

SOLANO COUNTY WATER AGENCY



BOARD OF DIRECTORS MEETING

BOARD OF DIRECTORS:

Chair:
Supervisor Erin Hannigan
Solano County District 1

Vice Chair:
Mayor Pete Sanchez
City of Suisun City

Mayor Len Augustine
City of Vacaville

Mayor Thom Bogue
City of Dixon

Supervisor Monica Brown
Solano County District 2

Director Dale Crossley
Reclamation District No. 2068

Director John D. Kluge
Solano Irrigation District

Director Ryan Mahoney
Maine Prairie Water District

Mayor Elizabeth Patterson
City of Benicia

Mayor Harry Price
City of Fairfield

Mayor Norm Richardson
City of Rio Vista

Mayor Bob Sampayan
City of Vallejo

Supervisor Jim Spering
Solano County District 3

Supervisor Skip Thomson
Solano County District 5

Supervisor John Vasquez
Solano County District 4

GENERAL MANAGER:

Roland Sanford
Solano County Water Agency

DATE: Thursday, February 9, 2017

TIME: 6:30 P.M.

PLACE: Berryessa Room
Solano County Water Agency Office
810 Vaca Valley Parkway, Suite 203
Vacaville

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. PUBLIC COMMENT

Limited to 5 minutes for any one item not scheduled on the Agenda.

5. CONSENT ITEMS

- (A) Minutes: Approval of the Minutes of the Board of Directors meeting of January 12, 2017 is recommended.
- (B) Expenditure Approvals: Approval of the January 2017 checking account register is recommended.
- (C) Lower Putah Creek Coordinating Committee Appointments: Appoint Solano Representatives to the Lower Putah Creek Coordinating Committee for calendar year 2017.
- (D) SCWA Fiscal Year 2015-2016 Audit: Accept Fiscal Year 2015-2016 audit conducted by Mann, Urrutia, Nelson CPAs & Associates, LLP.
- (E) Authorize purchase of herbicides on behalf of Lower Putah Creek Coordinating Committee: Authorize General Manager to purchase up to \$36,000 (grant funded) of herbicides for use by Lower Putah Creek Coordinating Committee.

810 Vaca Valley Parkway, Suite 203
Vacaville, California 95688
Phone (707) 451-6090 • FAX (707) 451-6099
www.scwa2.com



6. **BOARD MEMBER REPORTS** *(estimated time: 5 minutes)*

RECOMMENDATION: For information only

7. **GENERAL MANAGER'S REPORT** *(estimated time: 5 minutes)*

RECOMMENDATION: For information only.

8. **STATUS REPORT: FORMATION OF GROUNDWATER SUSTAINABILITY AGENCY(S) FOR SOLANO SUB-BASIN PURSUANT TO SUSTAINABLE GROUNDWATER MANAGEMENT ACT** *(estimated time: 30 minutes)*

RECOMMENDATION: Hear status report and provide direction to staff.

9. **WATER AGENCY STAFFING – ADDITION OF ASSISTANT WATER RESOURCES SPECIALIST POSITION** *(estimated time: 15 minutes)*

RECOMMENDATION: Approve addition of Assistant Water Resources Specialist position and authorize immediate recruitment of said position.

10. **WATER POLICY UPDATES** *(estimated time: 10 minutes)*

RECOMMENDATIONS:

1. Hear report from staff on current and emerging Delta and Water Policy issues and provide direction.
2. Hear status report from Committee Chair on activities of the SCWA Water Policy Committee (**No report, next committee meeting scheduled for February 23, 2017**).
3. Hear report from Supervisor Thomson on activities of the Delta Counties Coalition and Delta Protection Commission.
4. Hear report from Legislative Committee (**No report, next committee meeting scheduled for February 14, 2017**).

11. **TIME AND PLACE OF NEXT MEETING**

Thursday, March 9, 2017 at 6:30 p.m. at the SCWA offices.

The Full Board of Directors packet with background materials for each agenda item can be viewed on the Agency's website at www.scwa2.com.

Any materials related to items on this agenda distributed to the Board of Directors of Solano County Water Agency less than 72 hours before the public meeting are available for public inspection at the Agency's offices located at the following address: 810 Vaca Valley Parkway, Suite 203, Vacaville, CA 95688. Upon request, these materials may be made available in an alternative format to persons with disabilities.

CONSENT ITEMS

SOLANO COUNTY WATER AGENCY
BOARD OF DIRECTORS MEETING MINUTES
MEETING DATE: January 12, 2017

The Solano County Water Agency Board of Directors met this evening at the Solano County Water Agency.
Present were:

Supervisor Erin Hannigan, Solano County District 1
Supervisor Monica Brown, Solano County District 2
Supervisor James Spering, Solano County District 3
Supervisor John Vasquez, Solano County District 4
Supervisor Skip Thomson, Solano County District 5
Mayor Thom Bogue, City of Dixon
Mayor Elizabeth Patterson, City of Benicia
Mayor Harry Price, City of Fairfield
Mayor Len Augustine, City of Vacaville
Mayor Pete Sanchez, City of Suisun City
Mayor Bob Sampayan, City of Vallejo
Mayor Norman Richardson, City of Rio Vista
Director Dale Crossley, Reclamation District 2068
Director John Kluge, Solano Irrigation District
Director Ryan Mahoney, Maine Prairie Water District

CALL TO ORDER

The meeting was called to order at 6:30 P.M. by Chair Hannigan.

APPROVAL OF AGENDA

On a motion by Supervisor Vasquez and a second by Mayor Patterson the Board unanimously approved the agenda.

PUBLIC COMMENT

There were no public comments.

ELECTION OF OFFICERS AND APPOINTMENT OF EXECUTIVE COMMITTEE FOR 2017

Mayor Sanchez and Director Kluge were unanimously elected as the 2017 Board Chair and Vice Chair, respectively. Upon election, Mayor Sanchez immediately assumed the Board Chair position and appointed Supervisor Thomson, Director Mahoney, and Mayor Richardson to serve, along with the Board Chair and Vice Chair, as the 2017 Board Executive Committee. Chairman Sanchez stated he would make appointments to the Board's Legislative and Water Policy committees before the end of the month, and requested that Board members interested in serving on either the Legislative or Water Policy committees send him an e-mail indicating their interest.

CONSENT ITEMS

On a motion by Mayor Richardson and a second by Supervisor Hannigan the Board unanimously approved the consent items:

- (A) Minutes
- (B) Expenditure Approvals
- (C) Quarterly Financial Report
- (D) Flood Control Advisory Committee Re-Appointments
- (E) State Water Project Municipal Water Quality Investigations Program
- (F) Contract Amendment for Continued Government Relations Representation by Clean Tech Advocates
- (G) Dissolution of SCWA Strategic Planning Committee
- (H) SCWA High Efficiency Washer Rebate Program

BOARD MEMBER REPORTS

Supervisor Thomson informed the Board that his recent seating as the Delta Protection Commission (DPC) Chair has also appointed him to serve as the DPC representative on the Delta Stewardship Council. Given these new commitments, he has stepped down as the Solano County representative on the Delta Conservancy and the Solano County BOS nominated Mayor Patterson as the replacement.

Mayor Richardson reported on recent discussions with County, Reclamation District, and Agency staff regarding Rio Vista's concerns with increased impacts to the City due to Yolo Bypass flood conveyance improvements proposed by the State as part of the Central Valley Flood Protection Plan 2017 Update.

Mayor Price informed the Board that a new KC-46 Squadron has been assigned to be stationed at TAFB.

GENERAL MANAGER'S REPORT

In addition to the General Manager's written report, GM Sanford reported that Lake Berryessa has received 360,000 acre-feet of inflow this season, 220,000 acre-feet within the last seven days. He went on to report that current Lake Berryessa storage was 1,200,000 acre-feet, the highest since 2013. GM Sanford also reported that despite the recent heavy rains, flooding in Solano County was primarily limited to flood prone areas, and that at times the Ulati Flood Control Project was at or near maximum flood conveyance capacity, but performed as intended.

ADOPT 2017 QUARTERLY MEETING CALENDAR FOR WATER POLICY AND LEGISLATIVE COMMITTEES

On a motion by Mayor Price and a second by Director Crossley the Board unanimously adopted the 2017 quarterly meeting calendar for the Board's Water Policy and Legislative committees.

PUTAH SOUTH CANAL SIPHON INSPECTIONS

On a motion by Supervisor Vasquez and a second by Mayor Price the Board unanimously authorized General Manager to execute \$102,555 contract with Global Diving & Salvage, Inc. to conduct remotely operated vehicle inspections of the three largest siphons on the Putah South Canal; and to execute a contract amendment for up to \$30,000 should additional, currently unforeseen, scope of work activities become necessary and/or desirable.

WATER POLICY UPDATES

1. There was no report from staff on current and emerging Delta and Water Policy issues.
2. There was no report on activities of the SCWA Water Policy Committee.
3. Supervisor Thomson informed the Board that the Delta County Coalition would be meeting on January 26 to discuss 2017 issues and strategies.
4. The Legislative Committee will next meet in February 14, 2017, 3:30 in Fairfield.

TIME AND PLACE OF NEXT MEETING

Thursday, February 9, 2017 at 6:30 p.m. at the SCWA offices.

ADJOURNMENT

This meeting of the Solano County Water Agency Board of Directors was adjourned at 6:50 p.m.

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency

**ACTION OF
SOLANO COUNTY WATER AGENCY**

DATE: February 9, 2017
SUBJECT: Expenditures Approval

RECOMMENDATIONS:

Approve expenditures from the Water Agency checking accounts for the month of January 2017.

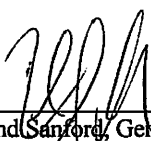
FINANCIAL IMPACT:

All expenditures are within previously approved budget amounts.

BACKGROUND:

The Water Agency auditor has recommended that the Board of Directors approve all expenditures (in arrears). Attached is a summary of expenditures from the Water Agency's checking accounts for the month of January, 2017. Additional backup information is available upon request.

Recommended:


Roland Sanford, General Manager

☐

Approved as
recommended

☐

Other
(see below)

☐

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next page

Modification to Recommendation and/or other actions:

I, Roland Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on February 9, 2017 by the following vote.

Ayes:

Noes:

Abstain:

Absent:

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency

SOLANO COUNTY WATER AGENCY
Cash Disbursements Journal
For the Period From Jan 1, 2017 to Jan 31, 2017

Filter Criteria includes: Report order is by Check Number. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
1/27/17	29325V	2020SC 1020SC	Invoice: HUMVEE TITLE DMV	507.00	507.00
1/4/17	29462	2020SC 1020SC	Invoice: TRUCK SPRYER DMV	25.00	25.00
1/6/17	29463	2020SC 2020SC 1020SC	Invoice: 184460 Invoice: 184460-A A & L WESTERN AGRICULTURAL LABS	144.00 80.00	224.00
1/6/17	29464	2020SC 2020SC 2020SC 1020SC	Invoice: 47329077 Invoice: 47373909 Invoice: 47418865 ACCONTEMPES	1,002.03 805.92	1,665.23
1/6/17	29465	2020SC 1020SC	Invoice: 33545 BRERETON ARCHITECTS	975.00	975.00
1/6/17	29466	2020SC 1020SC	Invoice: GDD3718 CDW GOVERNMENT, INC.	2,572.52	2,572.52
1/6/17	29467	2020SC 1020SC	Invoice: 49120901 CHEVRON AND TEXACO	352.70	352.70
1/6/17	29468	2020SC 1020SC	Invoice: 1098607 COMPONENT HARDWARE GROUP	986.90	986.90
1/6/17	29469	2020SC 2020SC 1020SC	Invoice: PEIR OCT-NOV 16 Invoice: 11/01/16-11/28/16 DENNIS BOWKER	660.00 1,280.00	1,940.00
1/6/17	29470	2020SC 1020SC	Invoice: 136805 DEPT OF FORESTRY & FIRE PROTECTION	685.44	685.44
1/6/17	29471	2020SC 1020SC	Invoice: 4073 EYASCO, INC.	23,289.90	23,289.90
1/6/17	29472	2020SC 1020SC	Invoice: PS000897980 HOLT OF CALIFORNIA	194.96	194.96
1/6/17	29473	2020SC 1020SC	Invoice: 162529 INSTITUTE FOR ENVIRONMENTAL HEALTH, INC	760.00	760.00
1/6/17	29474	2020SC 2020SC 1020SC	Invoice: CL36514 Invoice: CL37847 INTERSTATE OIL COMPANY	860.25 795.64	1,655.89
1/6/17	29475	2020SC 1020SC	Invoice: 72819 INTEGRATED ENVIRONMENTAL RESTORATION	375.00	375.00
1/6/17	29476	2020SC 1020SC	Invoice: 1411 IRON SPRINGS CORPORATION	5,516.00	5,516.00
1/6/17	29477	2020SC 1020SC	Invoice: 150319 LSA ASSOCIATES, INC.	32,537.35	32,537.35
1/6/17	29478	2020SC 1020SC	Invoice: 8656 MANN, URRUTIA, NELSON, CPAS	500.00	500.00
1/6/17	29479	2020SC 1020SC	Invoice: 63450 NORMANDEAU ASSOCIATES, INC.	441.61	441.61
1/6/17	29480	2020SC 2020SC	Invoice: 216691 Invoice: 216738	16.60 36.52	

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Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
		2020SC	Invoice: 216872	29.61	
		2020SC	Invoice: 932968	167.91	
		2020SC	Invoice: 933164	75.49	
		2020SC	Invoice: 217220	98.43	
		2020SC	Invoice: 218718	4.83	
		2020SC	Invoice: 218702	4.29	
		2020SC	Invoice: 219025	65.53	
		2020SC	Invoice: 219033	117.15	
		2020SC	Invoice: 219059	63.15	
		2020SC	Invoice: 218960	42.99	
		2020SC	Invoice: 219444	42.84	
		2020SC	Invoice: 219952	8.04	
		2020SC	Invoice: 220058		20.24
		2020SC	Invoice: 220091	41.08	
		2020SC	Invoice: 220084	35.78	
		2020SC	Invoice: 218125	27.67	
		2020SC	Invoice: 442321	6.48	
		2020SC	Invoice: 220120	17.09	
		1020SC	PACIFIC ACE HARDWARE		881.24
1/6/17	29481	2020SC	Invoice: 0007602028-8	9,150.00	
		1020SC	PACIFIC GAS & ELECTRIC CO,		9,150.00
1/6/17	29482	2020SC	Invoice: 1150419	3,361.03	
		1020SC	PAPE MACHINERY		3,361.03
1/6/17	29483	2020SC	Invoice: 1130160229	1,900.00	
		1020SC	SHANDAM CONSULTING		1,900.00
1/6/17	29484	2020SC	Invoice: 1026	4,457.12	
		2020SC	Invoice: 1027	12,662.65	
		1020SC	SOLANO RESOURCE CONSERVATION DISTRICT		17,119.77
1/6/17	29485	2020SC	Invoice: 006492990046JAN2017	1,427.86	
		1020SC	STANDARD INSURANCE COMPANY		1,427.86
1/6/17	29485V	2020SC	Invoice: 006492990046JAN2017		1,427.86
		1020SC	STANDARD INSURANCE COMPANY	1,427.86	
1/6/17	29486	2020SC	Invoice: 69558	168.15	
		2020SC	Invoice: 71800	3.81	
		2020SC	Invoice: 69560	85.98	
		1020SC	STERLING MAY CO.		257.94
1/6/17	29486V	2020SC	Invoice: 69558		168.15
		2020SC	Invoice: 71800		3.81
		2020SC	Invoice: 69560		85.98
		1020SC	STERLING MAY CO.	257.94	
1/6/17	29487	2020SC	Invoice: 47514	68.42	
		2020SC	Invoice: 47535	119.78	
		2020SC	Invoice: 47607	249.57	
		2020SC	Invoice: 47608	58.05	
		2020SC	Invoice: 47609		62.39
		2020SC	Invoice: 47548	3.88	
		2020SC	Invoice: 47696	347.03	
		1020SC	SUISUN VALLEY FRUIT GROWERS AS		784.34
1/6/17	29487V	2020SC	Invoice: 47514		68.42
		2020SC	Invoice: 47535		119.78
		2020SC	Invoice: 47607		249.57
		2020SC	Invoice: 47608		58.05
		2020SC	Invoice: 47609	62.39	
		2020SC	Invoice: 47548		3.88
		2020SC	Invoice: 47696		347.03
		1020SC	SUISUN VALLEY FRUIT GROWERS AS	784.34	

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Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
1/6/17	29488	2020SC 1020SC	Invoice: 55306800 SUTTER MEDICAL FOUNDATION	35.00	35.00
1/6/17	29488V	2020SC 1020SC	Invoice: 55306800 SUTTER MEDICAL FOUNDATION	35.00	35.00
1/6/17	29489	2020SC 1020SC	Invoice: 9008355 TASK FORCE TIPS FIRE FIGHTING EQUIP	58.08	58.08
1/6/17	29489V	2020SC 1020SC	Invoice: 9008355 TASK FORCE TIPS FIRE FIGHTING EQUIP	58.08	58.08
1/6/17	29490	2020SC 1020SC	Invoice: 201612-12995 TERRA REALTY ADVISORS, INC.	96.67	96.67
1/6/17	29490V	2020SC 1020SC	Invoice: 201612-12995 TERRA REALTY ADVISORS, INC.	96.67	96.67
1/6/17	29491	2020SC 1020SC	Invoice: 14079 VACA VALLEY TRUCK & SPORT UTILITY	1,079.86	1,079.86
1/6/17	29491V	2020SC 1020SC	Invoice: 14079 VACA VALLEY TRUCK & SPORT UTILITY	1,079.86	1,079.86
1/6/17	29492	2020SC 1020SC	Invoice: 33969 VISION TECHNOLOGY SOLUTIONS, LLC DBC	200.00	200.00
1/6/17	29492V	2020SC 1020SC	Invoice: 33969 VISION TECHNOLOGY SOLUTIONS, LLC DBC	200.00	200.00
1/6/17	29493	2020SC 1020SC	Invoice: 16-100 WEST ASSOCIATES ENVIRONMENTAL ENGINEERS	4,975.00	4,975.00
1/6/17	29493V	2020SC 1020SC	Invoice: 16-100 WEST ASSOCIATES ENVIRONMENTAL ENGINEERS	4,975.00	4,975.00
1/6/17	29494	2020SC 2020SC 1020SC	Invoice: SCWA-FY2016-17_3 Invoice: SCWA-FY2016-17_4 WILDLIFE SURVEY & PHOTO SERVICES	13,889.24 14,410.50	28,299.74
1/6/17	29494V	2020SC 2020SC 1020SC	Invoice: SCWA-FY2016-17_3 Invoice: SCWA-FY2016-17_4 WILDLIFE SURVEY & PHOTO SERVICES	28,299.74	13,889.24 14,410.50
1/6/17	29495	2020SC 1020SC	Invoice: 006492990046JAN2017 STANDARD INSURANCE COMPANY	1,427.86	1,427.86
1/6/17	29496	2020SC 2020SC 2020SC 1020SC	Invoice: 69558 Invoice: 71800 Invoice: 69560 STERLING MAY CO.	168.15 3.81 85.98	257.94
1/6/17	29497	2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC	Invoice: 47514 Invoice: 47535 Invoice: 47608 Invoice: 47607 Invoice: 47609 Invoice: 47548 Invoice: 47696	68.42 119.78 58.05 249.57 3.88 347.03	62.39

