hundred million dollars (\$500,000,000).
 - (c) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical rating organization.
- (2) The entity meets the following criteria:
 - (a) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
 - (b) Has program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.
 - (c) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization.

Eligible commercial paper shall have a maximum maturity of 270 days or less. In addition:

- (a) No more than 25 percent of the District's total portfolio may be invested in eligible commercial paper; and,
- (b) No more than 5 percent may be invested in any single issuer. (Gov. Code, § 53601(h), 53635.)

H. Non-negotiable Certificates of Deposits - The District may invest in nonnegotiable time deposits collateralized in accordance with the Uniform Commercial Code, in those banks and State and federal associations which meet the requirements for investment in negotiable certificates of deposit (NCD). When conditions so warrant, the first \$250,000 of collateral security for such deposits can be waived if the financial institution is insured pursuant to federal and State law. The term of non-negotiable certificates of deposit is restricted to a maximum of one year. No more than 10 percent of the District's total portfolio may be invested in non-negotiable CD's, and no more than 5 percent of any single issuer.

I. Negotiable Certificates of Deposits - Negotiable certificates of deposit issued by a nationally or state-chartered bank or a federal association, a state or Federal credit union, or by a federally licensed or state licensed branch of a foreign bank. The term of negotiable certificates of deposit is restricted for a minimum of 7 days and a maximum of one year. No more than 10 percent of the District's total portfolio may be invested in negotiable CD's, and no more than 5 percent of any single issuer. (Gov. Code, §§ 53601(i)).

J. Medium-Term Corporate Notes - Medium-term notes, defined as all corporate and

depository institution debt securities with a maximum remaining maturity of five (5) years or less issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment shall be rated "A" or better by a nationally recognized statistical rating organization. No more than 30 percent of the District's total portfolio may be invested in medium-term notes, and no more than 5 percent of any single issuer. (Gov. Code, §§ 53601(k) and 53635.2)

K. Mutual Funds/Money Market Mutual Funds - To be eligible for investment pursuant to this subsection (K), these funds shall meet the following conditions in either paragraph (1) or (2) below:

(1) Shares of beneficial interest issued by diversified management companies (otherwise known as mutual funds) that invest in the securities and obligations as authorized by subdivisions (a) to (k), inclusive, or (m) to (q) inclusive, of Government Code section 53601 and that comply with the investment restrictions of Government Code sections 53600 et seq. and 53630 et seq. However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily. To be eligible for investment pursuant to this paragraph (1), the companies must have either:

(a) Retained an investment adviser registered with the Securities and Exchange Commission with not less than five (5) years' experience investing in securities and obligations and authorized by subdivisions (a) to (k), inclusive, (m) or (q) inclusive of Government Code Section 53601 and with assets under management in excess of five hundred million dollars (\$500,000,000); or,

(b) Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) nationally recognized statistical rating organizations. (Gov. Code, § 53601(l)(1) & (3).)

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.). To be eligible for investment pursuant to this paragraph (2), the companies must either have:

(a) Retained an investment adviser registered with the Securities Exchange Commission with not less than five (5) years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000); or

(b) Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) nationally recognized statistical rating organizations. (Gov. Code, § 53601(l)(2) & (4).)

(3) The purchase price of shares of mutual funds and money market mutual funds purchased pursuant to this Section K of this Policy shall not include any commission that the companies may charge and shall not exceed 20 percent of the total portfolio. Further, no more than 20 percent of the District's total funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1) above. (Gov. Code, §

53601(l)(5).)

L. Asset-Backed Securities – Securities include mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds of a maximum remaining maturity of five (5) years or less. Securities eligible for investment under this subdivision shall be rated in a rating category of “AA” or its equivalent or better by a nationally recognized statistical rating organization. Purchases of asset-backed securities may not exceed 20 percent of the total portfolio. No more than 5 percent of the portfolio may be invested in any single issuer. (Gov. Code, §§ 53601(o), 53635.2.)

M. Joint Powers Authority - Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (r), inclusive, of Government Code section 53601. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this Section M of this Policy, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

- (1) The adviser is registered or exempt from registration with the Securities and Exchange Commission;
- (2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive, of Government Code section 53601; and,
- (3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000) (Gov. Code, § 53601(p).)

N. Collateralized Bank Deposits – Section 6300.56 of this policy addresses collateralization requirements for deposits. These are authorized by California Government Code Section 53637. No more than 50 percent of the portfolio may be invested in any single bank.

O. Supranationals - United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The maximum remaining maturity for these obligations must be five (5) years or less, and they must be eligible for purchase and sale within the United States. In addition, these investments must be rated “AA” or better by a nationally recognized statistical ratings organization. Investments in Supranationals shall not exceed 30 percent of the total portfolio. No more than 5 percent of the portfolio may be invested in any single issuer. (Gov. Code, § 53601(q).)

