FAIRFIELD-SUISUN
EST 1951
SEWER DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2021

FAIRFIELD-SUISUN SEWER DISTRICT

1010 Chadbourne Road, Fairfield, CA 94534

www.fssd.com

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Annual Comprehensive Financial Report

For the Year Ended June 30, 2021

Fairfield-Suisun Sewer District protects public health and the environment for the communities we serve in an efficient, responsible and sustainable manner

Administrative Services Department
Fairfield-Suisun Sewer District
1010 Chadbourne Rd, Fairfield, CA 94534
www.fssd.com

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Fairfield-Suisun Sewer District
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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Introductory Section

The Fairfield-Suisun Sewer District owns and operates a system of sanitary sewers and pumping stations, used to oversee wastewater collection and treatment. The photo on the right shows two Intermediate Clarifiers, which slows down the flow to settle out any dead or sloughed off zoogleal mass from the Oxidation Towers. After the solids are gathered and removed, they are pumped into the Gravity Belt Thickener.

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Fairfield-Suisun Sewer District

1010 Chadbourne Road ● Fairfield, California 94534 ● (707) 429-8930 ● www.fssd.com

November 25, 2021

Board of Directors
Fairfield-Suisun Sewer District
Fairfield, California

Subject: Letter of Transmittal
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

It is a pleasure to submit the Fairfield-Suisun Sewer District's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. Responsibility for the accuracy, completeness and fairness of the data presented, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of District operations. Included are all disclosures necessary to enable the reader to gain a full understanding of the District's financial activities.

The ACFR is presented in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). GAAP requires management to provide a narrative introduction, overview, and analysis, in the form of a Management's Discussion and Analysis (MDA), to accompany the basic financial statements. This letter of transmittal is designed to complement the MDA and should be read in conjunction with it. The District's MDA can be found immediately following the independent auditor's report in the financial section.

The Reporting Entity

The Fairfield-Suisun Sewer District (District) is a special district which serves all territory within the cities of Fairfield and Suisun City. It was formed by an act of the California State Legislature on May 5, 1951 (the "enabling act"). The enabling act defined the District's boundaries as the boundaries of the cities. Any territory annexed to either city is also annexed to the District, and in general, no property can be served by the District if it is not in either city.

In September of 2002, the District amended its enabling act language, under AB776, to authorize the acceptance of sewage emanating from buildings that lie outside the District's boundaries for developed parcels that were connected to the District's sewage treatment system before March 1, 2002. The District's change in enabling act language also allows for a contract with Solano County, or other public entities, for the disposal of sewage emanating from buildings outside the District's service area, if the District determines that the contract furthers the protection of public health and safety and is in the best interest of the District.

In April 2019, the District amended its enabling act language, under AB530, to authorize the acceptance and disposal of sewage emanating from any building within the Middle Green Valley Specific Plan area, upon request of the landowner. Middle Green Valley is an unincorporated area in Solano County north of the City of Fairfield and outside the city's sphere of influence. Solano County has adopted a Specific Plan for the Middle Green Valley, which calls for development of about 400 homes and associated commercial and public facilities.

The District has broad powers to finance, construct, and operate systems for the treatment, collection and disposal of sewage, stormwater, and recycled water systems within the District's jurisdiction. Its ten-member Board of Directors consists of the members of the city councils of the two cities. The Board president is elected by the Board from among its members. The District's day-to-day operations are managed by the General Manager, who reports directly to the Board of Directors.

Factors Affecting Financial Condition

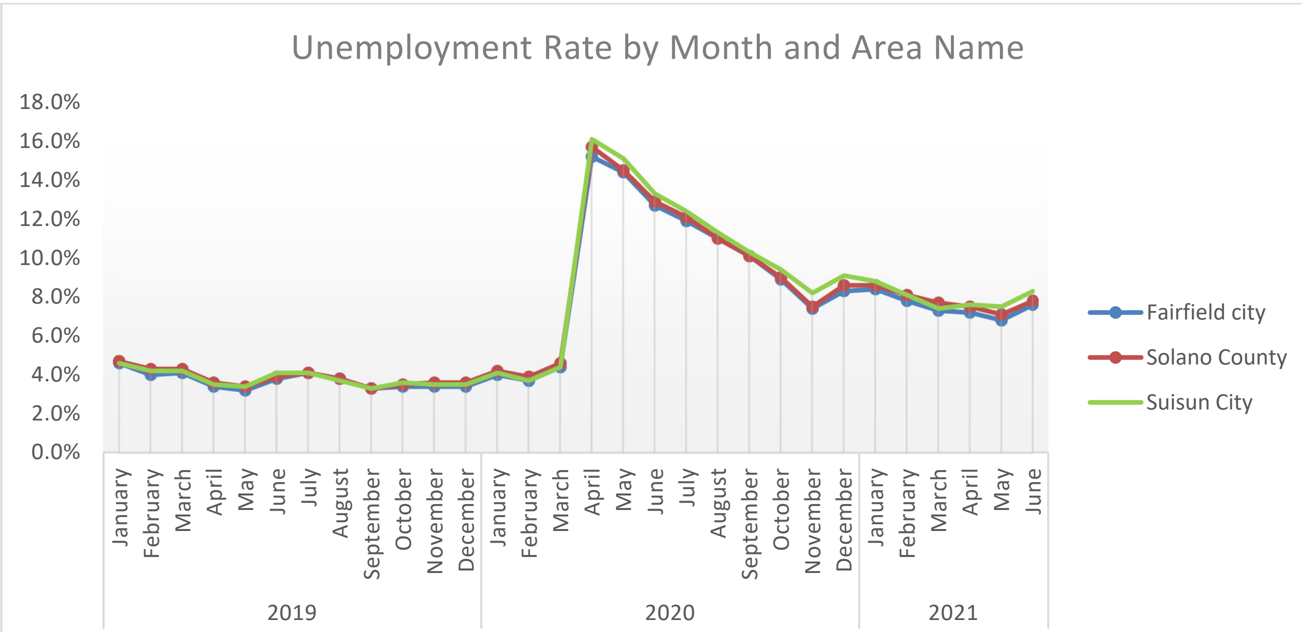
Local Economic Condition and Outlook

The District is headquartered in Fairfield, California and serves the cities of Fairfield and Suisun City, contiguous cities in Solano County, California. The cities are located along Interstate 80, midway between San Francisco and Sacramento, the state capital. The cities lie in a large valley surrounded by rolling hills. Fairfield is the Solano County seat and houses most county government activities while Suisun City is one of California's oldest cities. Suisun City sits approximately 15 feet above sea level, and a network of sloughs, navigable by small boats, extends from the city to San Francisco Bay.

The area is noted for its moderate climate. It is protected from ocean fog by a low range of hills and is cooled by prevailing sea breezes during the summer. Good visibility and a climate free from extremes were among the factors that influenced the location of Travis Air Force Base in Fairfield. Favorable climate, short drive to major cities, ocean, mountains, and affordable housing have been some of the factors in the area's past residential growth.

Major employers located within the District's boundaries include Travis Air Force Base, County of Solano, Anheuser-Busch Brewery, Jelly Belly, Producers Dairy Foods, North Bay Medical Center, Kaiser Permanente, other large manufacturers and industries, and shopping districts. The District's sewer service charges are stable with approximately 90% coming from residential customers who are billed a flat fee on a monthly basis. Revenues received from commercial and industrial customers comprise the remaining 10% of the total sewer service charges. Sewer service charges for residential customers increased by 3.6% annually while commercial and industrial customers increased by varying rates. The increases were effective starting fiscal year 2017-18 through fiscal year 2021-22 in accordance with the corresponding Cost of Service and Rate Study and Proposition 218 notice. The District will conduct a new Cost of Service and Rate Study in the upcoming fiscal year.

The District is located in Solano county, which continues to experience impacts of COVID-19. Unemployment rates in Solano County hit a low of 3.3 percent in September 2019, before the impacts of COVID-19 caused unemployment to jump to a high of 15.7 percent in April 2020. As of June 30, 2021, Solano County unemployment is at 7.8 percent, while the cities of Fairfield and Suisun City are at 7.6 percent and 8.3 percent, respectively.



Source: State of California Employment Development Department.

Like other California locations, housing prices increased in Solano County. The median home price in Solano County in June 2020 was $485,000 compared to $550,500 in June 2021, an increase of 13.5 percent. The cities of Fairfield and Suisun City remain an attractive option for housing, as prices tend to be lower than other San Francisco Bay Area locations. The City of Fairfield is projecting continued residential growth over the next several years, with an estimated 2,620 single and multi-family homes added through FY 2025-26. This is on pace for the addition of approximately 4,400 single and multi-family homes in the District's 10-year forecast.

