

SOLANO COUNTY WATER AGENCY



BOARD OF DIRECTORS:

Chair:

Director Dale Crossley
Reclamation District No. 2068

Vice Chair:

Supervisor Jim Spering
Solano County District 3

Mayor Steve Young
City of Benicia

Mayor Steve Bird
City of Dixon

Mayor Harry Price
City of Fairfield

Director Ryan Mahoney
Maine Prairie Water District

Mayor Ron Kott
City of Rio Vista

Supervisor Erin Hannigan
Solano County District 1

Supervisor Monica Brown
Solano County District 2

Supervisor John Vasquez
Solano County District 4

Supervisor Mitch Mashburn
Solano County District 5

Director J.D. Kluge
Solano Irrigation District

Mayor Lori Wilson
City of Suisun City

Mayor Ron Rowlett
City of Vacaville

Mayor Robert McConnell
City of Vallejo

GENERAL MANAGER:

Roland Sanford
Solano County Water Agency

BOARD OF DIRECTORS MEETING

DATE: Thursday, March 11, 2021

TIME: 6:30 P.M.

PLACE: Virtual Meeting – Zoom Meeting

Join Zoom Meeting:

<https://us02web.zoom.us/j/83166083435?pwd=R2NlE1KUVc0dFp2enZQTmIDN0pUUT09>

Meeting ID: 831 6608 3435/Passcode: 672719

One tap mobile: +16699009128,,83166083435#,,, *672719#

Dial by your location: +1 669 900 9128 US (San Jose)

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

If you wish to make a Public Comment, please contact the Secretary at:

cllee@scwa2.com to expedite the process, thank you. Public Comments may still be made during the virtual meeting without prior notice.

5. **CONSENT ITEMS** (estimated time: 5 minutes)
 - (A) Minutes: Approval of the Minutes of the Board of Directors meeting of February 11, 2021.
 - (B) Expenditure Approvals: Approval of the February 2021 checking account register.
 - (C) Purchase Order for Spare Motors and Gear Boxes: Authorize General Manager to purchase spare motors and gear boxes for Putah Diversion Dam and Putah South Canal. Total cost not to exceed \$60,000.
 - (D) Contract Amendment with GHD: Authorize General Manager to execute Amendment No. 1 with GHD for continuation of the



Commercial, Industrial, and Institutional (CII) water use efficiency program in Solano County.

- (E) Adopt Real Estate Purchase Policy: Adopt real estate purchase policy.

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

RECOMMENDATIONS: For information only.

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

RECOMMENDATIONS: For information only.

8. **SOLANO WATER ADVISORY COMMISSION REPORT** *(estimated time: 5 minutes)*

RECOMMENDATIONS: For information only.

9. **SCWA FISCAL YEAR 2019-2020 AUDIT** *(estimated time: 10 minutes)*

RECOMMENDATIONS: Accept Fiscal Year 2019-2020 Audit Report.

10. **APPOINTMENT OF REPRESENTATIVE TO NORTH BAY WATERSHED ASSOCIATION BOARD OF DIRECTORS** *(estimated time: 5 minutes)*

RECOMMENDATIONS: Appoint representative to North Bay Watershed Association Board of Directors.

11. **LEGISLATIVE UPDATES** *(estimated time: 10 minutes)*

RECOMMENDATIONS:

1. Hear report from Committee Chair on activities of the SCWA Legislative Committee.
2. Hear report from Bob Reeb of Reeb Government Relations, LLC.

12. **WATER POLICY UPDATES** *(estimated time: 5 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.
3. Hear report from Supervisors Vasquez and Mashburn on activities of the Delta Counties Coalition, Delta Protection Commission, and Delta Conservancy.

4. Hear report from staff on activities of the North Bay Watershed Association (see <https://www.nbwatershed.org> for additional information.

13. CLOSED SESSION (*estimated time: 20 minutes*)

CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION

(Paragraph (1) of subdivision (d) of Gov. Code § 54956.9)

Name of case: Solano County Water Agency v. State of California Department of Water Resources,
Solano County Superior Court Case No. FCS055749

14. TIME AND PLACE OF NEXT MEETING

Thursday, April 8, 2021 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: February 11, 2021**

The Solano County Water Agency Board of Directors met this evening via Zoom teleconferencing, in deference to the ongoing State and County COVID-19 “shelter in place” directives. Present were:

Mayor Steve Young, City of Benicia
Mayor Steve Bird, City of Dixon
Mayor Harry Price, City of Fairfield
Mayor Ronald Kott, City of Rio Vista
Mayor Lori Wilson, City of Suisun City
Mayor Ron Rowlett, City of Vacaville
Mayor Robert McConnell, City of Vallejo
Supervisor Erin Hannigan, Solano County District 1
Supervisor Monica Brown, Solano County District 2
Supervisor Jim Spering, Solano County District 3
Supervisor Mitch Mashburn, Solano County District 5
Director Dale Crossley, Reclamation District No. 2068
Director J.D. Kluge, Solano Irrigation District

CALL TO ORDER

The meeting was called to order by Chair Crossley at 6:30 pm.

APPROVAL OF AGENDA

On a motion by Supervisor Hannigan and a second by Mayor Young the Board unanimously approved – by roll call vote - the agenda.

PUBLIC COMMENT

There were no public comments.

CONSENT ITEMS

On a motion by Supervisor Spering and a second by Mayor Wilson the Board unanimously approved – by roll call vote - the following consent items:

- (A) Minutes
- (B) Expenditure Approvals
- (C) Grant Award
- (D) Purchase of Replacement Vehicles for Solano Project Operations
- (E) Purchase of Replacement Vehicles for Water Agency Staff

BOARD MEMBER REPORTS

There were no Board Member reports.

GENERAL MANAGER’S REPORT

Staff reported that the Water Agency in conjunction with our local partners will be hosting a virtual Town Hall on post LNU fire activities and available fire remediation resources on March 4th at 6:00 pm. Chair Crossley volunteered to provide opening remarks at the Town Hall meeting.

SOLANO WATER ADVISORY COMMISSION

There was no report, the Solano Water Advisory Commission did not meet since the December Board meeting.

LAKE BERRYESSA INVASIVE MUSSEL INFESTATION PREVENTION PROGRAM

General Manager Roland Sanford briefly described the scope and purpose of the Lake Berryessa Invasive Mussel Infestation Prevention Program (Prevention Program) the Water Agency is leading in

collaboration with the United States Bureau of Reclamation (Reclamation) and Lake Berryessa concessionaires, and noted that the program has grown significantly over the last ten years.

He explained that Napa County and Reclamation recently entered into a agreement, whereby Napa County will assume direct oversight of the Lake Berryessa concessionaires from Reclamation, and that staff is concerned that the change in concessionaire oversight could result in the marginalization of the Prevention Program if Napa County did not fully support the Water Agency's efforts.

On a motion by Supervisor Hannigan and a second by Mayor Price the Board unanimously approved – by roll call vote – authorization for the Board Chair to sign and submit a letter to Napa County representatives requesting support and collaboration with SCWA for the Lake Berryessa Invasive Mussel Infestation Prevention Program.

LEGISLATIVE UPDATES

Chair Crossley reported that the Legislative Committee did not meet in February.

Mr. Bob Reeb, the Water Agency's Legislative Advocate, reported that the deadline to introduce State Legislation was February 19. He noted that the State Legislature continues to operate under COVID-19 protocols that severely restrict public access to the State Capitol. Mr. Reeb briefly discussed ongoing efforts by a coalition that includes the Water Agency to secure additional State funding for the Bay-Delta Voluntary Agreements process.

WATER POLICY UPDATES

1. Staff had nothing to report on emerging Delta and Water Policy issues.
2. The Water Policy Committee has not met since the last Board meeting
3. Supervisor Mashburn briefed the Board on an emerging issue – the Department of Water Resources plan to eliminate a portion of Liberty Island Road as a part of their Lookout Slough Restoration Project, which would severely limit public access and in turn recreational opportunities to waters and lands currently used for public recreation.
4. General Manager Roland Sanford noted that the Water Agency currently lacks a primary representative to the North Bay Watershed Association and recommended the Board appoint a new primary representative at the March Board meeting.

CLOSED SESSION

The Board entered into Closed Session at 9:23 to discuss the following:

1. Conference with Real Property Negotiations (§ 54956.8)
Property: Assessor Parcel Numbers 0046-130-050, 0174-190-010, 0174-190-020
Agency Negotiation: Roland Sanford
Negotiating Parties: Newcastle Properties Group (agents for Pacific Gas and Electric Company)
Under Negotiation: Acquisition
2. Conference with Real Property Negotiations (§ 54956.8)
Property: Assessor Parcel Number 133-210-71 (810 Vaca Valley Parkway)
Agency Negotiation: Roland Sanford
Negotiating Parties: Solano Irrigation District
Under Negotiation: Acquisition

Due to a potential conflict of interest, Director Kluge left the Closed Session prior to the discussion of the second item; property negotiations with the Solano Irrigation District.

The Board returned to open session at 8:31 pm. Chair Crossley reported that while in Closed Session the Board appointed an ad-hoc committee consisting of Director Crossley, Mayor McConnell, Mayor Young, Mayor Rowlett, Supervisor Mashburn, and Supervisor Vasquez to work with staff on the acquisition of additional office space currently owned by the Solano Irrigation District.

TIME AND PLACE OF NEXT MEETING

Thursday, March 11, 2021 at 6:30 p.m., at the SCWA offices in Vacaville.

ADJOURNMENT

This meeting of the Solano County Water Agency Board of Directors was adjourned at 8:31 p.m.

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

ACTION OF
SOLANO COUNTY WATER AGENCY

DATE: March 11, 2021

SUBJECT: Expenditures Approval

RECOMMENDATIONS:


Approve expenditures from the Water Agency checking accounts for February 2021.

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 February 2021. Additional backup information is available upon request.

Recommended: 
Roland Sanford, General Manager

| | | | | | |
|--------------------------|----------------------------|--------------------------|----------------------|--------------------------|---------------------------|
| <input type="checkbox"/> | Approved as Recommended | <input type="checkbox"/> | Other (see below) | <input type="checkbox"/> | 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 March 11, 2021 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 Feb 1, 2021 to Feb 28, 2021

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 |
|--------|---------|--------------------------------------|---|-------------------------------------|---------------|
| 2/1/21 | 35654 | 2020SC 1020SC | Invoice: 3516172 AMERICAN TOWER CORPORATION | 650.47 | 650.47 |
| 2/1/21 | 35655 | 2020SC 2020SC 2020SC 1020SC | Invoice: EXP REIM NOV 2020 Invoice: EXP REIM DEC 2020 Invoice: EXP REIM JAN 2021 JEFF BARICH | 25.00 25.00 25.00 | 75.00 |
| 2/1/21 | 35656 | 2020SC 2020SC 2020SC 1020SC | Invoice: SI201110-01 Invoice: SI201110-02 Invoice: SI201110-03 CORE EQUIPMENT LEASING, LLC | 6,805.00 6,695.00 6,695.00 | 20,195.00 |
| 2/1/21 | 35657 | 2020SC 1020SC | Invoice: 5256060-0004 NORCAL RENTAL GROUP, LLC | 7,512.84 | 7,512.84 |
| 2/1/21 | 35658 | 2020SC 2020SC 2020SC 1020SC | Invoice: 21-026-T-FEB 2021 Invoice: 21-154-V DEC 2020 Invoice: 21-024-O-FEB 2021 DEPARTMENT OF WATER RESOURCES | 505,926.00 10,604.00 1,031.00 | 517,561.00 |
| 2/1/21 | 35659 | 2020SC 1020SC | Invoice: 23027 EATON PUMPS | 7,559.76 | 7,559.76 |
| 2/1/21 | 35660 | 2020SC 1020SC | Invoice: CAVAC71534 FASTENAL COMPANY | 161.09 | 161.09 |
| 2/1/21 | 35661 | 2020SC 1020SC | Invoice: EXP REIM OCT-NOV 20 MARCIE FEHRENKAMP | 182.38 | 182.38 |
| 2/1/21 | 35662 | 2020SC 1020SC | Invoice: 22645-14 THE FRESHWATER TRUST | 9,856.25 | 9,856.25 |
| 2/1/21 | 35663 | 2020SC 1020SC | Invoice: 156344 GHD, INC. | 3,590.01 | 3,590.01 |
| 2/1/21 | 35664 | 2020SC 1020SC | Invoice: 136237 GRANICUS | 220.50 | 220.50 |
| 2/1/21 | 35665 | 2020SC 1020SC | Invoice: ER7759587040 HOLT OF CALIFORNIA | 7,784.14 | 7,784.14 |
| 2/1/21 | 35666 | 2020SC 1020SC | Invoice: 0115459 DARYL SISCO | 96.00 | 96.00 |
| 2/1/21 | 35667 | 2020SC 2020SC 1020SC | Invoice: 63100657334 Invoice: 63100657890 LES SCHWAB TIRE CENTER | 164.32 383.75 | 548.07 |
| 2/1/21 | 35668 | 2020SC 1020SC | Invoice: EXP REIM DEC 2020 LONG NGUYEN | 27.82 | 27.82 |
| 2/1/21 | 35669 | 2020SC 1020SC | Invoice: 12/10/20-1/10/2021 PACIFIC GAS & ELECTRIC CO, | 1,941.51 | 1,941.51 |

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|--------|---------|------------|---------------------------------------|--------------|---------------|
| 2/1/21 | 35670 | 2020SC | Invoice: 5543286N65V4TEABB | 161.57 | |
| | | 1020SC | SAM'S CLUB | | 161.57 |
| 2/1/21 | 35671 | 2020SC | Invoice: 01312111 | 9,505.00 | |
| | | 1020SC | SHANDAM CONSULTING | | 9,505.00 |
| 2/1/21 | 35672 | 2020SC | Invoice: 811918 | 4,607.10 | |
| | | 2020SC | Invoice: 811981 | 4,455.90 | |
| | | 2020SC | Invoice: 812319 | 4,512.11 | |
| | | 1020SC | SYAR INDUSTRIES, INC | | 13,575.11 |
| 2/1/21 | 35673 | 2020SC | Invoice: MAX SAKATO | 1,000.00 | |
| | | 1020SC | MAX SAKATO | | 1,000.00 |
| 2/1/21 | 35674 | 2020SC | Invoice: 7613 | 350.00 | |
| | | 1020SC | YOLO-SOLANO AQMD | | 350.00 |
| 2/1/21 | 35675 | 2020SC | Invoice: 853561 | 11,045.75 | |
| | | 1020SC | YELLOW SPRINGS INSTRUMENT CO. | | 11,045.75 |
| 2/9/21 | 35676 | 2020SC | Invoice: 0662129 | 1,854.87 | |
| | | 1020SC | ACWA JOINT POWERS INSURANCE AUTHORITY | | 1,854.87 |
| 2/9/21 | 35677 | 2020SC | Invoice: 999 | 2,283.00 | |
| | | 1020SC | BADAWI & ASSOCIATES | | 2,283.00 |
| 2/9/21 | 35678 | 2020N | Invoice: 20-1033-3 | 18,401.25 | |
| | | 1020SC | CBEC, INC. | | 18,401.25 |
| 2/9/21 | 35679 | 2020SC | Invoice: 5049905170 | 142.51 | |
| | | 1020SC | CINTAS CORPORATION | | 142.51 |
| 2/9/21 | 35680 | 2020SC | Invoice: 7894033 | 1,378.46 | |
| | | 1020SC | TIAA BANK | | 1,378.46 |
| 2/9/21 | 35681 | 2020SC | Invoice: 5125 | 42,164.68 | |
| | | 1020SC | EYASCO, INC. | | 42,164.68 |
| 2/9/21 | 35682 | 2020SC | Invoice: DEC 2020 | 600.00 | |
| | | 2020SC | Invoice: JAN 2021 | 1,200.00 | |
| | | 1020SC | MARK E. GRISMER PHD PE | | 1,800.00 |
| 2/9/21 | 35683 | 2020SC | Invoice: 98646 | 684.93 | |
| | | 2020SC | Invoice: 98647 | 2,405.58 | |
| | | 2020SC | Invoice: 98545 | 362.61 | |
| | | 1020SC | HERUM/ CRABTREE/ SUNTAG | | 3,453.12 |
| 2/9/21 | 35684 | 2020SC | Invoice: CL75665 | 316.23 | |
| | | 1020SC | INTERSTATE OIL COMPANY | | 316.23 |
| 2/9/21 | 35685 | 2020SC | Invoice: 1010 | 13,500.00 | |
| | | 1020SC | JERAH FRYE | | 13,500.00 |
| 2/9/21 | 35686 | 2020SC | Invoice: 105195 | 2,363.64 | |
| | | 1020SC | LOCAL GOVERNMENT COMMISSION | | 2,363.64 |
| 2/9/21 | 35687 | 2020SC | Invoice: 102234 | 404.24 | |
| | | 2020SC | Invoice: 312434 | 88.99 | |