A. Diversification Constraints on Total Funds:

Permissible investments and limits are based on total funds at time of purchase (settlement date). This subset listing of authorized and permitted securities with specific limitations is determined to more closely fit the District's risk tolerance and requirements for liquidity. The following table lists the District's authorized and permitted investments and certain limitations thereon provided by this Investment Policy:

Investment Type	Maximum Maturity	Maximum % Holdings	Maximum % per Issuer	Minimum Rating
Securities of the U.S. Government	5 Years	100%	100%	N/A
Registered State Warrants, Treasury Notes, or Bonds of the State of California or other states in the United States	5 Years	25%	10%	A-
Bonds, Notes, Warrants, or Other Evidences of Indebtedness of any Local Agency within the State of California	5 Years	25%	10%	A-
Securities of U.S. Government Agencies and Instrumentalities	5 Years	100%	35%	N/A
Commercial Paper	270 days	25%	5%	A-1 Plus A- long Term
Corporate or Medium-Term Notes	5 Years	30%	5%	A-
Bonds of Supranationals (IBRD, IFC, IADB)	5 Years	30%	5%	AA-
Mortgage Pass-Through and Asset-Backed Securities	5 Years	20%	5%	AA-
Non-Negotiable Certificates of Deposit	1 Year	10%	5%	N/A
Negotiable Certificates of Deposit	1 Year	10%	5%	N/A
Money Market Mutual Funds	2(A) 7 Eligible	20%	20%	AAA / AAA
Local Agency Investment Fund	N/A	Max permitted by State Treasurer	Max permitted by State Treasurer	N/A
Collateralized Bank Deposits	N/A	100%	50%	N/A
Bankers' Acceptances	180 Days	25%	5%	N/A
Joint Powers Authority Pool	N/A	N/A	N/A	N/A

Note: Minimum credit ratings and percentage limitations apply to the time of purchase (settlement date)

B. Maturity Constraints on Total Funds:

Every effort will be made to match investment maturities to cash flow needs. Matching maturities with expected cash flow needs will reduce the need to sell securities prior to maturity, thus reducing market risk. At all times, the District will maintain a minimum amount of funds to meet liquidity needs.

The portfolio's maximum weighted average maturity (WAM) shall not exceed 2.5 years.

The maximum percent of callable agency securities in the portfolio shall be 25 percent.

Maximum maturities by authorized and permitted investments are included above. Unless matched to a specific requirement and approved by the Board of Directors, no investment may be made with a maturity greater than five (5) years. If greater than five-year maturity investments are approved and allowable by the Board of Directors, purchases of the investment instruments exceeding the five-year maturity shall not be made until after said approval.

Maturity Constraints	Minimum % of Total Portfolio
Under 5 years	100%
Maturity Constraints	Maximum of Total Portfolio in Years
Weighted Average Maturity	2.5
Maturity Constraints	Maximum % of Total Portfolio
Callable Agency Securities	25%

6300.53 Non-Compliance with Authorized Investments

Investments which were obtained prior to adoption of this Policy which are currently not in compliance with said policy may be held until maturity pursuant to Government Code section 53601.6(b). Reporting of said non-compliant investments shall be made per Section 6300.70 of this Policy.

6300.55 Designation of Depositories

The Board of Directors shall, by Resolution, and in accordance with Government Code sections 53600 et seq. and 53630 et seq., designate depositories for District funds. A State or federal credit union may not be designated as a depository for District funds if a member of the Board of Directors or any person with investment decision-making authority for the District serves on the Board of Directors, any committee appointed by the Board of Directors, or the credit committee or supervisory committee of the State or federal credit union.

As far as possible, all money belonging to, or in the custody of the District, including money paid to the Treasurer or other official to pay the principal, interest, or penalties of bonds, shall be deposited for safekeeping in State or national banks, savings associations, federal associations, credit unions, or federally insured industrial loan companies in this State, selected by the Treasurer or other official having legal custody of the money; or may be invested in the investments set forth in Government Code section 53601. To be eligible to receive District money, a bank, savings association, federal association, or federally insured industrial loan company shall have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities, including low- and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code.

Government Code sections 53601.5 and 53601.6 shall apply to all investments that are acquired pursuant to Government Code section 53635.2. (Gov. Code, § 53635.2).