Guided by its long-term financial planning and policy of building healthy reserves, the District has remained fiscally stable throughout the COVID-19 pandemic and continues to monitor future impacts and opportunities for funding. The District remains proactive in maintenance and upgrade of the treatment plant and wastewater collection facilities to provide essential services to the Fairfield and Suisun City communities.

Budget and Long-Term Financial Planning

The District is not legally required to adopt a budget or to present budgetary comparison information. In its commitment to fiscal responsibility, the District prepares a budget, along with a ten-year financial plan, which is approved and adopted by the Board of Directors. On May

24, 2021 the Board of Directors adopted an annual budget for FY 2021-22. The District had approved biennial budgets for the previous four budget cycles, but shifted to a one-year budget in order to better incorporate results from the upcoming Collection System Asset Management Plan and Cost of Service and Rate Study.

Budgetary control is maintained at the department level for administrative and operating expenses and at the project level for capital improvements. New construction projects are individually approved by the Board.

Major Initiatives

During fiscal year 2020-21, the District initiated and/or completed various major maintenance projects, mostly replacements, and upgrades to different portions of the treatment plant. District management is proactive in the maintenance and upgrade of the treatment plant facilities particularly as it ages, to ensure it remains operational at optimum condition. Significant initiatives during the fiscal year included the following:

Collection System Asset Management Plan

In October of 2020 the Board of Directors approved a contract with Carollo Engineers to help the District and the Cities of Fairfield and Suisun City develop an asset management plan for the sewer collection system maintained by each entity. The project will develop a plan that assesses the current condition of the system and anticipated funding needed to maintain and replace the system. Results of the Collection System Asset Management Plan are expected in Fall 2021.

Biogas Utilization Master Plan and Bioenergy Generation Project

In October of 2019, the District awarded an agreement to develop a Biogas Utilization Master Plan. The master plan assessed potential ways to increase biogas production, and alternatives for utilization of biogas as the District’s existing engine-generators age and gas production increases. District staff presented the results of the Master Plan to the Board of Directors in March 2021.

The Master Plan produced a “Decision Support Tool” which models the potential biogas production outcomes under a variety of digester feedstock scenarios and can evaluate the 20-year Net Present Value of implementing utilization alternatives. District staff can utilize the tool to help determine future Capital Improvement Project needs.

Results from the Master Plan indicated that based on the information available today, the most economically beneficial alternative will be in the form of renewable electricity generation via cogeneration. The District awarded a planning and design services contract to continue to develop the most feasible alternative as well as evaluate additional opportunities that arise.

Digester Reliability Improvement Project

The District's treatment plant utilizes an anaerobic digestion system to break down waste solids captured from the collection system and high strength waste trucked to the plant site from local industries. This biological digestion produces biogas, which contains significant energy value. Currently, the biogas is combusted in an engine-generator system to produce 1) power to offset the District's electricity costs, and 2) heat to warm the digester contents to the optimal digestion temperature of 100℉. The digestion facilities were constructed in the early 1980s, and many of the original components are over 35 years old. To update several support systems for the anaerobic digesters, including mixing, heating, and controls, the District undertook the Digester Reliability Improvement Project, awarding the construction contract in March 2020. The project reached substantial completion in July 2021.

Electrical Replacement Project – Phase 1

The District's collection system and treatment plant rely on a complex network of electrical power distribution gear to provide utility and standby electrical power to essential conveyance and treatment equipment. Much of this electrical gear is original, installed during the 1970s and 1980s. Through routine inspection and maintenance activities, District staff identified a number of Motor Control Centers (MCCs) and associated electrical components at District facilities that showed signs of physical damage (corrosion, heat damage, spliced cables, etc.) or for which spare parts are no longer commercially available.

The District's Electrical Replacement Project – Phase 1 was developed to address many of these deficiencies throughout the treatment plant and remote pumping stations. The scope of this project includes replacement of motor control centers, automatic transfer switches, variable frequency drives, and/or programmable logic controllers at the District's treatment plant (digester area, tertiary filters area, operations building), pump stations (Cordelia Pump Station, Suisun Pump Station, Lawler Ranch No. 2 Lift Station), and the City of Fairfield's stormwater pump station (Air Base Parkway Flood Station). Cost of this project including design and professional services during construction is approximately $4,000,000. The project reached substantial completion in October 2021.

Primary Clarifier Rehabilitation

The District operates primary clarifiers to remove solids at the beginning of the treatment process. The primary clarifiers consist of four rectangular tanks (No. 1-4) and one circular tank (No. 5). Primary No. 1-4 typically operate year-round and Primary No. 5 is brought online during the wet season. In fall of 2020, Primary Clarifiers No. 1 and 3 were not operational due to equipment failures, and in January 2021, the Board of Directors adopted plans and specs for the 2020 Primary Clarifier Rehabilitation Project and awarded the construction contract. The project reached substantial completion in October 2021.

Heating, Ventilating and Air Conditioning Design Services and Upgrades

The District treatment plant includes three regularly-occupied buildings of various ages with outdated and inefficient heating, ventilating and air conditioning (HVAC) systems. These buildings have experienced multiple instances of indoor air temperatures outside of normal comfort ranges caused by equipment failures and control issues. Each building utilizes fans and pumps that run at constant speed instead of ramping up and down to meet demand, consuming more energy than needed. Due to a lack of instrumentation and computer control, problems with the systems may not be noticed until after the occupied spaces become very uncomfortable. In early 2020, the District hired a design consultant to design efficiency and reliability upgrades for the HVAC systems in all three buildings. Components will include new variable speed fans, modified zone controllers, replacement heating boilers, and a significantly more intelligent Building Automation System that will provide digital feedback and control of the system to allow for better troubleshooting and more efficient operation. Cost of design and upgrade is approximately $800,000 and the project is expected to be released for bid in Fall 2021. Construction is planned through fiscal years 2021/22 and 2022/23.

Internal Control Structure

The District's management is responsible for establishing and maintaining a system of internal accounting controls. The objectives of internal controls are to provide management with reasonable, but not absolute, assurance regarding 1) the safeguarding of assets against loss from unauthorized use or disposition, and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Independent Audit

California state statutes and bond covenants require an annual independent audit of the books of accounts and financial records of the District. Cropper Accountancy Corporation was contracted to conduct this year's audit. Their unmodified opinion is included in the Financial Section of this report.

Awards and Recognition

The District is the recipient of numerous awards of excellence at the local, state, and national level for maintaining an efficient, well-run treatment plant. These awards are received from the local chapter of the California Water Environment Association (CWEA), the state CWEA, the national Water Environment Federation, and the National Association of Clean Water Agencies (NACWA). Awards regularly received are Plant of the Year, Collection System of the Year, awards for safety, Excellence in Management Recognition, and awards for individual achievements. The District recently received the NACWA Platinum Award for seven continuous years of zero violations.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Fairfield-Suisun Sewer District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

Sincere appreciation is extended to the entire Finance and Administrative team, District staff members who provided information and participated in the preparation of this report, and former Senior Accountant Olivia Ruiz. Recognition is also given to District management and to our governing board for its continued support in maintaining the highest standards of professionalism in the management of the District's finances.

Respectfully submitted,

Talyon Sortor, P.E.
General Manager

James Russell-Field, CPA
Director of Administrative Services

Fairfield-Suisun Sewer District
Principal Officers for the Year Ended June 30, 2021