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| Date | Check # | Account ID | Line Description | Debit Amount | Credit Amount |
|--------|---------|------------|---|--------------|---------------|
| | | 2020SC | Invoice: 312485 | 4.28 | |
| | | 2020SC | Invoice: 102543 | 58.37 | |
| | | 2020SC | Invoice: 312682 | 61.84 | |
| | | 2020SC | Invoice: 312680 | 235.67 | |
| | | 2020SC | Invoice: 312715 | | 21.43 |
| | | 2020SC | Invoice: 312736 | 50.46 | |
| | | 2020SC | Invoice: 312805 | 58.93 | |
| | | 2020SC | Invoice: 312804 | 15.02 | |
| | | 2020SC | Invoice: 312849 | 8.13 | |
| | | 2020SC | Invoice: 312957 | 35.79 | |
| | | 2020SC | Invoice: 313134 | 15.18 | |
| | | 2020SC | Invoice: 313160 | 2.25 | |
| | | 2020SC | Invoice: 313341 | 12.05 | |
| | | 2020SC | Invoice: 313466 | 36.45 | |
| | | 1020SC | PACIFIC ACE HARDWARE | | 1,066.22 |
| 2/9/21 | 35688 | 2020SC | Invoice: 12/21/20-1/20/2021 | 58.82 | |
| | | 1020SC | PACIFIC GAS & ELECTRIC CO, | | 58.82 |
| 2/9/21 | 35689 | 2020SC | Invoice: 01138536 | 865.70 | |
| | | 1020SC | RECOLOGY HAY ROAD | | 865.70 |
| 2/9/21 | 35690 | 2020SC | Invoice: 1459 | 2,000.00 | |
| | | 1020SC | DOUG NOLAN | | 2,000.00 |
| 2/9/21 | 35691 | 2020SC | Invoice: 00032 | 16.00 | |
| | | 1020SC | SHELDON | | 16.00 |
| 2/9/21 | 35692 | 2020SC | Invoice: 0020125 | 3,400.57 | |
| | | 1020SC | SOLANO IRRIGATION DISTRICT | | 3,400.57 |
| 2/9/21 | 35693 | 2020U | Invoice: 10020 | 8,819.36 | |
| | | 2020U | Invoice: 10021 | 33,352.31 | |
| | | 2020U | Invoice: 10022 | 28,534.37 | |
| | | 2020U | Invoice: 10023 | 7,394.57 | |
| | | 2020U | Invoice: 10024 | 1,756.26 | |
| | | 1020SC | SOLANO COUNTY PUBLIC WORKS DIVISION | | 79,856.87 |
| 2/9/21 | 35694 | 2020SC | Invoice: 175286 | 14.03 | |
| | | 2020SC | Invoice: 177422 | 25.00 | |
| | | 2020SC | Invoice: 177566 | 863.95 | |
| | | 2020SC | Invoice: 177557 | 83.69 | |
| | | 1020SC | STERLING MAY EQUIPMENT CO. | | 986.67 |
| 2/9/21 | 35695 | 2020SC | Invoice: C68659 | | 64.44 |
| | | 2020SC | Invoice: 68650 | 149.72 | |
| | | 2020SC | Invoice: 68660 | 240.15 | |
| | | 2020SC | Invoice: 68711 | 139.23 | |
| | | 2020SC | Invoice: 68690 | 35.36 | |
| | | 2020SC | Invoice: 68724 | 28.74 | |
| | | 2020SC | Invoice: 68745 | 47.15 | |
| | | 2020SC | Invoice: 68742 | 226.44 | |
| | | 2020SC | Invoice: 68821 | 165.91 | |
| | | 1020SC | SUISUN VALLEY FRUIT GROWERS AS | | 968.26 |
| 2/9/21 | 35696 | 2020SC | Invoice: 812528 | 5,686.41 | |
| | | 2020SC | Invoice: 812708 | 6,153.17 | |
| | | 1020SC | SYAR INDUSTRIES, INC | | 11,839.58 |
| 2/9/21 | 35697 | 2020SC | Invoice: 70B70-12 | 9,017.12 | |
| | | 1020SC | THE REGENTS OF THE UNIVERSITY OF CA | | 9,017.12 |

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|---------|---------|------------|-------------------------------|--------------|---------------|
| | | | UNIVERSITY OF CA | | |
| 2/9/21 | 35698 | 2020SC | Invoice: 200533960 | 149.33 | |
| | | 2020SC | Invoice: 300445735 | 130.77 | |
| | | 2020SC | Invoice: 200534583 | 39.64 | |
| | | 1020SC | TRACTOR SUPPLY CREDIT PLAN | | 319.74 |
| 2/9/21 | 35699 | 2020SC | Invoice: 161 | 2,000.00 | |
| | | 2020SC | Invoice: 164 | 2,575.00 | |
| | | 2020SC | Invoice: 166 | 750.00 | |
| | | 2020SC | Invoice: 167 | 450.00 | |
| | | 2020SC | Invoice: 165 | 125.00 | |
| | | 2020SC | Invoice: 163 | 1,075.00 | |
| | | 2020SC | Invoice: 162 | 1,859.85 | |
| | | 1020SC | KATHLEEN A SALMUNOVICH | | 8,834.85 |
| 2/9/21 | 35700 | 2020SC | Invoice: JELAYN SANSONE | 342.00 | |
| | | 1020SC | JELAYN SANSONE | | 342.00 |
| 2/9/21 | 35701 | 2020SC | Invoice: SHARON SAVEDRA | 1,000.00 | |
| | | 1020SC | SHARON SAVEDRA | | 1,000.00 |
| 2/9/21 | 35702 | 2020SC | Invoice: 9872143540 | 1,731.69 | |
| | | 1020SC | VERIZON WIRELESS | | 1,731.69 |
| 2/9/21 | 35703 | 2020SC | Invoice: 387 | 4,725.00 | |
| | | 1020SC | JOHN B WHITCOMB | | 4,725.00 |
| 2/9/21 | 35704 | 2020SC | Invoice: 29 | 15,287.75 | |
| | | 1020SC | YOLO COUNTY RCD | | 15,287.75 |
| 2/10/21 | 35705 | 2020SC | Invoice: NOE SWP AMEND | 50.00 | |
| | | 1020SC | SOLANO COUNTY CLERK | | 50.00 |
| 2/10/21 | 35705V | 2020SC | Invoice: NOE SWP AMEND | | 50.00 |
| | | 1020SC | SOLANO COUNTY CLERK | 50.00 | |
| 2/10/21 | 35706 | 2020SC | Invoice: NOE SWP AMEND | 50.00 | |
| | | 1020SC | SOLANO COUNTY CLERK | | 50.00 |
| 2/10/21 | 35706V | 2020SC | Invoice: NOE SWP AMEND | | 50.00 |
| | | 1020SC | SOLANO COUNTY CLERK | 50.00 | |
| 2/10/21 | 35707 | 2020SC | Invoice: NOE SWP AMEND | 50.00 | |
| | | 1020SC | SOLANO COUNTY CLERK | | 50.00 |
| 2/10/21 | 35707V | 2020SC | Invoice: NOE SWP AMEND | | 50.00 |
| | | 1020SC | SOLANO COUNTY CLERK | 50.00 | |
| 2/10/21 | 35708 | 2020SC | Invoice: NOE SWP AMEND | 50.00 | |
| | | 1020SC | SOLANO COUNTY CLERK | | 50.00 |
| 2/11/21 | 35709 | 2020SC | Invoice: 5023369 | 128.14 | |

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|---------|---------|------------|-------------------------------------|--------------|---------------|
| | | 2020SC | Invoice: 5023370 | 147.41 | |
| | | 2020SC | Invoice: 4023512 | 128.52 | |
| | | 2020SC | Invoice: 6013960 | 58.03 | |
| | | 2020SC | Invoice: 5204416 | | 72.29 |
| | | 2020SC | Invoice: 5024401 | 50.91 | |
| | | 1020SC | HOME DEPOT CREDIT SERVICE | | 440.72 |
| 2/11/21 | 35709V | 2020SC | Invoice: 5023369 | | 128.14 |
| | | 2020SC | Invoice: 5023370 | | 147.41 |
| | | 2020SC | Invoice: 4023512 | | 128.52 |
| | | 2020SC | Invoice: 6013960 | | 58.03 |
| | | 2020SC | Invoice: 5204416 | 72.29 | |
| | | 2020SC | Invoice: 5024401 | | 50.91 |
| | | 1020SC | HOME DEPOT CREDIT SERVICE | 440.72 | |
| 2/11/21 | 35710 | 2020SC | Invoice: 5014065 | 155.77 | |
| | | 2020SC | Invoice: 4024493 | 47.03 | |
| | | 2020SC | Invoice: 9025030 | 195.85 | |
| | | 2020SC | Invoice: 5015218 | 113.53 | |
| | | 2020SC | Invoice: 2015611 | 212.98 | |
| | | 2020SC | Invoice: 2510927 | 49.16 | |
| | | 2020SC | Invoice: 2520759 | 18.26 | |
| | | 1020SC | HOME DEPOT CREDIT SERVICE | | 792.58 |
| 2/11/21 | 35710V | 2020SC | Invoice: 5014065 | | 155.77 |
| | | 2020SC | Invoice: 4024493 | | 47.03 |
| | | 2020SC | Invoice: 9025030 | | 195.85 |
| | | 2020SC | Invoice: 5015218 | | 113.53 |
| | | 2020SC | Invoice: 2015611 | | 212.98 |
| | | 2020SC | Invoice: 2510927 | | 49.16 |
| | | 2020SC | Invoice: 2520759 | | 18.26 |
| | | 1020SC | HOME DEPOT CREDIT SERVICE | 792.58 | |
| 2/16/21 | 35711 | 2020SC | Invoice: 22021 | 640.00 | |
| | | 1020SC | BELIA MARTINEZ | | 640.00 |
| 2/16/21 | 35712 | 2020SC | Invoice: FEB 2021 BOD MTG | 100.00 | |
| | | 1020SC | STEVEN BIRD | | 100.00 |
| 2/16/21 | 35713 | 2020SC | Invoice: BA7271 | 1,400.00 | |
| | | 2020SC | Invoice: BA7298 | 3,298.75 | |
| | | 2020SC | Invoice: BA7297 | 696.25 | |
| | | 2020SC | Invoice: BA7299 | 882.50 | |
| | | 1020SC | BLANKINSHIP & ASSOCIATES, INC. | | 6,277.50 |
| 2/17/21 | 35713V | 2020SC | Invoice: BA7271 | | 1,400.00 |
| | | 2020SC | Invoice: BA7298 | | 3,298.75 |
| | | 2020SC | Invoice: BA7297 | | 696.25 |
| | | 2020SC | Invoice: BA7299 | | 882.50 |
| | | 1020SC | BLANKINSHIP & ASSOCIATES, INC. | 6,277.50 | |
| 2/16/21 | 35714 | 2020N | Invoice: 20-1033-1 | 8,416.25 | |
| | | 1020SC | CBEC, INC. | | 8,416.25 |
| 2/16/21 | 35715 | 2020SC | Invoice: W8Y07700-001 | 926.00 | |
| | | 1020SC | JACOBS ENGINEERING GROUP (CH2MHILL) | | 926.00 |
| 2/16/21 | 35716 | 2020SC | Invoice: FEB 2021 EXEC MTG | 100.00 | |
| | | 2020SC | Invoice: FEB 2021 BOD MTG | 100.00 | |
| | | 1020SC | DALE CROSSLEY | | 200.00 |

Cash Disbursements Journal

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

[illegible]

SOLANO COUNTY WATER AGENCY

Cash Disbursements Journal

For the Period From Feb 1, 2021 to Feb 28, 2021

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 |
|---------|---------|--|---|---|---------------|
| 2/16/21 | 35730 | 2020SC 1020SC | Invoice: 47239157 RECOLOGY VACAVILLE SOLANO | 273.24 | 273.24 |
| 2/16/21 | 35731 | 2020SC 1020SC | Invoice: 34-MAR-2021 REEB GOVERNMENT RELATIONS, LLC | 9,500.00 | 9,500.00 |
| 2/16/21 | 35732 | 2020SC 1020SC | Invoice: WCP-191 RICHARD HEATH & ASSOCIATES, INC. | 1,049.40 | 1,049.40 |
| 2/16/21 | 35733 | 2020SC 2020SC 1020SC | Invoice: FEB 2021 EXEC MTG Invoice: FEB 2021 BOD MTG RON ROWLETT | 100.00 100.00 | 200.00 |
| 2/16/21 | 35734 | 2020SC 2020SC 2020SC 2020SC 1020SC | Invoice: 1609 Invoice: 1599 Invoice: 12 Invoice: 13 SOLANO RESOURCE CONSERVATION DISTRICT | 7,192.72 10,350.21 53,132.24 40,842.59 | 111,517.76 |
| 2/16/21 | 35735 | 2020SC 2020SC 1020SC | Invoice: FEB 2021 EXEC MTG Invoice: FEB 2021 BOD MTG JAMES SPERING | 100.00 100.00 | 200.00 |
| 2/16/21 | 35736 | 2020SC 1020SC | Invoice: 2021-2-SCWA SUSTAINABLE SOLANO | 11,426.32 | 11,426.32 |
| 2/16/21 | 35737 | 2020SC 1020SC | Invoice: 2021-01008 TERRA REALTY ADVISORS, INC. | 2,630.00 | 2,630.00 |
| 2/16/21 | 35738 | 2020SC 1020SC | Invoice: 20902-61 THE REGENTS OF THE UNIVERSITY OF CA | 28,889.08 | 28,889.08 |
| 2/16/21 | 35739 | 2020SC 1020SC | Invoice: BAWMRP#39 THINKING GREEN CONSULTANTS | 1,500.00 | 1,500.00 |
| 2/16/21 | 35740 | 2020SC 1020SC | Invoice: KURT KADEL KURT KADEL | 829.00 | 829.00 |
| 2/16/21 | 35741 | 2020SC 1020SC | Invoice: PAMELA NELSON PAMELA NELSON | 817.00 | 817.00 |
| 2/16/21 | 35742 | 2020SC 1020SC | Invoice: RENE PERRYMAN RENE PERRYMAN | 975.00 | 975.00 |
| 2/16/21 | 35743 | 2020SC 1020SC | Invoice: SUSAN WATTS SUSAN WATTS | 702.00 | 702.00 |
| 2/16/21 | 35744 | 2020SC 1020SC | Invoice: 7 VICTOR PAUL CLAASSEN | 9,597.95 | 9,597.95 |
| 2/16/21 | 35745 | 2020SC 1020SC | Invoice: 1382 WILSON PUBLIC AFFAIRS | 3,500.00 | 3,500.00 |
| 2/16/21 | 35746 | 2020SC | Invoice: 8837 | 751.63 | |

SOLANO COUNTY WATER AGENCY

Cash Disbursements Journal

For the Period From Feb 1, 2021 to Feb 28, 2021

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 |
|---------|---------|------------|---|--------------|---------------|
| | | 1020SC | WINTERS AGGREGATE, LLC | | 751.63 |
| 2/16/21 | 35747 | 2020SC | Invoice: FEB 2021 BOD | 100.00 | |
| | | 1020SC | MTG STEVE YOUNG | | 100.00 |
| 2/16/21 | 35748 | 2020SC | Invoice: 21-193-U | 538.17 | |
| | | 1020SC | DEPARTMENT OF WATER RESOURCES | | 538.17 |
| 2/16/21 | 35749 | 2020U | Invoice: JAN 2021 | 1,056.75 | |
| | | 1020SC | SOLANO COUNTY FLEET MANAGEMENT | | 1,056.75 |
| 2/16/21 | 35750 | 2020SC | Invoice: 4523 | 24,108.00 | |
| | | 1020SC | J.T. MARTIN | | 24,108.00 |
| 2/16/21 | 35751 | 2020SC | Invoice: IN-121019541 | 2,000.00 | |
| | | 1020SC | LA RANCHERA | | 2,000.00 |
| 2/16/21 | 35752 | 2020SC | Invoice: 47240346 | 103.54 | |
| | | 1020SC | RECOLOGY VACAVILLE SOLANO | | 103.54 |
| 2/16/21 | 35753 | 2020SC | Invoice: FEES FEB 2021 | 33.39 | |
| | | 1020SC | SAM'S CLUB | | 33.39 |
| 2/16/21 | 35754 | 2020SC | Invoice: 2020065-01 | 26,883.62 | |
| | | 1020SC | SYCAMORE ENVIRONMENTAL CONSULTANTS, INC | | 26,883.62 |
| 2/23/21 | 35755 | 2020SC | Invoice: BA7271 | 1,400.00 | |
| | | 2020SC | Invoice: BA7298 | 1,898.75 | |
| | | 2020SC | Invoice: BA7297 | 696.25 | |
| | | 2020SC | Invoice: BA7299 | 882.50 | |
| | | 1020SC | BLANKINSHIP & ASSOCIATES, INC. | | 4,877.50 |
| 2/23/21 | 35756 | 2020SC | Invoice: 000016039993 | 166.16 | |
| | | 2020SC | Invoice: 000016039948 | 298.13 | |
| | | 2020SC | Invoice: 000016041441 | 843.43 | |
| | | 1020SC | CALNET3 | | 1,307.72 |
| 2/23/21 | 35757 | 2020SC | Invoice: OPEB 2021 | 54,119.00 | |
| | | 1020SC | CALPERS | | 54,119.00 |
| 2/23/21 | 35758 | 2020SC | Invoice: 5256060-0005 | 5,764.94 | |
| | | 1020SC | NORCAL RENTAL GROUP, LLC | | 5,764.94 |
| 2/23/21 | 35759 | 2020SC | Invoice: 21-180-V JAN | 69,261.00 | |
| | | 2020SC | 2021 Invoice: 21-026-T MAR | 505,926.00 | |
| | | 2020SC | 2021 Invoice: 21-024-O MAR | 1,031.00 | |
| | | 1020SC | 2021 DEPARTMENT OF WATER RESOURCES | | 576,218.00 |
| 2/23/21 | 35760 | 2020SC | Invoice: 1571 | 26,093.57 | |
| | | 1020SC | DMR AUTOMATION SERVICES INC. | | 26,093.57 |
| 2/23/21 | 35761 | 2020N | Invoice: 7-239-61659 | 90.04 | |
| | | 2020N | Invoice: 7-253-62790 | 135.94 | |
| | | 2020N | Invoice: 7-268-03678 | 110.89 | |
| | | 1020SC | FEDEX EXPRESS | | 336.87 |
| 2/23/21 | 35762 | 2020SC | Invoice: COVID REIM | 190.72 | |
| | | | 02.21 | | |

SOLANO COUNTY WATER AGENCY

Cash Disbursements Journal

For the Period From Feb 1, 2021 to Feb 28, 2021

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| Date | Check # | Account ID | Line Description | Debit Amount | Credit Amount |
|---------|---------|---|---|---|---------------|
| | | 1020SC | 02.21 NICOLLE HERR | | 190.72 |
| 2/23/21 | 35763 | 2020SC 1020SC | Invoice: ER7759587060 HOLT OF CALIFORNIA | 3,097.18 | 3,097.18 |
| 2/23/21 | 35764 | 2020SC 1020SC | Invoice: EXP REIM 2.20.21 ZACH HYER | 595.00 | 595.00 |
| 2/23/21 | 35765 | 2020SC 1020SC | Invoice: 144816 KENNEDY/JENKS CONSULTANTS | 15,457.57 | 15,457.57 |
| 2/23/21 | 35766 | 2020SC 1020SC | Invoice: FEB 2021 LEG MTG JOHN D. KLUGE | 100.00 | 100.00 |
| 2/23/21 | 35767 | 2020SC 1020SC | Invoice: 176116 LSA ASSOCIATES, INC. | 23,715.49 | 23,715.49 |
| 2/23/21 | 35768 | 2020SC 1020SC | Invoice: 563230 M&M SANITARY LLC | 111.00 | 111.00 |
| 2/23/21 | 35769 | 2020SC 1020SC | Invoice: 1/11/2021-2/9/2021 PACIFIC GAS & ELECTRIC CO, | 987.17 | 987.17 |
| 2/23/21 | 35770 | 2020SC 1020SC | Invoice: 6426 PAT DAVIS DESIGN GROUP, INC | 2,200.00 | 2,200.00 |
| 2/23/21 | 35771 | 2020SC 2020SC 1020SC | Invoice: 11803 Invoice: 11763 REGIONAL GOVERNMENT SERVICES AUTHORITY | 475.00 1,958.80 | 2,433.80 |
| 2/23/21 | 35772 | 2020SC 2020SC 1020SC | Invoice: 0020943 Invoice: 0020942 SOLANO IRRIGATION DISTRICT | 179.34 8,861.05 | 9,040.39 |
| 2/23/21 | 35773 | 2020U 2020U 2020U 2020U 2020U 2020U 2020U 1020SC | Invoice: 10029 Invoice: 10033 Invoice: 10030 Invoice: 10026 Invoice: 10028 Invoice: 10027 Invoice: 10032 SOLANO COUNTY PUBLIC WORKS DIVISION | 4,136.55 41,285.82 3,223.53 50.04 3,641.02 35,482.16 665.24 | 88,484.36 |
| 2/23/21 | 35774 | 2020SC 1020SC | Invoice: 006492990046 MAR21 STANDARD INSURANCE COMPANY | 2,040.60 | 2,040.60 |
| 2/23/21 | 35775 | 2020SC 2020SC 1020SC | Invoice: SCWA-PLSNTS-03 Invoice: 2021-Sweeney-04B DONALD R POORE | 14,691.02 4,202.55 | 18,893.57 |
| 2/23/21 | 35776 | 2020SC 1020SC | Invoice: S020446299 TELEDYNE ISCO, INC. | 5,344.19 | 5,344.19 |