6300.56 Collateralization

A financial institution must provide coverage for at least 110 percent of all District deposits that are placed in the institution. Acceptable pooled collateral requirements are governed by California Government Code Section 53651. Although permitted by California Government Code (Section 53651(m)), real estate mortgages are not considered acceptable collateral for District deposits. All banks are required to provide the District with a regular statement of pooled collateral. This report will state that they are meeting the 110 percent collateral rule (Government Code Section 53652(a)), a listing of all collateral with location and market value, plus an accountability of the total amount of deposits secured by the pool.

The market value of the collateral must not fall below 110 percent of the value of the deposit(s) at any time. The District will maintain a first perfected security interest in the securities pledged against the deposit and shall have a contractual right to liquidation of pledged securities upon the bankruptcy, insolvency or other default of the counter party.

As per section 53638 of the California Government Code, any deposit shall not exceed the total paid-up capital and surplus of any depository bank, nor shall the deposit exceed the total net worth of the depository institution.

Deposits that are within the Federal Deposit Insurance Corporation (FDIC) insured limit amounts are exempt from the District's collateralization and minimum bank financial strength rating requirements.

6300.60 Safekeeping of Securities

To protect against potential losses caused by collapse of individual securities dealers, all securities shall be delivered versus payment (DVP) and shall be kept in safekeeping pursuant to Government Code section 53608. All investment transactions require the bank to provide safekeeping receipt or acknowledgement generated from the transaction. All security transactions, including collateral for repurchase agreements, entered into by the District, shall be conducted on a delivery versus payment basis. The safekeeping institution is required to provide a listing of all securities held in safekeeping with current market data and other information on a monthly basis. In no case shall funds be wired or transmitted in any manner to brokers.

6300.70 Reporting Requirements

Under provisions of Government Code sections 53646 and 53607, the Treasurer shall render a monthly report to the District's Board of Directors and General Manager. The report shall include the type of investment, issuer, date of maturity, par value and the dollar amount invested in all securities, investments and monies held by the District, and shall additionally include a description of any of the District's funds, investments or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the District, and under management of any outside party that is not also a local agency of the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report, and shall include the source of this same valuation.

In the report, a subsidiary ledger of investments may be used in accordance with generally accepted accounting practices.

The Treasurer shall report whatever additional information or data may be required by the District's Board of Directors.

For District investments that have been placed in the Local Agency Investment Fund, created by Government Code section 16429.1, in National Credit Union Share Insurance Fund-insured accounts in a credit union, in accounts insured or guaranteed pursuant to Financial Code section 14858, or in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in a county investment pool, or any combination of these, the Treasurer may supply to the District's Board of Directors and General Manager the most recent statement(s) received by the District from these institutions in lieu of the aforementioned information regarding the type of investment, issuer, date of maturity, par value and the dollar amount invested in all securities, investments and monies held by the District.

The monthly Treasurer's report shall state compliance of the portfolio with this Investment of District Funds Policy, or manner in which the portfolio is non-compliant. The report shall include a statement denoting the ability of the District to meet its expenditure requirement for the next six months or an explanation as to why sufficient monies will not or may not be available.

The Investment Policy sets forth concentration constraints and minimum credit ratings for each type of security. These limits apply to the initial purchase of a security and do not automatically trigger the sale of a security as the portfolio value fluctuates or in the event of credit rating downgrade. Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

6300.90

Investment Policy Review

This policy governing Investment of District Funds shall be reviewed, modified as necessary and re-adopted or amended at a public meeting of the Board of Directors annually or more frequently if necessary.

6460.00

DISBURSEMENT OF FUNDS

Only persons duly authorized by the Board of Directors shall approve the disbursement of District funds, including signing checks issued for payment by the Citrus Heights Water District, approval of electronic funds transfers, or any other form of disbursement of District funds. Check signing authority shall be granted by resolution and/or included in the signature card for the applicable account.

6460.10 Warrants

Disbursements issued for payment shall be approved by and signed on behalf of the District by two of those persons authorized to sign checks or warrants on behalf of the District.

Individual disbursements issued for payment shall be reported in writing to the Board of Directors at the next regular meeting of the Board of Directors following issuance of the disbursement, but do not require prior approval of the Board of Directors for issuance.

6460.25 Credit Card Purchases

The use and control of District credit cards and purchase cards is set forth in Policy 6520, Credit Cards. Disbursements to pay for credit card and purchase card statements remain subject to the provisions of this Disbursement of Funds policy.

6460.30 Disbursements for Payroll, Benefits and Taxes

Prior to disbursement, registers prepared for payment of District employee payroll, employee benefits and employee tax withholding shall be reviewed and approved by two of those persons authorized to sign checks or warrants on behalf of the District. Disbursement of District funds for employee payroll, employee benefits and employee tax withholding are not subject to the disbursement limit set forth in Section 6460.20 of this Policy above.