Board of Directors

Lori Wilson, President

Chuck Timm, Vice President

Jane Day

Alma Hernandez

Mike Hudson

Doriss Panduro

Harry Price

Scott Tonnesen

Rick Vaccaro

Wanda Williams

Pam Bertani, First Alternate

Catherine Moy, Second Alternate

Management Team

Talyon Sortor, General Manager

Brad Anderson, Director of Operations and Maintenance

Jordan Damerel, District Engineer

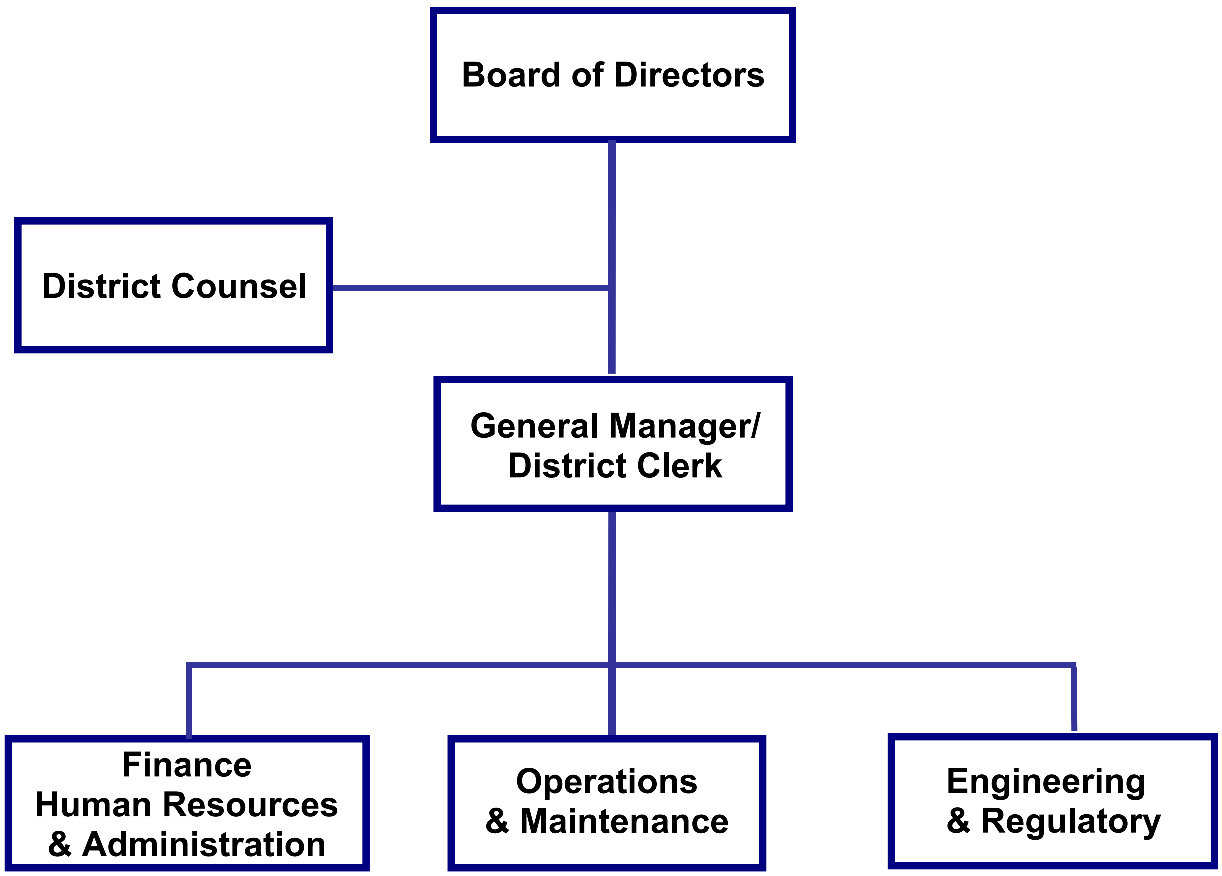
Meg Herston, Director of Environmental Services

James Russell-Field, Director of Administrative Services

District Counsel

Carrie Scarlata

Fairfield-Suisun Sewer District
Organization



Fairfield-Suisun Sewer District

Certificate of Achievement for Excellence in Financial Reporting

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fairfield-Suisun Sewer District California

For its Comprehensive Annual Financial Report For the Fiscal Year Ended

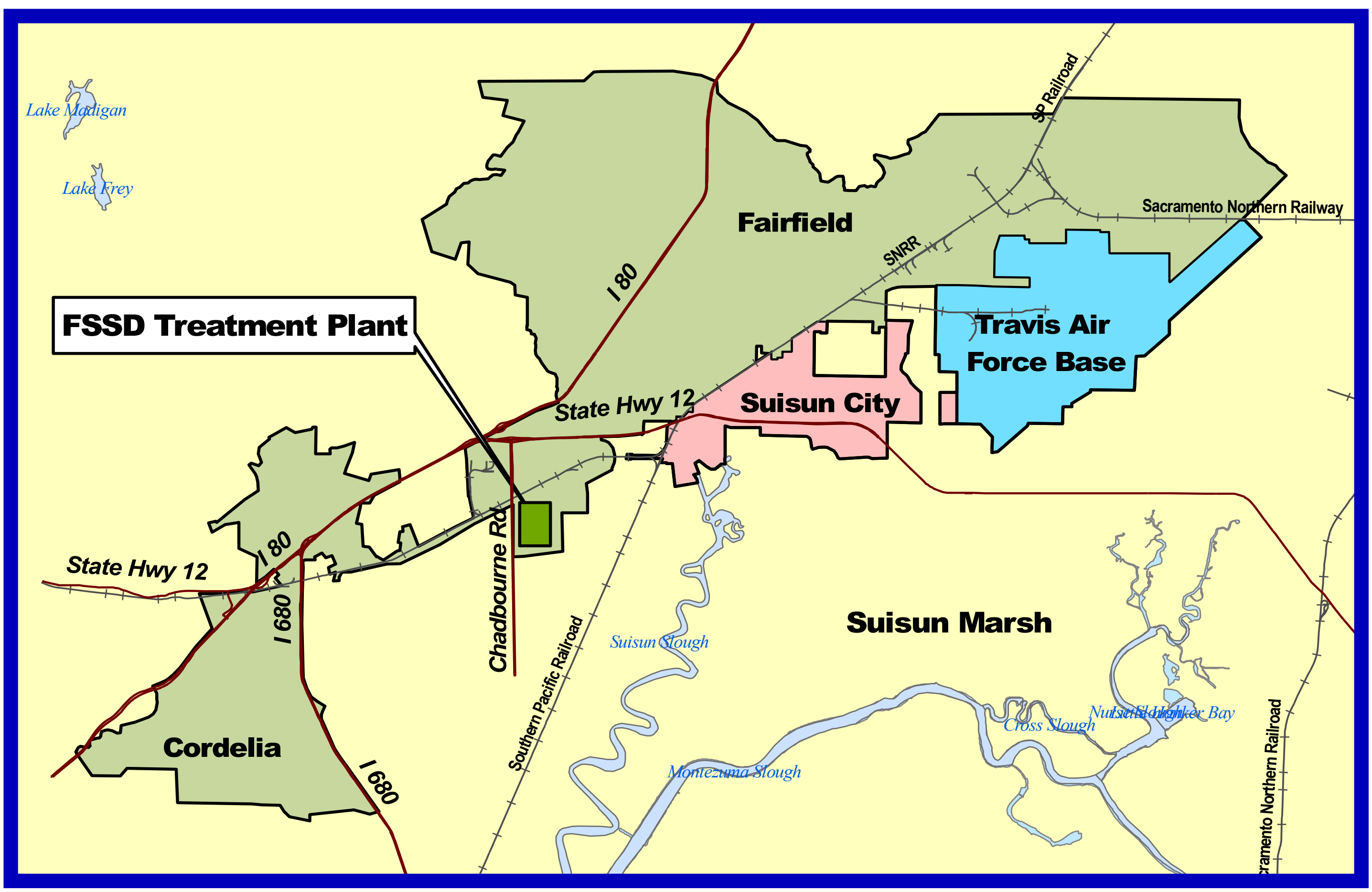
June 30, 2020

Christopher P. Morrill

Executive Director/CEO

Fairfield-Suisun Sewer District

Location Map



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Financial Section

Receiving Waters
Suisun Marsh and Duck Clubs.

As part of the District's mission to safeguard public health, we take action to protect the environmentally sensitive Suisun Marsh. The Marsh is the nation's largest brackish water marsh and the largest wetland on the Pacific Coast. Our advanced treatment technology ensures our final effluent water, which is discharged into the marsh, meets stringent water quality standards set by Federal, State, and Regional agencies.

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CROPPER
an accountancy corporation
CERTIFIED PUBLIC ACCOUNTANTS

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Walnut Creek, CA 94598
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(925) 476-9930 efax
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Fairfield-Suisun Sewer District
1010 Chadbourne Road
Fairfield, California

We have audited the accompanying financial statements of the business-type activities of Fairfield-Suisun Sewer District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District'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. 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 business-type activities of the District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows 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 and the pension and OPEB information 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2021, on our consideration of the Fairfield-Suisun Sewer District'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 the Fairfield-Suisun Sewer District's 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 Fairfield-Suisun Sewer District's internal control over financial reporting and compliance.

Cropper Accountancy Corporation

CROPPER ACCOUNTANCY CORPORATION
Walnut Creek, CA
November 24, 2021

This section of the District's Annual Comprehensive Financial Report presents management's discussion and analysis (MDA) of the District's financial performance during the fiscal year ended June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements and accompanying notes, which follow this section.

The information in this MDA is presented under the following headings:

- Overview of the Basic Financial Statements
- Financial Highlights and Analysis
- Capital Assets
- Debt Administration
- General Enterprise Function
- Using This Annual Report
- Request for Information

Overview of the Basic Financial Statements

The District's basic financial statements are comprised of two components: 1) Basic financial statements, 2) Notes to basic financial statements. In addition to the basic financial statements, the report also contains supplementary required information.