SOLANO COUNTY WATER AGENCY

Cash Disbursements Journal

For the Period From Feb 1, 2021 to Feb 28, 2021

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| Date | Check # | Account ID | Line Description | Debit Amount | Credit Amount |
|---------|-----------------|------------|---------------------------------------|--------------|---------------|
| 2/23/21 | 35777 | 2020SC | Invoice: ANNA MULVIHILL | 1,000.00 | |
| | | 1020SC | ANNA MULVIHILL | | 1,000.00 |
| 2/23/21 | 35778 | 2020SC | Invoice: OSV000002354452 | 285.00 | |
| | | 1020SC | VERIZON CONNECT | | 285.00 |
| 2/23/21 | 35779 | 2020SC | Invoice: 9872726215 | 884.29 | |
| | | 1020SC | VERIZON WIRELESS | | 884.29 |
| 2/23/21 | 35780 | 2020SC | Invoice: 29225 | 595.00 | |
| | | 1020SC | WINTERS BROADBAND | | 595.00 |
| 2/23/21 | 35781 | 2020SC | Invoice: 143474 | 2,400.00 | |
| | | 1020SC | WOOD RODGERS, INC. | | 2,400.00 |
| 2/25/21 | ASHLEY JAN 2021 | 2020SC | Invoice: ASHLEY JAN 2021 | 1,148.53 | |
| | | 1020SC | UMPQUA BANK | | 1,148.53 |
| 2/1/21 | EFT | 2020SC | Invoice: FEB 2021 HEALTH | 23,066.48 | |
| | | 1020SC | CALPERS | | 23,066.48 |
| 2/10/21 | EFT | 2020SC | Invoice: PPE 2.6.2021 | 10,836.48 | |
| | | 2020SC | Invoice: PEPRA PPE 2.6.2021 | 3,978.31 | |
| | | 2020SC | Invoice: SIP PPE 2.6.2021 | 6,378.80 | |
| | | 1020SC | CALPERS | | 21,193.59 |
| 2/12/21 | EFT | 2020SC | Invoice: 22962468 | 137.50 | |
| | | 1020SC | PAYCHEX | | 137.50 |
| 2/12/21 | EFT | 2020SC | Invoice: 54940 | 565.68 | |
| | | 1020SC | ONEPOINT HUMAN CAPITAL MANAGEMENT LLC | | 565.68 |
| 2/17/21 | EFT | 2020SC | Invoice: 70042443 | 785.94 | |
| | | 1020SC | WEX BANK | | 785.94 |
| 2/24/21 | EFT | 2020SC | Invoice: SIP PPE 2.20.2021 | 6,378.80 | |
| | | 2020SC | Invoice: PPE 2.20.2021 | 10,836.48 | |
| | | 2020SC | Invoice: PEPRA PPE 2.20.2021 | 4,059.10 | |
| | | 1020SC | CALPERS | | 21,274.38 |
| 2/26/21 | EFT | 2020SC | Invoice: 55275 | 102.00 | |
| | | 1020SC | ONEPOINT HUMAN CAPITAL MANAGEMENT LLC | | 102.00 |
| 2/20/21 | EFT 2.20.2021 | 2024AC | EMPLOYEE LIABILITIES PPE 2.20.2021 | 18,300.82 | |
| | | 6012AC | EMPLOYER LIABILITIES PPE 2.20.2021 | 1,642.27 | |
| | | 1020SC | PAYROLL TAXES | | 19,943.09 |
| 2/6/21 | EFT 2.6.2021 | 2024AC | EMPLOYEE LIABILITIES PPE 2.6.2021 | 17,029.53 | |
| | | 6012AC | EMPLOYER LIABILITIES PPE 2.6.2021 | 1,725.79 | |
| | | 1020SC | PAYROLL TAXES | | 18,755.32 |

SOLANO COUNTY WATER AGENCY

Cash Disbursements Journal

For the Period From Feb 1, 2021 to Feb 28, 2021

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| Date | Check # | Account ID | Line Description | Debit Amount | Credit Amount |
|---------|----------------------|------------|----------------------------------|--------------|---------------|
| 2/25/21 | FEHRENKAMP JAN 2021 | 2020SC | Invoice: FEHRENKAMP JAN 2021 | 235.00 | |
| | | 1020SC | UMPQUA BANK | | 235.00 |
| 2/25/21 | FLORENDO JAN 2021 | 2020SC | Invoice: FLORENDO JAN 2021 | 6.99 | |
| | | 1020SC | UMPQUA BANK | | 6.99 |
| 2/25/21 | FOWLER JAN 2021 | 2020SC | Invoice: FOWLER JAN 2021 | 315.01 | |
| | | 1020SC | UMPQUA BANK | | 315.01 |
| 2/25/21 | HERR JAN 2021 | 2020SC | Invoice: HERR JAN 2021 | 9.99 | |
| | | 1020SC | UMPQUA BANK | | 9.99 |
| 2/25/21 | HYER JAN 2021 | 2020SC | Invoice: HYER JAN 2021 | 1,415.09 | |
| | | 1020SC | UMPQUA BANK | | 1,415.09 |
| 2/25/21 | JONES JAN 2021 | 2020SC | Invoice: JONES JAN 2021 | 333.59 | |
| | | 1020SC | UMPQUA BANK | | 333.59 |
| 2/25/21 | LEE JAN 2021 | 2020SC | Invoice: LEE JAN 2021 | 3,113.58 | |
| | | 1020SC | UMPQUA BANK | | 3,113.58 |
| 2/25/21 | MAROVICH JAN 2021 | 2020SC | Invoice: MAROVICH JAN 2021 | 682.02 | |
| | | 1020SC | UMPQUA BANK | | 682.02 |
| 2/25/21 | NGUYEN JAN 2021 | 2020SC | Invoice: NGUYEN JAN 2021 | 493.48 | |
| | | 1020SC | UMPQUA BANK | | 493.48 |
| 2/25/21 | WILLINGMYRE JAN 2021 | 2020SC | Invoice: WILLINGMYRE JAN 2021 | 387.28 | |
| | | 1020SC | UMPQUA BANK | | 387.28 |
| Total | | | | 2,082,603.15 | 2,082,603.15 |

ACTION OF
SOLANO COUNTY WATER AGENCY

DATE: March 11, 2021

SUBJECT: Spare Motors and Gear Boxes for Solano Project Facilities

RECOMMENDATIONS:


Authorize General Manager to purchase six spare motors and gear boxes for Putah Diversion Dam and Putah South Canal.

FINANCIAL IMPACT:

Total cost not to exceed \$60,000. Funding is programmed and available in the FY 2020-2021 Solano Project budget for this expense.

BACKGROUND:

The Putah Diversion Dam (PDD) and Putah South Canal (PSC) are part of the federally owned Solano Project. The Water Agency is responsible for operation, maintenance, and routine replacement of facility components of the PDD and all 12 control checks along the PSC. This purchase is for spare motors and gear boxes to be used in the event of a motor failure on any one of the flood gates on the PDD or control checks along the PSC.

Recommended: 
Roland Sanford, General Manager

| | | | | | |
|--------------------------|----------------------------|--------------------------|----------------------|--------------------------|---------------------------|
| <input type="checkbox"/> | Approved as Recommended | <input type="checkbox"/> | Other (see below) | <input type="checkbox"/> | 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 March 11, 2021 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

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

SOLANO COUNTY WATER AGENCY

PURCHASE ORDER REQUISITION FORM



Vendor Name: Eaton Pumps
Vendor Address: 10 W. Kentucky Ave
Woodland, CA 95695
Phone #: (530) 661-6737
FAX #: (530) 661-6747

BILL TO: Solano County Water Agency
 810 Vaca Valley Parkway, Suite 203
 Vacaville, CA 95688
 (707) 451-6090

Agency Contact: Jay Cuetara
Direct Phone: (707) 455-1110

SHIP TO: Solano County Water Agency
 Attn: Rick Fowler
 4020 Canal Lane
 WILMERS, CA 95074

PAYMENT TERMS: 30 Days

| DATE | Purchase Order Number | Quote Number/Customer Number | G/L Account Number |
|----------|-----------------------|------------------------------|--------------------|
| 2/4/2021 | | | 6690SC-4317 |

| QTY | Item Description | Unit Price | Ext. Price |
|-----|---|--------------|--------------|
| 2 | New motor and reduction gear box for Flood Gates 1-11 | \$ 12,255.70 | \$ 24,511.40 |
| 1 | New motor and reduction gear box for Flood Gates 12 | \$ 12,255.70 | \$ 12,255.70 |
| 3 | New motor and reduction gear box for PSC | \$ 4,615.39 | \$ 13,846.17 |
| | | | \$ - |
| | | | \$ - |
| | | | \$ - |
| | | | \$ - |
| | | | \$ - |
| | | | \$ - |
| | | | \$ - |
| | | | \$ - |

Purpose of Order: Spare motor and gear box for PDD

Is item in the Approved Budget : yes **Where in the Budget:** look above

| | |
|-----------------|-------------------------|
| | Sub Total: \$ 50,613.27 |
| | Tax: \$ 4,241.39 |
| | Shipping: \$529.44 |
| Signature _____ | TOTAL \$ 55,384.10 |
| Date _____ | |

ACTION OF
SOLANO COUNTY WATER AGENCY

DATE: March 11, 2021

SUBJECT: Contract Amendment with GHD for Continuation of Commercial, Industrial, and Institutional Water use Efficiency Program

RECOMMENDATIONS:


Authorize General Manager to execute Amendment No. 1 with GHD for continuation of the Commercial, Industrial, and Institutional (CII) water use efficiency program in Solano County.

FINANCIAL IMPACT:

Increase contract amount by \$30,000, from \$65,000 to \$95,000. Funding is programmed and available in the FY 2020-2021 Water Conservation budget for these expenses.

BACKGROUND:

The Water Agency has an existing contract with GHD for assistance with the ongoing Commercial, Industrial, and Institutional water use efficiency program (CII program) in Solano County, and related water conservation activities. The Water Agency is seeking additional assistance from GHD with the evaluation of the CII program’s effectiveness, as well as continuing support of the CII program and the development of additional programs for water use efficiency (see attached contract amendment and supporting scope of work).

Recommended: 
Roland Sanford, General Manager

| | | | | | |
|--------------------------|-------------------------|--------------------------|-------------------|--------------------------|------------------------|
| <input type="checkbox"/> | Approved as Recommended | <input type="checkbox"/> | Other (see below) | <input type="checkbox"/> | 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 March 11, 2021 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

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

SOLANO COUNTY WATER AGENCY

AMENDMENT TO AGREEMENT FOR PROFESSIONAL SERVICES

AMENDMENT NUMBER: 1

CONTRACTOR: GHD

EFFECTIVE DATE: March 12, 2021

PROJECT: Commercial, Industrial, and Institutional (CII) water use efficiency program in Solano County

DESCRIPTION OF AMENDMENT:

1. Scope of work additions described in “Amendment to Scope of Services – Solano County Water Agency Water Conservation Program Assistance FY 2011 (February-June 2021 Implementation” dated February 23, 2021 (copy attached)
2. Increase contract amount by \$30,000 from \$65,000 to \$95,000.

SIGNATURES:

Solano County Water Agency,
a Public Agency

GHD

By: _____
Roland Sanford, General Manager
Solano County Water Agency

By: _____
Theodore B. Whiton, P.E.
General Manager, U.S. West Region

FOR SCWA USE ONLY

Contract Period: July 1, 2020 to June 30, 2021

File Number: _____

Account Manager: Andrew Florendo

G/L Account #: 6551AC

Job Cost #: _____

Contract Type: _____



AMENDMENT TO SCOPE OF SERVICES

February 23, 2021

Solano County Water Agency Water Conservation Program Assistance FY 2021 (February-June 2021) Implementation

SUMMARY

The Solano County Water Agency (SCWA) continues to implement water conservation programs, largely in support of their water retail agencies.

This Scope of Services is written to describe specific tasks but also allows for flexibility in the assignment and implementation of tasks between SCWA and GHD staff. Additional tasks may be assigned in association with any of the following programs should SCWA need additional support:

1. Program Management
2. Commercial, Industrial, and Institutional (CII) Water Conservation Program Support
3. Customized Water Savings Program Assistance (WSIP)
4. Restaurant Water Conservation Program
5. Data management and analysis
6. Water Loss Program support
7. Other tasks, as requested by the client

The following is a summary of the work to be completed by GHD for the time period of February 23, 2021 through June 30, 2021. The tasks may change, depending on direction from the SCWA Board or at the direction of the SCWA Conservation Program Manager. All tasks will be completed on a Time and Materials basis.

Please note: items bolded and italicized indicate highlights of this amendment as they complement the existing FY 2020-2021 contract between GHD & SCWA.

TASK 1.0 CII Water Efficiency Program Support

GHD will continue to support Solano County Water Agency's CII water conservation efforts. Included in this task are contract and program management.

GHD will:

- Attend the monthly Urban Water Conservation Committee (UWCC) meetings with the SCWA and Water Retailer staff to discuss and coordinate water conservation program implementation.
- Draft UWCC meeting notes for the SCWA Water Conservation Coordinator review and distribution to the UWCC members.
- Conduct general project management tasks.
- Perform Quality Assurance/ Quality Control reviews of all deliverables.

GHD Inc.

2235 Mercury Way, Suite 150, Santa Rosa, CA 95407 USA
T 1 707 523 1010 F 1 707 527 8679 W www.ghd.com



- Perform general support services and provide Engineering Opinions for projects and program development as needed and requested.
- Support member agencies with developing highlights and simplified results from current studies for communication with/ presentations to municipal water system management teams and the public.
- Assist in developing content for water conservation blog posts, articles, flyers or other public outreach materials as requested.
- Assist with the customized CII Water Rebate Program (formerly known as the Water Savings Incentive Program). This will include assisting participating water customers as needed.
- Other tasks as requested by the SCWA Water Conservation Program Manager.

Task 1.0 includes up to 42 hours of work, invoiced on a time & materials basis, as laid out in the attached fee estimate.

TASK 2.0 Investigation & Development of Pilot Programs for Water Use Efficiency

GHD has been working with SCWA for several years to develop innovative water use efficiency programs and identify the resultant water savings. Typically, these programs focus on a review, rebate, or direct installation of water-saving devices, software, and audits.

As of February 2021, Solano County and much of the United States continues to be impacted by COVID-19 and the resultant closures of commercial and industrial services and offices, retail, restaurants, schools, and public venues of every kind. A timeline for reopening and a return to “normal” operations has not been fully determined yet, as much will depend on the rollout of vaccines.

In response, SCWA has postponed work on both the restaurant water use efficiency outreach and the ice cream dipper well programs (as most restaurants are operating at a decreased capacity, if at all). Site visits and audits are discouraged at this time due to the potential to spread COVID-19 to restaurant staff and the public. GHD is ready to begin working on these programs as soon as is reasonable but does not expect much progress will be possible within the remainder of FY20-21.

However, GHD is ready to assess and develop potential new Water Use Efficiency pilots and/or programs to complement the existing suite of options, with a particular focus on those which can be implemented without direct human contact. As part of this scope, GHD will:

- Work with SCWA staff and member organizations to brainstorm and develop ideas around additional pilot programs
- Investigate water efficiency rebates, educational programs, outreach efforts, and analysis tools currently in use by other agencies
- Focus on CII programs (large customers, high-impact); those which can be implemented during the current health climate (social distancing); and programs anticipating changes in customer behavior as the public health crisis resolves
- Summarize findings in a presentation at a regular Urban Water Conservation Committee meeting and lead ongoing discussion around this topic
- Other tasks as needed and requested to support the program.

Task 2.0 includes up to 12 hours of work, invoiced on a time & materials basis, as laid out in the attached fee estimate.



TASK 3.0 Water Loss Program Support

During FY 2020-2021, GHD team member Edgar Johnson, potable distribution system water loss specialist and civil engineer, reviewed water loss audit reports and analyzed the data available from them to establish trends, data gaps, and recommendations for one or more regional water loss support pilot programs, as described in the Final Report provided in early 2021.

GHD understands that SCWA member agencies are still processing the results internally and will not be ready to move forward with any specific program or study within the current fiscal year, though may be ready to do so during FY 2021-2022.

Several questions have been raised through discussions around the results and programs identified in the report. GHD has been asked to follow up with some more information about the relative costs and advantages of the various programs. Through this task, GHD will conduct additional outreach to potential vendors to develop costs, develop further materials for communication of the pilot results for member agencies, and lead discussions around next steps for the program as needed.

Task 3.0 includes up to 14 hours of work, invoiced on a time & materials basis, as laid out in the attached fee estimate.

TASK 4.0 CII Water Savings Evaluation Update

GHD has completed the Draft Technical Report summarizing findings of the CII Water Savings Evaluation study. The draft report will be delivered by February 26, 2021.

Per initial discussion of the findings, ***GHD is proposing that SCWA follow up with additional data analysis for customer usage data collected between 2018-2020.*** GHD suggests this step because the draft analysis found:

- Insufficient data (sites) to conclusively determine whether more than five (of over twenty) CII program implementations resulted in a change in water usage; and
- Insufficient data (length of time since implementation) to determine the efficacy of some programs which would be expected to result in longer-term savings (ie, turf rebate, irrigation audits).

Through prior efforts, GHD has:

- determined the best points of contact for collecting data from each retailer;
- facilitated discussions over concerns for privacy, a previous roadblock; and
- automated portions of the data analysis.