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		1020SC	SUISUN VALLEY FRUIT GROWERS AS		784.34
1/6/17	29498	2020SC 1020SC	Invoice: 55306800 SUTTER MEDICAL FOUNDATION	35.00	35.00
1/6/17	29499	2020SC 1020SC	Invoice: 201612-12995 TERRA REALTY ADVISORS, INC.	96.67	96.67
1/6/17	29500	2020SC 1020SC	Invoice: 14079 VACA VALLEY TRUCK & SPORT UTILITY	1,079.86	1,079.86
1/6/17	29501	2020SC 1020SC	Invoice: 33969 VISION TECHNOLOGY SOLUTIONS, LLC DBC	200.00	200.00
1/6/17	29502	2020SC 1020SC	Invoice: 16-100 WEST ASSOCIATES ENVIRONMENTAL ENGINEERS	4,975.00	4,975.00
1/6/17	29503	2020SC 2020SC 1020SC	Invoice: SCWA-FY2016-17_3 Invoice: SCWA-FY2016-17_4 WILDLIFE SURVEY & PHOTO SERVICES	13,889.24 14,410.50	28,299.74
1/6/17	29504	2020SC 1020SC	Invoice: 9008355 TASK FORCE TIPS FIRE FIGHTING EQUIP	58.08	58.08
1/10/17	29505	2020SC 1020SC	Invoice: DEPOSIT-AMERICORPS RIVER RUN APARTMENTS	4,570.00	4,570.00
1/12/17	29506	2020SC 1020SC	Invoice: 49373858 CHEVRON AND TEXACO	307.22	307.22
1/18/17	29507	2020SC 1020SC	Invoice: 184882 A & L WESTERN AGRICULTURAL LABS	882.00	882.00
1/18/17	29508	2020SC 1020SC	Invoice: 47510996 ACOUNTEMP	889.87	889.87
1/18/17	29509	2020SC 1020SC	Invoice: 0457872 ACWA JOINT POWERS INSURANCE AUTHORITY	1,463.13	1,463.13
1/18/17	29510	2020SC 1020SC	Invoice: 10.01.16 - 12.31.16 ACWA JOINT POWERS INSURANCE AUTHORITY	4,113.44	4,113.44
1/18/17	29511	2020SC 1020SC	Invoice: 2313 AG INNOVATIONS	902.75	902.75
1/18/17	29512	2020SC 1020SC	Invoice: 2327897 AMERICAN TOWER CORPORATION	556.02	556.02
1/18/17	29513	2020SC 1020SC	Invoice: 681-101720-01 RILEY - BATTERIES PLUS	233.25	233.25
1/18/17	29514	2020SC 2020SC 1020SC	Invoice: A631115 Invoice: A631593 BSK ASSOCIATES	60.00 120.00	180.00
1/18/17	29515	2020SC 2020SC 2020SC 1020SC	Invoice: 17-128-V NOV 2016 Invoice: 17-026-T JAN 2017 Invoice: 17-024-O JAN 2017 DEPARTMENT OF WATER RESOURCES	26,069.00 2,625,085.00 666.00	2,651,820.00

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1/18/17	29516	2020SC 2020SC 2020SC 1020SC	Invoice: 74807 Invoice: 74804 Invoice: 75513 GHD, INC.	7,597.66 1,258.00 2,741.00	11,596.66
1/18/17	29517	2020SC 2020SC 2020SC 2020SC 1020SC	Invoice: 72828 Invoice: 72823 Invoice: 72826 Invoice: 72827 INTEGRATED ENVIRONMENTAL RESTORATION	250.00 1,937.50 3,997.50 937.50	7,122.50
1/18/17	29518	2020SC 1020SC	Invoice: 24.02-4 MCCORD ENVIRONMENTAL, INC.	32,268.14	32,268.14
1/18/17	29519	2020SC 1020SC	Invoice: 1002690884 PITNEY BOWES	575.46	575.46
1/18/17	29520	2020SC 1020SC	Invoice: 00959379 RECOLOGY HAY ROAD	2,849.75	2,849.75
1/18/17	29521	2020U 1020SC	Invoice: DEC 2016 SOLANO COUNTY FLEET MANAGEMENT	196.29	196.29
1/18/17	29522	2020SC 2020SC 1020SC	Invoice: CALL #145 12/31/16 Invoice: CALL #144 6/30/16 CHARLES LOMELI, TAX COLLECTOR	270.00 108.00	378.00
1/20/17	29523	2020SC 1020SC	Invoice: SUSAN DE MILLE TURF REBATE PROGRAM	792.00	792.00
1/20/17	29524	2020SC 1020SC	Invoice: ROBERT WILLIAMSON TURF REBATE PROGRAM	1,000.00	1,000.00
1/20/17	29525	2020SC 1020SC	Invoice: MICHAEL HITOMI TURF REBATE PROGRAM	1,000.00	1,000.00
1/20/17	29526	2020SC 1020SC	Invoice: GARY REID TURF REBATE PROGRAM	1,500.00	1,500.00
1/20/17	29527	2020SC 1020SC	Invoice: MANJINDER JHUTTY TURF REBATE PROGRAM	648.00	648.00
1/20/17	29528	2020SC 1020SC	Invoice: LAURIE BROWN TURF REBATE PROGRAM	1,500.00	1,500.00
1/20/17	29529	2020SC 1020SC	Invoice: MICHELE SMITHERS TURF REBATE PROGRAM	1,000.00	1,000.00
1/20/17	29530	2020SC 1020SC	Invoice: KYRA WINK 2 TURF REBATE PROGRAM	1,000.00	1,000.00
1/20/17	29531	2020SC 1020SC	Invoice: DENISE ANDERSON TURF REBATE PROGRAM	1,000.00	1,000.00
1/20/17	29532	2020SC 1020SC	Invoice: ILEANA ROSADO TURF REBATE PROGRAM	200.00	200.00
1/20/17	29533	2020SC 1020SC	Invoice: DAINA APPLE TURF REBATE PROGRAM	1,416.00	1,416.00
1/20/17	29534	2020SC 1020SC	Invoice: JACQUELINE HENSLEY TURF REBATE PROGRAM	698.00	698.00
1/20/17	29535	2020SC 1020SC	Invoice: JESSICA LOMELI TURF REBATE PROGRAM	437.00	437.00
1/20/17	29536	2020SC	Invoice: DEBBIE SAWYER	1,500.00	

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		1020SC	TURF REBATE PROGRAM		1,500.00
1/20/17	29537	2020SC 1020SC	Invoice: DAVID COOPER TURF REBATE PROGRAM	1,500.00	1,500.00
1/20/17	29538	2020SC 1020SC	Invoice: 8671844 ARAMARK REFRESHMENT SERVICES	33.98	33.98
1/20/17	29539	2020SC 1020SC	Invoice: A700457 BSK ASSOCIATES	360.00	360.00
1/20/17	29540	2020N 1020SC	Invoice: JAN 2017 CLEAN TECH ADVOCATES	8,600.00	8,600.00
1/20/17	29541	2020SC 2020SC 1020SC	Invoice: OCTOBER 2016 Invoice: DECEMBER CANON IR EVERBANK COMMERCIAL FINANCE	2,020.43 1,071.87	3,092.30
1/20/17	29542	2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 1020SC	Invoice: 5010725 Invoice: 6025658 Invoice: 5010726 Invoice: 4010879 Invoice: 7020449 Invoice: 7020448 Invoice: 5013127 HOME DEPOT CREDIT SERVICE	32.28 245.60 184.61 86.02 37.73 109.82 80.81	776.87
1/20/17	29543	2020SC 1020SC	Invoice: 162792 INSTITUTE FOR ENVIRONMENTAL HEALTH, INC	1,610.00	1,610.00
1/20/17	29544	2020N 1020SC	Invoice: 0117-3 JEFFREY J JANIK	450.00	450.00
1/20/17	29545	2020SC 2020SC 1020SC	Invoice: 497251 Invoice: 494795 M&M SANITARY LLC	208.00 96.00	304.00
1/20/17	29546	2020SC 2020SC 1020SC	Invoice: 183755 Invoice: 184065 PAPE MACHINERY	233,545.55 6,634.01	240,179.56
1/20/17	29547	2020SC 1020SC	Invoice: 40627796 RECOLOGY VACAVILLE SOLANO	474.87	474.87
1/20/17	29548	2020SC 1020SC	Invoice: 008034 SAM'S CLUB	130.10	130.10
1/20/17	29549	2020SC 1020SC	Invoice: 0005122 SOLANO IRRIGATION DISTRICT	158.34	158.34
1/20/17	29550	2020SC 1020SC	Invoice: 18340 SUMMERS ENGINEERING, INC.	8,084.43	8,084.43
1/20/17	29551	2020SC 1020SC	Invoice: DEC 2016 SUSTAINABLE SOLANO	9,476.14	9,476.14
1/24/17	29552	2020SC 1020SC	Invoice: IN-1161283390 ALPHA MEDIA II LLC	855.00	855.00
1/24/17	29553	2020N 1020SC	Invoice: DECEMBER 2016 CLEAN TECH ADVOCATES	8,600.00	8,600.00
1/24/17	29554	2020SC 2020SC 2020SC 1020SC	Invoice: 17-154-V-DEC 2016 Invoice: 17-024-O-FEB 2017 Invoice: 17-026-Y-FEB 2017 DEPARTMENT OF WATER RESOURCES	10,803.00 666.00 560,905.00	572,374.00

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Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
1/27/17	29554V	2020SC	Invoice: 17-154-V-DEC 2016		10,803.00
		2020SC	Invoice: 17-024-O-FEB 2017		666.00
		2020SC	Invoice: 17-026-Y-FEB 2017		560,905.00
		1020SC	DEPARTMENT OF WATER RESOURCES	572,374.00	
1/24/17	29555	2020SC	Invoice: B50067.01-06	10,329.92	
		1020SC	ERLER & KALINOWSKI		10,329.92
1/24/17	29556	2020SC	Invoice: 4094	18,863.58	
		1020SC	EYASCO, INC.		18,863.58
1/24/17	29557	2020SC	Invoice: WORK SHOP	515.00	
		1020SC	GROUNDWATER RESOURCES ASSOCIATION OF CA		515.00
1/24/17	29558	2020SC	Invoice: NOV AND DEC 2016	158.58	
		1020SC	IAN BAKER		158.58
1/24/17	29559	2020SC	Invoice: 2016-82	2,642.50	
		1020SC	IN COMMUNICATIONS		2,642.50
1/24/17	29560	2020SC	Invoice: 106864	16,414.66	
		1020SC	KENNEDY/JENKS CONSULTANTS		16,414.66
1/24/17	29561	2020SC	Invoice: 1	5,428.38	
		1020SC	LAKE COUNTY RESOURCE CONSERVATION DISTR		5,428.38
1/24/17	29562	2020SC	Invoice: 63699	180.00	
		1020SC	NORMANDEAU ASSOCIATES, INC.		180.00
1/24/17	29563	2020SC	Invoice: 1535506	9,513.76	
		2020SC	Invoice: 1535379	4,375.35	
		1020SC	PAPE MACHINERY		13,889.11
1/24/17	29564	2020SC	Invoice: 52834874	980.93	
		2020SC	Invoice: 52835317	77.67	
		1020SC	SBS LEASING A PROGRAM DE LAGE		1,058.60
1/24/17	29565	2020SC	Invoice: 0005135	9,503.86	
		1020SC	SOLANO IRRIGATION DISTRICT		9,503.86
1/24/17	29566	2020U	Invoice: 06008	3,560.48	
		2020U	Invoice: 06007	15,855.82	
		2020U	Invoice: 06013	5,060.86	
		2020U	Invoice: 06011	45,002.84	
		2020U	Invoice: 06012	2,037.61	
		2020U	Invoice: 06014	545.21	
		2020U	Invoice: 06018	49,760.74	
		2020SC	Invoice: 06017	6,888.40	
		2020U	Invoice: 06019	17,585.37	
		1020SC	SOLANO COUNTY PUBLIC WORKS DIVISION		146,297.33
1/24/17	29567	2020SC	Invoice: 12084429	86.70	
		1020SC	THE TREMONT GROUP, INC.		86.70
1/24/17	29568	2020SC	Invoice: 34138	200.00	
		1020SC	VISION TECHNOLOGY SOLUTIONS, LLC DBC		200.00
1/24/17	29569	2020SC	Invoice: 672599	1,338.83	
		1020SC	YELLOW SPRINGS INSTRUMENT CO.		1,338.83
1/27/17	29570	2020SC	Invoice: 47546794	728.01	

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		1020SC	ACCOUNTEMPS		728.01
1/27/17	29571	2020SC	Invoice: A701445	120.00	
		2020SC	Invoice: A702193	360.00	
		2020SC	Invoice: A702202	300.00	
		1020SC	BSK ASSOCIATES		780.00
1/27/17	29572	2020SC	Invoice: 5-645-17233	367.70	
		2020SC	Invoice: 5-682-02675	330.06	
		1020SC	FEDEX EXPRESS		697.76
1/27/17	29573	2020SC	Invoice: 83368	1,364.25	
		1020SC	HERUM \ CRABTREE \ SUNTAG		1,364.25
1/27/17	29574	2020SC	Invoice: 1X126891		49.66
		2020SC	Invoice: 1X130890	20.57	
		1020SC	HORIZON DISTRIBUTORS, INC.	29.09	
1/27/17	29574V	2020SC	Invoice: 1X126891	49.66	
		2020SC	Invoice: 1X130890		20.57
		1020SC	HORIZON DISTRIBUTORS, INC.		29.09
1/27/17	29575	2020SC	Invoice: CL40437	682.26	
		2020SC	Invoice: CL41688	399.66	
		1020SC	INTERSTATE OIL COMPANY		1,081.92
1/27/17	29576	2020SC	Invoice: 1412	5,516.00	
		1020SC	IRON SPRINGS CORPORATION		5,516.00
1/27/17	29577	2020SC	Invoice: 32487	1,113.75	
		1020SC	LUHDORFF & SCALMANINI		1,113.75
1/27/17	29578	2020SC	Invoice: 12/9/16-1/9/17	1,001.70	
		2020SC	Invoice: 0007610239-1	7,572.18	
		1020SC	PACIFIC GAS & ELECTRIC CO,		8,573.88
1/27/17	29579	2020SC	Invoice: 04155	77.00	
		1020SC	SHELDON		77.00
1/27/17	29580	2020SC	Invoice: 0005119	130,382.03	
		1020SC	SOLANO IRRIGATION DISTRICT		130,382.03
1/27/17	29581	2020SC	Invoice: 006492990046 - FEB 2	1,364.15	
		1020SC	STANDARD INSURANCE COMPANY		1,364.15
1/27/17	29582	2020SC	Invoice: 1704282811	1,078.73	
		2020SC	Invoice: 1713269961	51.77	
		2020SC	Invoice: 1715681301	148.61	
		2020SC	Invoice: 1705086161	279.83	
		1020SC	STAPLES		1,558.94
1/27/17	29583	2020SC	Invoice: 18504	469.44	
		1020SC	SUMMERS ENGINEERING, INC.		469.44
1/27/17	29584	2020SC	Invoice: 5168	19,904.68	
		1020SC	TERRAPHASE ENGINEERING		19,904.68
1/27/17	29585	2020SC	Invoice: 201701-13013	1,469.59	
		1020SC	TERRA REALTY ADVISORS, INC.		1,469.59
1/27/17	29586	2020SC	Invoice: 275	10,014.36	
		1020SC	WILSON PUBLIC AFFAIRS		10,014.36
1/27/17	29587	2020SC	Invoice: 326	195.00	
		2020SC	Invoice: 339	200.00	
		1020SC	WINTERS TOW SERVICE		395.00
1/27/17	29588	2020SC	Invoice: 47812	26.83	
		2020SC	Invoice: 47997	15.69	
		2020SC	Invoice: 47876	353.23	