Fund Financial Statements*.* A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. As a special-purpose government, the District reports its financial statements in accordance with business-type activities known as enterprise funds. Enterprise funds are self-supporting funds that charge fees to users to cover the cost of operations, maintenance, capital asset improvements, and replacements. Enterprise funds are reported on the "accrual basis" of accounting similar to what is used by private sector companies.

The fund financial statements consist of the following: Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, Statement of Cash Flows, and Notes to Financial Statements.

The Statement of Net Position includes all the District's assets, deferred outflows, liabilities, and deferred inflows and provides information about the nature and amount of investment in resources (assets) and obligations (liabilities). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

All the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine its profitability, creditworthiness, and whether the District has successfully recovered all its costs through its sewer fees and other charges.

The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments made during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and capital and non-capital investing activities.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Highlights and Analysis

Financial Highlights
This discussion is intended to serve as an introduction to the District's basic financial statements. As noted earlier, net position may serve over time as a useful indicator of the District's financial position.

- Total assets increased by 3.7%
- Deferred outflows of resources increased by 18.8%
- Other liabilities decreased by 33.1%
- Total liabilities decreased by 16.7%
- Deferred inflows of resources increased by 338.2%
- Net position increased by 8.3%
- Total revenues decreased by 4.9% while capacity fees increased by 171.7%
- Total expenses decreased by 11.1%.

FINANCIAL ANALYSIS

The following is the District's Condensed Statement of Net Position for fiscal year ended June 30, 2021 as compared to fiscal years ended June 30, 2020 and 2019:

($000)	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020	Increase (Decrease) 21 over 20	Percent Increase (Decrease)	June 30, 2019	Increase (Decrease) 20 over 19	Percent Increase (Decrease)
Current and other assets	$ 66,817	$ 64,879	$ 1,938	3.0%	$ 44,222	$ 20,657	46.7%
Capital assets	74,754	71,612	3,142	4.4%	68,860	2,752	4.0%
Total assets	141,571	136,491	5,080	3.7%	113,082	23,409	20.7%
Deferred outflow of resources	8,351	7,027	1,324	18.8%	3,655	3,372	92.3%
Long-term liabilities	20,587	23,439	(2,852)	-12.2%	16,620	6,819	41.0%
Other liabilities	4,317	6,454	(2,137)	-33.1%	2,692	3,762	139.7%
Total liabilities	24,904	29,893	(4,989)	-16.7%	19,312	10,581	54.8%
Deferred inflow of resources	2,629	600	2,029	338.2%	324	276	85.2%
Net position							
Net investment in capital assets	63,077	58,331	4,746	8.1%	60,275	(1,944)	-3.2%
Restricted							
Restricted for capital projects	12,431	8,568	3,863	45.1%	5,250	3,318	63.2%
Restricted for debt service	1,069	1,069	-	0.0%	737	332	45.0%
Restricted for major maintenance	40,577	40,567	10	0.0%	14,951	25,616	171.3%
Unrestricted	5,235	4,490	745	16.6%	15,888	(11,398)	-71.7%
Total net position	$ 122,389	$ 113,025	$ 9,364	8.3%	$ 97,101	$ 15,924	16.4%

- *Current and other assets* increased by $1.9 million, or 3.0 percent. This increase was primarily due to an increase in Accounts Receivable and Cash and Investments balances at year-end. The increase in Accounts Receivable includes higher unbilled accounts due from the cities as well as an increase in accrued receivables at year-end. The moderate increase in Cash and Investments was by design as the District is re-building its Major Maintenance Reserve to fund future major repairs and replacements of its aging facilities, as identified in the District's asset management program, which is part of its budget and long-range financial planning process.

- *Capital assets* increased by $3.1 million, or 4.4 percent, primarily due to a $6.8 million increase in Construction in Progress related to the Digester Reliability Improvement Project, Electrical Replacement Project, Primary Clarifier Rehabilitation, and Northeast Fairfield Pump Station.

- *Deferred outflows of resources* represent transactions related to GASB 68 (pension) and 75 (OPEB). Transactions related to GASB 68 are the net of the differences between projected and actual experience, changes in actuarial assumptions, changes in the District's proportionate share of the pension pool, and contributions subsequent to the measurement date. Transactions related to GASB 75 represent changes in actuarial assumptions, the difference between projected and actual experience, and other postemployment benefit contributions made subsequent to the measurement date.

The increase in Deferred outflows of resources consisted of an increase of $606,940 (13.0 percent) related to the pension plan and $717,873 (30.2 percent) related to OPEB. The increase in deferred outflows of resources related to the pension plan was primarily due to actuarial changes in assumptions offset by the difference in actual contributions to the pooled pension plan compared to the District's proportionate share of the plan. The increase in deferred outflows of resources related to the OPEB plan was the result of contributions subsequent to the actuarial measurement date, offset by changes in actuarial assumptions.

- *Current/Other liabilities* decreased by $2.1 million, or 33.1 percent, primarily due to a prior year accrued expense of $3.0 million representing an estimated tax liability to bring the District into compliance with a Social Security 218 Agreement.

- *Long-term liabilities* decreased by $2.9 million, or 12.2 percent, primarily due to scheduled payments on State Revolving Fund (SRF) loans, as well as decreases in the District's actuarially determined net pension liability and net OPEB liability.

- *Deferred inflows of resources* represent transactions related to GASB 68 (pension) and GASB 75 (OPEB). The 338.2% increase in Deferred inflows of resources consisted of an increase of $742,136 (171.6 percent) related to the pension plan and $1,286,340 (765.5 percent) related to OPEB. The increase in deferred inflows of resources related to the pension plan was primarily due to a decrease in the District's proportion of the pooled pension plan, which will be amortized over 3.8 years. The increase in deferred inflows of resources related to OPEB was primarily due to favorable changes in assumptions and differences between actual and expected experience, which will be recognized over future periods.

- The *restricted net position* represents resources that are subject to external restrictions on how they may be used.
    - *Restricted for capital projects*, which represents a cumulative unspent portion of capacity fees increased by 45.1 percent. It is anticipated that this growing capital reserve balance will fund growth-related projects in the next few years.
    - *Restricted for debt service* represents SRF debt covenant requirements, which the District is required to maintain through the life of the debt.
    - *Restricted for major maintenance* is reserved for <u>future</u> plant upgrades and replacement as a condition of the original grant received from the Environmental Protection Agency. The amount set aside as major maintenance reserve each year is based on the total major maintenance projects identified in the District's asset management program, updated biennially as part of its budget and long-range planning process.

- *Unrestricted net position* may be used to meet the District's ongoing obligations to ratepayers and creditors. The unrestricted net position includes an amount designated as an operating reserve equivalent to three months of operating expenses as identified in the District's biennial budget.

The following is the District's condensed statement of revenues, expenses, and changes in net position for the fiscal year ended June 30, 2021 as compared to fiscal years ended June 30, 2020 and 2019:

($000)	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020	Increase (Decrease) 21 over 20	Percent Increase (Decrease)	June 30, 2019	Increase (Decrease) 20 over 19	Percent Increase (Decrease)
Revenues:							
Sewer service charges	$ 29,227	$ 29,028	$ 199	0.7%	$ 27,549	$ 1,479	5.4%
Drainage fees	1,647	1,706	(59)	-3.5%	1,619	87	5.4%
Interest income	576	1,164	(588)	-50.5%	923	241	26.1%
Other	78	1,240	(1,162)	-93.7%	956	284	29.7%
Total revenues	31,528	33,138	(1,610)	-4.9%	31,047	2,091	6.7%
Expenses:							
Business operations	14,815	14,803	12	0.1%	15,549	(746)	-4.8%
Sewer line maintenance	2,815	3,345	(530)	-15.8%	3,060	285	9.3%
General and administrative	5,055	7,719	(2,664)	-34.5%	2,357	5,362	227.5%
Billing and collection	667	647	20	3.1%	621	26	4.2%
Interest expense	335	260	75	28.8%	224	36	16.1%
Depreciation	3,974	4,358	(384)	-8.8%	4,341	17	0.4%
Total expenses	27,661	31,132	(3,471)	-11.1%	26,152	4,980	19.0%
Income (loss) before capital contributions	3,867	2,006	1,861	92.8%	4,895	(2,889)	-59.0%
Add: Capacity fees	5,497	2,023	3,474	171.7%	3,000	(977)	-32.6%
Add: Federal grant - loan forgiveness	-	4,000	(4,000)	100.0%	-	4,000	100.0%
Change in net position	9,364	8,029	1,335	16.6%	7,895	134	1.7%
Net position - beginning of period	113,025	104,996	8,029	7.6%	97,101	7,895	8.1%
Net position - end of period	$ 122,389	$ 113,025	$ 9,364	8.3%	$ 104,996	$ 8,029	7.6%

Analysis of the condensed statement of revenues, expenses, and changes in net position for fiscal year ended June 30, 2021, as compared to fiscal year ended June 30, 2020 and 2019 are as follows:

- *Total revenues* for fiscal year ended June 30, 2021 decreased by $1.6 million, or 4.9 percent. This decrease was primarily driven by less than anticipated growth in sewer service revenue due to an increase in residential delinquencies as a result of COVID-19, a decrease in interest income as a result of lower interest rates, and a decrease in the fair market value of the District's investment portfolio compared to the prior year.