These steps will streamline the data analysis process once it is collected. However, GHD will still need to organize, collate, reformat, and “clean” the data prior to analysis.

The entire process for incorporating two more years of data into the existing analysis is expected to extend approximately 21 weeks and include the following steps:

- Pre-processing (6 weeks)
- Exploratory Data Analysis (EDA) (3.5 weeks)
- Analytics Development (7 weeks)
- Model Inference (3 weeks)



- Reporting (2 weeks)

If all relevant data is collected and provided to GHD by mid-April 2021, the Pre-processing and EDA phases will be completed before the end of the fiscal year. Please note that completion of the tasks and use of this budget is contingent on receiving complete data by the date of April 15. GHD will only utilize the budgets as time is available.

Adjustments to the scope for the CII Water Savings Evaluation Update can be made in a FY 2021-2022 contract. These adjustments will be supported by conversations around the draft report, such as further or more specific cost-benefit analysis; inclusion of alternative weights for program ranking (ie, availability of staff and/or safety concerns); inclusion of aspects discussed during follow-up meetings; or inclusion of other pilot programs implemented by individual agencies.

Task 4.0 includes up to 102 hours of work, invoiced on a time & materials basis, as laid out in the attached fee estimate.

FEE ESTIMATE

The attached spreadsheet gives a summary of the estimated staff hours needed for completion of the tasks described above, for the assistance to and support of the Solano County Water Agency's Water Conservation Program. Any Agency-requested tasks that fall outside this Scope of Services and the estimated fee as presented in the attached fee estimate will be performed by GHD on a time and materials basis and may require a separate amendment or contract. GHD will notify SCWA when/if requested work has consumed 90% of this estimated fee so that appropriate steps can be taken to prevent project overrun. ***The current fee estimate for the Amendment Scope of Services included here is \$29,421.***

SCHEDULE

GHD will be able to commence work on this scope immediately upon receiving contract authorization from the Solano County Water Agency and to complete the described tasks by June 30, 2021.



PROJECT ESTIMATING SHEET

Project Name: Water Conservation Program Assistance FY20-21 (Amendment 1)

Client: Solano County Water Agency

Prepared By: Susan Willis

Date: February 23, 2021

| LABOR CATEGORY > RATE > Task / Item | LABOR COSTS (Hours) | | | | | | Fees | |
|--|---------------------|--------------|--------------|----------------|--------------|--------------|---------------|-----------------|
| | Principal | PM/ Lead | Statistician | Staff Engineer | Engineer | Coordinator | Consumables | TOTAL FEE |
| | \$260 /HR | \$200 /HR | \$155 /HR | \$120 /HR | \$200 /HR | \$125 /HR | \$6.50 /HR | |
| TASK-1.0 CII Water Efficiency Program Support | | | | | | | | |
| | 4 | 30 | | 6 | | 2 | \$273 | \$8,283 |
| Hours Subtotal | 4 | 30 | 0 | 6 | | 2 | | 42 |
| SUBTOTAL TASK 1.0 | \$1,040 | \$6,000 | \$0 | \$720 | \$0 | \$250 | \$273 | \$8,283 |
| TASK-2.0 Investigation & Development of Pilot Programs for Water Use Efficiency | | | | | | | | |
| | | 8 | | 4 | | | \$72 | \$2,152 |
| Hours Subtotal | 0 | 8 | 0 | 4 | 0 | 0 | | 12 |
| SUBTOTAL TASK 2.0 | \$0 | \$1,600 | \$0 | \$480 | \$0 | \$0 | \$72 | \$2,152 |
| TASK-3.0 Water Loss Program Support | | | | | | | | |
| | | 4 | | 4 | 6 | | \$84 | \$2,564 |
| Hours Subtotal | 0 | 4 | 0 | 4 | 6 | 0 | | 14 |
| SUBTOTAL TASK 3.0 | \$0 | \$800 | \$0 | \$480 | \$1,200 | \$0 | \$84 | \$2,564 |
| TASK-4.0 CII Water Savings Evaluation Update | | | | | | | | |
| Data Pre-processing | | | 68 | | | | \$408 | \$10,948 |
| Exploratory Data Analysis | | | 34 | | | | \$204 | \$5,474 |
| Hours Subtotal | 0 | 0 | 102 | | 0 | 0 | | 102 |
| SUBTOTAL TASK 4.0 | \$0 | \$0 | \$15,810 | \$0 | \$0 | \$0 | \$612 | \$16,422 |
| Hours Total | 4 | 42 | 102 | 14 | 6 | 2 | | 170 |
| Total Fee | \$1,040 | \$8,400 | \$15,810 | \$1,680 | \$1,200 | \$250 | \$1,041 | \$29,421 |
| TOTAL ESTIMATED FEE FOR REMAINDER 2021 | | | | | | | | \$29,421 |

** OTHER CONSUMABLE COSTS include telephone, mileage, printing, photocopies and other miscellaneous direct expenses.

ACTION OF
SOLANO COUNTY WATER AGENCY

DATE: March 11, 2021
SUBJECT: Real Estate Purchase Policy

RECOMMENDATIONS:

Adopt Real Estate Purchase Policy.


FINANCIAL IMPACT:

None.

BACKGROUND:

The pending adoption of the Solano Habitat Conservation Plan and potential habitat mitigation requirements associated with continued operation of the North Bay Aqueduct have and are likely to continue to necessitate the acquisition of real estate for habitat mitigation purposes. In order to facilitate future transactions in an orderly fashion, staff recommends the Board adopt the following policy regarding real estate purchases:

“Unless otherwise specified by the Board of Directors, the purchase of all real estate by the Solano County Water Agency shall be under the direct supervision of the Board of Directors Executive Committee. The Executive Committee shall review and approve the submission of all purchase offers prepared by staff. Final approval of all negotiated real estate purchase agreements shall be made by the Board of Directors, unless delegated by the Board of Directors to the Executive Committee or staff”.

Recommended: 
Roland Sanford, General Manager

| | | | | | |
|--------------------------|-------------------------|--------------------------|-------------------|--------------------------|------------------------|
| <input type="checkbox"/> | Approved as Recommended | <input type="checkbox"/> | Other (see below) | <input type="checkbox"/> | 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 March 11, 2021 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: March 4, 2021

SUBJECT: March General Manager's Report

Water Supply Outlook

The water supply outlook remains unchanged from the prior month – Lake Berryessa will provide full allocations in 2021 while the North Bay Aqueduct allocation remains at 15 percent. Much of the State continues to experience critically dry conditions, including the Lake Berryessa drainage, where the 2021 water year is currently on track to be one of the driest water years on record.

North Bay Aqueduct Pumping Restrictions

As of this writing the North Bay Aqueduct is currently under mandatory pumping restrictions – maximum pumping rate of 60 cubic feet per second – due to the presence of federally listed Longfin Smelt. This is the second time this year pumping restrictions due to Longfin Smelt have been invoked and the first year in quite a while. Prevailing municipal water demands are low and the North Bay Aqueduct is scheduled to be off line for maintenance much of March, so in this instance the pumping restrictions are not overly burdensome with regard to satisfying municipal water demands.

Meeting with Napa County's Concessionaire Manager for Lake Berryessa

Water Agency staff met with Ms. Leigh Sears, Napa County's Concessionaire Manager for Lake Berryessa, to discuss the Water Agency's on going Invasive Mussel Prevention Program at Lake Berryessa. Napa County recently created the Concessionaire Manager position and as of this writing Ms. Sears has been on the job for less than two months. Despite being relatively new to the position and our region, she is very familiar – and supportive – of the Water Agency's Invasive Mussel Prevention Program at Lake Berryessa.

Sackett Ranch

Water Agency and County staff continue to work on a proposal for splitting the Sackett Ranch property into two separate parcels, with the expectation the proposal will be ready for Board discussion in April.

UC Davis One Creek Internship Program

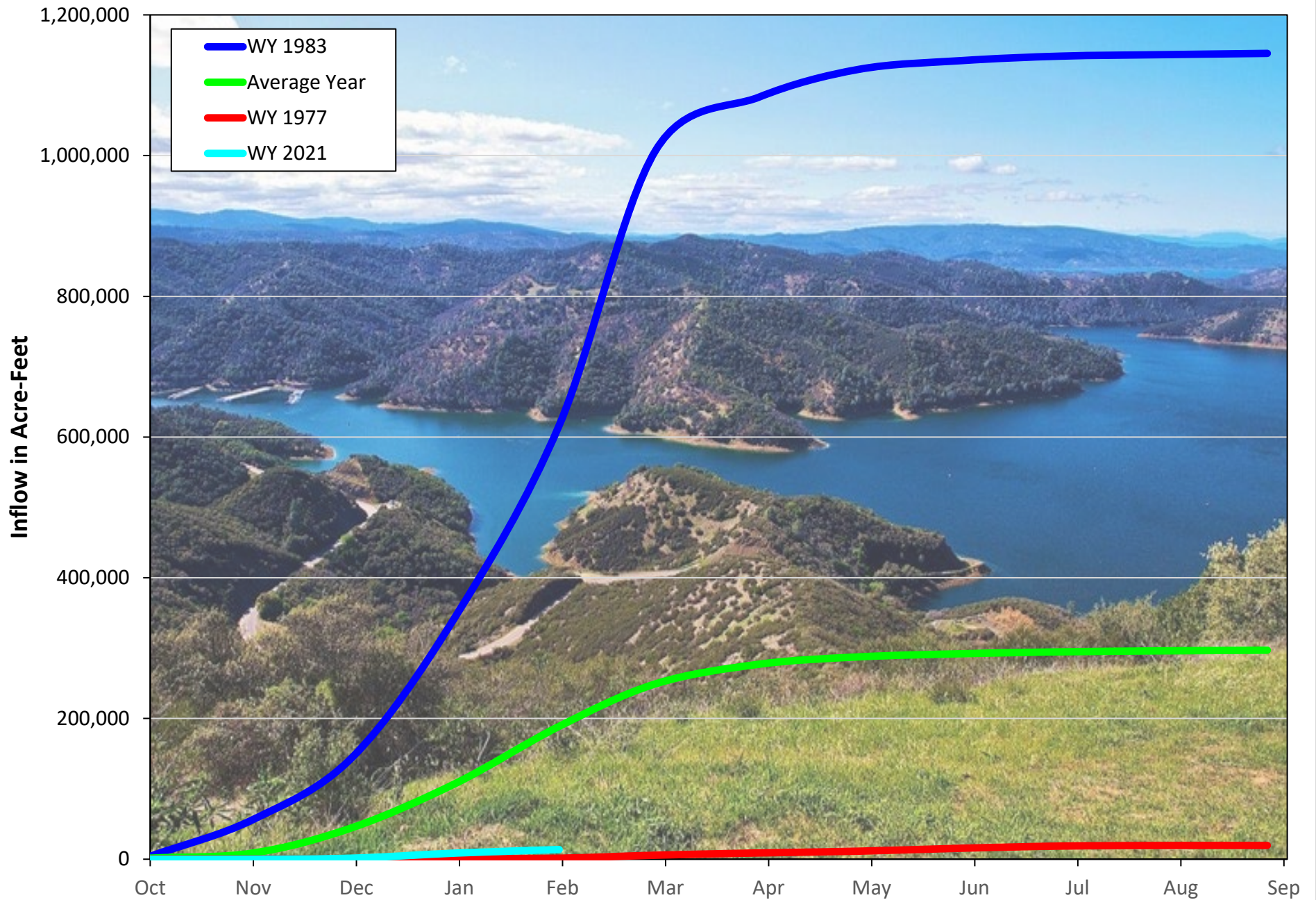
The Water Agency provides funding for a variety of education and outreach programs, including the UC Davis One Creek Internship Program that provides students with the opportunity to learn more about land management along Putah Creek via participation in habitat restoration projects. A report on the 2018 –

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

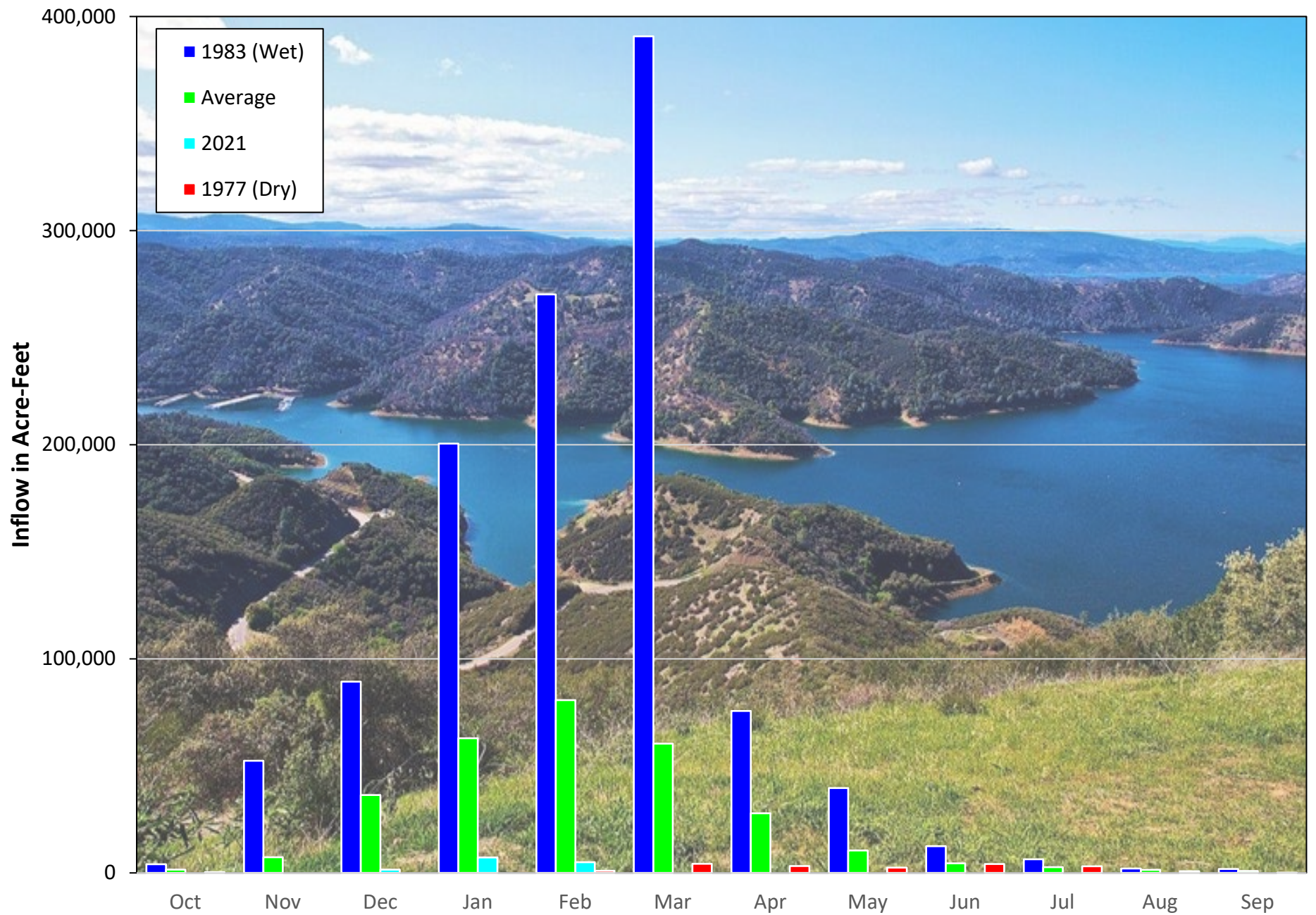


2020 activities and accomplishments of the One Creek Program, prepared by the UC Davis One Creek Internship Program director, is attached.

Annual Lake Berryessa Inflow



Annual Lake Berryessa Inflow





One Creek Internship

2018 – 2020

In 2018, The Solano County Water Agency entered into an agreement with UC Davis to fund student salaries up to a total of **\$36,000** over three years, allowing for the implementation of the One Creek Internship. The goals of the internship are to provide students with experience and mentorship in land management along Putah Creek, to work with the Putah Creek Council and Solano Water Agency interns in joint restoration projects along the creek and to leverage the student employees by having them manage a larger internship team of students receiving course credit. This investment in the creek has generated positive impact well beyond the value of the agreement.

UC DAVIS



ARBORETUM AND
PUBLIC GARDEN



Solano County
Water Agency

During the academic year, two students are hired as co-coordinators for the Arboretum and Public Garden's Learning by Leading™ Habitat Restoration internship, held within the Putah Creek Riparian Reserve. These students work directly with Putah Creek Reserve staff and up to 10 interns, removing invasive species along the creek, planning and implementing restoration projects and monitoring conditions along the creek.

During summer, two students supported by the agreement work closely with Reserve staff over an intensive 15 weeks, learning all facets of restoration. Building on what they learn during the academic year, the students jump into equipment operation, site preparation, fire management, restoration, weed control and monitoring. The summer is when One Creek brings interns from the Reserve, Putah Creek Council and SCWA work together each week on restoration locations along Putah Creek and local tributaries.



Controlling invasive eucalyptus trees on Putah Creek using drill injection.



Celebrating their handiwork after native plant revegetation of a floodplain next to the creek. The students also removed all the giant reed that was on the floodplain prior to planting.

Over the last 3 years, SCWA's funding of the Putah Creek Reserve's One Creek interns has allowed for the following positive actions along Putah Creek:



Executed extensive invasive woody species control activities with students we trained to administer herbicides and execute sawyer operations.



Worked with the student teams to develop and implement multiple habitat enhancement projects throughout the Reserve.



Working with the Streamkeeper, implemented a bank restoration on the Hammond property, fostering positive landowner relations, restoring habitat and preventing trespass. This work would not have been possible without the One Creek students.