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Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
		2020SC	Invoice: 47905	184.35	
		1020SC	SUISUN VALLEY FRUIT GROWERS AS		580.10
1/27/17	29589	2020SC	Invoice: 17-154-V-DEC 2016		10,803.00
		2020SC	Invoice: 17-024-O-FEB 2017	666.00	
		2020SC	Invoice: 17-026-Y-FEB 2017	560,905.00	
		1020SC	DEPARTMENT OF WATER RESOURCES		550,768.00
1/30/17	29590	2020SC	Invoice: NESTOR SOLIS	564.00	
		1020SC	TURF REBATE PROGRAM		564.00
1/30/17	29591	2020SC	Invoice: SIGRID HAWKINS	1,000.00	
		1020SC	TURF REBATE PROGRAM		1,000.00
1/30/17	29592	2020SC	Invoice: LYNNE EILERS	607.50	
		1020SC	TURF REBATE PROGRAM		607.50
1/30/17	29593	2020SC	Invoice: 000009012901	493.78	
		2020SC	Invoice: 000009012856	996.07	
		2020SC	Invoice: 000009130779	247.99	
		2020SC	Invoice: 000009130824	164.24	
		1020SC	CALNET3		1,902.08
1/31/17	29593V	2020SC	Invoice: 000009012901		493.78
		2020SC	Invoice: 000009012856		996.07
		2020SC	Invoice: 000009130779		247.99
		2020SC	Invoice: 000009130824		164.24
		1020SC	CALNET3	1,902.08	
1/30/17	29594	2020SC	Invoice: JAN 2017 BOARD MTG	100.00	
		1020SC	DALE CROSSLEY		100.00
1/30/17	29595	2020SC	Invoice: 35548	805.00	
		1020SC	GROUP MOBILE		805.00
1/30/17	29596	2020SC	Invoice: 83442	9,276.90	
		1020SC	HERUM \ CRABTREE \ SUNTAG		9,276.90
1/30/17	29597	2020SC	Invoice: EXEC MTG JAN 2017	100.00	
		2020SC	Invoice: JAN 2017 BOARD MTG	100.00	
		1020SC	JOHN D. KLUGE		200.00
1/30/17	29598	2020SC	Invoice: 151046	38,401.25	
		1020SC	LSA ASSOCIATES, INC.		38,401.25
1/30/17	29599	2020SC	Invoice: JAN 2017 BOARD MTG	100.00	
		1020SC	RYAN MAHONEY		100.00
1/30/17	29600	2020SC	Invoice: JAN 2017 BOARD MTG	132.64	
		1020SC	ELIZABETH PATTERSON		132.64
1/30/17	29601	2020SC	Invoice: 3100793320	429.10	
		1020SC	PITNEY BOWES		429.10
1/30/17	29602	2020SC	Invoice: JAN 2017 BOARD MTG	126.75	
		1020SC	BOB SAMPAYAN		126.75
1/30/17	29603	2020SC	Invoice: 0005121	12,510.13	
		1020SC	SOLANO IRRIGATION DISTRICT		12,510.13
1/30/17	29604	2020SC	Invoice: EXEC MTG JAN 2017	100.00	
		2020SC	Invoice: JAN 2017 BOARD MTG	100.00	
		1020SC	JAMES SPERJING		200.00
1/30/17	29605	2020SC	Invoice: JAN 2017 BOARD MTG	100.00	
		1020SC	JOHN VASQUEZ		100.00
1/30/17	29606	2020SC	Invoice: 13	11,241.97	
		1020SC	YOLO COUNTY RCD		11,241.97

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Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
1/31/17	29607	2020SC 1020SC	Invoice: DEC 2016 DENNIS BOWKER	640.00	640.00
1/31/17	29608	2020SC 1020SC	Invoice: 139508 DEPT OF FORESTRY & FIRE PROTECTION	1,600.34	1,600.34
1/31/17	29609	2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 2020SC 1020SC	Invoice: 220432 Invoice: 220597 Invoice: 220594 Invoice: 220583 Invoice: 220588 Invoice: 220604 Invoice: 220633 Invoice: 220655 Invoice: 220676 Invoice: 220930 Invoice: 221008 Invoice: 220996 Invoice: 221314 Invoice: 221533 Invoice: 221823 Invoice: 221824 Invoice: 221822 PACIFIC ACE HARDWARE	35.60 17.71 26.42 7.51 6.00 32.76 48.25 24.07 53.61 43.69 30.01 6.21 22.49 77.43 52.54 9.12 10.26	503.68
1/31/17	29610	2020SC 2020SC 2020SC 2020SC 2020SC 1020SC	Invoice: 0180358 Invoice: 0180486 Invoice: 0180485 Invoice: 0180528 Invoice: 0180664 PETRILLO'S TIRE AND AUTO SERVICE	125.13 413.62 55.11 28.20 19.95	642.01
1/31/17	29611	2020SC 2020SC 2020SC 2020SC 1020SC	Invoice: 737310 Invoice: 737311 Invoice: 737345 Invoice: 738757 PISANIS AUTO PARTS	110.70 14.07 4.72 11.96	141.45
1/31/17	29612	2020SC 1020SC	Invoice: 9.1.16 - 12.31.16 PUTAH CREEK COUNCIL	27,373.10	27,373.10
1/31/17	29613	2020SC 1020SC	Invoice: 181493 SHELDON	254.76	254.76
1/31/17	29614	2020SC 1020SC	Invoice: 2016-1 SOLANO RESOURCE CONSERVATION DISTRICT	39,470.91	39,470.91
1/31/17	29615	2020SC 1020SC	Invoice: 9777742773 VERIZON WIRELESS	3,226.14	3,226.14
1/11/17	ASHLEY DEC 20	6040AC 6040AC 6040AC 6040AC 6040AC 6040AC 6040AC 6040AC 6040AC 6040AC 6040AC 1020SC	REMOTE LINK NAPOLI - MEETING - WATER CONS WALMART TAQUERIA- TEAM MEETING NAPOLI - MEETING -IAMIT REMOTE LINK REMOTE LINK SAFEWAY - MEETING NAPOLI - MEETING REMOTE LINK REMOTE LINK-DCS ISB REMOTE LINK BANK OF THE WEST	25.09 73.21 6.10 165.05 86.87 14.11 6.18 10.00 74.23 15.03 28.58 18.20	522.65
1/25/17	BARICH DEC 20	6360AC 6300AC	UCD UNEX STUDENT SERVICES OREILLY AUTO PARTS	360.00 75.50	

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		1020SC	BANK OF THE WEST		435.50
1/6/17	COLIAS DEC 20	6166SC	FACEBOOK ADS-SALMON FESTIVAL	12.59	
		1020SC	BANK OF THE WEST		12.59
1/25/17	CUETARA DEC	6144AC	NIXALITE	163.40	
		6310AC	CHEVRON	69.79	
		6300AC	CAR COVER USA - SEAT COVERS	259.99	
		6144AC	PACIFIC PUBLISHERS - 2017 TIDELOG	62.85	
		6144SC	SPARLING INSTRUMENTS	241.96	
		6144AC	AMAZON	106.80	
		1020SC	BANK OF THE WEST		904.79
1/6/17	EFT	2020SC	Invoice: 2017010401	201.10	
		1020SC	PAYCHEX, INC.		201.10
1/10/17	EFT	2020SC	Invoice: SIP 12.31.16	3,545.04	
		1020SC	CALPERS		3,545.04
1/10/17	EFT	2020SC	Invoice: PPE 12.31.16	7,898.30	
		1020SC	CALPERS		7,898.30
1/10/17	EFT	2020SC	Invoice: PEPR PPE 12.31.16	700.58	
		1020SC	CALPERS		700.58
1/4/17	EFT	2020SC	Invoice: HEALTH JAN 2017	14,929.31	
		1020SC	CALPERS		14,929.31
1/19/17	EFT	2020SC	Invoice: SALES TAX 2016	8,867.00	
		1020SC	STATE BOARD OF EQUALIZATION		8,867.00
1/4/17	EFT	6040AC	HANDBOOK ADMINISTRATION JAN 2017	69.96	
		6111AC	FSA PARTICIPANT FEE JAN 2017	111.25	
		1020SC	PAYCHEX, INC.		181.21
1/20/17	EFT	2024AC	EMPLOYEE LIABILITIES PPE 01.14.17	10,990.80	
		6012AC	EMPLOYER LIABILITIES PPE 01.14.17	3,791.82	
		1020SC	PAYROLL TAXES		14,782.62
1/26/17	EFT	2020SC	Invoice: PPE 01.14.17	7,494.90	
		1020SC	CALPERS		7,494.90
1/26/17	EFT	2020SC	Invoice: PEPR PPE 01.14.17	805.75	
		1020SC	CALPERS		805.75
1/26/17	EFT	2020SC	Invoice: SIP 1.14.17	3,582.92	
		1020SC	CALPERS		3,582.92
1/25/17	FLORENDO DE	6551AC	COMPONENT HARDWARE - SPRAY VALVE ASSY, HOSE ASSY	986.85	
		1020SC	BANK OF THE WEST		986.85
1/25/17	FOWLER DEC 2	6230SC	SAMS INTERNET - HON PEDESTAL FILE DRAWER	308.03	
		1020SC	BANK OF THE WEST		308.03
1/25/17	JONE DEC 2016	6183SC	MATHESON - PROPANE	149.69	
		6183SC	YOLO COUNTY LANDFILL	48.36	
		6183SC	YOLO COUNTY LANDFILL	22.80	
		6230SC	STAPLES	252.74	
		1020SC	BANK OF THE WEST		473.59
1/25/17	PATE DEC 2016	6410AC	CITY OF SAC PARKING	18.00	

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		6410AC	CBI PARALLELS	99.99	
		6040AC	UCD TAPS	9.00	
		6040AC	CITY OF SAC PARKING	12.00	
		6040AC	AMAZON-MACPRO KEYBOARD COVER	8.62	
		6040AC	CITY OF SAC PARKING	7.50	
		6360AC	BARNES AND NOBLE-MAC OS TUTORIAL	43.43	
		6040AC	AMAZON-MACBOOKPRO CASE	20.44	
		6040AC	BEST BUY-USB FEMALE	16.18	
		6040AC	AMAZON-USB AND ADAPTER	18.27	
		6330AC	BEST WESTERN - SWC MTGS	218.90	
		6040AC	CITY OF SAC PARKING	6.00	
		6040AC	AMAZON-bluetooth headset, earrtip kit	136.42	
		6040AC	AMAZON-case, cable,charger	72.84	
		6040AC	AMAZON-headset charge case	34.48	
		6040AC	ACCRUED SALES TAX-AMAZON		18.38
		2024AC	AMAZON RETURN-CREDIT APPLIED DEC 25	112.82	
		1020SC	BANK OF THE WEST		816.51
1/25/17	SANFORD DEC	6330AC	UCD PARKING	9.00	
		1020SC	BANK OF THE WEST		9.00
1/25/17	SNYDER DEC 20	6310AC	CHEVRON	76.75	
		5500AC	TRACTOR SUPPLY	139.89	
		5500AC	DODGE CHRYSLER JEEP OF VV	282.52	
		6300AC	AGILIS LINXUP	91.96	
		6300AC	VACAVILLE AUTO PARTS	260.82	
		5500AC	AUTOANYTHING	60.40	
		5500AC	CAR COVER USA	374.98	
		5500AC	AMAZON	81.58	
		6670G	BIG 5 SPORTING GOODS	151.00	
		6360AC	YCFB EDUCATION CORP	10.00	
		6090AC	CAL IPC	100.00	
		5500AC	DODGE CHRYSLER JEEP OF VV	50.00	
		6041AC	STAPLES	72.25	
		1020SC	BANK OF THE WEST		1,752.15
Total				5,580,968.00	5,580,968.00

**ACTION OF
SOLANO COUNTY WATER AGENCY**

DATE: February 9, 2017

SUBJECT: Lower Putah Creek Coordinating Committee Appointments

RECOMMENDATIONS:

1. Appoint the following as the Solano representatives on the Lower Putah Creek Coordinating Committee for calendar year 2017.

Roland Sanford* (SCWA); Supervisor John Vasquez and Chris Lee (SCWA Alternates)
J.D. Kluge* (SID); Cary Keaton (SID Alternate)
Felix Riesenber* (Cities- Fairfield); Royce Cunningham (City Alternate - Vacaville); and Steve Sawyer
(City Alternate - Vacaville)
Ryan Mahoney (MPWD); Don Holdener (MPWD Alternate)
Dennis Kilkenny (landowner); Herb Wimmer, and Sean McNamara (landowner Alternates)

2. Appoint landowner representatives of the LPCCC as an agent of SCWA for coverage under SCWA's liability insurance program.

*Core Group Members

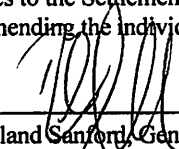
FINANCIAL IMPACT:

None.

BACKGROUND:

The Lower Putah Creek Coordinating Committee (LPCCC) was created in accordance with the "Settlement Agreement and Stipulation Among Solano County Water Agency, Solano Irrigation District, Maine Prairie Water District, Cities of Vacaville, Fairfield, Vallejo and Suisun City; and Putah Creek Council, City of Davis, and the Regents of the University of California" dated May 23, 2000 and more commonly known as the "Putah Creek Accord". The scope of the LPCCC's authorities and responsibilities include monitoring the condition of Lower Putah Creek and when deemed appropriate, implementation of habitat restoration and enhancement measures within Lower Putah Creek. A complete description of the LPCCC is presented in Exhibit "B" of the Amended Judgement for the Putah Creek Water Cases – Sacramento Superior Court No. 515766 (copy attached).

Each year the Solano and Yolo parties to the Settlement Agreement appoint their respective representatives and alternates to the LPCCC. In the case of Solano, the Water Agency Advisory Commission recommends appointees to the Water Agency Board of Directors, who either approve (or not) the recommended appointments on behalf of all the Solano parties to the Settlement Agreement. The Water Agency Advisory Commission meet on January 25, 2017 and is recommending the individuals listed above be appointed to the LPCCC.

Recommended: 
Roland Sanford, General Manager

<input type="checkbox"/> Approved as recommended	<input type="checkbox"/> Other (see below)	<input type="checkbox"/> Continued on next page
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Modification to Recommendation and/or other actions:

I, Roland Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on February 9, 2017 by the following vote.

Ayes:

Noes:

Abstain:

Absent:

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency

**ACTION OF
SOLANO COUNTY WATER AGENCY**

DATE: February 9, 2017

SUBJECT: SCWA Fiscal Year 2015-2016 Audit

RECOMMENDATIONS:

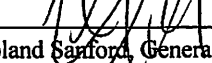
Accept Fiscal Year 2015-2016 audit conducted by Mann, Urrutia, Nelson CPAs & Associates, LLP.

FINANCIAL IMPACT:

None.

BACKGROUND:

In accordance with State law, an annual audit of the Water Agency's financial records is performed. The audit for Fiscal Year 2015-2016 was performed by Mann, Urrutia, Nelson CPAs & Associates, LLP. Upon completion of their review, Mann, Urrutia, Nelson CPAs & Associates, LLP issued an "unqualified opinion", which translated into layperson language, means the financial condition, position and operations of the Water Agency are fairly presented in the Water Agency's financial statement. A copy of the Fiscal Year 2015-2016 audit report prepared by Mann, Urrutia, Nelson CPAs & Associates, LLP is attached.

Recommended: 
Roland Sanford, General Manager

☐

Approved as
recommended

☐

Other
(see below)

☐

Continued on
next page

Modification to Recommendation and/or other actions:

I, Roland Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on February 9, 2017 by the following vote.

Ayes:

Noes:

Abstain:

Absent:

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency



MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP
GLENDALÉ • ROSEVILLE • SACRAMENTO • SOUTH LAKE TAHOE • KAUAI, HAWAII

November 29, 2016

To the Board of Directors
Solano County Water Agency
Vacaville, California 95688

We have audited the financial statements of the governmental activities and each major fund of Solano County Water Agency (the Agency) for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 17, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the Agency's financial statements were depreciation, the estimate for other post-employment benefits (OPEB) liability, and the estimate for the net pension liability. Management's estimate of depreciation was based on the Agency's capitalization policy. Management's estimate of the OPEB and net pension liabilities were based on actuarial valuations. We evaluated the key factors in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Attachment A summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The adjustments in Attachment B were detected as a result of audit procedures and were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 29, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

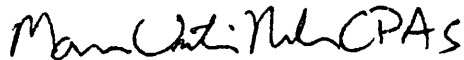
Other Matters

We applied certain limited procedures to the budgetary comparison schedules, pension schedules, and OPEB schedule of funding progress, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of Solano County Water Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Mann, Urrutia, Nelson CPAs & Associates LLP

**SOLANO COUNTY WATER AGENCY
SUMMARY OF PASSED AUDIT ADJUSTMENTS
June 30, 2016**

Description	Effect - Increase (Decrease)				
	Assets	Liabilities	Equity	Revenue	Expenses
<u>Current Year Differences</u>					
Unrecorded liabilities		\$ 14,096			\$ 14,096
Interest receivable	\$ 10,326			\$ 10,326	
Total Income Statement Effect				<u>\$ 10,326</u>	<u>\$ 14,096</u>
Balance Sheet Effect	<u>\$ 10,326</u>	<u>\$ 14,096</u>	<u>\$ -</u>		

**SOLANO COUNTY WATER AGENCY
SUMMARY OF AUDIT ADJUSTMENTS
June 30, 2016**

<u>Description</u>	<u>Effect - Increase (Decrease)</u>				
	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>	<u>Revenue</u>	<u>Expenses</u>
Record change in investment accounts	\$ 25,682			\$ 25,682	
Total Income Statement Effect				<u>\$ 25,682</u>	<u>\$ -</u>
Balance Sheet Effect	<u>\$ 25,682</u>	<u>\$ -</u>	<u>\$ -</u>		



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Management Letter

November 29, 2016

To Management and the Board of Directors
Solano County Water Agency
Vacaville, California

In planning and performing our audit of the financial statements of Solano County Water Agency as of and for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered Solano County Water Agency's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate letter dated November 29, 2016, contains our communication of significant deficiencies or material weaknesses in the Agency's internal control. This letter does not affect our report dated November 29, 2016, on the financial statements of Solano County Water Agency.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Agency personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Agency, and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,

A handwritten signature in dark ink that reads "Mann Urrutia Nelson CPAs".

Mann, Urrutia, Nelson CPAs & Associates LLP

**Solano County Water Agency
Summary of Control Deficiencies
June 30, 2016**

Cash Disbursements

We noted that all Accountants have access to the vendor listing, allowing the ability to add, delete, or change a vendor name. In one instance, we noted that the name listed on the check did not agree to payee on the check report. We recommend that access to the vendor list be limited to the Administrative Services Director, General Manager, or an employee who is not involved in the processing of cash disbursements. We recommend that a master vendor file be established and periodically reviewed. The use of a master vendor file will improve internal control by limiting opportunities for employee and vendor fraud and preventing duplicate payments to vendors with multiple locations.

Accounts Payable

During our search for unrecorded liabilities, two out of thirty-eight invoices totaling \$14,096 should have been accrued in the current year. We recommend the Agency's year-end controls include performing a search for unrecorded liabilities by performing a review of invoices received subsequent to year-end. The Agency could establish a dollar amount and timeframe of invoices to review to ensure that items were recorded in the proper period.

Solano County Water Agency
Status of Prior Year Control Deficiencies

Bank Reconciliations and Journal Entry Review

During our review of the internal control process, we noted that bank reconciliations and journal entries that are prepared by the Administrative Services Director are not being reviewed by an independent employee. Due to the limited staffing of the Accounting Department, we recommend that bank reconciliations and non-recurring journal entries be reviewed and approved by the General Manager, or another designated individual.