- *Capacity fees* increased by $3.5 million, or 171.7 percent, primarily due to $2.2 million in connection fee revenue received in January 2021 related to multi-family connections at Business Center Drive and Village Square Boulevard. The January

2021 connection fee revenue exceeded what the District typically receives for the entire fiscal year.

- *Total expenses* decreased by $3.5 million, or 11.1 percent, due to combination of different factors as identified below:

    - *Sewer line maintenance* is the cost to maintain the sewer lines and collection system, both are contracted out and maintained by District staff. The operation and maintenance of pipelines smaller than 10" in diameter is performed by the cities of Fairfield and Suisun City within their city limits, through an agreement. The decrease of 15.8 percent is primarily due to a decrease of $641,553 related to a non-recurring sewer and manhole replacement project in the prior year, offset by moderate increase in local sewer maintenance payments to the cities, per the Consumer Price Index.

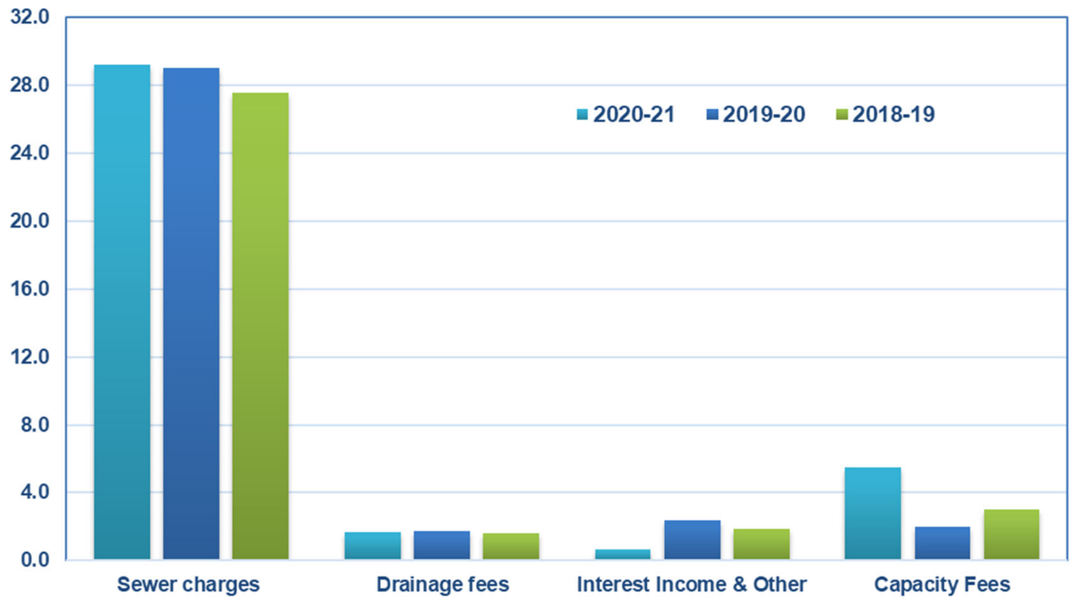
    - *General and Administrative* expenses are related to finance, administration, human resources, and others not directly related to operations and maintenance. The decrease of $2.7 million (34.5 percent) was primarily due to a prior year accrued expense of $3.0 million representing an estimated tax liability to bring the District into compliance with a Social Security 218 Agreement.

    - *Billing and collection* expenses increased $20,000, or 3.1 percent, which is consistent with annual Consumer Price Index increase and growth, as required by agreement.

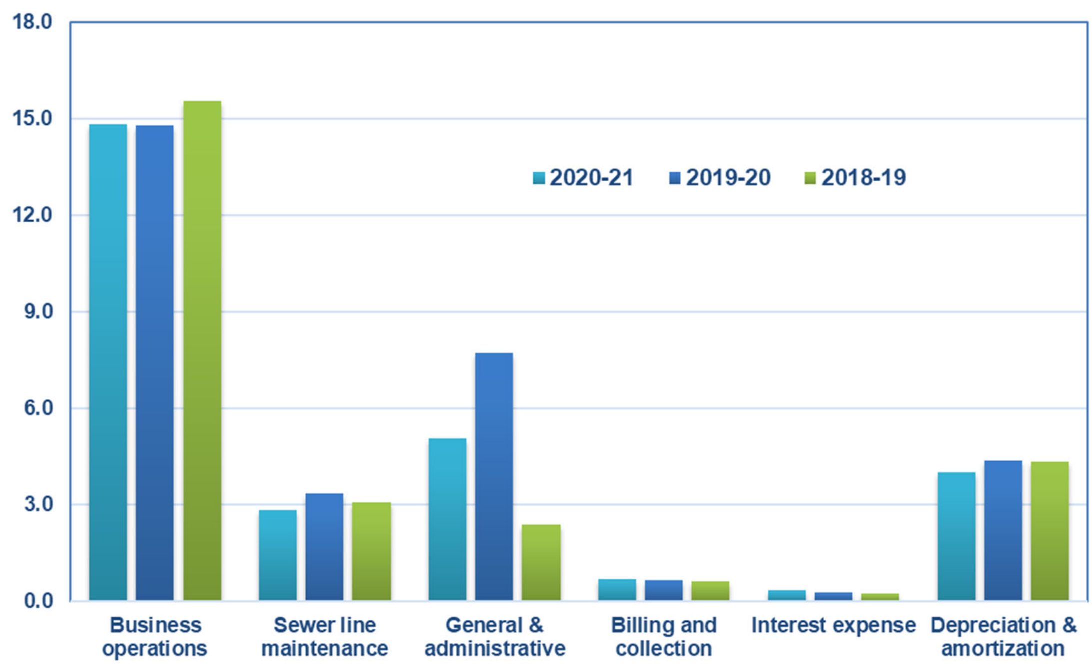
    - *Interest* expense increased $75,000, or 28.8 percent, due to the start of debt service for the SRF loan related to the Blower Project.

    - *Depreciation* expense decreased $384,000, or 8.8 percent, as the result of several high dollar value assets becoming fully depreciated in the prior year.

SOURCES OF ALL REVENUES FOR FISCAL YEARS 2020-21, 2019-20, AND 2018-19,
($ million)



CLASSIFICATION OF ALL EXPENSES FOR FISCAL YEARS 2020-21, 2019-20, AND 2018-19,
($ million)



Capital Assets

The District's investment in capital assets, net of accumulated depreciation, was $74.7 million as of June 30, 2021. This investment in capital assets includes land and improvements, construction in progress, buildings and improvements, vehicles and equipment, trunk lines, pump stations, and treatment plant facilities. Additional information on the District's capital assets can be found in Note 5, page 29.

Debt Administration

The District has a rating of "A+" from Standard and Poor's Corporation, which demonstrates its strong capacity to meet its financial obligations.

The District continues to upgrade and improve the quality of its sewage collection and treatment systems to keep current with environmental regulations and the needs of its service area. To the extent possible, the District attempts to fund capital projects through "pay-as-you-go" financing. Community growth pays for itself so that, upon built out, major debt service burdens will not be shifted to ratepayers. Reserves are earmarked for future major maintenance and capital projects.

Additional information on the District's long-term debt can be found in Note 6, pages 30-31.

General Enterprise Functions

The District maintains a proactive, entrepreneurial style of organization that encourages efficiencies. District ratepayers have for many years enjoyed the lowest sewer service rates among surrounding communities, even though the District receives no property tax revenues.

Using This Annual Report

This section of the annual report consists of two parts: Management's Discussion and Analysis, and Basic Financial Statements. The Basic Financial Statements also include notes that explain in more detail some of the information in the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to James Russell-Field, Director of Administrative Services, at 1010 Chadbourne Road, Fairfield, CA 94534-9700 or visit our website at http://www.fssd.com/contact.

Fairfield-Suisun Sewer District

Statement of Net Position

June 30, 2021

		2021
ASSETS		
Current assets:		
Unrestricted assets:		
Cash and investments (Note 3)	$	58,981,376
Accounts receivable, net		6,594,966
Interest receivable		111,789
Prepaid Items		59,559
Restricted assets:		
State Revolving Fund reserve		1,068,895
Total current assets		66,816,586
Capital assets (Note 5):		
Non-depreciable assets		11,664,833
Depreciable assets, net of depreciation		63,089,703
Total capital assets, net		74,754,536
Total assets		141,571,122
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow related to Pension Plan (Note 10)		5,259,923
Deferred outflow related to OPEB (Note 11)		3,091,566
Total deferred outflows of resources		8,351,489

The accompanying notes are an integral part of these financial statements.