6460.40 Disbursements for Bond Payments

Prior to disbursement, payments to satisfy the principal and interest on District bond debt issuances shall be reviewed and approved by two of those persons authorized to sign checks or warrants on behalf of the District.

6460.50 Board-Approved Disbursements

The Board of Directors authorizes staff to pay warrants as received provided that such claim was budgeted and incurred in a manner consistent with this Policy and Purchasing and Procurement Policy 6500.

6460.60 Electronic Funds Transfer Payments

Disbursements made by the electronic transfer of funds shall be approved as set forth in Section 6460.10 of this Policy, with two authorized signatures approving the invoice or other documentation of the amount of payment before the electronic transfer of funds is made. Disbursements made by the electronic transfer of funds shall be reported in writing to the Board of Directors at the next regular meeting of the Board of Directors following issuance of the disbursement, but do not require prior approval of the Board of Directors for issuance.

6460.70 Investment and Savings Accounts

All amounts drawn on investment and savings accounts, except for transfers to other District investment, savings or checking accounts, shall be approved by and signed on behalf of the District by any two of those persons authorized to sign checks or warrants on behalf of the District.

6460.80 Transfer of Funds

Transfers of funds between accounts that do not constitute a disbursement of District funds can be executed using electronic or telephone procedures by any one of those persons authorized to sign checks or warrants on behalf of the District.

6460.90 Policy Review

This policy regarding Disbursement of Funds shall be reviewed and modified as necessary.

6480.00 PETTY CASH

A petty cash fund shall be maintained for small, day-to-day, over-the-counter purchases made on behalf of the District. The petty cash fund shall not exceed \$500.00 and shall be controlled by the District Treasurer. The petty cash fund shall be secured in the Administrative Office vault.

6480.01 Advance and Reimbursement

Petty cash may be advanced to District Directors or employees upon request for the purpose of procuring item(s) or service(s) appropriately related to District business. Petty cash funds advanced shall be documented and signed for upon disbursement. After said item(s) or service(s) have been obtained, a receipt for same shall be submitted to the Treasurer and any remaining advanced funds returned. The maximum petty cash advance shall be \$50.00.

Petty cash may also be utilized to reimburse District Directors or employees for out-of-pocket expenses used for item(s) or service(s) appropriately related to District business and verified by valid receipts. In those instances when a receipt is not obtainable, the requested reimbursement to District employees shall require approval of the General Manager prior to remuneration. No personal checks shall be cashed in the petty cash fund.

See also Purchasing and Procurement Policy section 6500.14.

6480.02 Accounting

Petty cash purchases shall be debited against the appropriate expense accounts.

6480.03 Replenishment

The petty cash fund shall be replenished as necessary by issuance of a District check made payable to Petty Cash.

6500.01 Introduction

The District has a responsibility to acquire the best value in supplies, materials, equipment, operating and maintenance services, consultant services, and public works projects from various suppliers, contractors, and consultants.

This Policy provides guidance and instructions to employees involved in the purchasing and procurement process.

6500.01 Objectives of Purchasing and Procurement Policy

This Purchasing and Procurement Policy has been developed to achieve the following objectives:

- Standardize the procedures by which the District conducts business with its suppliers, contractors, and consultants.
- Ensure impartiality and competition in purchasing and procurement transactions whenever possible.
- Establish purchasing and procurement authorization procedures, delegation of authority, and accountability.
- Implement effective documentation, processing, accounting, reporting, and audit trail systems to support purchasing and procurement activities.
- Maximize effective use of the District's financial and personnel resources.

6500.02 Personnel Standards of Conduct

All personnel engaging in purchasing and procurement activities on behalf of the District shall employ the following standard practices:

- Consider, first, the interests and needs of the District in all transactions.
- Carry out the established policies of the District.
- Buy without prejudice and seek to obtain the maximum value for each expenditure of public funds.
- Subscribe to and work for honesty and truth in purchasing and procurement, and denounce all forms of commercial bribery.

No District employee involved in purchasing shall maintain a financial interest or have any personal beneficial interest, directly or indirectly, in any contract or purchase of supplies, materials, equipment, services, or public works projects used by or furnished to the District.

6500.10 Purchasing Categories

District purchases typically are within the following seven categories:

1. General Purchases
2. Consultant Services
3. Public Works Projects
4. Petty Cash Purchases
5. Emergency Purchases
6. Single Source Purchases
7. Real Property

When considering purchases or procurements in any category except emergency purchases, the District's current Operating Budget should be reviewed to ensure compliance with anticipated expenditures and revenues.

6500.11 General Purchases

This category consists of the following general purchase classifications:

- Supplies including office and field supplies, fuels, etc.
- Material including waterworks materials, trench backfill material, etc.
- Equipment including office equipment, vehicles, tools, etc.
- Software and other intangible goods.
- Settling minor claims or potential claims against the District, including the payment of severance.