STATUS: Implemented.

Journal Entries

During our journal entry testing, we noted that the same journal entry number was being used for the overhead and labor allocation. In order to properly track journal entries, we recommend that journal entries are provided a sequential number.

STATUS: Implemented.

Monthly Financial Close Process

As part of our financial reporting testing, we discovered one out of four instances in which budget to actual reports were not created and provided to managers. In addition, the Agency does not have any formal procedures related to month-end close. We recommend that a month-end close checklist is prepared outlining such tasks as reconciling accounts and preparing financial reports. This checklist could be initialed by the preparer and reviewer indicating that tasks were completed.

STATUS: In process

Board Review

Currently, the Board of Directors does not receive regular financial reports other than the budget, mid-year budget update, and presentation of the audit report. We recommend that quarterly financial reports be provided to the Board of Directors for their review. In order for them to have proper oversight of the Agency's financial activity.

STATUS: Implemented.

Credit Card Policy

During our review of credit card processing, we found no written policy for credit card usage. Since all full-time employees have credit cards, the Agency should have written policy outlining authorized usage to help ensure that purchasing cards are used appropriately. Such policies could include transaction spending limits for cardholders, approved and disallowed purchases, and prohibitions on splitting purchases to avoid exceeding an employee's authorized transaction limit.

STATUS: Implemented.

Cash Disbursements – Vendor Changes/Rebate Program

The Agency currently operates a significant rebate program in which various applicants can apply for funding. Upon our review of this rebate program, we noted the Agency maintains one vendor in their accounting system despite the fact that checks are being written out to different applicants. The vendor name is manually changed by the Administrative Assistant upon issuing the check. This poses the risk that payments being presented for approval could be altered or unauthorized. The total amount of this program was over \$500,000 for the fiscal year. We recommend the name of the applicant be logged into the description or memo of the payment in order to properly identify the approved payee. In addition, pre-numbered applications could be used and then reconciled to the check listing.

STATUS: Implemented. See current year finding related to changing of vendor names.

Solano County Water Agency
Status of Prior Year Control Deficiencies (continued)

Wage Documentation

As part of our payroll testing, we noted that personnel files for interns did not include any information about their wage rate. While all interns are being paid the same amount, we suggest that at a minimum, an offer letter is maintained in their file indicating their period of employment and wage rate.

STATUS: Implemented.

Employee Termination Checklist

No written policy exists that addresses voluntary and involuntary employee termination procedures. In order to provide adequate security to computer system operations and other assets such as system hardware, software, and data, procedures should be developed to address employee terminations. A checklist could be developed with key steps and indication that the employee has been terminated should be documented on the Employee Record Form.

STATUS: Implemented.

Review of Payroll Registers and Change Reports

During our payroll testing, we noted 3 payroll registers that were missing signature approval from the Administrative Services Director. We recommend that the Agency enforce current policy to ensure that all payroll registers are signed as reviewed and approved prior to processing. In addition, to further enhance controls, we recommend that the Administrative Services Director sign and review a Change Report from the payroll system indicating any major changes to employee's master file information.

STATUS: Partially implemented. Payroll registers tested in the current year were reviewed.

Governmental Accounting Standards Board (GASB) No. 54, Fund Balance Reporting

The Agency currently has a Reserve Policy; however it does not cover all of the requirements of GASB 54, *Fund Balance Reporting*. We recommend the Agency revise their policy to include all required components as it relates to classification of fund balances in accordance with GASB 54.

STATUS: Implemented



Solano County Water Agency

Financial Statements
And
Independent Auditor's Report
For the Year Ended
June 30, 2016

**SOLANO COUNTY WATER AGENCY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2016**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Solano County Water Agency
Vacaville, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major funds of the Solano County Water Agency (the "Agency") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Solano County Water Agency, as of June 30, 2016, and the respective changes in financial position, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension related schedules, and the OPEB schedule of funding progress as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2016, on our consideration of the Solano County Water Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Solano County Water Agency's internal control over financial reporting and compliance.

Monica Untch, CPA

Sacramento, California
November 29, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

**SOLANO COUNTY WATER AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

The following discussion and analysis of the section of the Solano County Water agency's (Agency) financial performance provides an overview of the Agency's financial activities for the fiscal year ending June 30, 2016. This information is presented in conjunction with the audited financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the Agency exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$45,346,115 (net position). Of this amount, \$20,277,935 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The Agency's total net position increased \$1,641,318.
- At the close of the fiscal year, the Agency's governmental funds reported combined fund balances of \$41,277,704, an increase of \$1,905,650 in comparison with the prior year.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

The financial section of this report consists of three parts: Government-wide financial statements, fund financial statements, and the notes to the financial statements.

The government-wide financial statements are prepared using the accrual basis of accounting. They present all the assets, deferred outflows, liabilities, and deferred inflows of the Agency, with the difference reported as net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The fund financial statements are prepared using the modified accrual basis of accounting. They present the assets and liabilities of the Agency that are expected to be generated by or used for near-term inflows or outflows, with the difference reported as fund balance. Changes in fund balance are reported if they will have an effect on the near-term cash flow of the Agency.

The notes provide additional information that is essential to the reader for a full understanding of the data provided in the government-wide and fund financial statements.

**SOLANO COUNTY WATER AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

NET POSITION

The Statement of Net Position presents the financial position of the Agency on a full accrual basis and provides information about the nature and amount of resources and obligations at year-end. It also provides the basis for computing rate of return, evaluating the capital structure of the Agency, and assessing the liquidity and financial flexibility of the Agency.

The following Table A-1 summarizes the Statement of Net Position for the fiscal years ending June 30, 2016 and June 30, 2015 follows:

**TABLE A-1
STATEMENT OF NET POSITION**

	<u>2016</u>	<u>2015</u>
ASSETS		
Current and other assets	\$ 43,166,561	\$ 40,674,045
Noncurrent receivables	457,629	457,629
Capital assets	<u>5,695,633</u>	<u>5,645,142</u>
Total Assets	<u>49,319,823</u>	<u>46,776,816</u>
Deferred Outflows of Resources	<u>319,088</u>	<u>312,320</u>
LIABILITIES		
Current liabilities	2,052,791	1,379,257
Other liabilities	<u>2,066,753</u>	<u>1,768,951</u>
Total Liabilities	<u>4,119,544</u>	<u>3,148,208</u>
Deferred Inflows of Resources	<u>173,252</u>	<u>236,131</u>
NET POSITION		
Net investment in capital assets	5,695,633	5,645,142
Restricted	19,372,547	16,940,933
Unrestricted	<u>20,277,935</u>	<u>21,118,722</u>
Total Net Position	<u>\$ 45,346,115</u>	<u>\$ 43,704,797</u>

This table summarizes the net position of the Agency and reflects the net position increase of \$1,641,318 to \$45,346,115 in fiscal year 2016 from \$43,704,797 in fiscal year 2015. Net investment in capital assets increased \$50,491, reflecting the net of assets additions and depreciation on capital assets. Approximately 13% of the Agency's net position reflects its investment in capital assets (e.g., land, building, machinery, and equipment). The Agency uses these capital assets to provide services to the Agency; consequently, these assets are not available for future spending. The restricted net position totals \$19,372,547 at June 30, 2016 representing funds that are obligated to be spent within State Water Project, Ulati, and Green Valley. The increase in restricted net position of \$2,431,614 mainly consists of the revenues exceeding expenses in three of the four funds. The unrestricted net position is a resource that can be used for transactions relating to the general operations of the Agency and decreased by \$840,787 primarily due to the expenditures exceeding the revenues in the Solano Project fund.

**SOLANO COUNTY WATER AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

CHANGES IN NET POSITION

The Statement of Net Position is a snapshot that shows assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position as a specific point in time. The Statements of Activities provides information on the nature and source of these assets represented on the Statement of Net Position. This statement shows that revenues exceed expenses by \$1,641,318 for fiscal year 2016.

The following Table A-2 summarized the Statement of Activities for the fiscal years ending June 30, 2016 and June 30, 2015:

**TABLE A-2
STATEMENT OF ACTIVITIES**

	<u>2016</u>	<u>2015</u>
REVENUES		
Program Revenues		
Charges for services	\$ 3,051,764	\$ 2,857,106
Operating grants and contributions	1,110,799	1,916,190
General Revenues		
Property taxes	20,592,430	19,211,278
Investment earnings	<u>121,622</u>	<u>33,942</u>
Total Revenue	<u>24,876,615</u>	<u>24,018,516</u>
EXPENSES		
Solano Project	10,873,927	7,842,334
State Water Project	11,740,362	11,267,198
Ulati Flood Control	569,902	492,856
Green Valley Flood Control	<u>51,106</u>	<u>82,593</u>
Total Expenses	<u>23,235,297</u>	<u>19,684,981</u>
Change in net position	<u>1,641,318</u>	<u>4,333,535</u>
Net position - beginning	43,704,797	40,093,342
Prior period restatement	<u>-</u>	<u>(722,080)</u>
Net position - beginning, restated	43,704,797	39,371,262
Net position - ending	<u>\$ 45,346,115</u>	<u>\$ 43,704,797</u>

Ending net position totaled \$45,346,115 at June 30, 2016, or an increase in net position of \$1,641,318 or 4% from June 30, 2015. Total revenues increased by \$858,099 or 4% during the fiscal year 2016 compared to 2015, totaling \$24,876,615. Property tax revenue increased in fiscal year 2016 compared to 2015 by \$1,381,152 or 7%. Grant revenues decreased by \$805,391 or 42% from June 30, 2015. Total expenditures increased by \$3,550,316 or 18% to \$23,235,297 in 2016. The Solano Project expenses increased by \$3,031,593 from 2015 to 2016 primarily due to rehab and betterment costs associated with the Putah South Canal Headworks Screen project and storage, parking, and gate replacement at the Putah Diversion Dam/Office during 2016. The expenses in State Water Project increased by \$473,164 from 2015 to 2016 primarily due to higher water purchase costs. The Ulati expenditures increased due to the purchase of a backhoe and supplemental weed control activities. The Green Valley expenditures decreased due to the deferral of selected maintenance activities.

**SOLANO COUNTY WATER AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

CAPITAL ASSETS

The Agency's capital assets, net of accumulated depreciation, consist mainly of ground monitoring wells and improvements (such as the Cement Hill Bypass) and other capital projects. The Agency continues to add new water monitoring equipment and field equipment as part of its water supply and flood control operations. The increase in capital assets is principally a backhoe, Chevy Tahoe, PDO Bulkhead, and water monitoring equipment.

**TABLE A-3
CAPITAL ASSETS**

	<u>2016</u>	<u>2015</u>
Cement Hill Bypass land	\$ 148,898	\$ 148,898
Construction-in-progress	-	90,183
Buildings	1,661,323	1,661,323
Cement Hill Bypass land improvements	2,535,494	2,535,494
Water monitoring equipment	2,134,634	2,101,442
Machinery and field equipment	1,705,315	1,253,527
Furniture, fixtures, and office equipment	<u>328,787</u>	<u>391,479</u>
Subtotal	8,514,451	8,182,346
Less accumulated depreciation	<u>(2,818,818)</u>	<u>(2,537,204)</u>
Total net capital assets	<u>\$ 5,695,633</u>	<u>\$ 5,645,142</u>

Additional information about the City's capital assets can be found in Note 6 in the Notes to the Basic Financial Statements.

**SOLANO COUNTY WATER AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

FINANCIAL ANALYSIS OF AGENCY FUNDS

The following Table A-4 summarizes the Changes in Fund Balances for the Governmental Funds:

**TABLE A-4
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

	Solano Project	State Water Project	Ulatis Flood Control	Green Valley Flood Control	Total
REVENUES					
Property taxes	\$ 8,168,228	\$ 11,185,460	\$ 1,132,968	\$ 105,774	\$ 20,592,430
Charges for services	587,538	2,374,829	-	-	2,962,367
Investment earnings	70,722	33,933	16,967	-	121,622
Grant revenues	342,528	164,000	-	-	506,528
Other income	<u>776,576</u>	<u>-</u>	<u>1,583</u>	<u>-</u>	<u>778,159</u>
Total Revenues	<u>9,945,592</u>	<u>13,758,222</u>	<u>1,151,518</u>	<u>105,774</u>	<u>24,961,106</u>
EXPENDITURES					
Water purchase	132,495	10,112,942	-	-	10,245,437
Operations and maintenance	5,480,468	17,116	430,372	46,540	5,974,496
Administration and general	2,464,433	692,216	53,132	4,309	3,214,090
Conservation and flood control	1,391,996	240,541	-	-	1,632,537
Engineering	944,796	620,157	-	-	1,564,953
Capital outlay	<u>231,368</u>	<u>12,129</u>	<u>180,446</u>	<u>-</u>	<u>423,943</u>
Total Expenditures	<u>10,645,556</u>	<u>11,695,101</u>	<u>663,950</u>	<u>50,849</u>	<u>23,055,456</u>
Net Change in Fund Balance	<u>(699,964)</u>	<u>2,063,121</u>	<u>487,568</u>	<u>54,925</u>	<u>1,905,650</u>
Fund balance, beginning	22,431,121	12,150,127	4,775,440	15,366	39,372,054
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning restated	<u>22,431,121</u>	<u>12,150,127</u>	<u>4,775,440</u>	<u>15,366</u>	<u>39,372,054</u>
Fund balance, ending	<u>\$ 21,731,157</u>	<u>\$ 14,213,248</u>	<u>\$ 5,263,008</u>	<u>\$ 70,291</u>	<u>\$ 41,277,704</u>

Solano Project - As of June 30, 2016, the Solano Project reported an ending fund balance of \$21,731,157, a decrease of \$699,964 from 2015 ending fund balance due to decreased grant activity and increased operations and maintenance costs, most notably, the Putah South Canal Headworks Screen replacement project.

State Water Project - As of June 30, 2016, the State Water Project reported ending fund balance of \$14,213,248, an increase from 2015 of \$2,063,121. This increase in fund balance is primarily due to increased tax revenues, decreased grant expenditures due to the NBA Alternative Intake project slowdown, and a decrease in engineering costs.

Ulatis Flood Control Zone 1 - As of June 30, 2016, the Ulatis Flood Control reported an ending fund balance of \$5,263,008, an increase of \$487,568 from 2015. Actual property tax revenues exceeded planned expenditures.

Green Valley Flood Control Zone 2 - As of June 30, 2016, the Green Valley Flood Control reported an ending fund balance of \$70,291, an increase of \$50,849 from 2015. Selected maintenance activities were deferred to FY 2016-17.

**SOLANO COUNTY WATER AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

During 2003, the Agency developed a Capital Project funding Plan that forecasts capital project needs over a five-year horizon. There are a few major projects that have uncertainties regarding if and when they will be funded and at what level. The Capital Project Funding Plan is helpful in budgeting capital projects.

Water rates charged by the Agency to cities, districts, and agencies are fixed by contract and do not change in relationship to the Agency's expenditures or revenues. Capital costs for the Solano Project has been paid off; therefore, Solano County Water Agency does not make payments to the United States Bureau of Reclamation for Solano Project water and, therefore, does not charge for Solano Project water supply for most of its contracting agencies.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances for the Solano County Water Agency. Questions concerning any information provided in this report or requests for additional information should be addressed to the General Manager, 810 Vaca Valley Parkway, Suite 203, Vacaville, CA 95688.

SOLANO COUNTY WATER AGENCY
STATEMENT OF NET POSITION
JUNE 30, 2016

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and investments (Note 2)	\$ 40,339,336
Accounts receivable (Note 3)	2,489,853
Interest receivable	18,305
Notes receivable - noncurrent (Note 4)	457,629
Prepaid expenses and other assets	319,067
Capital assets (Note 6)	
Nondepreciable capital assets	148,898
Depreciable capital assets, net (Note 6)	<u>5,546,735</u>
Total Assets	<u>49,319,823</u>
Deferred outflows of resources (Note 10)	<u>319,088</u>
<u>LIABILITIES</u>	
Accounts payable	1,420,907
Deposits	101,161
Unearned revenues	451,280
Compensated absences (Note 7)	
Due within one year	79,443
Due in more than one year	90,625
Other post employment benefits (Note 11)	
Due in more than one year	1,237,448
Net pension liability (Note 10)	
Due in more than one year	<u>738,680</u>
Total Liabilities	<u>4,119,544</u>
Deferred inflows of resources (Note 10)	<u>173,252</u>
<u>NET POSITION</u>	
Net investment in capital assets	5,695,633
Restricted	19,372,547
Unrestricted	<u>20,277,935</u>
Total Net Position	<u>\$ 45,346,115</u>

**SOLANO COUNTY WATER AGENCY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
PRIMARY GOVERNMENT					
Governmental activities:					
Solano Project	\$ 10,873,927	\$ 675,352	\$ 946,799	\$ -	\$ (9,251,776)
State Water Project	11,740,362	2,374,829	164,000	-	(9,201,533)
Ulati Flood Control	569,902	1,583	-	-	(568,319)
Green Valley Flood Control	<u>51,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(51,106)</u>
Total primary government	<u>\$ 23,235,297</u>	<u>\$ 3,051,764</u>	<u>\$ 1,110,799</u>	<u>\$ -</u>	<u>\$ (19,072,734)</u>
General revenues:					
Property taxes					\$ 20,592,430
Investment earnings					<u>121,622</u>
Total general revenues					<u>20,714,052</u>
Change in net position					<u>1,641,318</u>
Net position - July 1, 2015					<u>43,704,797</u>
Net position - June 30, 2016					<u>\$ 45,346,115</u>