Fairfield-Suisun Sewer District

Statement of Net Position

June 30, 2021

		2021
LIABILITIES		
Current liabilities:		
Accounts payable	$	2,474,835
Current portion of SRF loan (Note 6)		793,935
Current portion of compensated absences payable		953,667
Accrued interest payable		94,558
Total current liabilities		4,316,995
Long-term liabilities:		
State Revolving Fund loan (Note 6)		10,883,152
Compensated absences payable (Note 6)		238,417
Net OPEB liability (Note 11)		3,312,002
Net pension liability (Note 10)		6,153,622
Total long-term liabilities		20,587,193
Total liabilities		24,904,188
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow related to Pension Plan (Note 10)		1,174,639
Deferred inflow related to OPEB (Note 11)		1,454,377
Total deferred inflows of resources		2,629,016
NET POSITION		
Net investment in capital assets		63,077,450
Restricted:		
Restricted for capital projects (Note 4)		12,431,307
Restricted for debt service (Note 4)		1,068,895
Restricted for major maintenance (Note 4)		40,577,000
Unrestricted		5,234,756
Total net position	$	122,389,407

The accompanying notes are an integral part of these financial statements.

Fairfield-Suisun Sewer District

Statement of Revenue, Expense, and Changes in Net Position
For the Year Ended June 30, 2021

	2021
Operating revenues:	
Sewer service charges	$ 29,227,168
Drainage fees	1,646,905
Other	392,040
Total operating revenues	31,266,113
Operating expenses:	
Business operations	14,814,798
Sewer line maintenance	2,814,501
General and administrative	5,055,105
Billing and collection (Note 7)	667,098
Depreciation and amortization	3,974,168
Total operating expenses	27,325,670
Operating income	3,940,443
Nonoperating revenues (expenses):	
Interest income	575,666
Net increase (decrease) in fair value of investments	(585,435)
Interest expense	(335,012)
Other	271,640
Total nonoperating revenues	(73,141)
Net income before capital contributions	3,867,302
Capacity fees	5,497,468
Change in net position	9,364,770
Net position, beginning of period	113,024,637
Net position, end of period	$ 122,389,407

The accompanying notes are an integral part of these financial statements.

FAIRFIELD-SUISUN SEWER DISTRICT
Statement of Cash Flows
For the Year Ended June 30, 2021
(Page 1 of 2)

	2021
Cash flows from operating activities:	
Receipts from customers	$ 30,672,969
Payments to suppliers & vendors	(10,827,517)
Payments for employees salaries & benefits	(17,109,654)
Other receipts	657,162
Net cash provided by operating activities	3,392,960
Cash flows from noncapital and related financing activities:	
OPEB Trust pre-funding	(1,198,361)
Net cash used by noncapital and related financing activities	(1,198,361)
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(7,156,937)
Capacity fees	5,500,925
Interest paid	(287,210)
Principal payment on the SRF loan	(782,846)
Net cash provided for capital and related financing activities	(2,726,069)
Cash flows from investing activities:	
Purchase of investments	(8,286,129)
Proceeds from sale of investments	8,482,558
Interest received on investments	1,163,743
Net cash provided by investing activities	1,360,172
Net increase in cash and cash equivalents	828,703
Cash and cash equivalents, beginning of period	59,221,568
Cash and cash equivalents, end of period	$ 60,050,271

The accompanying notes are an integral part of these financial statements.

(Continued)

FAIRFIELD-SUISUN SEWER DISTRICT
Statement of Cash Flows
For the Year Ended June 30, 2021

		2021
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$	3,940,443
Adjustments to reconcile operating income to cash flows from operating activities:		
Depreciation and amortization expense		3,974,168
Net pension expense		(1,087,456)
Net OPEB expense		(313,068)
Miscellaneous non operating income		271,640
Changes in assets and liabilities:		
Increase in receivables, net		(1,225,729)
Increase in other assets		(7,374)
Increase (Decrease) in accounts payable		(2,300,131)
Increase in compensated absences		140,468
Net cash provided by operating activities	$	3,392,961
Noncash investing, capital, and financing activities:		
Capacity fees net accruals	$	3,457
Increase (decrease) in fair value of investments		(585,435)
Interest expense net accruals		48,873
Net increase in pension expense as result of GASB 68 and GASB 75 implementation		(1,400,524)

The accompanying notes are an integral part of these financial statements.

1. Organization

The Fairfield-Suisun Sewer District (District) is a special district consisting of all territory within the cities of Fairfield and Suisun City (the Cities). The District has broad powers to finance, construct, operate sewage collection and disposal and reclaimed water systems, and maintain storm drainage infrastructure within District jurisdiction. The District's governing board consists entirely of members from the City Councils of both cities.

A. Wastewater

The District operates a single sewage treatment plant, which was completed in 1976. It also owns and operates 70 miles of trunk sewers over 10" in diameter and 13 wastewater pump stations. The day-to-day operations and maintenance of the treatment plant and collection systems are performed by District staff. All construction management of capital expansion and most major maintenance projects are also performed by District staff.

B. Drainage Maintenance

Pursuant to an agreement entered into on March 1988 with the Cities, the District collects drainage fees to be used as supplemental funding to maintain the regional and local drainage facilities within the District's jurisdiction, including those constructed by the U.S. Army Corps of Engineers as part of the Fairfield Vicinity Streams Project.

Drainage fees, as established by the governing board, are collected on the Solano County tax roll pursuant to an agreement with Solano County. Total fees collected in fiscal year ended June 30, 2021 were $1,646,905 compared to June 30, 2020 that were $1,706,076.

2. Summary of Significant Accounting Policies

The Financial Reporting Entity—The District complies with GASB 14, "The Financial Reporting Entity." This statement establishes standards for defining and reporting on the financial reporting entity. It defines component units as legally separate organizations for which the elected officials of the primary government are financially accountable. Other organizations may also be designated as component units, particularly if the nature and significance of their relationship with a primary government are such that the organizations' exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The District considered all potential component units in determining what organizations should be included in the financial statements. Based on these criteria, there are no component units to include in the District's financial statements.

Basis of Accounting—The District is accounted for as a single enterprise fund. An enterprise fund is a proprietary fund type used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's intent is that the costs of providing services to customers on a continuing basis be financed or recovered primarily through sewer service charges.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The District uses the accrual basis of accounting. Under this basis of accounting, revenues are recognized when they are earned, and expenses are recognized when incurred. Operating revenues and expenses result from the ongoing principal operation of the District. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses are related to financing and investing type activities and result from nonexchange transactions or ancillary services. Unbilled utility service receivables are recorded at year-end. As required for enterprise funds, the District uses a flow of economic resources measurement focus.

The District applies all applicable GASB pronouncements for certain accounting and financial reporting guidance. In December of 2010, GASB issued GASBS Number 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This statement incorporates pronouncements issued on or before November 30, 1989 into GASB authoritative literature. This includes pronouncements by the Financial Accounting Standards Board (FASB), Accounting Principles Board Opinions (APB), and the Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure, unless those pronouncements conflict with or contradict with GASB pronouncements.

When an expense is incurred for purposes in which both restricted and unrestricted net positions are available, it is the District's policy to first apply unrestricted resources.

Budget—Although not legally required of enterprise funds, District management takes pride in the preparation and Board adoption of an annual budget and ten-year Long-Term financial plan. The Long-Term financial plan is in conjunction with the District's Master Plan and the Cities' growth projections. This process has been instrumental in the District's ability to build reserves for future needs and has allowed the District to fund most major expansion projects from reserves, and consequently keep debt low.

Budgetary control is maintained at the department level for administrative and operating expenses and at the project level for capital improvements. New construction projects are individually approved by the Board.

Cash Management—The Director of Administrative Services serves as District Treasurer. The Treasurer may issue and administer detailed investment instructions that conform to the provisions of the Investment Policy, as reviewed, and adopted annually by the Board of Directors. The District's Investment Policy conforms to the California Government Code Section 53601. As of June 30, 2021, all surplus cash was invested in the following:

- *State of California Local Agency Investment Fund (LAIF)* is a voluntary program created by statute; began in 1977 as an investment alternative for California's local governments and special districts.

- *California Asset Management Program (CAMP)* is a California Joint Powers Authority ("JPA") established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a permitted investment for all local agencies under California Government Code Section 53601. This program consists of a short-term money market fund rated AAA and separately managed portfolios of specific authorized securities (as specified in this policy).

- *Savings accounts, checking and money market investment securities*.

In order of priority, the primary objectives of the District's investment activities are safety of principal, liquidity, and return on investment.