6500.12 Services

This category includes Operating and Maintenance Services including service contracts and agreements, equipment repairs, etc. and specialized professional services including, but not limited to, surveyors, engineers, architects, attorneys/legal counsel, auditors, management consultants, financial consultants, technical consultants, and short-term personal services less than 30 days.

Individual members of the Board of Directors are authorized to directly consult with the District's attorneys/legal counsel.

6500.13 Public Works Projects

This category comprises expenditures for public works projects that are typically related to capital improvements performed by independent contractors for the District's water distribution system, groundwater production facilities, and administrative/corporation yard facilities. Said contractors are to be considered for selection when a specific improvement project exceeds the available personnel, equipment, and technical expertise of the District.

Payment of the prevailing wage for construction labor classifications as determined by the State of California is required of contractors providing public works project construction for the District.

A 10 percent bid security is required for sealed competitive bids.

6500.13 Petty Cash Purchases

This category is comprised of small, day-to-day, over-the-counter purchases made on behalf of the District using Petty Cash. A Petty Cash fund not to exceed \$500 shall be maintained and controlled by the District Treasurer. See also Petty Cash Policy 6480.

6500.15 Emergency Purchases

This category constitutes purchases required during times of duress when the requirements for competitive purchasing and procurement can be waived. In such cases where purchases are made outside of normal procedures, records must be maintained to indicate the vendor, types, quantities, and disposition of items purchased or services procured. If possible, informal or facsimile quotations should be obtained and documented. The General Manager or designee shall have the authority to issue purchase orders and make purchases/procurements during emergency conditions.

A report and full accounting of expenditures shall be provided to the Board of Directors whenever emergency purchases and procurements are made.

6500.16 Single-Source Purchases

This category makes allowances for the infrequent, but sometimes necessary, purchase from a supplier that is the only acceptable vendor able to furnish a certain product or service. Inasmuch as single-source purchases are an exception to competition, care must be exercised and consideration given to the following:

- Is there a lack of responsible competition for the product or service?
- Does the vendor possess exclusive and/or predominant capabilities?
- Is the product or service unique and easily established as one-of-a-kind?
- Would utilizing a single-source result in future operational or maintenance savings.
- Are there patented or proprietary rights that fully demonstrate a superior patented feature not obtainable from similar products, or a product or service available from only one source rather than dealers and retailers from which competition could be encouraged?
- Can the District's requirements be modified so that competitive products or services may be used without sacrificing product quality and vendor responsiveness?

Further, in accordance with Public Contract Code section 3400(c), the District may make a finding that is described in the invitation for bids or request for proposals that a particular material, product, thing, or service is designated by specific brand or trade name for any of the following purposes:

- In order that a field test or experiment may be made to determine the product's

suitability for future use.

- In order to match other products in use on a particular public improvement either completed or in the course of completion.
- In order to obtain a necessary item that is only available from one source.
- In order to respond to an emergency declared by the District, but only if the declaration is approved by a unanimous vote of the Board.
- In order to respond to an emergency declared by the state, a state agency, or political subdivision of the state, but only if the facts setting forth the reasons for the finding of the emergency are contained in the public records of the District.

6500.17 Real Property

This category includes easements, fee title and other interests in real property. Due to the individualized nature of real property, all purchases may be by negotiated purchase.

6500.20 Purchasing Levels and Authority

Below are tables listing the various purchasing categories and the authority for individual purchases:

Category		
	General Manager	Board of Directors
General: supplies, materials, equipment, O&M services	\$75,000 or less	Greater than \$75,000
Consultant Services	\$75,000 or less	Greater than \$75,000
Public Works Projects	\$175,000 or less	Greater than \$175,000
Petty Cash	Less than \$500	None
Emergency Authority:	All amounts but General Manager shall notify Board of Directors at its next regular meeting	
Single Source	\$75,000 or less	Greater than \$75,000

Real Property	\$20,000 or less	Greater than \$20,000

Procurement limits shall apply on a single project basis for services or purchase basis for materials. Multiple procurements from a single provider or purchaser shall be judged individually. However, splitting or separating of materials, supplies, services, and projects for the express purpose of evading the requirements of this Policy is strictly prohibited.