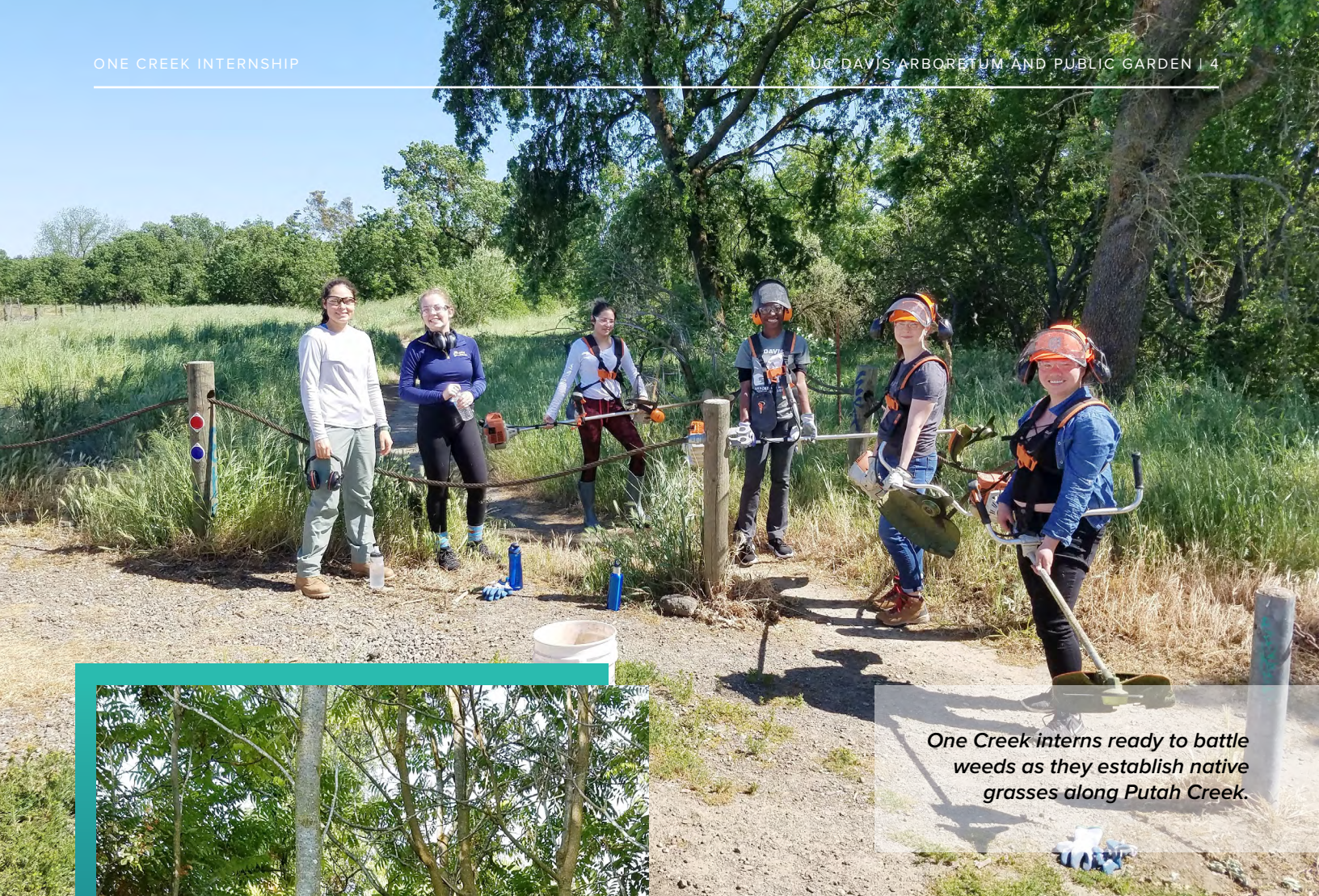
Executed numerous Invasive woody species surveys on over 160 acres within the Reserve to document a baseline from which to compare control activities to in the future.



Created a hands-on Ecological Land Management training program for students to gain necessary skills for entry level jobs into the field of natural resource conservation. Local conservation organizations now employing student graduates from these programs include the Yolo RCD, Santa Cruz RCD, Point Blue Conservation Science and the Center for Watershed Science.



Developed a native plant seed collection calendar with students and executed seasonal collection trips throughout local natural areas to ensure local ecotypes are being collected and grown by our partner PCC nursery to feed back into Putah Creek Watershed Habitat Enhancement projects.



One Creek interns ready to battle weeds as they establish native grasses along Putah Creek.

Thanks to SCWA's support, during the duration of the agreement the Reserve's One Creek program was able to hire 12 students, serve over 90 interns and work along the entire length of Putah Creek.

The Solano Water Agency's partnering with the UC Davis Putah Creek Riparian Reserve has continued the Agency's commitment to the health of our natural resources, restored acres of riparian habitat and created dozens of new professionals working in natural resource management.



Student implementing their chainsaw and herbicide training to cut and treat Tree of Heaven within Putah Creek.

**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) - None

Construction Contracts (\$45,000 and less) – None

Professional Service Agreements (\$45,000 and less) – None

Non-Professional Service Agreements (\$45,000 and less) – None

Construction contracts resulting from informal bids authorized by SCWA Ordinance- None

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

WATER ADVISORY COMMISSION UPDATES

Solano Water Advisory Commission
Meeting Minutes
January 27, 2021

Present: Roland Sanford, Chris Lee, Alex Rabidoux and Jeff Barich, SCWA; Michael Heather, Fairfield; Curtis Paxton and Justen Cole, Vacaville; Kyle Ochendusko, Benicia; Beth Schoenberger and Melissa Cansdale, Vallejo; Misty Kaltreider, Solano County; Kelly Huff, Dixon RCD; Cary Keaten, SID.

The meeting was called to order at 12:37 PM.

1. Approval of Minutes

The minutes of the December 2, 2020 meeting were approved.

2. Emerging Issues

For LNU post-fire activities, the Water Agency has installed over 80 cross vanes in Pleasants Creek, with the project wrapping up this week. For post-fire flood concerns, the most recent storm event was a good test storm, but with low intensity and no subsequent flood impacts. On other emerging issues, Cary Keaten was selected as the SWAC representative on the Legislative Committee.

3. SCWA General Manager's Report

For the upcoming Board Agenda, the Water Agency will be putting together a letter to the District 3 (Lake Berryessa) Napa County Supervisor, to obtain more support from Napa County in regards to the Invasive Species Mussel Program. Additionally, Napa County is now leading the concessionaire process for several new resorts at Lake Berryessa. The letter highlights the importance of collaboration between both Napa County and SCWA. Eventually, SCWA would like to see Napa County adopt an ordinance for Invasive Mussels.

On NBA issues, the NBA is currently being curtailed to 60-cfs due to the Incidental Take Permit (ITP) for longfin smelt. The City of Benicia and others with significant SWP allocations are really concerned as this greatly limits the various cities ability to optimize their water portfolio. It will be extremely important for SCWA to work closely with DWR to have the restriction lifted once conditions change. SCWA is working to setup a web table interface for WTP staff to enter in their flow rates, so that the NBA can be optimized by all of the NBA users.

For Lookout Slough, no significant movement has occurred on the existing litigation. The parties are currently trying to determine the court location. Also, the litigation is being consolidated with the other public agencies including RD 2068, City of Vallejo, Centra Delta Water Agency, and one other. However, it is important to note that DWR can still move forward on the project.

In regards to Water Transfers and Exchanges, the SCWA Board approved Amendment 22 which has more flexibility with the Water Tools package. Several South of Delta (SOD) SWCs have expressed interest with a long-term agreement with SCWA for water transfers. Several of the Solano NBA users are interested in moving forward with these water transfers.

On the North of Delta (NOD) discussion with DWR, no significant progress has been made. Currently, SCWA receives an additional NOD allocation above the SOD allocation. However, DWR has indicated that the additional NOD increment must be the last water to be used and cannot be stored in San Luis Reservoir, which are major concerns for the NOD agencies. Several of the SOD agencies want DWR to resolve this issue, as they are all interested in transfers with the NOD agencies.

On other NBA topics, the NBA AIP is still on the table. The Water Agency is interested in conducting additional studies such as hydrodynamic modeling and others, to help the process move forward. However, SCWA would like to see if there is interest from the Commission to create an NBA AIP workgroup. Roland can work with the SWAC Chair to move this forward, and gauge the level of interest with the Commission.

SID and Suisun City are interested in SCWA taking the lead on an NBA to SP Exchange Project. This project stems from the original Noonan Reservoir Project. While the reservoir component of the project was not cost-effective, the exchange process is a viable project. The concept would involve connecting the existing NBA alignment at North Gate Road, and traversing north to SID's distribution facilities. The project could potentially swap 15-20 TAF of water. As part of the feasibility, Roland followed up with DWR on the ability to create a new turn-out on the NBA. In reviewing with DWR, turn-outs are not a huge issue, and DWR has a section dedicated to the design of new turn-outs. Since SCWA is the lead SWC with DWR, the Water Agency would need to be the principal project lead, if there is interest in moving the project forward. Roland recommended the turn-out project be brought back to SCWA and the Commission for further discussion.

For Bay Delta Planning Issues, waiting to see what the new dialogue will be on the SWP ITP and Biological Opinions (BOs), between the State and Federal agencies. There has also been renewed discussions on the Voluntary Agreements. However, there are several issues on the BOs and existing litigation that will need to be resolved.

4. Groundwater Planning
None

5. Solano County Report
Misty provided an update on LNU Post-Fire Cleanup activities. Over 500 properties have been identified, almost all of the Phase 1 cleanup has been done. For Phase 2, there is a private and public cleanup and debris removal process underway. As part of the public process, the County needs to obtain the Right of Entry (ROE). Over 108 ROEs have been obtained. On the private process, the County has received 200 private work plans, with 75 plans approved. On Delta issues, the County is working on the Cache Slough HCP, which focuses on non-NBA intakes, primarily agricultural as well as the City of Vallejo. The County is doing extensive outreach and working with the various resource agencies on what the mitigation will be.

6. PSC/NBA Maintenance
The annual DWR-NBA users meeting is being scheduled in February, with details forthcoming.

7. Legislative/Initiative/Court Decision Issues Not Discussed Above

There is an active bill on COVID relief and water utility payments. For several of the cities, they are seeing a growing number of unpaid bills and amounts for both water and wastewater. The cities have not yet noticed a significant impact to their budgets, but are concerned. All of the cities really want to support their customers, and see if there are funds available to recover these costs.

8. New Business

None

9. Urban Water Management Plans

All of the cities are currently working on their UWMP update, and want to use similar and consistent language. Since all of the Solano cities are within the Bay-Delta, there is significant concern about reducing reliance on the Delta, when this is our local source water. Likewise, the agencies also want to have a consistent message that the Solano cities are using their water resources wisely. Jeff Barich is working closely with city staff and Kennedy Jenks on the UWMP and Technical Memorandum (TM). Kennedy Jenks has sent out data requests to each of the cities. Once this information is returned, Kennedy Jenks expects to complete the TM in a few weeks. The SWP Contractors are also coordinating their messaging for the UWMP. For the Solano agencies, will need to have our own consistent message as the Delta is our local source water. SCWA staff will make sure the cities see the draft TM before it is finalized.

10. Public Comments

None

The next meeting will be February 24, 2021 at 12:30 PM.

The meeting adjourned at 1:33 PM.

ACTION OF
SOLANO COUNTY WATER AGENCY

DATE: March 11, 2021
SUBJECT: SCWA Fiscal Year 2019-2020 Audit

RECOMMENDATIONS:

Accept Fiscal Year 2019-2020 audit report.

FINANCIAL IMPACT:

None.

BACKGROUND:

The Water Agency’s Fiscal Year 2019-2020 audit was performed by Badawi & Associates, LLP, the results of which are summarized in the attached Independent Auditor’s Report. In their report, Badawi & Associates, LLP conclude the Water Agency’s financial statements for Fiscal Year 2019-2020 are free from material misstatement and are represented fairly in accordance with Generally Accepted Accounting Principles (GAAP).

Recommended: 
Roland Sanford, General Manager

| | | | | | |
|--------------------------|----------------------------|--------------------------|----------------------|--------------------------|---------------------------|
| <input type="checkbox"/> | Approved as Recommended | <input type="checkbox"/> | Other (see below) | <input type="checkbox"/> | 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 March 11, 2021 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

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

Solano County Water Agency

Vacaville, California

*Auditors' Communication with
Those Charged with Governance*

For the year ended June 30, 2020



January 27, 2021

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

We have audited the financial statements of the governmental activities and major fund information of the Solano County Water Agency, (Agency) for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 18, 2020, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the Agency. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning internal control.

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of the Agency's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involves judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the Agency and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

We performed the audit according to the timing previously communicated to you on the engagement letter.

Significant Audit Matters

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. As described in Note 1 to the financial statements, the Agency changed accounting policies related to financial reporting by adopting the following Statements of Governmental Accounting Standards (GASB Statement) in 2020:

- GASB No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*

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 estimates affecting the Agency's financial statements were:

- Depreciable lives and estimated residual value of property and equipment
- Investment valuations
- Pension plans (actuarial assumptions)
- Net Other Post-employment Benefits (OPEB) plan (actuarial assumptions)

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements were:

- Summary of Significant Accounting Policies
- Cash and Investments
- Capital Assets
- Employee Retirement Plans
- Other Postemployment Benefits (OPEB) Plan
- Commitments and Contingencies

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. Management has corrected all such misstatements.

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 January 27, 2021

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.

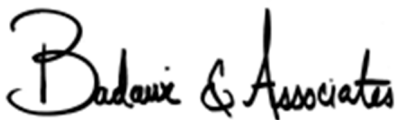
Other Matters

We applied certain limited procedures to the 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 use of Agency's Board and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Badawi & Associates". The signature is stylized, with a large, looped "B" at the beginning.

Badawi and Associates
Certified Public Accountants
Berkeley, California
January 27, 2021

Solano County Water Agency

Financial Statements
And
Independent Auditor's Report For
the Year Ended
June 30, 2020



Solano County Water Agency
Basic Financial Statements
For the year ended June 30, 2020

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Solano County Water Agency
Basic Financial Statements
For the year ended June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the 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 (Agency), as of and for the year ended June 30, 2020, 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 Agency as of June 30, 2020, 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.

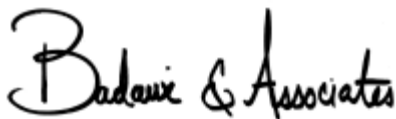
Other Matters

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 information, and OPEB information on pages 4-9 and 44-50 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 January 27, 2021 on our consideration of the 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 solely 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 the effectiveness of 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 the Agency's internal control over financial reporting and compliance.



Badawi and Associates
Certified Public Accountants
Berkeley, California
January 27, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

SOLANO COUNTY WATER AGENCY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

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, 2020. This information is presented in conjunction with the audited financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Agency exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$65,948,955 (net position). Of this amount, \$21,211,403 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 \$4,526,172.
- At the close of the fiscal year, the Agency's governmental funds reported combined fund balances of \$52,907,138, an increase of \$3,816,840, in comparison with the prior year.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

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

The government-wide financial statements are prepared using the accrual basis of accounting. They present all the assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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.

The required supplementary information presents the Agency's progress in funding its obligations to provide pension and health benefit to its employees as well as the Agency's budgetary comparison schedules.

SOLANO COUNTY WATER AGENCY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

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 as of June 30, 2020 and June 30, 2019 follows:

TABLE A-1
STATEMENT OF NET POSITION

| | 2020 | 2019 | \$Change | %Change |
|----------------------------------|---------------|---------------|--------------|---------|
| ASSETS | | | | |
| Current and other assets | \$ 54,864,906 | \$ 51,258,348 | \$ 3,606,558 | 7% |
| Noncurrent assets | 170,895 | 156,345 | 14,550 | 9% |
| Capital assets | 12,858,997 | 12,609,847 | 249,150 | 2% |
| Total Assets | 67,894,798 | 64,024,540 | 3,870,258 | 6% |
| Deferred Outflows of Resources | 1,632,875 | 1,334,678 | 298,197 | 22% |
| LIABILITIES | | | | |
| Current liabilities | 2,055,408 | 2,266,879 | (211,471) | -9% |
| Noncurrent liabilities | 862,850 | 1,311,327 | (448,477) | -34% |
| Total Liabilities | 2,918,258 | 3,578,206 | (659,948) | -18% |
| Deferred Inflows of Resources | 660,460 | 358,229 | 302,231 | 84% |
| NET POSITION | | | | |
| Net investment in capital assets | 12,858,997 | 12,609,847 | 249,150 | 2% |
| Restricted | 31,878,555 | 28,224,034 | 3,654,521 | 13% |
| Unrestricted | 21,211,403 | 20,588,902 | 622,501 | 3% |
| Total Net Position | \$ 65,948,955 | \$ 61,422,783 | \$ 4,526,172 | 7% |

Table A-1 summarizes the net position of the Agency and reflects the net position increase of \$4,526,172 from \$61,422,783 in fiscal year 2019 to \$65,948,955 in fiscal year 2020. Net investment in capital assets increased \$249,150, reflecting the net of assets additions and depreciation on capital assets. Approximately 20% 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 \$31,878,555 at June 30, 2020 representing funds that are obligated to be spent within State Water Project, Ulati, and Green Valley. The increase in restricted net position of \$3,654,521 mainly consists of the revenues exceeding expenses in all of the funds. The unrestricted net position is a resource that can be used for transactions relating to the general operations of the Agency and increased by \$622,501, primarily due to the revenues exceeding the expenses in all of the funds.

SOLANO COUNTY WATER AGENCY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

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 at a specific point in time. The Statements of Activities provides information on the nature and source of these assets and liabilities represented on the Statement of Net Position. This statement shows that revenues exceeded expenses by \$4,526,172 for fiscal year 2020.

The following Table A-2 summarizes the Statement of Activities for the fiscal years ending June 30, 2020 and June 30, 2019:

TABLE A-2
STATEMENT OF ACTIVITIES

| | 2020 | 2019 | \$Change | %Change |
|------------------------------------|---------------|---------------|--------------|---------|
| REVENUES | | | | |
| Program Revenues | | | | |
| Charges for services | \$ 2,786,476 | \$ 2,951,229 | \$ (164,753) | -6% |
| Operating grants and contributions | 959,082 | 999,765 | (40,683) | -4% |
| General Revenues | | | | |
| Property taxes | 26,752,979 | 25,745,116 | 1,007,863 | 4% |
| Investment earnings | 897,398 | 1,069,972 | (172,574) | -16% |
| Other | 124,314 | 160,928 | (36,614) | -23% |
| Total Revenue | 31,520,249 | 30,927,010 | 593,239 | 2% |
| EXPENSES | | | | |
| Solano Project | 11,114,866 | 11,591,271 | \$ (476,405) | -4% |
| State Water Project | 14,849,962 | 13,180,546 | 1,669,416 | 13% |
| Ulati Flood Control | 922,970 | 839,993 | 82,977 | 10% |
| Green Valley Flood Control | 106,279 | 162,824 | (56,545) | -35% |
| Total Expenses | 26,994,077 | 25,774,634 | 1,219,443 | 5% |
| Change in net position | 4,526,172 | 5,152,376 | (626,204) | -12% |
| Net position - beginning | 61,422,783 | 56,270,407 | 5,152,376 | 9% |
| Net position - ending | \$ 65,948,955 | \$ 61,422,783 | \$ 4,526,172 | 7% |

Ending net position totaled \$65,948,955 at June 30, 2020, an increase in net position of \$4,526,172 or 7% from June 30, 2019. Total revenues increased by \$593,239 or 2% during the fiscal year 2020 compared to 2019. Property tax revenue increased in fiscal year 2020 compared to 2019 by \$1,007,863 or 4%. Grant revenues decreased by \$40,683 or 4%, from June 30, 2019. Total expenses increased by \$1,219,443 or 5% to \$26,994,077 in 2020. The Solano Project expenses decreased by \$476,405 from 2019 to 2020 primarily due to budget reductions for completed LPCCC grant projects and support, PSC, Dam, and Solano Project Operations & Maintenance increased slightly but were offset by Consulting costs for technical studies and support. The State Water Project expenses increased by \$1,669,416 from 2019 to 2020 primarily due to increased efforts on the Yolo Bypass/Cache Slough project and Petersen Ranch, and increased costs to DWR for Water related expenses. Ulati and Green Valley have fluctuations in maintenance costs depending on the dry/wet annual cycles.