Cash and Investments—Funds are invested in accordance with Section 53601 of the Government Code of the State of California and the District's established investment policy. All monies not required for immediate expenses are invested to earn maximum yield consistent with safety and liquidity. All investments are kept in the custody of the District or a qualified safekeeping institution. A quarterly report is made to the Board of Directors showing a description of the investments, maturity date, par value, carrying value, market value, current yield, and estimated annual income. Investments are adjusted to fair value when material as required by the Government Accounting Standards Board Statement 31.

Under the provisions of the District's investment policy and in accordance with the Government Code of the State of California, the District may invest in the following types of investments:

- Obligations of the U.S. Treasury
- Warrants, Treasury Notes, or Bonds issued by the State of California
- Negotiable Certificates of Deposit issued by federally or state-chartered banks or associations
- Agencies and instrumentalities
- Prime commercial paper of U.S. corporations
- Bankers Acceptances with maturities not to exceed 180 days
- Medium-term notes issued by U.S. corporations
- The District may contract for the use of investment services subject to all other provisions of this Investment Policy
- Local Agency Investment Fund (LAIF) operated by the Treasurer's Office of the State of California
- Any other investment security authorized under the provisions of California Government Code Section 53601

Statement of Cash Flows—For purposes of the statement of cash flows, the District considers all cash and investments and all cash with fiscal agents with an original maturity of three months or less as cash and cash equivalents.

Statement of Revenues, Expenses, and Changes in Net Position—The statement of revenues, expenses, and changes in net position is the operating statement for proprietary funds. This statement distinguishes between operating and non-operating revenues and expenses and presents a separate subtotal for operating revenues, operating expenses, and operating income. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues of the District are the charges to customers for services. Operating expenses include the cost of providing and delivering services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Statement of Net Position—The statement of net position is designed to display the financial position of the District. The District's net position is classified into three categories as follows:

- *Net Investment in Capital Assets* – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position, as applicable.

- *Restricted* – This component of net position consists of constraints placed on an asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments, and reduced by liabilities and deferred inflows of resources related to those assets. It also pertains to constraints imposed by law or constitutional provisions or enabling legislation.

- *Unrestricted* – This component of net position consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Property, Plant and Equipment—Property, plant and equipment are stated at cost less accumulated depreciation. The District capitalizes all assets with a historical cost of at least $5,000 and a useful life of at least 5 years. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are expensed as incurred. The cost of assets retired or sold, together with the related accumulated depreciation, is removed from the accounts and any gain or loss from disposition, is credited or charged to revenues.

Depreciation is provided on the straight-line method over the following estimated useful lives:

Category:	Years:
Trunk lines/pump stations and treatment plant	20 – 40
Buildings and improvements	20 – 40
Vehicles and equipment	5 – 10

Construction in Progress—The District constructs assets for its own use in plant operations. The costs associated with these projects are accumulated in a Construction-in-Progress account while the project is being developed. Once the project is complete, the entire cost of the constructed asset is transferred to the capital assets account and depreciated over the estimated life of the asset.

Deferred Outflows/Inflows of Resources—The deferred outflows of resources are a separate financial position element which represents a consumption of net position that applies to future periods and so will not be recognized as an expense until then. This fiscal year's deferred outflows represent the pension and Other Postemployment Benefit (OPEB) expenses and changes to net pension and net OPEB liability.

This fiscal year's deferred inflows of resources are the net difference between projected and actual earnings on pension plan investments, change of assumptions, and differences between expected and actual experiences amortized over 3.8 years or less. More information can be found in Note 10 and Note 11, pages 33-48.

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 District's pension plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by California Public Employees Retirement System (CalPERS). For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For the report the following timeframes are used:

For the fiscal year ended June 30, 2021	
Valuation date:	June 30, 2019
Measurement date:	June 30, 2020
Measurement period:	July 1, 2019 - June 30, 2020

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in the future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized using the straight-line method over five (5) years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Other Post-Employment Benefits (OPEB)—For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District'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 require that the reported results must pertain to liability and asset information within certain defined timeframes. For the report the following timeframes are used:

For the fiscal year ended June 30, 2021	
Valuation date:	June 30, 2020
Measurement date:	June 30, 2020
Measurement period:	July 1, 2019 - June 30, 2020

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are 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 amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings on OPEB plan investments is amortized using a straight-line method over five (5 years). All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

Bond Discounts and Issuance Costs—Long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bonds payable are reported net of applicable bond premium and discounts are reported as noncurrent assets along with any insurance payments made during issuance of the bond. Bond issuance costs, other than prepaid insurance, are expensed in the period incurred.

Compensated Absences—District employees are granted compensated absences in varying amounts based on years of service. Compensated absences payable represents the District's liability for earned but unused compensated absences at year-end.

Capacity Fees—Capacity fees, which represent a one-time fee for capacity in the sewer system, are legally restricted for growth-related projects.

Use of Estimates—Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Subsequent Events—Management has reviewed subsequent events and transactions that occurred after the date of the financial statements through, the date the financial statements were issued. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles.

On September 1, 2021, the District made a $2 million payment to CalPERS as an additional discretionary payment towards its unfunded pension liability, as approved by its Board on May 24, 2021.

3. Cash and Investments

A. Policies

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the District's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the District's name and places the District ahead of general creditors of the institution.

The District invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable securities instruments, or by an electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. In order to increase security, the District employs the Trust Department of a bank as the custodian of certain District-managed investments, regardless of their form.

The District's investments are carried at fair value, as required by generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect their fair value at each fiscal year-end, and it includes the effects of these adjustments in income for that fiscal year.

GASB 72, Fair Value Measurements established a hierarchy of inputs to the valuation techniques above in Note 2. This hierarchy has three levels:

- Level 1 – Inputs are quoted prices in active markets for identical assets or liabilities.

- Level 2 – Inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable

- Level 3 – Inputs are unobservable inputs, such as a property valuation or an appraisal.

The District has the following recurring fair value measurements as of June 30, 2021:

1) California Local Agency Investment Fund (LAIF) of $34,146,489 was valued using Level 1 and Level 2 inputs.
2) California Asset Management Program balance of $22,004,604 was valued using Level 2 inputs.
3) Certificate of deposits, savings account, checking account and money market accounts of $3,767,255 were valued using Level 1 inputs.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether their use is restricted under the terms of District debt instruments.

	June 30, 2021	June 30, 2020
Cash and investments		
Held by District	$ 58,981,376	$ 58,152,673
Held by escrow agent	-	-
Restricted investments		
Held by District	1,068,895	1,068,895
Total cash and investments	$ 60,050,271	$ 59,221,568

C. Authorized Investments

Investments authorized by the California Government Code and the District's Investment Policy for all District investments including debt service reserve are the following:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum of Percentage Portfolio	Maximum Investment In One Issuer
U.S. Treasury Instruments	5 years	N/A	None	N/A
Federal Agency Issues	5 years	N/A	None	N/A
State of California Obligations	5 years	N/A	None	N/A
Bankers Acceptances	180 days	N/A	40%	30%
Commercial Paper	270 days	A	25%	**N/A**
Medium Term Corporate Notes	5 years	A	30%	N/A
Mortgage Pass-Through Securities	5 years	AA	20%	N/A
Repurchase Agreements	1 year	N/A	20%	N/A
Reverse Repurchase Agreements	92 days	N/A	20%	N/A
Negotiable Certificates of Deposit	5 years	A	30%	N/A
California Local Agency Investment Fund	Upon Demand	N/A	None	N/A
Mutual Funds	N/A	Top Ranking of 2 NRSRO (A)	20%	10%
Money Market Mutual Funds	N/A	Top Ranking of 2 NRSRO (A)	20%	N/A

(A) Nationally Recognized Statistical Rating Organization

The District does not enter into range notes, inverse floaters, or mortgage-derived interest-only strips. At June 30, 2021, the District's investments were in compliance with the above provisions.

D. Interest Rate Risk

Interest rate risk is the risk of potential fair value losses from future changes in prevailing market interest rates. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its investments in accordance with its investment policy and the California Government Code, which limits investment maturities to five years or less unless authorized by the District Board for a specific purpose.