**SOLANO COUNTY WATER AGENCY
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Solano Project</u>	<u>State Water Project</u>	<u>Ulatis Flood Control</u>	<u>Green Valley Flood Control</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 20,559,375	\$ 14,115,454	\$ 5,371,411	\$ 293,096	\$ 40,339,336
Accounts receivable	1,810,844	679,009	-	-	2,489,853
Interest receivable	18,305	-	-	-	18,305
Notes receivable	457,629	-	-	-	457,629
Due from other funds	200,000	-	-	-	200,000
Other assets	<u>145,067</u>	<u>174,000</u>	<u>-</u>	<u>-</u>	<u>319,067</u>
Total Assets	<u>\$ 23,191,220</u>	<u>\$ 14,968,463</u>	<u>\$ 5,371,411</u>	<u>\$ 293,096</u>	<u>\$ 43,824,190</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 964,984	\$ 324,715	\$ 108,403	\$ 22,805	\$ 1,420,907
Deposits	101,161	-	-	-	101,161
Unearned revenue	20,780	430,500	-	-	451,280
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>
Total Liabilities	<u>1,086,925</u>	<u>755,215</u>	<u>108,403</u>	<u>222,805</u>	<u>2,173,348</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred inflows of resources	<u>373,138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>373,138</u>
<u>FUND BALANCES</u>					
Nonspendable	695,188	174,000	-	-	869,188
Restricted	-	14,039,248	5,263,008	70,291	19,372,547
Assigned	8,880,454	-	-	-	8,880,454
Unassigned	<u>12,155,515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,155,515</u>
Total Fund Balances	<u>21,731,157</u>	<u>14,213,248</u>	<u>5,263,008</u>	<u>70,291</u>	<u>41,277,704</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 23,191,220</u>	<u>\$ 14,968,463</u>	<u>\$ 5,371,411</u>	<u>\$ 293,096</u>	<u>\$ 43,824,190</u>

**SOLANO COUNTY WATER AGENCY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016**

Total fund balances of governmental funds	\$ 41,277,704
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds, net of accumulated depreciation of \$2,818,818.	5,695,633
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Certain notes, loans, and interest receivables are not available to pay for current period expenditures and therefore are offset by deferred inflows of resources in the governmental funds.	
Deferred inflows of resources	373,138

Other long-term assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Pension contributions made subsequent to the measurement date	155,998
Deferred outflows related to changes in the net pension liability	163,090

Long-term liabilities are not due in the current period and therefore are not reported in the governmental funds.	
Compensated absences	(170,068)
Net OPEB obligation	(1,237,448)
Net pension liability	(738,680)
Deferred inflows related to changes in the net pension liability	<u>(173,252)</u>

Net position of governmental activities	\$ <u>45,346,115</u>
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SOLANO COUNTY WATER AGENCY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Solano Project</u>	<u>State Water Project</u>	<u>Ulatis Flood Control</u>	<u>Green Valley Flood Control</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>					
Property taxes	\$ 8,168,228	\$ 11,185,460	\$ 1,132,968	\$ 105,774	\$ 20,592,430
Charges for services	587,538	2,374,829	-	-	2,962,367
Investment earnings	70,722	33,933	16,967	-	121,622
Intergovernmental	342,528	164,000	-	-	506,528
Other revenues	<u>776,576</u>	<u>-</u>	<u>1,583</u>	<u>-</u>	<u>778,159</u>
Total Revenues	<u>9,945,592</u>	<u>13,758,222</u>	<u>1,151,518</u>	<u>105,774</u>	<u>24,961,106</u>
<u>EXPENDITURES</u>					
Current:					
Water purchases	132,495	10,112,942	-	-	10,245,437
Operations and maintenance	5,480,468	17,116	430,372	46,540	5,974,496
Administration and general	2,464,433	692,216	53,132	4,309	3,214,090
Conservation and flood control	1,391,996	240,541	-	-	1,632,537
Engineering	944,796	620,157	-	-	1,564,953
Capital outlay	<u>231,368</u>	<u>12,129</u>	<u>180,446</u>	<u>-</u>	<u>423,943</u>
Total Expenditures	<u>10,645,556</u>	<u>11,695,101</u>	<u>663,950</u>	<u>50,849</u>	<u>23,055,456</u>
Net Change in Fund Balances	(699,964)	2,063,121	487,568	54,925	1,905,650
Fund Balances - July 1, 2015	<u>22,431,121</u>	<u>12,150,127</u>	<u>4,775,440</u>	<u>15,366</u>	<u>39,372,054</u>
Fund Balances - June 30, 2016	<u>\$ 21,731,157</u>	<u>\$ 14,213,248</u>	<u>\$ 5,263,008</u>	<u>\$ 70,291</u>	<u>\$ 41,277,704</u>

SOLANO COUNTY WATER AGENCY
RECONCILIATION OF THE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

Reconciliation of the change in fund balances - total governmental funds to the change in net position of governmental activities:

Net change in fund balances - total governmental funds	\$ 1,905,650
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are capitalized and allocated over their estimated useful lives and reported as depreciation expense.	
Capital asset purchases	423,941
Depreciation expense	(373,450)
Compensated absence expenditures reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in a governmental fund. This is the net change in compensated absences for the current period.	(41,597)
Receipts of payments and disbursements of funds related to notes and loans receivable are reported as revenue and expenditures, respectively, in governmental funds, but an increase and decrease, respectively, in notes receivable in the Statement of Net Position.	
Loan program receipts	(84,491)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Other postemployment benefits	(271,458)
Amortization of pension costs and changes in the net pension liability	<u>82,723</u>
Change in net position of governmental activities	<u><u>\$ 1,641,318</u></u>

SOLANO COUNTY WATER AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

The Solano County Water Agency (the Agency) was created in 1951 by an act of the California Legislature as the "Solano County Flood Control and Water Conservation District." In 1988, the legislative act was changed to modify the governing board and the name was changed to Solano County Water Agency in 1989. The governing board is made up of five members of the Solano County Board of Supervisors, the mayors from the seven cities in the county and three representatives from three agricultural irrigation districts. The Agency provides wholesale water services to cities, districts, and state agencies and lead efforts to protect rights to existing sources of water and participates in efforts to secure new sources of projects and is involved in countywide flood control planning. As required by accounting principles generally accepted in the United States of America, these financial statements present the Agency alone as the Agency has no component units, related organizations, or jointly governed organizations.

B. Basis of Presentation

The Agency's basic financial statements are prepared in conformity with accounting principals generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These standards require that the financial statements described below be presented.

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. Eliminations have been made to minimize the double counting of internal activities. The Agency's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position. The Agency first utilizes restricted resources to finance qualifying activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Agency's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

The accounts of the Agency are organized on the basis of funds. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditure/expenses. A fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Agency's funds, all of which are considered to be major governmental funds, are reported as separate columns in the fund financial statements.

SOLANO COUNTY WATER AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The funds of the Agency are described below:

General Fund

Solano Project - This fund accounts for the Agency's water supply contract with the U.S. Bureau of Reclamation for the water supply provided by contract cities, districts, and State agencies. Property tax revenues are used to pay for operations, maintenance, rehabilitation, and betterment. Operations and maintenance are performed by contract with the Solano Irrigation District. Included in this fund are costs associated with a watermaster to monitor water use in the Upper Putah Creed Watershed and development of a Habitat Conservation Plan. Other functions include the flood control program and water conservation program.

Special Revenue Funds

State Water Project - This fund accounts for the Agency's water supply contract with the California Department of Water Resources for the repayment of construction, operations, and maintenance costs of the North Bay Aqueduct, and the contracts with member agencies for the purchase of this water.

Ulatis Flood Control - This fund accounts for the costs of operating and maintaining the Ulatis Flood Control Facilities, which were built by the Federal Soil Conservation Service. The Agency contracts with the Solano County Resource Management Department for the maintenance of this project.

Green Valley Flood Control - This fund accounts for the costs of operating and maintaining the Green Valley Flood Control Facilities, which were built by the U.S. Army Corps of Engineers. The Agency contracts with the Solano County Resource Management Department for the maintenance of this project.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and all liabilities (whether current or noncurrent) associated with the operation of these funds are reported.

All governmental funds are accounted for using a "current financial resources" measurement focus. With this measurement focus, only current assets and current liabilities generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

SOLANO COUNTY WATER AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Agency defines available to be within 90 days of year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual include taxes, intergovernmental revenues, interest and charges for services. Certain indirect costs are included in program expenses reported for individual functions and activities.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the Agency may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position is available to finance program expenditures. The Agency's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

D. Cash and Cash Equivalents

Cash and cash equivalents are defined as demand deposit account balances, pooled investments in the State of California Local Agency Investment Fund (LAIF), and money market funds with California Asset Management Program (CAMP).

E. Accounts Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. No allowance for losses has been reflected at June 30, 2016. Major receivable balances for the governmental activities consist of grants. Long-term loans in governmental funds are treated as expenditures in the year advanced and as revenues in the year repayment is measurable and available. Loans receivable are recorded in the fund statements, but are also recorded as deferred inflows of resources to indicate they do not represent current financial resources.

F. Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Provision is made for depreciation using the straight-line method over the estimated useful lives of the assets, which range from five to forty years. It is the Agency's policy to capitalize all capital assets with an initial cost of more than \$5,000. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the accounts in the year of sale or retirement and the resulting gain or loss is included in the statement of activities.

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The Agency has assigned the useful lives listed below to capital assets:

Buildings and improvements	40 years
Land improvements	25 - 30 years
Water monitoring equipment	5 - 10 years
Machinery and field equipment	5 - 15 years
Furniture, fixtures, and office equipment	5 - 10 years

SOLANO COUNTY WATER AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

G. Unearned Revenues

Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenue also arises when resources are received by the Agency before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Agency has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

H. Compensated Absences

The Agency's policy allows employees to accumulate earned but unused vacation and administrative leave which will be paid to employees upon separation of service from the Agency. The policy also allows employees to receive payment for on-behalf of their accumulated sick leave upon retirement. Vested or accumulated vacation and sick leave are accrued in the government-wide statements as the benefits accrue to employees. However, a liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position, or balance sheet, will sometimes report a section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position, or balance sheet, will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

J. Property Taxes

Property taxes are assessed and collected by Solano County (the County). The County remits the property taxes to the Agency when the taxes are collected and the allocation has been determined. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1, are payable in two installments, and become delinquent if not paid by December 10 or April 10. The Agency has elected to receive the property taxes from the County under the Teeter Program. Under this program, the Agency receives 100% of the levied property taxes in periodic payments with the County assuming responsibility for delinquencies.

K. Prepaid Expenses and Inventory

Inventories are stated at cost (average cost per unit) for governmental funds. The cost is recorded as an expenditure/expense in the funds at the time individual inventory items are consumed, rather than purchased. Inventories of governmental funds are offset by nonspendable fund balance to indicate they do not constitute resources available for future appropriation.

Prepaid items are also recognized under the consumption method. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

SOLANO COUNTY WATER AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Agency's California Public Employees' Retirement System (CalPERS) plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Equity Classifications

Government-wide Statements

Net position is the excess of all the Agency's assets over all its liabilities, regardless of fund. Net position is divided into three categories. These categories apply only to net position, which is determined at the government-wide level, and are described below:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - Unrestricted net position represents resources derived from taxes, grants, and charges for services. These resources are used for transactions relating to the general operations of the Agency, and may be used at the discretion of the Board to meet current expenses for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Agency's policy is to first apply the expense toward restricted resources, and then towards unrestricted resources.

Fund Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Agency is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- a. Nonspendable - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted - Amounts that are restricted for specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- c. Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.
- d. Assigned - Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed.
- e. Unassigned - Amounts representing the residual classification for the general fund and residual negative fund balance of special revenue and capital project funds.

Further detail about the Agency's fund balance classification is described in Note 8.

SOLANO COUNTY WATER AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Budgetary Principles

Under GASB Statement No. 34, budgetary comparison information is required to be presented for the General Fund and each major special revenue fund with a legally adopted budget. The Agency's budgets are adopted on a basis which materially conforms to accounting principles generally accepted in the United States of America.

O. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

P. Implementation of Government Accounting Standards Board Statements

Effective July 1, 2015, the Agency implemented the following accounting and financial reporting standards:

Government Accounting Standards Board Statement No. 72

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. This statement provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. There was no significant impact to the Agency or their financial statements as a result of the implementation. See Note 2.

Government Accounting Standards Board Statement No. 76

In June 2015, GASB issued Statement No. 76, *the Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. There was no significant impact to the Agency or their financial statements as a result of the implementation.

Government Accounting Standards Board Statement No. 82

In March 2016, GASB issued Statement No. 82, *Pension Issues - an Amendment of GASB Statements No. 67, No. 68, and No. 73*. The primary objective of this statement is to address issues regarding the (1) presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this statement are effective for reporting periods beginning after June 15, 2016; however the Agency has elected to implement the statement in the current year. See Note 10.

**SOLANO COUNTY WATER AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2016 or later and may be applicable to the Agency. However, the Agency has not determined the effects, if any, on the financial statements.

Government Accounting Standards Board Statement No. 75

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB, and replaces Statements No. 45 and 57. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to OPEB. The Agency has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the Agency's fiscal year ending June 30, 2018.

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2016 consisted of the following:

	<u>Total</u>
Deposits with financial institutions	\$ 4,008,131
Local Agency investment Fund (LAIF)	7,589,773
California Asset Management Program (CAMP)	24,699,493
Certificates of Deposit	3,996,682
Money Market Funds	<u>45,257</u>
Total Investments	<u>36,331,205</u>
Total Cash and Investments	<u>\$ 40,339,336</u>

Investment Policy

California statutes authorize agencies to invest in idle or surplus funds in a variety of credit instruments as provided for in the *California Government Code*, Section 53600, Chapter 4 - Financial Affairs. The Agency is authorized, by its Board of Directors, to invest its cash in the State of California's Local Agency Investment Fund (LAIF), California Asset Management Program (CAMP), the Solano County Investment Pool, or Federal Depository Insurance Corporation (FDIC) insured accounts in a bank or savings and loan association. The Agency's investment policy does not contain any specific provisions intended to limit the Agency's exposure to interest rate risk, credit risk, concentration of credit risk, or custodial credit risk.

SOLANO COUNTY WATER AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The weighted average maturity of the investments contained in the LAIF investment pool is approximately 167 days as of June 30, 2016. The weighted average maturity of the investments contained in the CAMP investment pool is approximately 36 days as of December 31, 2015. As of June 30, 2016, 2.81% of LAIF's investment portfolio was invested in structured notes and other asset-backed securities.

Information about the sensitivity of the fair values of the Agency's investments to market rate fluctuations is provided by the following table that shows the distribution of the Agency's investments by maturity as of June 30, 2016:

	Remaining Maturity		
	12 months or less	1-5 years	Total
Local Agency Investment Funds	\$ 7,589,773	\$ -	\$ 7,589,773
California Asset Management Program	24,699,493	-	24,699,493
Certificates of Deposit	-	3,996,682	3,996,682
Money Market Funds	45,257	-	45,257
Total Investments	\$ 32,334,523	\$ 3,996,682	\$ 36,331,205

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The Agency had no investments that were highly sensitive to interest rate fluctuations at June 30, 2016.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF and CAMP do not have a rating provided by a nationally recognized statistical rating organization. The Agency's certificates of deposit and money market funds are not rated.

Concentration Risk

The investment policy of the Agency contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

SOLANO COUNTY WATER AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Investment Valuation (non-pooled investments)

The Agency categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Agency does not have any investments that are measured using Level 3 inputs. Fair value of the Agency's investments are as follows as of June 30, 2016:

- Certificates of Deposit: based on matrix pricing technique (Level 2 input)
- Money Market Funds: based on quoted market prices (Level 1 input)

Investment in Local Agency Investment Fund (LAIF)

The Agency is a voluntary participant in the State Treasurer's Pooled Money Investment Account (PMIA), through LAIF, that was created by statute in 1977. The PMIA has regulatory oversight from the Pooled Money Investment Board and an in-house Investment Committee. The Local Agency Investment Advisory Board has oversight of LAIF. The fair value of the Agency's position in the pool is materially equivalent to the value of pool shares. LAIF is an unrated external investment pool.

In accordance with authorized investment laws, the State Treasurer's Investment Pool (LAIF) invests in various structured notes and mortgage-backed securities, such as collateralized mortgage obligations. Copies of a report of LAIF's investments may be obtained from the State Treasurer's Office, Local Agency Investment Fund, P.O. Box 942809, Sacramento, CA 94209-0001.

Investment in California Asset Management Program (CAMP)

The Agency is a voluntary participant in CAMP that was formed in 1989 as a joint power authority and common law trust. The trust is only accountable to its public agency shareholders. CAMP is invested in such a way as to maintain a \$1 per share net asset value. Copies of their financial report may be obtained by contacting CAMP at 50 California Street, Suite 2300, San Francisco, CA 94111.

NOTE 3: ACCOUNTS AND GRANTS RECEIVABLES

Receivables at June 30, 2016 consisted of:

Water sales receivable	\$ 796,610
Grants receivable	<u>1,693,243</u>
Total receivables	<u>\$ 2,489,853</u>

NOTE 4: NOTE RECEIVABLE

In fiscal year 2011, the Agency constructed a building on land owned by the federal government. The constructed building is owned by the United States Bureau of Reclamation and not the Agency. The Agency shares the use of such building with the Vacaville Fire Department District (the District). The Agency paid all of the construction costs up front; however, the District is repaying the Agency for their portion of the costs through a note receivable. The note is being repaid over a 10-year period with interest at 4%. The balance of the note receivable has been offset in the fund financial statements by deferred inflows of resources as it is not deemed measurable and available within 60 days. The balance of the note at June 30, 2016 totaled \$457,629.