SOLANO COUNTY WATER AGENCY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

CAPITAL ASSETS

The Agency's capital assets, net of accumulated depreciation, consist mainly of land purchases (Petersen Ranch) and land improvements (Cement Hill Bypass). The Agency continues to add new water monitoring equipment and field equipment as part of its water supply and flood control operations. In addition, SCWA invested in new field vehicles, completed a computer server system, new field trucks for Solano Project operations, a vegetable transplanter and manure spreader for Lower Putah Creek restoration projects. Ulati project purchased a roll out bucket for the John Deere tractor, a new John Deere excavator, and a boom mower.

TABLE A-3
CAPITAL ASSETS

| | 2020 | 2019 |
|---|-------------|-------------|
| Land | 7,063,469 | 7,063,469 |
| Construction-in-progress | 36,482 | 7,302 |
| Buildings | 1,700,109 | 1,700,109 |
| Cement Hill Bypass land improvements | 2,535,494 | 2,535,494 |
| Water monitoring equipment | 2,310,374 | 2,300,466 |
| Machinery and field equipment | 3,073,995 | 2,613,440 |
| Furniture, fixtures, and office equipment | 364,136 | 114,364 |
| Subtotal | 17,084,059 | 16,334,644 |
| Less accumulated depreciation | (4,225,062) | (3,724,797) |
| Total net capital assets | 12,858,997 | 12,609,847 |

Additional information about the Agency's capital assets can be found in Note 4 in the Notes to the Basic Financial Statements.

SOLANO COUNTY WATER AGENCY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

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 | Ulatris Flood Control | Green Valley Flood Control | Total |
|-----------------------------------|-------------------|------------------------|--------------------------|-------------------------------|-------------------|
| REVENUES | | | | | |
| Property taxes | 10,217,141 | 14,894,908 | 1,474,494 | 166,436 | 26,752,979 |
| Charges for services | 430,702 | 2,355,774 | - | - | 2,786,476 |
| Investment earnings | 360,482 | 398,800 | 134,084 | 4,032 | 897,398 |
| Grant revenues | 559,736 | 399,346 | - | - | 959,082 |
| Other income | 99,599 | 17,322 | 7,393 | - | 124,314 |
| Total Revenues | 11,667,660 | 18,066,150 | 1,615,971 | 170,468 | 31,520,249 |
| EXPENDITURES | | | | | |
| Water purchase | 168,133 | 12,117,028 | - | - | 12,285,161 |
| Operations and maintenance | 4,669,256 | 1,033,254 | 675,595 | 52,973 | 6,431,078 |
| Administration and general | 3,947,860 | 1,326,019 | 128,052 | 57,394 | 5,459,325 |
| Conservation and flood control | 737,196 | 348,695 | - | - | 1,085,891 |
| Engineering | 1,593,625 | 65,914 | - | - | 1,659,539 |
| Capital outlay | 389,271 | 9,908 | 383,236 | - | 782,415 |
| Total Expenditures | 11,505,341 | 14,900,818 | 1,186,883 | 110,367 | 27,703,409 |
| Net Change in Fund Balance | 162,319 | 3,165,332 | 429,088 | 60,101 | 3,816,840 |
| Fund balance, beginning | 20,866,264 | 20,792,243 | 7,214,592 | 217,199 | 49,090,298 |
| Fund balance, ending | 21,028,583 | 23,957,575 | 7,643,680 | 277,300 | 52,907,138 |

Solano Project - As of June 30, 2020, the Solano Project reported an ending fund balance of \$21,028,583 an increase of \$162,319 from 2019. Expenditures were under budget mainly due to LPCCC Grants and service projects either being completed, expired, or not happening. Rehab & Betterment projects were also delayed, the HCP Conservation easement with PG&E was delayed, and the Office expansion was also delayed.

State Water Project -As of June 30, 2020, the State Water Project reported ending fund balance of \$23,957,575, an increase from 2019 of \$3,165,332. This increase in fund balance is due primarily to delayed implementation of North Bay Aqueduct projects and studies, delay of Office Expansion, and higher than anticipated property tax revenues.

Ulatris Flood Control Zone 1 - As of June 30, 2020 the Ulatris Flood Control reported an ending fund balance of \$7,643,680, an increase of \$429,088 from 2019. Actual property tax revenues exceeded planned expenditures. This fluctuates every year depending on weather and timing.

Green Valley Flood Control Zone 2 - As of June 30, 2020, the Green Valley Flood Control reported an ending fund balance of \$277,300, an increase of \$60,101 from 2019 due to actual property tax revenues higher than expected, decreased operations and maintenance costs. This fluctuates every year depending on weather and timing.

SOLANO COUNTY WATER AGENCY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

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, portions of which are scheduled for revision in 2020-2021 fiscal year, 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 have 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.

During this current fiscal year, we have experienced the COVID-19 pandemic, which has crossed into the new fiscal year of 2020-2021. The pandemic hit during the budget process, however, due to the unknown nature, the Agency did not modify the fiscal year 2020-2021 budget. During August of 2020, Solano County has suffered from a terrible fire season. the Agency has been doing emergency work to mitigate possible damage during the upcoming rainy season.

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.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Solano County Water Agency
Statement of Net Position
June 30, 2020

| | Governmental Activities |
|---|----------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 54,140,602 |
| Accounts receivable | 632,403 |
| Interest receivable | 29,523 |
| Prepays and inventories | 62,378 |
| Net OPEB asset | 170,895 |
| Capital assets: | |
| Nondepreciable | 7,099,951 |
| Depreciable | 9,984,108 |
| Less accumulated depreciation | (4,225,062) |
| Total capital assets, net | 12,858,997 |
| Total assets | 67,894,798 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows of resources related to the net pension liability | 1,477,489 |
| Deferred outflows of resources related to the net OPEB asset | 155,386 |
| Total deferred outflows of resources | 1,632,875 |
| LIABILITIES | |
| Accounts payable | 1,386,599 |
| Accrued payroll | 31,630 |
| Deposits | 72,437 |
| Unearned revenues | 467,102 |
| Compensated absences: | |
| Due within one year | 97,640 |
| Due in more than one year | 231,013 |
| Net pension liability: | |
| Due in more than one year | 631,837 |
| Total liabilities | 2,918,258 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflows of resources related to the net pension liability | 384,575 |
| Deferred inflows of resources related to the net OPEB asset | 275,885 |
| Total deferred inflows of resources | 660,460 |
| NET POSITION | |
| Net investment in capital assets | 12,858,997 |
| Restricted for: | |
| State water project | 23,957,575 |
| Ulati flood control | 7,643,680 |
| Green valley flood control | 277,300 |
| Unrestricted | 21,211,403 |
| Total net position | \$ 65,948,955 |

See accompanying Notes to Basic Financial Statements

Solano County Water Agency
Statement of Activities
For the year ended June 30, 2020

| Functions/Programs | Expenses | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position |
|---------------------------------|----------------------|---|-----------------------------|-----------------------------|---------------------|--|
| | | Charges for Services | Operating | Capital | Total | Governmental Activities |
| | | | Grants and Contributions | Grants and Contributions | | |
| Primary government: | | | | | | |
| Governmental activities: | | | | | | |
| Solano Project | \$ 11,114,866 | \$ 430,702 | \$ 559,736 | \$ - | \$ 990,438 | \$ (10,124,428) |
| State Water Project | 14,849,962 | 2,355,774 | 399,346 | - | 2,755,120 | (12,094,842) |
| Ulati Project | 922,970 | - | - | - | - | (922,970) |
| Green Valley Flood Control | 106,279 | - | - | - | - | (106,279) |
| Total primary government | <u>\$ 26,994,077</u> | <u>\$ 2,786,476</u> | <u>\$ 959,082</u> | <u>\$ -</u> | <u>\$ 3,745,558</u> | <u>(23,248,519)</u> |
| General Revenues: | | | | | | |
| | | Property taxes | | | | 26,752,979 |
| | | Investment earnings | | | | 897,398 |
| | | Other revenues | | | | 124,314 |
| | | Total general revenues | | | | <u>27,774,691</u> |
| | | Change in net position | | | | 4,526,172 |
| | | Net position - beginning of year | | | | <u>61,422,783</u> |
| | | Net position - end of year | | | | <u>\$ 65,948,955</u> |

See accompanying Notes to Basic Financial Statements

FUND FINANCIAL STATEMENTS

Solano County Water Agency
Balance Sheet
Governmental Funds
June 30, 2020

| | Major Special Revenue Funds | | | | |
|--|-----------------------------------|------------------------|-------------------------|----------------------------------|--------------------------------|
| | General Fund Solano Project | State Water Project | Ulatis Flood Control | Green Valley Flood Control | Total Governmental Funds |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 21,378,054 | \$ 24,628,867 | \$ 7,841,443 | \$ 292,238 | \$ 54,140,602 |
| Accounts receivable | 564,514 | 67,889 | - | - | 632,403 |
| Interest receivable | 11,852 | 13,125 | 4,413 | 133 | 29,523 |
| Prepays and inventories | 62,378 | - | - | - | 62,378 |
| Total assets | \$ 22,016,798 | \$ 24,709,881 | \$ 7,845,856 | \$ 292,371 | \$ 54,864,906 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 847,546 | \$ 321,806 | \$ 202,176 | \$ 15,071 | \$ 1,386,599 |
| Accrued payroll | 31,630 | - | - | - | 31,630 |
| Deposits | 72,437 | - | - | - | 72,437 |
| Unearned revenue | 36,602 | 430,500 | - | - | 467,102 |
| Total liabilities | 988,215 | 752,306 | 202,176 | 15,071 | 1,957,768 |
| Fund Balances: | | | | | |
| Nonspendable | 62,378 | - | - | - | 62,378 |
| Restricted | - | 23,957,575 | 7,643,680 | 277,300 | 31,878,555 |
| Assigned | 3,250,000 | - | - | - | 3,250,000 |
| Unassigned | 17,716,205 | - | - | - | 17,716,205 |
| Total fund balances | 21,028,583 | 23,957,575 | 7,643,680 | 277,300 | 52,907,138 |
| Total liabilities and fund balances | \$ 22,016,798 | \$ 24,709,881 | \$ 7,845,856 | \$ 292,371 | \$ 54,864,906 |

See accompanying Notes to Basic Financial Statements

Solano County Water Agency

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position

June 30, 2020

| | |
|--|----------------------|
| Total Fund Balances of Governmental Funds | \$ 52,907,138 |
|--|----------------------|

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. The capital assets were adjusted as follows:

| | |
|--|-----------|
| Nondepreciable | 7,099,951 |
| Depreciable, net of accumulated depreciation | 5,759,046 |

In the Government-Wide Financial Statements, deferred employer contributions for pension and OPEB, certain differences between actuarial estimates and actual results, and other adjustments resulting from changes in assumptions and benefits are deferred in the current year:

| | |
|---|-----------|
| Deferred outflows of resources related to pension | 1,477,489 |
| Deferred outflows of resources related to OPEB | 155,386 |
| Deferred inflows of resources related to pension | (384,575) |
| Deferred inflows of resources related to OPEB | (275,885) |

Long-term (liabilities)/assets were not due and payable in the current period, and other long-term assets were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet:

| | |
|--|-----------|
| Net OPEB asset | 170,895 |
| Compensated absences - due within one year | (97,640) |
| Compensated absences - due in more than one year | (231,013) |
| Net pension liability | (631,837) |

| | |
|--|----------------------|
| Net Position of Governmental Activities | \$ 65,948,955 |
|--|----------------------|

Solano County Water Agency
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2020

| | Major Special Revenue Funds | | | | |
|------------------------------------|-----------------------------|-------------------|------------------|----------------|-------------------|
| | General Fund | | | | Total |
| | Solano | State Water | Ulati Flood | Green Valley | Governmental |
| | Project | Project | Control | Flood | Funds |
| | Project | Project | Control | Control | Funds |
| REVENUES: | | | | | |
| Property taxes | \$ 10,217,141 | \$ 14,894,908 | \$ 1,474,494 | \$ 166,436 | \$ 26,752,979 |
| Charges for services | 430,702 | 2,355,774 | - | - | 2,786,476 |
| Investment earnings | 360,482 | 398,800 | 134,084 | 4,032 | 897,398 |
| Intergovernmental | 559,736 | 399,346 | - | - | 959,082 |
| Other revenues | 99,599 | 17,322 | 7,393 | - | 124,314 |
| Total revenues | 11,667,660 | 18,066,150 | 1,615,971 | 170,468 | 31,520,249 |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| Water purchases | 168,133 | 12,117,028 | - | - | 12,285,161 |
| Operations and maintenance | 4,669,256 | 1,033,254 | 675,595 | 52,973 | 6,431,078 |
| Administration and general | 3,947,860 | 1,326,019 | 128,052 | 57,394 | 5,459,325 |
| Conservation and flood control | 737,196 | 348,695 | - | - | 1,085,891 |
| Engineering | 1,593,625 | 65,914 | - | - | 1,659,539 |
| Capital outlay | 389,271 | 9,908 | 383,236 | - | 782,415 |
| Total expenditures | 11,505,341 | 14,900,818 | 1,186,883 | 110,367 | 27,703,409 |
| Net change in fund balances | 162,319 | 3,165,332 | 429,088 | 60,101 | 3,816,840 |
| FUND BALANCES: | | | | | |
| Beginning of year | 20,866,264 | 20,792,243 | 7,214,592 | 217,199 | 49,090,298 |
| End of year | \$ 21,028,583 | \$ 23,957,575 | \$ 7,643,680 | \$ 277,300 | \$ 52,907,138 |

See accompanying Notes to Basic Financial Statements

Solano County Water Agency

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Change in Fund Balances to the Government-Wide Statement of Activities For the year ended June 30, 2020

| | |
|---|---------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ 3,816,840 |
|---|---------------------|

Amounts reported for governmental activities in the Statement of Activities were different because:

| | |
|---|---------|
| Governmental funds reported asset acquisitions as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current year. | 782,415 |
|---|---------|

| | |
|---|-----------|
| Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, depreciation expense was not reported as an expenditure in the governmental funds. | (533,265) |
|---|-----------|

| | |
|--|----------|
| Accrued compensated absences were reported as an expenditure in the governmental funds, but the accrual increased compensated absences payable in the Government-Wide Statement of Net Position. | (66,196) |
|--|----------|

| | |
|--|-----------|
| OPEB benefits reported in the Government-Wide Statement of Activities are not current financial resources and therefore is not reported in the governmental funds. | (123,208) |
|--|-----------|

Current year pension and OPEB contributions are recorded as expenditures in the governmental funds, however these amounts are reported as deferred outflows of resources in the Government-Wide Statement of Net Position.

| | |
|---|---------|
| Deferred outflows related to current year pension contributions | 897,112 |
| Deferred outflows related to current year OPEB contributions | 144,037 |

| | |
|---|-----------|
| Pension expense reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as an expenditure in the governmental funds. | (391,563) |
|---|-----------|

| | |
|--|---------------------|
| Change in Net Position of Governmental Activities | \$ 4,526,172 |
|--|---------------------|

NOTES TO BASIC FINANCIAL STATEMENTS

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Solano County Water Agency (Agency) have been prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America. The more significant of the Agency's accounting policies are described below:

A. Financial 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. 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 Accounting and Measurement Focus

The accounts of the Agency are organized on the basis of funds, each of which is considered a separate accounting entity with its own self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance or net position, revenues, and expenditures or expenses. These funds are established for the purpose of carrying out specific activities or certain objectives in accordance with specific 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.

Government-Wide Financial Statements

The Agency's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all the Agency's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changed in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which liabilities are incurred.

Certain types of transactions reported as program revenues for the Agency are reported in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position. In the Statement of Activities, internal fund transactions have been eliminated. There were no interfund activities requiring elimination for the year ended June 30, 2020.

The Agency applies all GASB pronouncements and interpretations currently in effect.

Fund Financial Statements

Governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under modified accrual basis accounting, revenues are recognized in the accounting period in which they become both “measurable and available” to finance expenditures of the current period.

The Agency’s funds, all of which are considered to be major governmental funds, are reported as separate columns in the fund financial statements. 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 water master to monitor water use in the Upper Putah Creek 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.

Ulati Flood Control - This fund accounts for the costs of operating and maintaining the Ulati 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.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements, Continued

Revenues are recorded when received in cash, except that revenues subject to accrual (generally those received within 90 days after year-end) are recognized when due. The District chose 90 days because grant invoices typically take long to process and receive payments. The primary revenue sources that have been treated as susceptible to accrual by the Agency include taxes, intergovernmental revenues, interest and charges for services.

The Reconciliation of the Governmental Fund Financial Statements to the Government-Wide Financial Statements is provided.

C. Cash, Cash Equivalents and Investments

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).

The Agency categorizes 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 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.

D. 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, 2020 as management believes all receivables to be collectible. 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.

E. Prepaid Items and Inventories

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 the 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
For the year ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 three 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:

| Type | Useful Life |
|---|---------------|
| 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 | 3 - 10 years |

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 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 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 which will be paid to employees upon separation of service from the Agency. The policy also allows employees to receive payment for one-half 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.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position or balance sheet will sometimes report a separate 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 not 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. *Net Position and Fund Balance*

Government-Wide Financial Statements

Net position is the excess of all the Agency's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, 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:

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.

Restricted net position - Consists of net position with constraints place on the use either by (1) external groups such as creditors, granters, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

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.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Net Position and Fund Balance, Continued

Fund Financial 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:

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.

Restricted - Amounts that are restricted for specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors, granters, contributors, laws, or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

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.

Assigned - Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned - Amounts representing the residual classification for the general fund and residual negative fund balance of special revenue and capital project funds.

Detail about the Agency's fund balance classifications at June 30, 2020 is described in Note 6.