6500.21 Informal Solicitations

All purchases or contracts for materials, supplies, equipment and services will be based, whenever possible and practicable, on some form of competition. There may be exceptions to the competitive process for emergency conditions, supply or source limitations, or other circumstances with justifications for such waiver being documented prior to the acquisition. Moreover, quotations are not required for consultant services or single source procurements. The following guidelines shall be used for obtaining quotes or proposals:

Estimated Value	Number and Type of Quotations
\$0 – \$5,000	At least one verbal or written quote
\$5,000.01 – \$40,000	At least two written quotes
\$40,000.01 – \$74,999.99	At least three written quotes
\$75,000 +	Formal Quotations

Written quotes may be either hard-copy quotes received in the mail, via facsimile or via electronic transmission. Written quotes or the justification for not obtaining quotes shall be maintained in the project file.

Quotes may not be available for common items normally found in retail establishments (i.e., Home Depot, Lowe's, etc.), unless in bulk or special order. The purchase of common consumer items is acceptable without a quote, but a contractor's discount should be sought if a business account is established.

6500.22 Formal Quotations

Formal solicitation procedures shall be required for procurements estimated to be greater than \$75,000. The use of an online solicitation system is acceptable for formal solicitations, as well the receipt of formal solicitations (unless specifically stated otherwise within the solicitation documents). In addition, the notice to bidders or request for proposal shall:

1. At a minimum, be advertised in one general circulation newspaper within the District's geographic boundaries or advertised electronically on an

appropriate regional purchasing website.

2. Whenever possible and practical, provide a minimum of fourteen (14) calendar days for response, unless otherwise required by the Public Contract Code.
3. Require the receipt of a minimum of two (2) competitive responses or more, when available.

Proposals and quotations may be publicly unsealed, and respective dollar amount(s) announced. Award details shall be made available following the award of a contract. The formal competitive solicitation process may be waived at the discretion of the General Manager or designee, when there is a compelling reason to do so (e.g., public safety, prevent loss of life, imminent danger, or other valid reason). The General Manager shall document the reason and present it to the Board of Directors at the next regularly scheduled meeting. In addition, the formal competitive solicitation process shall not be required for services unless otherwise required by law. Written responses to the notice to bidders or request for proposal shall be maintained in the project file.

6500.23 Public Works Bidding

The Irrigation District Law does not maintain competitive bidding for public works except in limited cases. In such cases or when required by law, the District shall utilize all competitive processes mandated by the Public Contract Code.

For other public works solicitations, the District shall utilize the process identified in Section 6500.22 of this Policy for public works. In addition to such procedures, public work bids shall be publicly unsealed, and respective dollar amount(s) announced. The Board of Directors may waive public bidding for any public work at its discretion and subject to the limits of applicable law.

6500.25 Cooperative Purchasing

In lieu of conducting an informal or formal solicitation, the District may utilize cooperative and piggyback procurements that are based on competitive processes that are substantially consistent with the requirements of this Policy. Documentation of this finding and its basis shall be maintained in the project file.

6500.26 Task Order Agreements

The District may execute task order agreements with vendors. The procurement process set forth in this policy shall apply to the initial award of the agreement. During the term of the agreement, the General Manager may issue individual task orders within budgeted amounts. The General Manager may approve amendments to update billing rates and fee schedules as necessary.

6500.30 Change Orders

A change order is required when work or services performed pursuant to a contract will exceed the approved original contract amount or changes in the scope of work are required. A written request for change order must be completed and approved before a change order can be authorized. Board approval is required for any change order or amendment that exceeds ten percent of the initial contract amount. Subsequent change

orders or amendments shall be aggregated so that Board approval is required once the total amount approved by change order or amendment exceeds ten percent of the initial contract amount. The Board may delegate additional authority for change orders or

amendments when approving any contract.

6500.50 Purchasing Cycle

Regardless of the type of item or service being acquired, each transaction proceeds through the following nine distinct stages in varying degrees:

1. Assessment and determination of need
2. Research and/or development of specifications
3. Estimation of anticipated cost
4. Solicitation and evaluation of quotations, bids, or proposals
5. Selection and approval of purchase
6. Award of contract or order
7. Delivery and Inspection
8. Receipt of invoice, reconciliation with delivery ticket, verification of pricing by purchasing coordinator/agent
9. Payment

6500.80 Purchase Orders

Purchase orders may be necessary from time to time to facilitate purchase of required products or services. The District's officers (Directors, Secretary, Assessor/Collector, and Treasurer), and the General Manager are authorized to execute purchase orders on behalf of the District.

6500.90 Purchasing/Procurement Authority

Purchasing and procurement authority not heretofore specifically designated is hereby retained by the Board of Directors.

The General Manager, at his or her discretion, may delegate purchasing authority to staff. Such delegation shall be in writing.

6500.100 Project File

The General Manager or designee shall maintain a project file for each purchase. The project file may be maintained electronically or in hard copy consistent with applicable law and the District's retention policy.