SOLANO COUNTY WATER AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 5: INTERFUND TRANSACTIONS

Interfund balances consisted of the following at June 30, 2016:

	<u>Receivable</u>	<u>Payable</u>
Solano Project	\$ 200,000	\$ -
Green Valley Flood Control	<u>-</u>	<u>200,000</u>
	<u>\$ 200,000</u>	<u>\$ 200,000</u>

During the course of operations, numerous transactions that constitute reimbursements to a fund for expenditures/expenses initially made from one fund that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

NOTE 6: CAPITAL ASSETS

Governmental activities:

	<u>Balance at July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2016</u>
Capital assets not being depreciated					
Land	\$ 148,898	\$ -	\$ -	\$ -	\$ 148,898
Construction-in-progress	<u>90,183</u>	<u>-</u>	<u>-</u>	<u>(90,183)</u>	<u>-</u>
Total capital assets not being depreciated	<u>239,081</u>	<u>-</u>	<u>-</u>	<u>(90,183)</u>	<u>148,898</u>
Capital assets being depreciated					
Land improvements	2,535,494	-	-	-	2,535,494
Buildings	1,661,323	-	-	-	1,661,323
Water monitoring equipment	2,101,442	33,192	-	-	2,134,634
Machinery and field equipment	1,253,527	384,712	(23,107)	90,183	1,705,315
Furniture, fixtures, and office equipment	<u>391,479</u>	<u>6,037</u>	<u>(68,729)</u>	<u>-</u>	<u>328,787</u>
Total capital assets being depreciated	<u>7,943,265</u>	<u>423,941</u>	<u>(91,836)</u>	<u>90,183</u>	<u>8,365,553</u>
Less accumulated depreciation	<u>(2,537,204)</u>	<u>(373,450)</u>	<u>91,836</u>	<u>-</u>	<u>(2,818,818)</u>
Total capital assets, net	<u>\$ 5,645,142</u>	<u>\$ 50,491</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,695,633</u>

Depreciation expense for the year ended June 30, 2016, was charged to functions as follows:

Governmental Activities:

Solano Project	\$ 279,133
State Water Project	11,193
Ulati Flood Control Project	<u>83,124</u>
Total Depreciation Expense	<u>\$ 373,450</u>

SOLANO COUNTY WATER AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of changes in the Agency's long-term liabilities for the fiscal year ended June 30, 2016:

	<u>Balance at July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2016</u>	<u>Current Portion</u>
Governmental activities:					
Compensated absences	\$ <u>128,471</u>	\$ <u>106,645</u>	\$ <u>(65,048)</u>	\$ <u>170,068</u>	\$ <u>79,443</u>

NOTE 8: FUND BALANCE

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

The Board of Directors, as the Agency's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal action. These committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use through the same type of formal action taken to establish the commitment.

Assigned fund balances are amounts that are constrained by the Agency's intent to be used for specific purposes, but are neither restricted or committed. The Agency has delegated the authority to assign fund balance to the General Manager.

The accounting policies of the Agency consider restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the Agency considers committed amounts to be reduced first, followed by assigned amounts, and unassigned amounts.

As of June 30, 2016, fund balances were comprised of the following:

	<u>Solano Project</u>	<u>State Water Project</u>	<u>Ulatris Flood Control</u>	<u>Green Valley Flood Control</u>	<u>Total Governmental Funds</u>
Nonspendable					
Prepaid expenses	\$ 18,469	\$ 174,000	\$ -	\$ -	\$ 192,469
Inventory	19,090	-	-	-	19,090
Notes receivable	457,629	-	-	-	457,629
Advances	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Total Nonspendable	<u>695,188</u>	<u>174,000</u>	<u>-</u>	<u>-</u>	<u>869,188</u>
Restricted					
Grants	<u>-</u>	<u>14,039,248</u>	<u>5,263,008</u>	<u>70,291</u>	<u>19,372,547</u>
Assigned					
Capital Projects	<u>8,880,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,880,454</u>
Unassigned					
	<u>12,155,515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,155,515</u>
Total Fund Balance	<u>\$ 21,731,157</u>	<u>\$ 14,213,248</u>	<u>\$ 5,263,008</u>	<u>\$ 70,291</u>	<u>\$ 41,277,704</u>

SOLANO COUNTY WATER AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 9: ADMINISTRATION AND GENERAL EXPENDITURES

The following is a summary of administration and general expenditures of the fund financial statements by natural classification at June 30, 2016:

Salaries and benefits	\$ 2,180,586
Professional services	361,620
Dues and memberships	155,074
Public education	55,334
Property tax administration fee	115,184
Governmental advocacy	66,986
Office equipment	98,611
Office expense	65,266
Telephone	22,279
Insurance	53,585
Watermaster services	28,157
Fuel	15,917
Board expense	31,702
Talent decision monitoring	13,629
Miscellaneous	53,513
Overhead reallocation	<u>(103,353)</u>
Total	\$ <u>3,214,090</u>

NOTE 10: DEFINED BENEFIT PENSION PLAN

General Information about the Plan

All qualified permanent full and part-time Agency employees working at least 1,000 hours per year are eligible to participate in the Agency's cost-sharing multiple-employer defined benefit pension plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The Agency sponsors two rate plans (both miscellaneous). Benefit provisions under the Plan are established by State statute and Agency resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Active members belonging to the Classic Plan are required to contribute 7% of their annual covered salary. Active members belonging to the PEPR plan are required to contribute 6.25% of their annual covered salary. The Agency makes the contributions required of the Classic employees on their behalf and for their account.

SOLANO COUNTY WATER AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 10: DEFINED BENEFIT PENSION PLAN (CONTINUED)

The rate plan's provisions and benefits in effect at June 30, 2016, are summarized as follows:

Hire Date	Miscellaneous Plan	
	Classic Prior to January 1, 2013	PEPRA On or After January 1, 2013
Benefit Formula	2.0% @ 55	2.0% @ 62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50 - 55	52 - 67
Monthly Benefits, as a % of Eligible Compensation	2.0% to 2.5%	1.0% to 2.5%
Required Employee Contribution Rates	7.000%	6.250%
Required Employer Contribution Rates	12.219%	6.250%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The Agency's contributions to the Plan for the measurement period ended June 30, 2015 were \$169,520.

Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2016, the Agency reported a net pension liability of \$738,680 for its proportionate share of the net pension liability of the Plan.

The Agency's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Agency's proportionate share of the net pension liability of the Plan as of June 30, 2014 and 2015 was as follows:

Proportion - June 30, 2014	0.01200%
Proportion - June 30, 2015	0.01076%
Change - Increase (Decrease)	(0.00124)%

SOLANO COUNTY WATER AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 10: DEFINED BENEFIT PENSION PLAN (CONTINUED)

For the year ended June 30, 2016, the Agency recognized pension expense of \$160,579. At June 30, 2016, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 155,998	\$ -
Difference between actual contributions made by the employer and the employer's proportionate share of the risk pool's total contribution	69,121	-
Changes in assumptions	-	100,187
Differences between expected and actual experience	10,590	-
Adjustment due to differences in proportions	83,379	22,840
Net differences between projected and actual earnings on plan investments	-	50,225
Total	\$ 319,088	\$ 173,252

\$155,998 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30,	
2016	\$ (21,505)
2017	\$ (22,809)
2018	\$ (30,048)
2019	\$ 64,200

Actuarial Assumptions

The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.65% net of pension plan investment expenses, includes inflation
Mortality (1)	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 201 Experience Study Report.

SOLANO COUNTY WATER AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 10: DEFINED BENEFIT PENSION PLAN (CONTINUED)

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Changes in Assumptions

GASB 68, paragraph 68 states that the long long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the Plans, the tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective July 1, 2014.

Asset Class	Current Target Allocation	Real Return Years 1-10 (1)	Real Return Years 11+ (2)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	2.0%	(0.55%)	(1.05%)

(1) An expected inflation of 2.5% used for this period.

(2) An expected inflation of 3.0% used for this period.

SOLANO COUNTY WATER AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 10: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Agency's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate -1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate +1% (8.65%)
Net Pension Liability (Asset)	\$ 1,322,108	\$ 738,680	\$ 256,992

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net positions is available in the separately issued CalPERS financial reports.

NOTE 11: OTHER POST EMPLOYMENT BENEFITS (OPEB)

The Agency provides postemployment healthcare benefits for retired employees in accordance with their published employee handbook.

Description of the Plan

The Solano County Water Agency Retirement Health Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the Agency. The Agency provides certain medical insurance coverage to all employees who retire from the Agency and meet the age and service requirement for eligibility. The Agency pays 100% of the eligible retirees' medical plan premiums up to \$12,500 per year. As of June 30, 2016, membership of the Plan consists of 2 retirees currently receiving benefits and 16 eligible active plan members. The Plan does not issue a publicly available report.

Funding Policy

The contribution requirements of plan members and the Agency are based on a pay-as-you-go basis. For the year ended June 30, 2016, the Agency paid \$16,542 on behalf of its retirees.

Annual OPEB Cost and Net OPEB Obligation

The Agency's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) (or funding costs) over a period not to exceed 30 years.

SOLANO COUNTY WATER AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 11: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

The Agency's unfunded actuarial accrued liability as of June 30, 2016, the date of the most recent actuarial valuation was as follows:

Annual required contribution (ARC)	
Normal cost	\$ 241,000
30-year amortization of funded liability	<u>86,000</u>
Total annual required contribution	<u>327,000</u>
Interest on net OPEB obligation	38,000
Adjustment to net OPEB obligation	<u>(70,000)</u>
Total annual OPEB cost	<u>295,000</u>
Employer contributions	(16,542)
Implicit rate subsidy	<u>(7,000)</u>
Net increase in net OPEB obligation	<u>271,458</u>
Net OPEB obligation, July 1, 2015	<u>965,990</u>
Net OPEB obligation, June 30, 2016	<u>\$ 1,237,448</u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2016 and two preceding years are as follows:

<u>Year Ended</u>	<u>Annual OPEB cost</u>	<u>Actual Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net Ending OPEB</u>
June 30, 2014	\$ 171,000	\$ 12,000	7.02 %	\$ 790,013
June 30, 2015	\$ 182,000	\$ 6,023	3.31 %	\$ 965,990
June 30, 2016	\$ 295,000	\$ 16,542	5.61 %	\$ 1,237,448

Funded Status and Funding Progress

The funded status of the plan based on an actuary study using age-adjusted premiums as of June 30, 2016, was as follows:

Actuarial accrued liability (AAL)	
Active employees	\$ 1,359,000
Retired employees	<u>470,000</u>
Total	<u>1,829,000</u>
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 1,829,000</u>
Funded ratio (actuarial value of plan assets / AAL)	- %
Covered payroll (active plan members)	1,457,000
UAAL as a percentage of covered payroll	125.53 %

SOLANO COUNTY WATER AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 11: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to the past expectations and new estimates about the future are formulated. Although the valuation results are based on the values which the Agency's actuarial consultant believes are reasonable assumption, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status could result in actual costs being less or greater than estimated.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan as understood by the employer and plan members, and include the types of plan benefits provided at the time of the valuation and the historical pattern of sharing benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal. The actuarial assumptions include a 4.0% percent discount rate, 3.0% price inflation, 3.25% wage inflation, and an annual cost trend with no rate increase until 2019 (3% increase annually thereafter). The unfunded actuarial accrued liability is being amortized as a level percent of payroll over a 30-year fixed period, with 24 years remaining as of the most recent actuarial report. The valuation is a closed group valuation, that is, no future hires are assumed.

NOTE 12: RISK MANAGEMENT

The Agency participates in the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA), a public entity risk pool of water agencies in California, for general, automobile, public officials' errors and omissions, property, fidelity, workers' compensation liability, and employers' liability. ACWA/JPIA provides insurance through the pool up to a certain level, beyond which group-purchases commercial excess insurance is obtained. Loss contingency reserves established by the JPIA are funded by contributions from member agencies. The Agency pays an annual premium to the JPIA that includes its pro-rata share of excess insurance premiums, charges for pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the JPIA.

The Agency's maximum coverage under the JPIA is as follows:

	<u>Pool Coverage</u>	<u>Commercial Coverage</u>
General and auto liability	\$ 2,000,000	\$ 60,000,000
Public officials and omissions liability	\$ 2,000,000	\$ 60,000,000
Property	\$ 50,000	\$ 100,000,000
Fidelity	\$ 100,000	None
Workers' compensation liability	\$ 2,000,000	Statutory
Employers' liability	\$ 2,000,000	\$ 4,000,000

The Agency is responsible for property losses up to their deductible, which ranges from \$1,000 to \$25,000, depending on coverage.

Settles claims resulting from these risks have not exceeded commercial insurance coverage in any recent fiscal year. There has been no significant reduction in coverage over the last three years.

SOLANO COUNTY WATER AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 13: CONTINGENCIES AND COMMITMENTS

The Agency periodically enters into commitments which are funded primarily through state grants. The grants are typically for various projects such as rehabilitation, betterment, and maintenance. At June 30, 2016, the Agency had no commitments on unfinished contracts.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Agency expects such amounts, if any, to be immaterial.

The Agency has been named a real party in interest in two actions filed in 2010 against the California Department of Water Resources. The actions allege violation of the California Environmental Quality Act. No estimates of liability or conclusions have been or can be reached relative to the impact of this action; however, there can be no assurance that this matter will not adversely affect the Agency's financial position.

The Agency has been named a real party in interest in action filed against Ana Matosantos, California Department of Finance, and in an action filed against Michael Cohen. The actions challenge various aspects of the wind-down of redevelopment agency affairs under AB 1484. The Agency may be exposed to a portion of the liability for attorneys' fees in the event the Petitioners prevail in the action. No estimates of liability or conclusions have been or can be reached relative to the impact of this actions; however, there can be no assurance that this matter will not adversely affect the Agency's financial position.

NOTE 14: SUBSEQUENT EVENT

On July 8, 2016, the Agency purchased 1,600 acres of Petersen Ranch for approximately \$6.8 million dollars. The property, particularly the lower 350 acres adjacent to Lindsey Slough, is ideally suited for tidal wetlands restoration that could ultimately play a role in sustaining Delta Smelt populations in the Cache Slough Complex. The property is also ideally suited and will largely satisfy the Agency's habitat restoration and enhancement obligations pursuant to the soon to be adopted Habitat Conservation Plan.

REQUIRED SUPPLEMENTARY INFORMATION

SOLANO COUNTY WATER AGENCY
SOLANO PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>2015-2016 Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>REVENUES</u>				
Property taxes	\$ 7,892,406	\$ 7,892,406	\$ 8,168,228	\$ 275,822
Charges for services	402,000	402,000	587,538	185,538
Investment earnings	18,505	18,505	70,722	52,217
Intergovernmental	1,055,000	1,055,000	342,528	(712,472)
Other revenues	<u>301,905</u>	<u>301,905</u>	<u>776,576</u>	<u>474,671</u>
Total Revenues	<u>9,669,816</u>	<u>9,669,816</u>	<u>9,945,592</u>	<u>275,776</u>
<u>EXPENDITURES</u>				
Current:				
Water purchases	145,000	145,000	132,495	12,505
Operations and maintenance	6,734,863	6,734,863	5,480,468	1,254,395
Administration and general	2,748,619	2,748,619	2,464,433	284,186
Conservation and flood control	1,574,250	1,574,250	1,391,996	182,254
Engineering	954,115	954,115	944,796	9,319
Capital outlay	<u>270,376</u>	<u>270,376</u>	<u>231,368</u>	<u>39,008</u>
Total Expenditures	<u>12,427,223</u>	<u>12,427,223</u>	<u>10,645,556</u>	<u>1,781,667</u>
Net Change in Fund Balance	\$ <u>(2,757,407)</u>	\$ <u>(2,757,407)</u>	(699,964)	\$ <u>2,057,443</u>
Fund Balance - July 1, 2015			<u>22,431,121</u>	
Fund Balance - June 30, 2016			<u>\$ 21,731,157</u>	

SOLANO COUNTY WATER AGENCY
STATE WATER PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>2015-2016 Budgeted Amounts</u>			Variance with Final Budget Positive Negative
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>REVENUES</u>				
Property taxes	\$ 10,139,122	\$ 10,139,122	\$ 11,185,460	\$ 1,046,338
Charges for services	2,504,101	2,504,101	2,374,829	(129,272)
Investment earnings	9,200	9,200	33,933	24,733
Intergovernmental	<u>304,554</u>	<u>304,554</u>	<u>164,000</u>	<u>(140,554)</u>
Total Revenues	<u>12,956,977</u>	<u>12,956,977</u>	<u>13,758,222</u>	<u>801,245</u>
<u>EXPENDITURES</u>				
Current:				
Water purchases	10,234,678	10,234,678	10,112,942	121,736
Operations and maintenance	18,500	18,500	17,116	1,384
Administration and general	914,667	914,667	692,216	222,451
Conservation and flood control	491,750	491,750	240,541	251,209
Engineering	1,441,720	1,441,720	620,157	821,563
Capital outlay	<u>17,000</u>	<u>17,000</u>	<u>12,129</u>	<u>4,871</u>
Total Expenditures	<u>13,118,315</u>	<u>13,118,315</u>	<u>11,695,101</u>	<u>1,423,214</u>
Net Change in Fund Balance	\$ <u>(161,338)</u>	\$ <u>(161,338)</u>	2,063,121	\$ <u>2,224,459</u>
Fund Balance - July 1, 2015			<u>12,150,127</u>	
Fund Balance - June 30, 2016			\$ <u>14,213,248</u>	

SOLANO COUNTY WATER AGENCY
ULATIS FLOOD CONTROL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>2015-2016 Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>REVENUES</u>				
Property taxes	\$ 1,140,405	\$ 1,140,405	\$ 1,132,968	\$ (7,437)
Investment earnings	3,600	3,600	16,967	13,367
Other revenues	<u>4,500</u>	<u>4,500</u>	<u>1,583</u>	<u>(2,917)</u>
Total Revenues	<u>1,148,505</u>	<u>1,148,505</u>	<u>1,151,518</u>	<u>3,013</u>
<u>EXPENDITURES</u>				
Current:				
Operations and maintenance	724,444	736,518	430,372	306,146
Administration and general	70,000	57,926	53,132	4,794
Capital outlay	<u>186,000</u>	<u>186,000</u>	<u>180,446</u>	<u>5,554</u>
Total Expenditures	<u>980,444</u>	<u>980,444</u>	<u>663,950</u>	<u>316,494</u>
Net Change in Fund Balance	\$ <u>168,061</u>	\$ <u>168,061</u>	487,568	\$ <u>319,507</u>
Fund Balance - July 1, 2015			<u>4,775,440</u>	
Fund Balance - June 30, 2016			<u>\$ 5,263,008</u>	

SOLANO COUNTY WATER AGENCY
GREEN VALLEY FLOOD CONTROL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>2015-2016 Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>REVENUES</u>				
Property taxes	\$ <u>106,779</u>	\$ <u>106,779</u>	\$ <u>105,774</u>	\$ <u>(1,005)</u>
Total Revenues	<u>106,779</u>	<u>106,779</u>	<u>105,774</u>	<u>(1,005)</u>
<u>EXPENDITURES</u>				
Current:				
Operations and maintenance	88,886	83,862	46,540	37,322
Administration and general	<u>12,000</u>	<u>17,024</u>	<u>4,309</u>	<u>12,715</u>
Total Expenditures	<u>100,886</u>	<u>100,886</u>	<u>50,849</u>	<u>50,037</u>
Net Change in Fund Balance	\$ <u>5,893</u>	\$ <u>5,893</u>	54,925	\$ <u>49,032</u>
Fund Balance - July 1, 2015			<u>15,366</u>	
Fund Balance - June 30, 2016			\$ <u>70,291</u>	

**SOLANO COUNTY WATER AGENCY
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE AGENCY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2016
LAST 10 YEARS***

	Measurement Period	
	2015	2014
Proportion of the net pension liability	0.01076 %	0.01200 %
Proportionate share of the net pension liability	\$ 738,680	\$ 751,756
Covered - employee payroll	\$ 1,274,487	\$ 1,165,322
Proportionate share of the net pension liability as a percentage of covered - employee payroll	57.96 %	64.51 %
Plan fiduciary net position as a percentage of the total pension liability	78.40 %	79.82 %

Notes to Schedule:

Changes in assumptions. The discount rate was changed from 7.50 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

* Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

**SOLANO COUNTY WATER AGENCY
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS TO THE COST SHARING DEFINED BENEFIT PENSION PLAN
AS OF JUNE 30, 2016
LAST 10 YEARS***

	Fiscal Year-End	
	2016	2015
Contractually required contribution (actuarially determined)	\$ 151,490	\$ 169,520
Contributions in relation to the actuarially determined contributions	<u>151,490</u>	<u>169,520</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>
Covered - employee payroll	1,297,221	1,274,487
Contributions as a percentage of covered - employee payroll	11.68 %	13.30 %

* Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

**SOLANO COUNTY WATER AGENCY
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF FUNDING PROGRESS FOR OTHER POST EMPLOYMENT BENEFITS (OPEB)
AS OF JUNE 30, 2016**

<u>Actuarial Valuation Date</u>	<u>Normal Accrued Liability</u>	<u>Market Value of Assets</u>	<u>Liability (Excess Assets)</u>	<u>Funded Status</u>	<u>Annual Covered Payroll</u>	<u>UAAL (Excess Assets) as a % of Covered Payroll</u>
2010	\$ 982,000	\$ -	\$ 982,000	- %	\$ 1,144,000	86 %
2013	\$ 982,000	\$ -	\$ 982,000	- %	\$ 1,181,000	83 %
2016	\$ 1,829,000	\$ -	\$ 1,829,000	- %	\$ 1,457,000	126 %

OTHER REPORTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
the Solano County Water Agency
Vacaville, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Solano County Water Agency (the "Agency"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Solano County Water Agency's basic financial statements and have issued our report thereon dated November 29, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Solano County Water Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Solano County Water Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Solano County Water Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies: 2016-001 and 2016-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Solano County Water Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Agency's Response to Findings

Solano County Water Agency's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Solano County Water Agency's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Mon Chitt" followed by "CPA" with a stylized flourish.