K. 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.

L. Pension

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.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB (asset) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Agency's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles required that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

| | |
|--------------------|-------------------------------|
| Valuation Date | June 30, 2018 |
| Measurement Date | June 30, 2019 |
| Measurement Period | July 1, 2018 to June 30, 2019 |

N. Use of Estimates

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

2. CASH AND INVESTMENTS

A. Summary of Cash and Investments

Cash and investments consisted of the following at June 30, 2020:

| | |
|--|---------------|
| Deposits with financial institutions | \$ 1,128,001 |
| Petty cash | 138 |
| Total cash on hand and deposits | 1,128,139 |
| Local Agency Investment Fund (LAIF) | 8,090,822 |
| California Asset Management Program (CAMP) | 39,310,143 |
| Certificates of deposit | 5,581,482 |
| Money market funds | 30,016 |
| Total investments | 53,012,463 |
| Total Cash and Investments | \$ 54,140,602 |

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2020

2. CASH AND INVESTMENTS, Continued

B. Deposits

The carrying amount of the Agency's cash deposit was \$1,128,001 as of June 30, 2020. Bank balances before reconciling items were a positive amount of \$1,556,459 at June 30, 2020. The Agency's cash deposit was fully insured up to \$250,000 by the Federal Deposit Insurance Commission. The remaining amount was collateralized with securities held by the pledging financial institutions.

The California Government Code (Code) Section 53652 requires California banks and savings and loan associations to secure the Agency's cash deposits by pledging securities as collateral. The Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor.

Fair value of pledged securities must equal at least 110% of the Agency's cash deposits. California law also allows institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the Agency's total cash deposits.

The Agency follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

C. Investments Authorized by the Code and the Agency's 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.

The Agency's portfolio value fluctuates in an inverse relationship to any change in interest rate. Accordingly, if interest rates rise, the portfolio value will decline. If interest rates fall, the portfolio value will rise. The portfolio for year-end reporting purposes is treated as if it were all sold. Therefore, fund balance must reflect the portfolio's change in value. These portfolio value changes are unrealized unless sold. Generally, the Agency's practice is to buy and hold investments until maturity dates. Consequently, the Agency's investments are carried at fair value.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2020

2. CASH AND INVESTMENTS, Continued

C. Investments Authorized by the Code and the Agency's Investment Policy, Continued

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by Code Section 16429 under the oversight of the Treasurer of the State of California. The Agency's investments with LAIF at June 30, 2020 include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments included the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as collateralized mortgage obligations) or credit card receivables.

At June 30, 2020, the Agency had \$8,090,822 invested in LAIF, which had invested 3.37% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 1.77% in the previous year. The LAIF fair value factor of 1.004912795 was used to calculate the fair value of the investments in LAIF.

The Agency is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Section 6500 et Seq., or the "Act") for the purpose of exercising the common power of CAMP participants to invest certain proceeds of debt issues and surplus funds. CAMP investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The Agency reports its investments in CAMP at the amortized cost provided by CAMP, which is the same as the value of the pool share in accordance with GASB 79 requirements. At June 30, 2020 the fair value was approximate to the Agency's cost. At June 30, 2020, the Agency investment in CAMP was \$39,310,143.

The Agency, as a CAMP shareholder, may withdraw all or any portion of the funds in its CAMP account at any time by redeeming shares. The CAMP Declaration of Trust permits the CAMP trustee to suspend the right of withdrawal from CAMP or to postpone the date of payment of redemption proceeds if the New York Stock Exchange is closed other than for customary weekend and holiday closings, if trading on the New York Stock Exchange is restricted, or if, in the opinion of the CAMP trustees, an emergency exists such that disposal of the CAMP pool securities or determination of its net asset value is not reasonably practicable. If the right of withdrawal is suspended, the Agency may either withdraw its request for that withdrawal or receive payment based on the net asset value of the CAMP pool next determined after termination of the suspension of the right of withdrawal.

D. Risk Disclosures

Interest Rate Risk: Interest rate risk is the market value fluctuation due to overall changes in the interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Agency had no investments that were highly sensitive to interest rate fluctuations at June 30, 2020.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2020

2. CASH AND INVESTMENTS, Continued

D. Risk Disclosures, Continued

Information held by the Agency grouped by maturity date at June 30, 2020 are shown below:

| Investment Type | Total | Remaining Maturity | |
|--|----------------------|----------------------|---------------------|
| | | 1 Year or Less | 1-5 Years |
| Local Agency Investment Fund (LAIF) | \$ 8,090,822 | \$ 8,090,822 | \$ - |
| California Asset Management Program (CAMP) | 39,310,143 | 39,310,143 | - |
| Certificates of deposit | 5,581,482 | 1,751,952 | 3,829,530 |
| Money market funds | 30,016 | 30,016 | - |
| Total Investments | <u>\$ 53,012,463</u> | <u>\$ 49,182,933</u> | <u>\$ 3,829,530</u> |

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 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 a failure of the 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 custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

E. Investment Valuation

Investments (except for money and market accounts, time deposits, and commercial paper) are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized 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; and Level 3 inputs are significant unobservable inputs. Investment fair value measurements at June 30, 2020 are described below.

| Investment Type | Total | Fair Value Measurement Using | | |
|---|--------------|------------------------------|---------------------|-------------|
| | | Level 1 | Level 2 | Level 3 |
| Certificates of deposits | \$ 5,581,482 | \$ - | \$ 5,581,482 | \$ - |
| Total investments subject to fair value | 5,581,482 | <u>\$ -</u> | <u>\$ 5,581,482</u> | <u>\$ -</u> |

Investments not subject to levelling disclosure:

| | |
|--|---------------------|
| Money market funds | 30,016 |
| Local Agency Investment Fund (LAIF) | 8,090,822 |
| California Asset Management Program (CAMP) | 39,310,143 |
| Total Investments | <u>\$58,593,945</u> |

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2020

3. ACCOUNTS AND GRANTS RECEIVABLE

The Agency's receivables at June 30, 2020 consisted of the following:

| | | |
|------------------------|----|-----------------------|
| Water sales receivable | \$ | 383,223 |
| Retention receivable | | 25,647 |
| Grants receivable | | <u>223,533</u> |
| Total receivables | \$ | <u><u>632,403</u></u> |

4. CAPITAL ASSETS

The Agency's capital asset activity for the year ended June 30, 2020 as follows:

| | Balance at July 1, 2019 | Additions | Retirements | Transfers | Balance at June 30, 2020 |
|--|----------------------------|--------------------------|--------------------|--------------------|-----------------------------|
| Governmental activities: | | | | | |
| Capital assets not being depreciated | | | | | |
| Land | \$ 7,063,469 | \$ - | \$ - | \$ - | \$ 7,063,469 |
| Construction-in-progress | 7,302 | 36,482 | - | (7,302) | 36,482 |
| Total capital assets not being depreciated | <u>7,070,771</u> | <u>36,482</u> | <u>-</u> | <u>(7,302)</u> | <u>7,099,951</u> |
| Capital assets being depreciated | | | | | |
| Land improvements | 2,535,494 | - | - | - | 2,535,494 |
| Buildings | 1,700,109 | - | - | - | 1,700,109 |
| Water monitoring equipment | 2,300,466 | 9,908 | - | - | 2,310,374 |
| Machinery and field equipment | 2,613,440 | 493,555 | (33,000) | - | 3,073,995 |
| Furniture, fixtures, and office equipment | 114,364 | 242,470 | - | 7,302 | 364,136 |
| Total capital assets being depreciated | <u>9,263,873</u> | <u>745,933</u> | <u>(33,000)</u> | <u>7,302</u> | <u>9,984,108</u> |
| Less accumulated depreciation | <u>(3,724,797)</u> | <u>(533,265)</u> | <u>33,000</u> | <u>-</u> | <u>(4,225,062)</u> |
| Total capital assets, net | <u><u>\$12,609,847</u></u> | <u><u>\$ 249,150</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$12,858,997</u></u> |

Depreciation expense for the year ended June 30, 2020 was charged to functions as follows:

Governmental activities:

| | | |
|-----------------------------|----|-----------------------|
| Solano Project | \$ | 391,884 |
| State Water Project | | 13,309 |
| Ulati Flood Control Project | | <u>128,072</u> |
| Total depreciation expense | \$ | <u><u>533,265</u></u> |

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2020

5. COMPENSATED ABSENCES

The following is a summary of the changes in the Agency's compensated absences for the year ended June 30, 2020:

| | Balance at July 1, 2019 | Additions | Reductions | Balance at June 30, 2020 | Current Portion |
|--------------------------|----------------------------|------------|--------------|-----------------------------|--------------------|
| Governmental activities: | | | | | |
| Compensated absences | \$ 262,457 | \$ 192,268 | \$ (126,072) | \$ 328,653 | \$ 97,640 |

6. 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. Committing fund balance is accomplished by approval of an action item by the Board of Directors. 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 nor 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, 2020, fund balances were comprised of the following:

| | Solano Project | State Water Project | Ulatris Flood Control | Green Valley Flood Control | Total Governmental Funds |
|--------------------|----------------|------------------------|--------------------------|-------------------------------|--------------------------------|
| Nonspendable: | | | | | |
| Prepays | \$ 39,294 | \$ - | \$ - | \$ - | \$ 39,294 |
| Inventory | 23,084 | - | - | - | 23,084 |
| Total nonspendable | 62,378 | - | - | - | 62,378 |
| Restricted for: | | | | | |
| Special projects | - | 23,957,575 | 7,643,680 | 277,300 | 31,878,555 |
| Assigned: | | | | | |
| Capital projects | 3,250,000 | - | - | - | 3,250,000 |
| Unassigned | 17,716,205 | - | - | - | 17,716,205 |
| Total fund balance | \$ 21,028,583 | \$ 23,957,575 | \$ 7,643,680 | \$ 277,300 | \$ 52,907,138 |

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2020

7. ADMINISTRATIVE AND GENERAL EXPENDITURES

The following is a summary of administration and general expenditures of the fund financial statements by natural classification for the year ended June 30, 2020:

| | |
|---------------------------------|---------------------|
| Salaries and benefits | \$ 3,990,229 |
| Professional services | 667,638 |
| Dues and memberships | 157,995 |
| Public education | 182,484 |
| Property tax administration fee | 116,085 |
| Governmental advocacy | 106,478 |
| Office equipment | 90,088 |
| Office expense | 79,168 |
| Telephone | 39,145 |
| Insurance | 62,825 |
| Watermaster services | 23,467 |
| Fuel | 26,032 |
| Board expense | 18,891 |
| Talent decision monitoring | 12,757 |
| Miscellaneous | 95,060 |
| Overhead reallocation | (209,017) |
| Total | <u>\$ 5,459,325</u> |

8. DEFINED BENEFIT PENSION PLAN

A. Plan Description

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.

B. 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 PEPPA 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
For the year ended June 30, 2020

8. DEFINED BENEFIT PENSION PLAN, Continued

B. Benefits Provided, Continued

The rate plan provisions and benefits in effect at June 30, 2020 are summarized as follows:

| | Miscellaneous - Classic | Miscellaneous - PEPRA |
|---|--------------------------|-----------------------------|
| Hire Date | Prior to January 1, 2013 | On or after January 1, 2013 |
| Benefit vesting schedule | 5 years service | 5 years service |
| Benefit payment | 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 | 10.221% | 6.985% |
| Required UAL payment | \$96,447 | \$1,261 |

C. 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 required contributions to the Plan for the year ended June 30, 2020 were \$897,112.

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

As of June 30, 2020, the Agency reported a net pension liability of \$631,837 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, 2019, 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, 2018 rolled forward to June 30, 2019 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, 2018 and 2019 was as follows:

| | |
|------------------------------|----------|
| Proportion - June 30, 2018 | 0.01191% |
| Proportion - June 30, 2019 | 0.00617% |
| Change - Increase (Decrease) | 0.00574% |

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2020

8. DEFINED BENEFIT PENSION PLAN, Continued

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

For the year ended June 30, 2020, the Agency recognized pension expense of \$391,563 which included employer paid member contributions for the Classic Plan. At June 30, 2020, 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 measurement date | \$ 897,112 | \$ 3,400 |
| Changes in assumptions | 30,129 | 10,680 |
| Differences between expected and actual experience | 43,884 | - |
| Changes in employer's proportion | 58,306 | 358,496 |
| Differences between the employer's contribution and the employer's proportionate share of contributions | 448,058 | 953 |
| Net differences between projected and actual earnings on plan investments | - | 11,046 |
| Total | <u>\$ 1,477,489</u> | <u>\$ 384,575</u> |

The amount of \$897,112 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Fiscal Year Ending June 30: | Deferred Outflows/(Inflows) of Resources |
|--------------------------------|--|
| 2021 | \$ 118,940 |
| 2022 | 43,907 |
| 2023 | 30,721 |
| 2024 | 2,234 |
| Thereafter | - |

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2020

8. DEFINED BENEFIT PENSION PLAN, Continued

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

Actuarial Assumptions – The total pension liabilities in the June 30, 2018 valuations were determined using the following actuarial assumptions:

| | |
|----------------------------------|--|
| Valuation Date | Jun 30, 2018 |
| Measurement Date | Jun 30, 2019 |
| Actuarial Cost Method | Entry-Age Normal Cost Method |
| Discount Rate | 7.15% |
| Inflation | 2.50% |
| Salary Increases | Varies by Entry Age and Service |
| Investment Rate of Return | 7.15% |
| Mortality (1) | Derived using CalPERS membership data for all funds |
| Post Retirement Benefit Increase | Contract COLA up to 2.50% until purchasing power protection allowance floor on power applies, 2.50% thereafter |

(1) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for the Plan. 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, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound 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.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2020

8. DEFINED BENEFIT PENSION PLAN, Continued

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

The table below reflects the 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. These rates of return are net of administrative expenses.

| Asset Class ⁽¹⁾ | Asset Class Allocation | Real Return Years 1 - 10 ⁽²⁾ | Real Return Years 11+ ⁽³⁾ |
|----------------------------|---------------------------|--|---|
| Global Equity | 50.00% | 4.80% | 5.98% |
| Fixed Income | 28.00% | 1.00% | 2.62% |
| Inflation Assets | 0.00% | 0.77% | 1.81% |
| Private Equity | 8.00% | 6.30% | 7.23% |
| Real Assets | 13.00% | 3.75% | 4.93% |
| Liquidity | 1.00% | 0.00% | (0.92%) |

(1) In the system's CAFR, Fixed Income is included in Global Debt Securities;

Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.00% used for this period.

(3) An expected inflation of 2.92% used for this period.

E. 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% 6.15% | Current Discount Rate 7.15% | Discount Rate +1% 8.15% |
|-------------------------------|----------------------------|--------------------------------|----------------------------|
| Net Pension (Asset) Liability | \$ 1,559,013 | \$ 631,837 | \$ (133,480) |

F. Plan Fiduciary Net Position

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

G. Payable to the Pension Plan

At June 30, 2020 the Agency reported a payable of \$0 for outstanding amount of contributions to the pension plan.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2020

9. OTHER POST EMPLOYMENT BENEFITS (OPEB)

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

A. Description of the Plan

The Solano County Water Agency Retirement Health Plan (the Health Plan) provides healthcare benefits for retired employees in accordance with the Agency's published employee handbook. The Health Plan is part of the California Employers' Retiree Benefit Trust (CERBT) plan, an agent multiple-employer plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating entities within the State of California. 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. There are no separate financial statements issued for the Health Plan.

B. Employees Covered

As of the June 30, 2019 measurement date, the following current and former employees were covered by the benefit terms under the Health Plan:

| | Number of Covered Participants |
|---|-----------------------------------|
| Inactives currently receiving benefits | 1 |
| Inactive employees entitled to but not yet receiving benefits | - |
| Active employees | 21 |
| Total | 22 |

C. Contributions

The contribution requirements of plan members and the Agency are based on a pay-as-you-go basis. For the year ended June 30, 2020, the Agency paid \$12,348 on behalf of its retirees, administrative expenses of \$33, and the estimated implied subsidy was \$9,309. In addition, in fiscal year 2019, the Agency's Board approved to participate in CalPERS' California Employer's Retiree Benefit Trust (CERBT). Contributions made to the CERBT trust for the year ended June 30, 2020 totaled \$122,347. Total payments for the year ended June 30, 2020 were \$144,037.

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2020

9. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

D. Net OPEB Asset

The Agency's net OPEB asset was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2018 to determine the June 30, 2019 total OPEB liability, based on the following actuarial assumptions:

| | |
|--|--|
| Contribution Policy | Agency contributes full ADC |
| Discount Rate | 6.25% at June 30, 2019 6.25% at June 30, 2018 |
| Expected Long-Term Rate of Return on Investments | Expected Agency contributions projected to keep sufficient plan assets to pay all benefits from trust. |
| General Inflation | 2.75% per annum |
| Mortality, Retirement, Disability, Termination | CalPERS 1997-2015 experience study |
| Mortality Improvement | Post-retirement mortality projected with Mortality Improvement Society Actuaries Scale MP-2017 |
| Salary Increases | Aggregate - 3.00% Merit-CalPERS 1997-2015 experience study |
| Medical Trend | Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 |
| PEMHCA Minimum Increases | 4.25% annually |
| Healthcare Participation | 100% |
| Cap Increases | No increases until 2019; 3% annually commencing in 2019 |

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| | Target Allocation * CERBT - Strategy 2 | Expected Real Rate of Return |
|--|---|---------------------------------|
| Asset Class Component | | |
| Global Equity | 40.00% | 4.82% |
| Fixed Income | 43.00% | 1.47% |
| TIPS | 5.00% | 1.29% |
| Commodities | 4.00% | 0.84% |
| REITs | 8.00% | 3.76% |
| Assume Long-term Rate of Inflation | | 2.75% |
| Expected Long-term Net Rate of Return, Rounded | | 6.75% |

* Policy target effective October 1, 2018

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2020

9. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

E. Changes in Assumptions

For the measurement period ended June 30, 2019, there were no changes in actuarial assumptions.

F. Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that the Agency's contributions are projected to keep sufficient plan assets to pay all benefits from the trust.