6520.00 CREDIT CARDS

The use of a District credit card(s) or purchase card(s) to obtain goods and services is recognized

as an efficient alternative to payment by check or cash for some purchases. Typical use of such credit or purchase cards include, but is not necessarily limited to: securing accommodations for continued education functions, purchasing vehicle fuel and oil, expediting purchases from out-of-area vendors and expediting the purchase of tools and supplies.

6520.10 Purchase Cards

Credit cards shall be maintained in the name of the District, with the name of the individual authorized to use the card also assigned to the account as required by the credit card issuer.

Purchases utilizing said cards shall be authorized only by the persons to whom they are issued, typically the District Directors, Officers, or General Manager. Said purchases shall be subject to the provisions of Purchasing and Procurement Policy 6500. Persons to whom credit cards are issued shall be responsible for securing the cards appropriately to prevent loss, theft or misuse.

Directors shall be provided with a copy of the monthly credit card statements for review concurrent with the Treasurer's monthly report.

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6520.30 Gas and Oil Credit Card

One gas and oil credit card account is to be maintained in the name of the District for use limited strictly to District vehicles, either locally or for transportation associated with District business. The General Manager shall develop and implement appropriate administrative and operational procedures to ensure all gas and oil purchases are authorized and for official use only. Such procedures shall ensure adequate tracking for audit purposes and may include, but are limited to, requiring odometer readings, lists of authorized employees, and identity verification by the vendor.

6520.40 Account Balances

Credit card and purchase card account balances shall be paid in full each month in a timely manner to avoid incurring any late charges or finance charges.

6600.01 If the General Manager or designee determines that a violation of any rule, procedure, or ordinance of the District has occurred, and a penalty is assessed against such person, that person may appeal the determination of the General Manager or designee as provided in this Policy.

6600.02 The person found to be in violation of a District rule, procedure, or ordinance (the "Violator") may initiate an appeal of the imposition of any penalty by completing and submitting in writing to the District Secretary a form to be provided by the District for such purpose. All appeals shall be submitted to the District Secretary within thirty (30) calendar days of the date of the notice of the imposition of the penalty.

6600.03 The General Manager or designee shall review the written appeal form and any related information filed concurrently by the Violator, and, if necessary, shall cause an investigation and report to be made concerning the imposition of any penalty. The General Manager or designee shall have thirty (30) calendar days from the submission of the written appeal form to render a final decision on the appeal, and mail notice of such decision to the Violator. If the General Manager or designee grants the appeal and determines that a penalty was imposed in error or should be reduced based on extenuating circumstances, within fifteen (15) calendar days of such determination the General Manager or designee shall (a) refund the penalty or any portion thereof, if already paid by the Violator, for which the appeal was granted, including any additional penalties or interest related thereto; or (b) determine and adjust the amount of the penalty for the Violator, including any additional penalties or interest related thereto, and give written notice thereof.

6600.04 The decision of the General Manager or designee may be appealed by the Violator to the Board of Directors. Such appeal must be submitted in writing and filed with the District Secretary within fifteen (15) calendar days of the date of decision of the General Manager or designee pursuant to section 6600.03 herein. The Board of Directors shall conduct a hearing on such appeal at its next regularly scheduled Board of Directors meeting; provided, however, that the Board of Directors received the notice of appeal at least fifteen (15) calendar days prior to such meeting. If the appeal is not submitted within at least fifteen (15) calendar days prior to a regularly scheduled Board of Directors meeting, then the hearing shall be held at the next following regularly scheduled Board of Directors meeting. A notice of the hearing shall be mailed to the violator at least ten (10) calendar days before the date fixed for the hearing.

6600.05 The Board of Directors shall review the decision of the General Manager or designee de novo. The determination of the Board of Directors shall be conclusive and constitute a final order. Notice of the final determination by the Board of Directors shall be mailed to the Violator within ten (10) calendar days of such determination. If the appeal is granted in whole or in part, within ten (10) calendar days from the date of the mailing of the notice of determination by the Board of Directors, the District shall (a) refund the penalty or any portion thereof if already paid by the Violator, including any other penalties or interest related thereto for which the appeal was granted; or (b) determine and impose the adjusted amount of the penalty for the Violator, including any other penalties or interest related thereto. If the appeal is denied, or granted only in part, the Violator shall have twenty (20) calendar days from the date of the mailing of the notice of determination by the Board of Directors to pay the penalty due, and any other penalties and interest, if any, fixed by the Board of Directors.

6600.06 Until the conclusion of the appeal process, all District rules, provisions, and decisions under appeal shall remain in full force and effect.

6600.07 If a Violator is subject to the imposition of a penalty under the District's rules and is delinquent in payment of such penalty, and after notice to the Violator has been provided in accordance with the District's policies, the Violator shall become liable to the District for interest (added to the penalty) at the rate of one percent (1%) per month on the delinquent penalty amount.