Sacramento, California
November 29, 2016

**SOLANO COUNTY WATER AGENCY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2016**

Finding 2016-001: Grant Billing and Reconciliation (Repeat Finding - Significant Deficiency)

Criteria

Certain deficiencies in internal control system over financial reporting could adversely affect an entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Condition

Upon reviewing the Agency's grants and accounts receivable, we noted the Agency had approximately \$443,000 in aged grant receivables that had not yet been billed to the granting agency for reimbursement. The aging of some of the grant reimbursements date back to fiscal year 2015. The Agency has the risk of losing the funding if certain billing deadlines are not met.

Cause

Based on the prior year significant deficiency reported, the Agency was still catching up on billing out their grant receivables.

Recommendation

We recommend the Agency re-visit their grant procedures to include quarterly reconciliations, at a minimum. These reconciliations should entail review of allowable expenditures, recording of corresponding accounts receivable and revenue, and processing of quarterly reports and reimbursement requests. These reconciliations should be reviewed by the Administrative Service Manager or Grants Administrator. Receivables currently recorded should be billed out as soon as possible, and collections should be monitored.

Management's Response

During 2016, Management implemented processes to include quarterly reconciliations of revenues/receivables and reimbursement requests. Processes were also implemented to review outstanding receivables and to follow up with collections. The Agency continues to maintain and improve these processes.

SOLANO COUNTY WATER AGENCY
SCHEDULE OF FINDINGS AND RESPONSES (continued)
JUNE 30, 2016

Finding 2016-002: Journal Entries

Criteria

Certain deficiencies in internal control system over financial reporting could adversely affect an entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Condition

Eleven out of nineteen journal entries we selected for testing did not have evidence of review and approval by the Administrative Services Director.

Cause

Due to leave of absences and turnover within the Administrative Services Manager position, there were journal entries that were not reviewed.

Recommendation

With the new organization of the Administrative Services Department, we recommend the Agency revisit their policies related to journal entries, year-end close, and review of financial reports. We recommend that all journal entries be reviewed and signed as approved prior to posting.

Management's Response

Due to the Financial Services manager retiring, the Agency will be reviewing department procedures to insure compliance with Financial Reporting guidelines and standards.

**SOLANO COUNTY WATER AGENCY
STATUS OF PRIOR YEAR FINDINGS AND RESPONSES
JUNE 30, 2016**

Finding 2015-01: Grant Billing and Reconciliation (Significant Deficiency)

Condition

Upon reviewing the Agency's grants and accounts receivable, we noted the Agency had approximately \$1,000,000 in aged grant receivables that had not yet been billed to the granting agency for reimbursement. The aging of some of the grant reimbursements date back to fiscal year 2012. The Agency has the risk of losing the funding if certain billing deadlines are not met.

Recommendation

We recommend the Agency re-visit their grant procedures to include quarterly reconciliations, at a minimum. These reconciliations should entail review of allowable expenditures, recording of corresponding accounts receivable and revenue, and processing of quarterly reports and reimbursement requests. These reconciliations should be reviewed by the Administrative Service Manager or Grants Administrator. Receivables currently recorded should be billed out as soon as possible, and collections should be monitored.

Status

Not implemented. See 2016-001.

**ACTION OF
SOLANO COUNTY WATER AGENCY**

DATE: February 9, 2017

SUBJECT: Authorize purchase of herbicides on behalf of Lower Putah Creek Coordinating Committee

RECOMMENDATIONS:

Authorize General Manager to purchase herbicides (up to \$36,000) on behalf of Lower Putah Creek Coordinating Committee.

FINANCIAL IMPACT:

Up to \$36,000, entirely grant funded.

BACKGROUND:

Last year the Lower Putah Creek Coordinating Committee (LPCCC) received an Integrated Regional Water Management grant from the Department of Water Resources to control weeds on Putah Creek, from Monticello Dam to Highway 505. The LPCCC's Pest Control Advisor is recommending the purchase of the following herbicides and herbicide additives to complete the weed control project:

<u>Chemicals</u>	<u>Activity</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Total</u>
Gallery	Pre-emergent Broadleaf Herbicide	48 lbs	\$ 230.90	\$11,083.20
Glyphosate 5.4	Contact Herbicide	270 gal	\$ 30.94	\$ 8,353.80
Brandt Super Wetter	Surfactant	24 gal	\$ 204.00	\$ 4,896.00
Turf Gro Booster	Buffer	35 gal	\$ 69.00	\$ 2,415.00
Triclopyr 3	Contact Herbicide	10 gal	\$ 79.44	\$ 794.40
Dimension 40 WP	Pre-emergent Grass Herbicide	24 bags	\$ 232.96	\$ 5,591.04
Subtotal				\$ 33,133.44
Sales Tax (Vacaville)				7.625% 2,526.42
Total				\$35,659.86

The Water Agency is a member of the LPCCC and serves as the LPCCC's fiscal agent. Accordingly, the Water Agency would purchase the aforementioned items on behalf of the LPCCC using grant funds obtained by the LPCCC.

Recommended: 
Roland Sanford, General Manager

☐ Approved as recommended ☐ Other (see below) ☐ Continued on next page

Modification to Recommendation and/or other actions:

I, Roland Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on February 9, 2017 by the following vote.

Ayes:

Noes:

Abstain:

Absent:

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency

SOLANO COUNTY WATER AGENCY



MEMORANDUM

TO: Board of Directors

FROM: Roland Sanford, General Manager

DATE: February 3, 2017

SUBJECT: February 2017 General Manager's Report

Water Supply Outlook

This last month was one of the wettest Januarys on record for the Putah Creek drainage. In just the month of January, Lake Berryessa received more inflow than has historically occurred in an average year (see attached charts). As of this writing the lake surface is approximately 10 feet below the glory hole spillway and there is about a 4 in 10 chance of Lake Berryessa spilling before the end of the rainy season. Lake Berryessa last spilled in 2006. As reported last month, there is currently more than sufficient water in storage to meet full contractual water deliveries in 2017.

The water supply outlook for the North Bay Aqueduct has also improved significantly. On January 18, 2017 the Department of Water Resources announced increased allocations – increasing the 2017 North Bay Aqueduct allocation from 55 percent of the full Table A contractual amount to 85 percent of the full contractual amount. Last year's final North Bay Aqueduct allocation was 65 percent of the full Table A contractual amount.

Flood Control Activities

Flood control issues are once again at the forefront. The recent storms that have nearly filled Lake Berryessa caused localized flooding in Solano County, most notably in the vicinity of Sweeney Creek, upstream of the Ulati Flood Control Project, and in the vicinity of Cordelia, downstream of Interstate 80. Within the last 30 days the Water Agency has received a number of inquiries regarding the small grant program – probably more inquiries than in the previous five years combined. Water Agency staff in concert with County crews and a contractor performed emergency debris removal operations at several locations along Sweeney Creek, upstream of the Ulati Flood Control Project, and at several locations along the Ulati Flood Control Project channels. Both the Ulati Flood Control Project and Green Valley Flood Control Project were thoroughly tested by the recent storms and for the most part performed well.

810 Vaca Valley Parkway, Suite 203
Vacaville, California 95688
Phone (707) 451-6090 • FAX (707) 451-6099
www.scwa2.com



The Water Agency has renewed efforts to secure channel maintenance easements along Sweeney Creek, between the Putah South Canal and the Ulatis Flood Control Project – a stream segment with long standing flood conveyance issues. In previous years, efforts to secure easements along Sweeney Creek were only partially successful – not all landowners have been willing to grant easements. Consequently, to date the Water Agency’s channel maintenance activities in this stream segment have been “patchy” and in many respects, less than optimal.

Water Agency staff has and will continue to meet with County and City of Fairfield staff to review and discuss options for alleviating flood problems in the vicinity of Cordelia. The area has experienced significant urbanization over the last 25 years, which has increased the total volume of runoff during storm events, and exhibits poor drainage due in large part to its proximity to the Suisun Marsh. A drainage study focused on the area impacting and downslope of Cordelia Road is anticipated.

North Bay Aqueduct Alternate Intake Project

The North Bay Aqueduct (NBA) is a State Water Project (SWP) facility owned, operated and maintained by the Department of Water Resources (DWR). The Solano County Water Agency holds contracts with DWR for much of the available NBA supply and is in essence the NBA’s principal “customer”. The balance of the NBA supply is delivered to Napa County pursuant to a water supply contract between DWR and the Napa County Flood Control and Water Conservation District.

The NBA’s water supply originates from Barker Slough, a tributary of Lindsey Slough and ultimately, Cache Slough in Solano County. Unfortunately, water quality conditions in Barker Slough are generally poor – among the poorest of the SWP facilities. Furthermore, pumping restrictions to protect endangered species, most notably Delta Smelt, limit operations at certain times of the year, a trend that is expected to continue with increasing regularity as State and Federal habitat restoration activities in the Cache Slough Region proceed. In hindsight, Barker Slough is at best, a marginally suitable location for the NBA intake.

DWR, at the urging of SCWA and the Napa County Flood Control and Water Conservation District, has explored options for relocating the NBA intake and in 2009 retained Environmental Science Associates (ESA) to prepare a draft EIR for the North Bay Aqueduct Alternate Intake Project (NBA AIP). Work on the Draft EIR began but languished due to other State priorities and the nation’s economic recession. In 2016 work on the Draft EIR resumed and it was anticipated that the Draft EIR would be released for public review by the end of 2016 or beginning of 2017. Due to other State priorities it is now anticipated by DWR that the Draft EIR will not be released for public review until late summer or the fall of 2017. From the Water Agency’s perspective, the delayed release date is actually desirable, as there are still many unresolved questions regarding financing of the project.

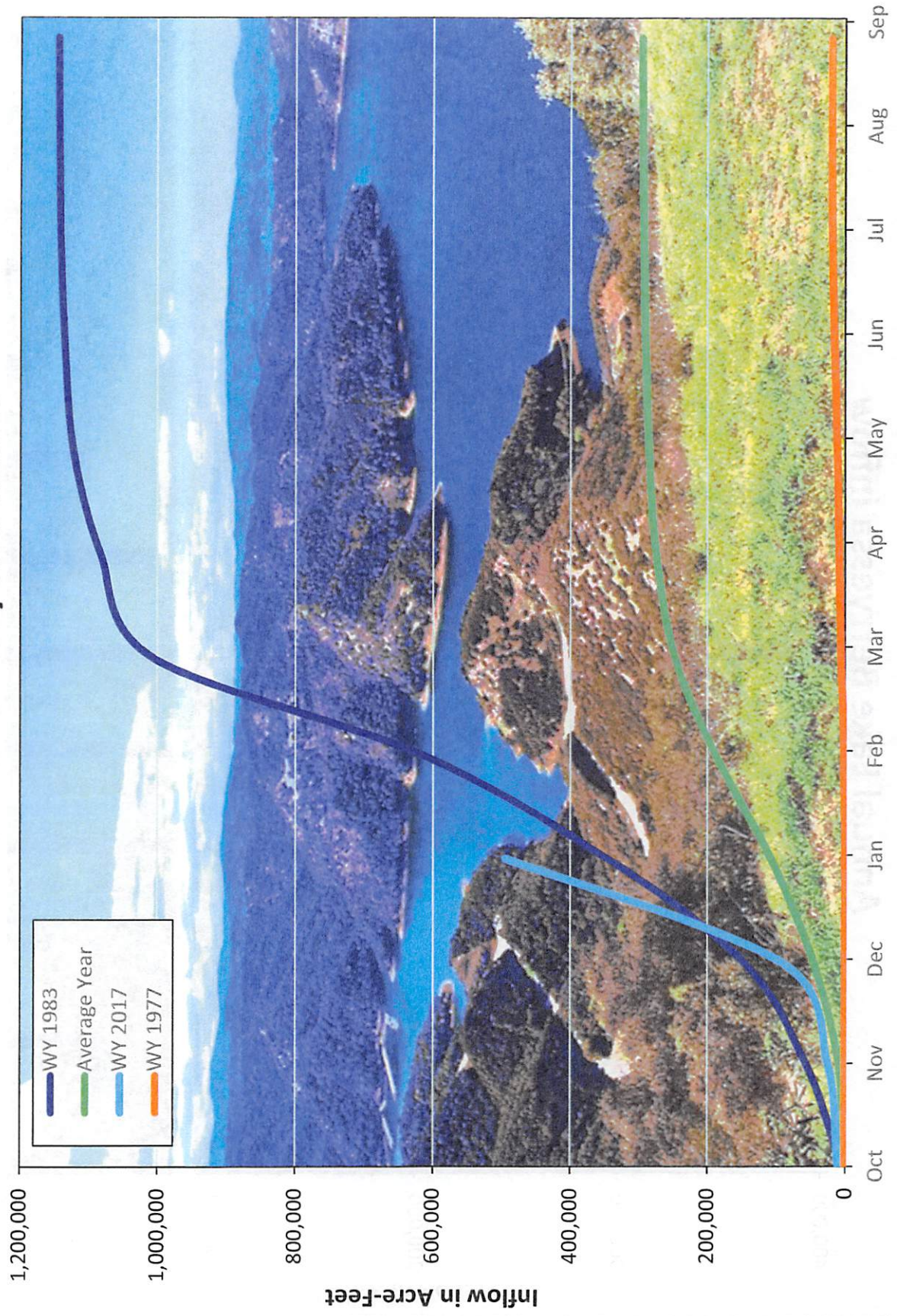
The NBA AIP is currently estimated to cost on the order of 550 million dollars to construct, which is well beyond the collective economic means of the NBA water users. Unless significant funding – 300 to 400 million dollars – can be obtained from alternative sources, it is unlikely that the NBA water users would be able to afford the NBA AIP as presently conceived. At this point in time it appears that the most promising alternative source of funding is State and Federal habitat restoration

money. There are a number of significant restoration efforts occurring in the Bay – Delta region and one of the benefits of the NBA AIP is avoidance of federally listed fish species, most notably, the Delta Smelt. Whether or not the avoidance of Delta Smelt is in itself sufficient justification for the State and Federal agencies to contribute significant habitat restoration dollars toward the NBA AIP is debatable – quite possibly not. Therefore, anything that can be done to further amplify the environmental benefits of the NBA AIP is of interest and worth pursuing.