G. Changes in the Net OPEB Asset

The changes in the net OPEB asset for the Health Plan are as follows:

| | Total OPEB Liability | Fiduciary Net Position | Net OPEB (Asset) Liability |
|---|-------------------------|---------------------------|-------------------------------|
| Balance at June 30, 2019 (Measurement date of June 30, 2018) | \$ 1,351,488 | \$ 1,507,833 | \$ (156,345) |
| Changes recognized for the measurement period: | | | |
| Service cost | 152,268 | - | 152,268 |
| Interest | 93,449 | - | 93,449 |
| Actual versus expected experience | - | - | - |
| Assumption changes | - | - | - |
| Contributions - employer | - | 147,479 | (147,479) |
| Net investment income | - | 113,156 | (113,156) |
| Benefit payments | (17,149) | (17,149) | - |
| Administrative expenses | - | (368) | 368 |
| Net changes | 228,568 | 243,118 | (14,550) |
| Balance at June 30, 2020 (Measurement date of June 30, 2019) | \$ 1,580,056 | \$ 1,750,951 | \$ (170,895) |

H. Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following table presents the net OPEB asset of the Agency if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2019:

| | Discount Rate -1% (5.25%) | Current Discount Rate (6.25%) | Discount Rate +1% (7.25%) |
|----------------------------|------------------------------|----------------------------------|------------------------------|
| Net OPEB (Asset) Liability | \$ 101,888 | \$ (170,895) | \$ (389,754) |

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2020

9. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

I. Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate

The following table presents the net OPEB asset of the Agency if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2019:

| | 1% Decrease | Current Trend | 1% Increase |
|----------------------------|--------------|---------------|-------------|
| Net OPEB (Asset) Liability | \$ (346,856) | \$ (170,895) | \$ (17,828) |

J. OPEB Plan Fiduciary Net Position

CERBT issues a publicly available financial report that may be obtained from the California Public Employees' Retirement System at 400 Q Street, Sacramento, CA 95811.

K. Recognition of Deferred Outflows/Inflows of Resources

Gains and losses related to changes in the total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

| | |
|--|------------|
| Net difference between projected and actual earnings on OPEB plan investments | 5.0 years |
| Straight line amortization over the expected average remaining service lifetime (EARSL) of all members as of the beginning of the measurement period | 10.9 years |

L. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2020, the Agency recognized OPEB expense of \$123,208. As of the June 30, 2020, the Agency reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------|-------------------------------|
| OPEB contributions subsequent to the measurement date | \$ 144,037 | \$ 244,954 |
| Differences between expected and actual experience | - | 30,931 |
| Changes in assumptions | - | - |
| Net differences between projected and actual earnings on plan investments | 11,349 | - |
| Total | \$ 155,386 | \$ 275,885 |

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2020

9. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

L. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB, Continued

\$144,037 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset during the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as expense as follows:

| Fiscal Year Ending June 30: | Deferred Outflows/(Inflows) of Resources |
|--------------------------------|--|
| 2021 | \$ (26,041) |
| 2022 | (26,040) |
| 2023 | (26,303) |
| 2024 | (34,263) |
| 2025 | (30,999) |
| Thereafter | (120,890) |

10. 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

| | Pool Coverage | Commercial Coverage |
|--|------------------|------------------------|
| General and auto liability | \$ 5,000,000 | \$ 55,000,000 |
| Public officials and omissions liability | 5,000,000 | 55,000,000 |
| Cyber liability | 3,000,000 | 3,000,000 |
| Property | 100,000 | 500,000,000 |
| Crime | 100,000 | None |
| Workers' compensation liability | 2,000,000 | Statutory |

Solano County Water Agency
Notes to Basic Financial Statements
For the year ended June 30, 2020

11. 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, 2020, the Agency had no commitments on unfinished contracts.

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor 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.

12. COVID-19 PANDEMIC

During December 2019, the Novel Corona Virus Disease (COVID-19) was discovered. The COVID-19 was subsequently declared a world-wide pandemic by the World Health Organization on March 11, 2020. On March 4, 2020, California State Governor Gavin Newsom proclaimed a State of Emergency as a result of the threat of the COVID-19 in the State of California which led to a mandated shelter in place order. Although there has been no direct financial impact on the Agency so far, management are continuing to monitor the financial effect it may potentially have in the coming years.

REQUIRED SUPPLEMENTARY INFORMATION

Solano County Water Agency
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Solano Project
For the year ended June 30, 2020

| | Budgeted Amounts | | Actual | Variance with |
|------------------------------------|-----------------------|-----------------------|----------------------|--|
| | Original | Final | Amounts | Final Budget Positive (Negative) |
| REVENUES: | | | | |
| Property taxes | \$ 10,510,520 | \$ 10,510,520 | \$ 10,217,141 | \$ (293,379) |
| Charges for services | 410,000 | 410,000 | 430,702 | 20,702 |
| Investment earnings | 407,205 | 407,205 | 360,482 | (46,723) |
| Intergovernmental | 1,107,000 | 1,107,000 | 559,736 | (547,264) |
| Other revenues | 31,840 | 31,840 | 99,599 | 67,759 |
| Total revenues | 12,466,565 | 12,466,565 | 11,667,660 | (798,905) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Water purchases | 160,000 | 160,000 | 168,133 | (8,133) |
| Operations and maintenance | 6,832,839 | 6,832,839 | 4,669,256 | 2,163,583 |
| Administration and general | 4,777,779 | 4,777,779 | 3,947,860 | 829,919 |
| Conservation and flood control | 2,234,250 | 2,234,250 | 737,196 | 1,497,054 |
| Engineering | 5,375,159 | 5,375,159 | 1,593,625 | 3,781,534 |
| Capital outlay | 3,017,500 | 3,017,500 | 389,271 | 2,628,229 |
| Total expenditures | 22,397,527 | 22,397,527 | 11,505,341 | 10,892,186 |
| Net change in fund balances | \$ (9,930,962) | \$ (9,930,962) | 162,319 | \$ 10,093,281 |
| FUND BALANCE: | | | | |
| Beginning of year | | | 20,866,264 | |
| End of year | | | <u>\$ 21,028,583</u> | |

Solano County Water Agency
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
State Water Project
For the year ended June 30, 2020

| | Budgeted Amounts | | Actual | Variance with |
|------------------------------------|---------------------|---------------------|----------------------|--|
| | Original | Final | Amounts | Final Budget Positive (Negative) |
| REVENUES: | | | | |
| Property taxes | \$ 15,658,770 | \$ 15,658,770 | \$ 14,894,908 | \$ (763,862) |
| Charges for services | 2,547,101 | 2,547,101 | 2,355,774 | (191,327) |
| Investment earnings | 275,000 | 275,000 | 398,800 | 123,800 |
| Intergovernmental | 345,000 | 345,000 | 399,346 | 54,346 |
| Other revenues | 17,240 | 17,240 | 17,322 | 82 |
| Total revenues | 18,843,111 | 18,843,111 | 18,066,150 | (776,961) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Water purchases | 13,185,150 | 13,185,150 | 12,117,028 | 1,068,122 |
| Operations and maintenance | 889,500 | 889,500 | 1,033,254 | (143,754) |
| Administration and general | 1,688,068 | 1,688,068 | 1,326,019 | 362,049 |
| Conservation and flood control | 406,750 | 406,750 | 348,695 | 58,055 |
| Engineering | 414,100 | 414,100 | 65,914 | 348,186 |
| Capital outlay | 456,250 | 456,250 | 9,908 | 446,342 |
| Total expenditures | 17,039,818 | 17,039,818 | 14,900,818 | 2,139,000 |
| Net change in fund balances | \$ 1,803,293 | \$ 1,803,293 | 3,165,332 | \$ 1,362,039 |
| FUND BALANCE: | | | | |
| Beginning of year | | | 20,792,243 | |
| End of year | | | <u>\$ 23,957,575</u> | |

Solano County Water Agency
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Ulatis Flood Control
For the year ended June 30, 2020

| | Budgeted Amounts | | Actual | Variance with |
|------------------------------------|---------------------|---------------------|---------------------|--|
| | Original | Final | Amounts | Final Budget Positive (Negative) |
| REVENUES: | | | | |
| Property taxes | \$ 1,532,590 | \$ 1,532,590 | \$ 1,474,494 | \$ (58,096) |
| Investment earnings | 107,000 | 107,000 | 134,084 | 27,084 |
| Other revenues | 7,000 | 7,000 | 7,393 | 393 |
| Total revenues | 1,646,590 | 1,646,590 | 1,615,971 | (30,619) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Operations and maintenance | 1,120,500 | 1,120,500 | 675,595 | 444,905 |
| Administration and general | 247,966 | 247,966 | 128,052 | 119,914 |
| Capital outlay | 418,500 | 418,500 | 383,236 | 35,264 |
| Total expenditures | 1,786,966 | 1,786,966 | 1,186,883 | 600,083 |
| Net change in fund balances | \$ (140,376) | \$ (140,376) | 429,088 | \$ 569,464 |
| FUND BALANCE: | | | | |
| Beginning of year | | | 7,214,592 | |
| End of year | | | <u>\$ 7,643,680</u> | |

Solano County Water Agency
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Green Valley Flood Control
For the year ended June 30, 2020

| | Budgeted Amounts | | Actual | Variance with |
|------------------------------------|---------------------|---------------------|-------------------|--|
| | Original | Final | Amounts | Final Budget Positive (Negative) |
| REVENUES: | | | | |
| Property taxes | \$ 162,460 | \$ 162,460 | \$ 166,436 | \$ 3,976 |
| Investment earnings | 4,500 | 4,500 | 4,032 | (468) |
| Total revenues | 166,960 | 166,960 | 170,468 | 3,508 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Water purchases | - | - | - | - |
| Operations and maintenance | 96,000 | 96,000 | 52,973 | 43,027 |
| Administration and general | 112,495 | 112,495 | 57,394 | 55,101 |
| Engineering | 37,500 | 37,500 | - | 37,500 |
| Capital outlay | 28,750 | 28,750 | - | 28,750 |
| Total expenditures | 274,745 | 274,745 | 110,367 | 164,378 |
| Net change in fund balances | \$ (107,785) | \$ (107,785) | 60,101 | \$ 167,886 |
| FUND BALANCE: | | | | |
| Beginning of year | | | 217,199 | |
| End of year | | | \$ 277,300 | |

Solano County Water Agency
Required Supplementary Information
For the year ended June 30, 2020

1. Defined Benefit Pension Plan

Schedule of the Agency's Proportionate Changes in the Net Pension Liability - Last 10 Years*

| Fiscal year | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Measurement date | 6/30/2019 | 6/30/2018 | 6/30/2017 | 6/30/2016 | 6/30/2015 | 6/30/2014 |
| Proportion of the net pension liability | 0.00617% | 0.01191% | 0.01260% | 0.01160% | 0.01076% | 0.01200% |
| Proportionate share of the net pension liability | \$ 631,837 | \$ 1,147,699 | \$ 1,205,732 | \$ 1,003,309 | \$ 738,680 | \$ 751,756 |
| Covered payroll | \$ 1,957,657 | \$ 1,720,043 | \$ 1,430,395 | \$ 1,297,221 | \$ 1,274,487 | \$ 1,165,322 |
| Proportionate Share of the net pension liability as a percentage of covered payroll | 32.28% | 66.73% | 84.29% | 77.34% | 57.96% | 64.51% |
| Plan fiduciary net position as a percentage of the total pension liability | 75.26% | 75.26% | 73.31% | 74.06% | 78.40% | 79.82% |

Schedule of Contributions - Last 10 Years*

| Fiscal year | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|---------------------|---------------------|--------------|--------------|--------------|--------------|
| Contractually required contribution (actuarially determined) | \$ 269,459 | \$ 247,357 | \$ 206,719 | \$ 174,564 | \$ 155,648 | \$ 169,520 |
| Contribution in relation to the actuarially determined contributions | 897,112 | 867,061 | 206,719 | 174,564 | 155,648 | 169,520 |
| Contribution deficiency (excess) | <u>\$ (627,653)</u> | <u>\$ (619,704)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 2,070,399 | \$ 1,957,657 | \$ 1,720,043 | \$ 1,430,395 | \$ 1,297,221 | \$ 1,274,487 |
| Contributions as a percentage of covered payroll | 43.33% | 44.29% | 12.02% | 12.20% | 12.00% | 13.30% |

* Fiscal year 2015 was the 1st year of implementation.

Notes to Schedule of Employer contribution:

| | |
|------------------------|---|
| Valuation date | June 30, 2017 |
| Actuarial cost method | Entry age normal cost method |
| Amortization method | Level percent of pay, direct rate smoothing |
| Asset valuation method | Market value of assets |
| Inflation | 2.625% |
| Salary increases | Varies by entry age and service |
| Discount rate* | 7.25% (net of administrative expenses) |
| Mortality | Derived using CalPERS' Membership Data for all Funds. |

* Please note, the discount rate used for Actuarially Determined Contribution is different from the one used for Total Pension Liability

Solano County Water Agency
Required Supplementary Information
For the year ended June 30, 2020

2. OTHER POST-EMPLOYMENT BENEFITS PLAN SCHEDULES

Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 Years*

| For the Measurement Period: | 2019 | 2018 | 2017 |
|--|---------------------|---------------------|---------------------|
| Total OPEB Liability | | | |
| Service cost | \$ 152,268 | \$ 158,962 | \$ 153,958 |
| Interest | 93,449 | 100,328 | 86,953 |
| Actual versus expected experience | - | (300,000) | - |
| Assumption changes | - | (37,883) | - |
| Benefit payments | (17,149) | (32,435) | (31,389) |
| Net change in the total OPEB liability | 228,568 | (111,028) | 209,522 |
| Total OPEB liability - beginning | 1,351,488 | 1,462,516 | 1,252,994 |
| Total OPEB liability - ending (a) | \$ 1,580,056 | \$ 1,351,488 | \$ 1,462,516 |
| Plan Fiduciary Net Position | | | |
| Contributions - employer | \$ 147,479 | \$ 782,435 | \$ 761,389 |
| Contributions - employee | - | - | - |
| Net investment income | 113,156 | 26,139 | 3,246 |
| Benefit payments | (17,149) | (32,435) | (31,389) |
| Administrative expense | (368) | (1,514) | (38) |
| Net change in the total OPEB liability | 243,118 | 774,625 | 733,208 |
| Plan fiduciary net position - beginning | 1,507,833 | 733,208 | - |
| Plan fiduciary net position - ending (b) | \$ 1,750,951 | \$ 1,507,833 | \$ 733,208 |
| Net OPEB (asset) liability - ending (a) - (b) | \$ (170,895) | \$ (156,345) | \$ 729,308 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 110.82% | 111.57% | 50.13% |
| Covered employee payroll | \$ 1,983,872 | \$ 1,709,111 | \$ 1,479,245 |
| Net OPEB (asset) liability as a percentage of covered employee payroll | -8.61% | -9.15% | 49.30% |

Notes to Schedule:

Changes in assumptions:

For the measurement period ended June 30, 2019, there were no changes actuarial assumptions.

* Fiscal year 2018 was the 1st year of implementation.

Solano County Water Agency
Required Supplementary Information
For the year ended June 30, 2020

2. OTHER POST-EMPLOYMENT BENEFITS PLAN SCHEDULES, Continued

Schedule of Plan Contributions - Last 10 Years*

| Fiscal Year Ended June 30 | 2020 | 2019 | 2018 |
|---|------------------|-----------------|---------------------|
| Actuarially determined contribution (ADC) | \$ 156,236 | \$ 151,562 | \$ 32,435 |
| Contributions in relation to the ADC | 144,037 | 147,479 | 782,435 |
| Contribution deficiency (excess) | <u>\$ 12,199</u> | <u>\$ 4,083</u> | <u>\$ (750,000)</u> |
| Covered employee payroll | \$ 2,138,043 | \$ 1,983,872 | \$ 1,709,111 |
| Contributions as a percentage of covered employee payroll | 6.74% | 7.43% | 45.78% |

* Fiscal year 2018 was the 1st year of implementation.

Notes to Schedule of Employer Contributions:

| | |
|------------------------|---|
| Valuation date | June 30, 2018 |
| Actuarial cost method | Entry age normal, Level % of pay |
| Amortization method | Level % of pay |
| Amortization period | 19-year fixed period for 2019/20 |
| Asset valuation method | Investment gains and losses spread over 5-year rolling period |
| Discount rate | 6.25% |
| General inflation | 2.75% |
| Medical trend | Non medicare -7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 |
| | Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 |
| Mortality | CalPERS 1997-2015 experience study |

**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**

Independent Auditor's Report

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 major funds of the Solano County Water Agency, (Agency), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated January 27, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing 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 the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

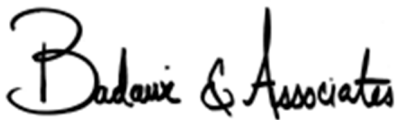
To the Board of Directors
of the Solano County Water Agency
Vacaville, California
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

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 that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi and Associates
Certified Public Accountants
Berkeley, California
January 27, 2021

SOLANO COUNTY WATER AGENCY



January 27, 2021

Badawi and Associates, CPAs
2855 Telegraph Avenue, Suite 312
Berkeley, California 94705

This representation letter is provided in connection with your audit(s) of the financial statements of Solano County Water Agency ("Agency"), which comprise the respective financial position of the governmental activities and major fund information as of June 30, 2020, and the respective changes in financial position and, the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of January 27, 2021 the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 18, 2020, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

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- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the Agency is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Agency from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the Agency and involves –
 - o Management,
 - o Employees who have significant roles in internal control, or
 - o Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Agency's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the identity of the Agency's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

- 19) We have a process to track the status of audit findings and recommendations.
- 20) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 21) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 22) The Agency has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 25) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 26) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 27) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 28) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 29) The Agency has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 30) The Agency has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 31) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 32) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
- 33) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

- 34) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 35) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 41) We have appropriately disclosed the Agency's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 42) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 43) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Signature: 

Signature: 

Title: General Manager

Title: Accountant II

ACTION OF
SOLANO COUNTY WATER AGENCY

DATE: March 11, 2021

SUBJECT: Appointment of Representative to North Bay Water Association Board of Directors

RECOMMENDATIONS:

Appoint representative to North Bay Watershed Association Board of Directors.

FINANCIAL IMPACT:

None.


BACKGROUND:

The North Bay Watershed Association (NBWA) is comprised of regional and local public agencies in the North Bay region. The North Bay region, as defined by the NBWA, includes portions of Marin, Sonoma, Napa and Solano counties. NBWA members work cooperatively to promote good stewardship of the North Bay watersheds. Additional information about the NBWA can be found at: www.nbwatershed.org.

Ms. Elizabeth Patterson served as the Water Agency’s representative to the NBWA until her term as Benicia mayor ended in December 2020. Staff recommends the Board appoint a new Water Agency representative to the NBWA Board.

RELEVANCE TO 2016-2025 SCWA STRATEGIC PLAN:

Membership in the North Bay Watershed Association is consistent with Objective C (*Actively promote legislative/advocacy priorities*) of Goal #9 (*Expand proactive advocacy at regional, state and federal levels to achieve the objectives of SCWA*) of the 2016-2025 SCWA Strategic Plan.

Recommended: 
Roland Sanford, General Manager

| | | |
|--|--|---|
| <input type="checkbox"/> Approved as Recommended | <input type="checkbox"/> Other (see below) | <input type="checkbox"/> 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 March 11, 2021 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

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