6700.00

FIXED ASSETS ACCOUNTING CONTROL

The purpose of this policy is to provide control and accountability over fixed assets of the District, and to gather and maintain information needed for the preparation of financial statements.

6700.01

Definition of Fixed Assets

A fixed asset, also referred to as a capital asset, is defined under this Policy as:

- A. Tangible personal property that is owned, leased, controlled or possessed by the District with a dollar value of at least \$5,000.00 per item and a useful life of more than two years, and not consumed in the normal course of business.
- B. Any addition to the District's infrastructure for conveyance, treatment, pumping or production of water with a dollar value greater than \$15,000.00 and a useful life of more than one year.
- C. Any construction project, building, land, or improvement upon land with a dollar value greater than \$15,000.00 and a useful life of more than one year.

6700.10

Valuation of Fixed Assets

Fixed assets shall be valued at cost including all ancillary charges necessary to place the asset in its intended location and condition for use. The value of fixed assets shall be determined as described in the sections that follow.

6700.11

Purchased Fixed Assets

The value of purchased fixed assets shall be determined using the historical cost of the assets, including all sales taxes or other taxes, and all appropriate ancillary costs, less any trade discounts or rebates. If the historical cost of the asset is not available, or cannot be reasonably determined, an estimated cost may be determined using the best available information.

The capitalized value of land that is purchased by the District shall include the purchase price, plus any costs such as legal fees and any costs incurred to put the land in condition for its intended use.

The capitalized value of buildings purchased by the District shall include both acquisition and capital improvement costs. Capital improvements include structures (e.g., office buildings, shop buildings, and other facilities) and all other property permanently attached to, or an integral part of, the structure (e.g., heating and air-conditioning equipment).

Furniture, fixtures, computer software, or other equipment that is not an integral part of a building are not considered capital improvements and should be classified as equipment. The cost for this type of asset shall reflect its actual or estimated cost.

6700.12 Constructed Fixed Assets

The value of constructed fixed assets shall be determined using all direct costs associated with the construction, along with any design or project management costs. Actual project management costs may be used when they can be reasonably determined and directly associated with the construction.

6700.13 Ancillary Costs

Ancillary costs should, when possible and practical, be included in the cost of a fixed asset. Minor ancillary costs that may not be measurable at the time a capital asset is recorded in the inventory system are not required to be capitalized, but may be capitalized if the information becomes readily available. Ancillary costs include items such as:

For land:

- Legal and title fees;
- Professional fees of engineers, attorneys, appraisers, financial advisors, etc.;
- Surveying fees;
- Appraisal and negotiation fees;
- Payment for damages;
- Site preparation costs; and,
- Costs related to demolition of existing structures.

For infrastructure:

- Professional fees of engineers, attorneys, appraisers, financial advisors, etc.;
- Surveying fees;
- Appraisal and negotiation fees;
- Site preparation costs; and,
- Costs related to demolition of existing structures.

For buildings and improvements other than buildings:

- Professional fees of architects, engineers, attorneys, appraisers, financial advisors, etc.;
- Costs of fixtures permanently attached to a building or structure;
- Insurance premiums and related costs incurred during construction; and,
- Any other costs necessary to place a building or structure into its intended location and condition for use.

For furnishings, equipment, software, and other fixed assets:

- Transportation charges;
- Sales tax;
- Installation costs;
- Extended maintenance or warranty contracts purchased at the time the fixed asset is purchased; and,

- Any other normal or necessary costs required to place the asset in its intended location and condition for use.

6700.14 Donated Fixed Assets

The value of donated assets shall be determined using the acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

6700.20 Useful Life and Depreciation of Fixed Assets

The useful life of a fixed asset shall be determined using (a) general guidelines obtained from professional or industry organizations, (b) information for comparable assets of other governments, or (c) internal information.

6700.21 Depreciation Method and Convention

Depreciable assets will be depreciated using the straight-line method of depreciation and the full month convention.

6700.30 Physical Inventory of Fixed Assets

A physical inventory of the following categories of fixed assets shall be performed annually:

Fleet Equipment
Office Furniture and Fixtures Computer
Equipment and Software Machinery and
Equipment
Office and Telephone Equipment

The results of the physical inventory shall be reconciled with the District's asset inventory system, and any discrepancies shall be reported to the General Manager and the District Treasurer.

6700.40 Disposal of Fixed Assets

Fixed assets that have become surplus to the needs of the District shall be disposed in accordance with Disposal of Surplus Property Policy 5750. At the time that a fixed asset is disposed, any remaining book value will be recorded as loss on disposal such that the asset's book value is zero.