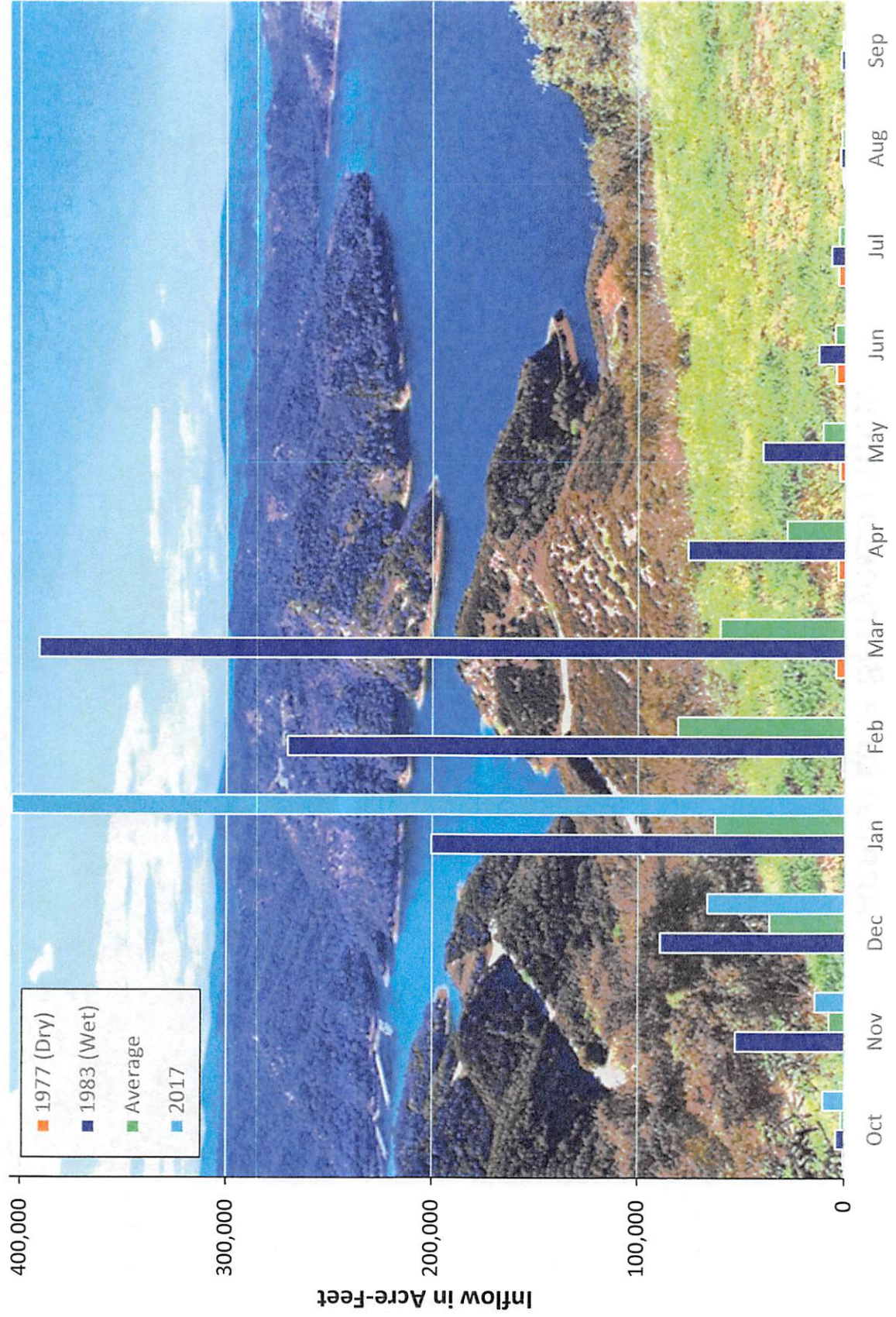
Unfortunately, due to other programs and actions occurring within the Bay-Delta region, including but not limited to the ongoing update of the 2006 Bay-Delta Plan, multiple habitat restoration planning and implementation programs in and near the Yolo Bypass and Cache Slough Complex, and the re-opening of the Biological Opinions pertaining to state and federal water project operations, it is currently unclear how best to position the NBA AIP project vis-à-vis habitat restoration funding sources, while at the same time preserving the essential water supply functions of the project. Consequently, and returning to one of my earlier points, delaying the release of the draft EIR is not necessarily a bad thing from the Water Agency's perspective, as it provides additional time to sort through critical financial issues and better align the NBA AIP with potential alternative funding sources.

As they say, "Rome wasn't built in a day". Clearly, the same holds true for NBA AIP. Keep in mind that the Solano County Flood Control and Water Conservation District, which became the present day Water Agency, initially contracted with the Department of Water Resources for North Bay Aqueduct water deliveries in 1963. It wasn't until 1988 – 25 years later - that Solano received its first drop of NBA water. Similarly, serious efforts to construct the Solano Project began in the 1940's. However, it wasn't until 1959 that the first drop of Solano Project water was delivered.

Annual Lake Berryessa Inflow



Annual Lake Berryessa Inflow



**REPORT OF CONSTRUCTION CHANGE ORDERS AND
CONTRACTS APPROVED BY GENERAL MANAGER UNDER
DELEGATED AUTHORITY**

Construction Contract Change Orders (15% of original project costs or \$50,000, whichever is less)

Construction Contracts (\$30,000 and less)

Professional Service Agreements (\$30,000 and less)

Brereton Architects - Office Expansion - \$2,150
City of Davis - Planning Coordination - \$20,364
Victor Claassen - Claassen Soils Assessment - \$12,000
Dennis Bowker - P1696004 Facilitation Services - PROP 1 Planning - \$12,240
Integrated Environmental Restoration Services - Putah South Canal Waste Study - \$11,482
Lake County Resource Conservation - Goat's Rue Noxious Weed Management Project - \$17,517
Richard Heath - Water and Energy Conservation Pilot Program - \$25,000
RM Enterprises - Peterson Ranch Debris Removal - \$25,000
Streamwise - Interdam Reach - \$1,687
Terra Realty Advisors - SCWA Office Expansion - \$5,000
West Associates - Peterson Ranch Property Management - \$27,500

Non-Professional Service Agreements (\$30,000 and less)

Construction contracts resulting from informal bids authorized by SCWA Ordinance

Note: Cumulative change orders or amendments resulting in exceeding the dollar limit need Board approval.

**ACTION OF
SOLANO COUNTY WATER AGENCY**

DATE: February 9, 2017

SUBJECT: Status Report: Formation of Groundwater Sustainability Agency for Solano Sub-basin Pursuant To Sustainable Groundwater Management Act

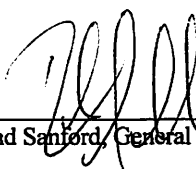
RECOMMENDATION: Hear status report and provide direction to staff.

FINANCIAL IMPACT: None

BACKGROUND:

The Sustainable Groundwater Management Act of 2014 (SGMA) requires the creation of Groundwater Sustainability Agencies (GSAs), preferably by local entities, to develop and implement Groundwater Sustainability Plans (GSPs) for groundwater basins identified in California Department of Water Resources (DWR) Bulletin 118. All groundwater users – public and private – who extract more than two acre-feet of groundwater per year are subject to SGMA and in turn, any GSP developed by the corresponding GSA. Additional information regarding SGMA can be found at www.water.ca.gov/groundwater/sgm.

The Solano Sub-Basin, as currently delineated in DWR Bulletin 118, is subject to SGMA and is largely located in eastern and southern Solano County, but encompasses small portions of Sacramento and Yolo counties.

Recommended: 
Roland Sanford, General Manager

☐

Approved as
recommended

☐

Other
(see below)

☒

Continued on
next page

Modification to Recommendation and/or other actions:

I, Roland Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on February 9, 2017 by the following vote.

Ayes:

Noes:

Abstain:

Absent:

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency

A voluntary working group composed of staff from Cal Water, City of Dixon, City of Fairfield, City of Rio Vista, Maine Prairie Water District, City of Vacaville, Dixon Resource Conservation District, North Delta Water Agency, Northern Delta GSA/Freshwater Trust, Reclamation District 2068, Sacramento County Water Authority, Solano County, Solano County Ag Advisory Committee, Solano County Farm Bureau, Solano County Water Agency, Solano Irrigation District, Solano Resource Conservation District, Travis Air Force Base, and Yolo County Flood Control and Water Conservation District; collectively referred to as the GSA Advisory Group (GSAG), began meeting nearly two years ago to discuss formation of a Solano Sub-Basin GSA.

Since the onset of the GSAG meetings, Yolo County has successfully petitioned the Department of Water Resources to modify the boundaries of the Solano Sub-Basin, removing those portions of the Solano Sub-Basin that are within Yolo County. Similarly, Sacramento County has elected to create its own GSA for that portion of Solano Sub-basin located Sacramento County. GSAG meetings have continued and are now focused solely on the formation of a GSA for the Solano portion of the Solano Sub-Basin.

In October 2016 the GSAG recommended:

- 1) The Solano parties create a GSA for the Solano portion of the Solano Sub-Basin that consisted of representation from the following entities:

- City of Dixon
- City of Fairfield
- City of Rio Vista
- City of Vacaville
- Solano County – District 4
- Solano County – District 5
- Dixon Resource Conservation District
- Solano Resource Conservation District
- Solano Irrigation District
- Maine Prairie Water District
- Rural North Vacaville Water District
- Reclamation District 2068
- Cal Water
- Agricultural Representative # 1 (Farm Bureau nomination)
- Agricultural Representative # 2 (County Ag Advisory Committee nomination)

- 2) The Solano parties develop a Joint Powers Agreement (JPA) to create the Solano Sub-Basin GSA.

The development of a Joint Powers Agreement is ongoing, with the expectation it will be finalized before the end of February. Staff will provide an update on GSA formation in general, and the status of the Joint Powers Agreement in particular.

RELEVANCE TO 2016-2025 SCWA STRATEGIC PLAN

The Water Agency's participation in the development of a GSA for the Solano Sub-Basin is consistent with Goal #8 (*Groundwater management: Implement SCWA's role in Sustainable Groundwater Management Act*), Objective A (*Participate in ongoing development of Solano Sub-Basin Groundwater Sustainability Agency*) and Objective B (*Support Groundwater Management Plan Development*)

**ACTION OF
SOLANO COUNTY WATER AGENCY**

DATE: February 9, 2017

SUBJECT: Water Agency Staffing – Addition of Assistant Water Resources Specialist Position

RECOMMENDATION:

Approve addition of Assistant Water Resources Specialist position and authorize immediate recruitment of said position.

FINANCIAL IMPACT:

The annual cost for salary and benefits for the Assistant Water Resources Specialist position is approximately \$93,000. The salary range is \$59,772 - \$72,648. This cost will be allocated to State Water Project, Solano Project, and Ulatis/Green Valley Flood Control budgets. There is adequate funding in the current FY16-17 budget to fund the position for the remainder of the fiscal year. Funding will be included in the proposed FY17-18 budget if the position is approved.

BACKGROUND:

Pursuant to Board direction and in accordance with the Agency's recently adopted 2016-2025 Strategic Plan, the Water Agency's responsibilities and activities continue to grow. In order to more efficiently distribute and complete work assignments, work assignments that are more routine in nature and have previously been performed by senior staff are being delegated to junior staff members. On April 14, 2016 the Board approved the creation of the Assistant Water Resources Specialist position. An individual was hired to fill that position and is currently working on a variety of water conservation projects. Staff is requesting Board authorization to hire a second Assistant Water Resources Specialist that would be focused primarily on water quality and stream flow related work assignments. Additional details are provided below.

Recommended: _____


Roland Sanford, General Manager

☐

Approved as
Recommended

☐

Other
(see below)

☒

Continued on
Next Page

Modification to Recommendation and/or other actions:

I, Roland Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on February 9, 2017 by the following vote.

Ayes:

Noes:

Abstain:

Absent:

Roland Sanford
General Manager & Secretary to the
Solano County Water Agency

The new Assistant Water Resources Specialist would oversee the Water Agency's water quality monitoring program for both the North Bay Aqueduct (NBA) as well as the Solano Project. Currently, the NBA experiences a wide array of both local and regional water quality issues that can significantly impact the cities of Vacaville, Fairfield, Vallejo, Benicia, as well as the Travis Air Force Base. The Agency conducts weekly, monthly, and event based monitoring to protect the NBA water supply. The Agency works closely with DWR and other stakeholders on technical (not policy) Bay-Delta issues, to protect NBA water quality. Similar efforts are done for the Solano Project, which benefits the cities above as well as Suisun City, Solano Irrigation District and Maine Prairie Water District. These efforts are currently overseen by one of the Senior Water Resources Engineers as well as a team of interns. The new position will allow the Senior Water Resources Engineer to focus more effort on infrastructure improvements, while the new position focuses on monitoring and protection of water quality.

Groundwater monitoring is very important to the Water Agency and to Solano County as a whole, especially in light of the recent Sustainable Groundwater Management Act (SGMA). Currently, the California Statewide Groundwater Elevation Monitoring (CASGEM) compliance is accomplished through a combination of interns and the Principal Water Resources Specialist. The Agency also produces an annual groundwater report, summarizing current and long-term groundwater trends in Solano County. Similar to CASGEM, this report is accomplished through interns and the Senior Water Resources Engineer. The proposed Assistant Water Resources Specialist would take over both of these tasks, thus allowing for continuity of this program, substantial salary cost savings by freeing up time of the Principal Water Resources Specialist and Senior Water Resource Engineer. In the near future, there may be additional tasks required under SGMA that the Principal Water Resources Specialist will need assistance on that this proposed position could fulfill in lieu of hiring consultants.

The Putah Creek Streamkeeper has done an outstanding job securing grant funding for restoration projects on Putah Creek. With these grants come reporting, invoicing, monitoring, mapping and many more project management activities. Currently, much of the mapping work is done by the Assistant Water Resources Engineer, requiring 25-50% of their time. The proposed Assistant Water Resources Specialist would assist the Putah Creek Streamkeeper with some of these activities as well as taking over the mapping tasks from the Engineer. Additionally, the new position could help with Putah Creek streamflow measurements which are currently done by the Senior Water Resource Specialist, and are an important legal requirement for the Solano Project. This would allow for significant salary cost savings, allow the Streamkeeper to devote more time to pursue grant opportunities and more efficiently utilize Agency staff.

Lastly, the new position would provide field support to senior staff for surveying and assessing project facilities and infrastructure on the Ulatis and Green Valley Flood Control Projects. The new position would help assist in flood monitoring activities, mapping of existing flood control infrastructure, and land based surveys to determine project performance. This would allow for a more efficient use of Agency staff.

In summary, the proposed Assistant Water Resources Specialist position would have the following core duties: local and regional water quality monitoring, groundwater management, support of Putah Creek activities, and field support for the Ulatis and Green Valley Projects. The Solano Project, Groundwater Management, Putah Creek efforts and the Ulatis and Green Valley Flood Control Projects would all benefit from more focused attention and optimized use of Agency staff.

The proposed labor allocation of this position would be approximately:

- 40% State Water Project
- 40% Solano Project (Water Quality / Putah Creek)
- 10% Admin (Groundwater)
- 10% Ulatis / Green Valley Flood Control

The new position would allow for a realignment of existing staff responsibilities to make more efficient use of their skills and expertise. If approved, the Assistant Water Resources Specialist would report directly to the Principal Water Resources Specialist.

RELEVANCE TO 2016-2025 SCWA STRATEGIC PLAN

The proposal to add an Assistant Water Resources Specialist position is consistent with Goal # 10 (*Funding and Staffing; Objectives C and D*) and would contribute toward the attainment of the following Goals and Objectives:

- Goal #2 – (*Water Management Infrastructure; Objectives C & D*)
- Goal #3 – (*Flood Management; Objective A*)
- Goal #4 – (*Water Resource Resiliency; Objectives B & C*)
- Goal #6 – (*Data Management; Objective C*)(Goal #8 – *Groundwater Management; Objective B*)



MONTHLY SALARY RANGE #21 \$4,981 - \$6,054

DEFINITION

Under direct or general supervision, conducts and/or performs water quality sampling, flow measurements, performs water management, ground water management, grant administration, mapping, field surveying; assists in conducting field inspections and investigations of the Agency's systems and facilities; participates in scientific and water resource studies; and performs related work as required.

SUPERVISION RECEIVED AND EXERCISED

Receives direct supervision from the Principal Water Resources Specialist. No direct supervision of staff is exercised.

CLASS CHARACTERISTICS

This is the entry-level class in the Water Resources Specialist series. Incumbents perform the less difficult to complex tasks related to water resources planning, water resources monitoring, water conservation, grant administration, habitat restoration/management and special projects. As experience and proficiency are gained, assignments will become more technically diverse and difficult, while exercising increasing independence of judgment. This class is alternately staffed with the Associate Water Resources Specialist and incumbents may advance to the higher-level class after gaining the knowledge, skills and experience that meet the qualifications and demonstrating the ability to perform the work of the higher-level class.

EXAMPLES OF ESSENTIAL JOB FUNCTIONS (Illustrative Only)

Management reserves the right to add, modify, change or rescind the work assignments of different positions and to make reasonable accommodations so that qualified employees can perform the essential functions of the job.

- Conducts water quality sampling of natural streams, canals, and reservoirs.
- Oversee and implement the Agency's Taste & Odor Monitoring Program.
- Attend and participate in various water quality meetings and/or conference calls.
- Work with member agencies on source water quality needs.
- Manage and oversee BMPs for watershed source water protection.
- Review as needed, local / regional / and Bay-Delta water quality related studies.
- Review, analyze, and summarize various water quality trends.
- Work with staff and member agencies to collect and upload CASGEM data.
- Update the Water Agency's annual groundwater report.
- Assist agency staff in the development of projects and implementation of programs, including, but not limited to, water resources management, water conservation, grant administration, and habitat restoration/management.

- Establish and maintain effective working relationships with those contacted in the course of the work.

Education and Experience: *Any combination of training and experience, which would provide the required knowledge, skills and abilities, is qualifying. A typical way to obtain the required qualifications would be:*

Equivalent to graduation from an accredited four-year college or university with major coursework in water conservation, water resources, hydrology, environmental sciences, landscape architecture, planning, engineering, agriculture, biological sciences, natural resources, public policy or administration, or a related field (no experience is necessary, however, experience in the above described job functions is desirable).

License and Certifications:

Possession of an appropriate California driver's license and a satisfactory driving record.

PHYSICAL DEMANDS

Must possess mobility to work in the field and in a standard office setting and use standard office equipment, including a computer; strength, stamina, and mobility to perform medium physical work, operate varied hand and power tools; vision to read printed materials and a computer screen; and hearing and speech to communicate in person and over the telephone or radio. The job involves fieldwork requiring frequent walking in operational areas to identify problems or hazards. Finger dexterity is needed to access, enter and retrieve data using a computer keyboard or calculator and to operate above-mentioned tools and equipment. Positions in this classification bend, stoop, kneel, reach and climb to perform work and inspect work sites. Employees must possess the ability to lift, carry, push, and pull materials and objects necessary to perform job functions.

ENVIRONMENTAL ELEMENTS

Employees partially work in an office environment with moderate noise levels, controlled temperature conditions and no direct exposure to potentially hazardous physical substances. Employees also work in the field and are exposed to loud noise levels, cold and hot temperatures, inclement weather conditions, road hazards, vibration, confining workspace, chemicals, mechanical and/or electrical hazards, and hazardous physical substances and fumes. Employees may interact with upset staff and/or public and private representatives, and contractors in interpreting and enforcing departmental policies and procedures.

WORKING CONDITIONS

May be required to work on evenings, weekends, and holidays.