Information about the sensitivity of the fair values of the District's investments (including investments held by trustees) to market interest rate fluctuations are provided by the following table:

		June 30, 2021			
		Remaining Maturity Distribution			
Investment Type	Fair Value	0-12 months	1-2 years	2-5 years	% of Portfolio
U.S. Treasury Instruments	$ 7,837,865	$ 2,990,321	$ 2,015,177	$ 2,832,367	13.08%
Federal Agency Issues	3,287,225	150,183	731,488	2,405,554	5.49%
Federal Agency Mortgage-Backed Securities	690,775	2,697	217,818	470,260	1.15%
Supranationals	477,762	-	120,520	357,242	0.80%
Negotiable Certificates of Deposit	2,004,983	752,004	1,252,979	-	3.35%
Medium-Term Corporate Notes	4,187,432	203,747	549,864	3,433,821	6.99%
Asset-Backed Securities	1,378,010	-	236,812	1,141,198	2.30%
Municipal Obligations	2,140,552	-	-	2,140,552	3.57%
Local Agency Investment Funds	34,146,489	34,146,489	-	-	56.99%
Money Market/Mutual Funds/Checking Account	3,767,255	3,767,255	-	-	6.29%
Total Investments	$ 59,918,348	$ 42,012,696	$ 5,124,658	$ 12,780,994	100.00%

The District is a participant in the Local Agency Investment Fund (LAIF) as well as in the California Asset Management Program (CAMP). LAIF is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations.

E. Credit Risk

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. It is the District's policy to limit its investments in these investment types to the top rating issued by the nationally recognized statistical rating organization.

The following table shows the District's investments and their related credit rating.

	June 30, 2021	
Investment Type	Fair Value	Credit Rating
U.S. Treasury Instruments	$ 7,837,865	AA+, AA, AA-
Federal Agency Issues	3,287,225	AA+, AA, AA-
Federal Agency Mortgage-Backed Securities	690,775	AA+, AA, AA-
Supranationals	477,762	AAA
Negotiable Certificates of Deposit	2,004,983	A-1+, A-1
Medium-Term Corporate Notes	4,187,432	BBB+, BBB, BBB-
Asset-Backed Securities	1,378,010	AAA
Municipal Obligations	2,140,552	AA+, AA, AA-
Local Agency Investment Funds	34,146,489	NR
Money Market/Mutual Funds/Checking Account	3,767,255	NR
Total Investments	$ 59,918,348	

F. Concentration of Credit Risk

Concentration of Credit Risk can arise in the wake of a failure to adequately diversify investments. GASB 40 requires disclosure of concentrations of investments greater than 5% in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pool). The District investments requiring disclosure at June 30, 2021 is as follows:

Issuer	Investment Type	Fair Value	Percent
Fannie Mae	Note	$ 2,410,790	10.94%

4. Restricted Net Position

Restricted net position at June 30, 2021 and 2020, consist of the following:

	2021	2020
Restricted for capital projects	$ 12,431,307	$ 8,567,972
Restricted for debt service	1,068,895	1,068,895
Restricted for major maintenance	40,577,000	40,567,000
	$ 54,077,202	$ 50,203,867

The restricted for capital projects is the unspent portion of capacity fees, which are legally restricted for growth-related projects.

The debt service restriction is the maximum annual debt service on the State Revolving Fund loans, as required by the bond indenture.

As a condition of the original grant to finance the construction of the sewage treatment plant, the Environmental Protection Agency requires that wastewater funds be set aside for major maintenance. Additions to and charges against these restricted assets are recorded as transfers from or to unrestricted net position and are made in accordance with the major maintenance policy as adopted by the Board of Directors in 2005.

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5. Capital Assets

Changes in capital assets consisted of the following:

Asset Category	Balance at June 30, 2020	Additions	Adjustments/ Disposals	Transfers	Balance at June 30, 2021
Non-depreciable assets:					
Construction in progress	$ 2,081,244	$ 6,790,686	$ -	$ -	$ 8,871,930
Land and improvements	2,792,903	-	-	-	2,792,903
Total non-depreciable assets	4,874,147	6,790,686	-	-	11,664,833
Depreciable assets:					
Buildings and improvements	11,710,029	-	-	-	11,710,029
Vehicles and equipment	3,000,315	271,302	(301,603)	-	2,970,014
Trunk lines/ pump station	53,362,001	-	-	-	53,362,001
Treatment plant	101,842,836	54,235	-	-	101,897,071
Total depreciable assets	169,915,181	325,537	(301,603)	-	169,939,115
Less: Accumulated depreciation					
Buildings and improvements	(10,454,363)	(211,375)	-	-	(10,665,738)
Vehicles and equipment	(2,761,613)	(54,918)	301,603	-	(2,514,928)
Trunk lines/pump station	(42,521,453)	(1,077,958)	-	-	(43,599,411)
Treatment plant	(47,439,417)	(2,629,918)	-	-	(50,069,335)
Total accumulated depreciation	(103,176,847)	(3,974,168)	301,603	-	(106,849,412)
Net capital assets	66,738,334	(3,648,631)	-	-	63,089,703
Total capital assets	$ 71,612,481	$ 3,142,055	$ -	$ -	$ 74,754,536

6. Long-Term Liabilities

The following summarizes changes in long-term liabilities during the year:

Description	June 30, 2020	Additions	Maturities/ Reduction	June 30, 2021	Current Portion	Long-Term Portion
State Revolving Fund Loans (SRF)						
Ultraviolet Project	$ 6,899,120	$ -	$ 540,856	$ 6,358,264	$ 556,655	$ 5,801,609
Blower Project	5,541,456	19,357	241,990	5,318,823	237,280	5,081,543
Total SRF Loans	12,440,576	19,357	782,846	11,677,087	793,935	10,883,152
Compensated Absences	1,051,616	992,765	852,297	1,192,084	953,667	238,417
Total Long-term liabilities	$ 13,492,192	$ 1,012,122	$ 1,635,144	$ 12,869,171	$ 1,747,602	$ 11,121,569

A. State Revolving Fund Loan

Ultraviolet Disinfection Project
On January 20, 2010, the District entered into a loan agreement with the California State Water Resources Control Board (SWRCB) under the Clean Water State Revolving Fund (SRF) loan program for the financing of the Ultraviolet Disinfection Project. The District was approved for a loan amount of up to $11,100,000, with an interest rate at 2.9%, payable over 20 years. Principal and interest payments, which are due semi-annually on May 1 and November 1, will commence one year following the completion of the project. Payment on this loan started on May 2012.

Future debt service payments on the SRF loan are as follows:

Year Ending June 30	Principal	Interest	Total
2022	$ 556,655	$ 180,383	$ 737,038
2023	572,915	164,123	737,038
2024	589,650	147,389	737,039
2025	606,874	130,164	737,038
2026	624,601	112,437	737,038
2027 - 31	3,407,570	277,620	3,685,190
	$ 6,358,264	$ 1,012,116	$ 7,370,381

Blower Replacement Project
On February 12, 2018, the District entered into a loan agreement with the California State Water Resources Control Board (SWRCB) under the Clean Water State Revolving Fund (SRF) loan program for the financing of the Blower Replacement Project. The District was approved for the total project cost of $11,608,547; however, only utilized $9,541,456. Out of the total loan amount, $4,000,000 was declared a grant under the Environmental Protection Agency's

program and was eligible for loan forgiveness. The principal amount due for repayment to the SWRCB under this agreement is $5,522,810, with an interest rate of 1.8% payable over 20 years. Payment on this loan started October 2020.

Future debt service payments on the SRF loan related to the Blower Project as of June 30, 2021 are as follows:

Year Ending June 30	Principal	Interest	Total
2022	$ 237,280	$ 95,739	$ 333,019
2023	241,551	91,468	333,019
2024	245,899	87,120	333,019
2025	250,325	82,694	333,019
2026	254,831	78,188	333,019
2027 - 31	1,344,631	320,461	1,665,093
2032 - 36	1,470,084	195,009	1,665,093
2037 - 40	1,274,223	57,851	1,332,074
	$ 5,318,823	$ 1,008,529	$ 6,327,352

Both SRF loans are secured by all District operating revenues. As a requirement of the SRF loan, a restricted amount equivalent to one year of loan payments is held in a restricted account held by the District. The SRF restricted amount is currently $1,068,895.

B. Compensated Absences

Compensated Absences activity during the fiscal year was as follows:

June 30, 2020	Additions	Reductions	June 30, 2021	Due Within One Year
$ 1,051,616	$ 992,765	$ (852,297)	$ 1,192,084	$ 953,667

7. Related Party Transactions

The District had existing financial transactions with the cities of Fairfield and Suisun City during fiscal year 2020-21 and 2019-20. Sewer line maintenance represents amounts paid to the Cities for the maintenance of its sewer lines smaller than 12" in diameter. Sewer service charges and sewer capacity fees are collected by the Cities and are remitted to the District, net of billing and collection fees. Outstanding receivables include capacity fees collected by the Cities not yet remitted to the

District and sewer service charges billed by the Cities on the District's behalf as of June 30, 2021.

These transactions are described below:

	FY 2020-21		FY 2019-20	
Sewer line maintenance	$	2,814,501	$	3,345,091
Billing and collection	$	667,098	$	647,226
Outstanding accounts receivable	$	4,785,503	$	5,369,237

8. Insurance

The District is exposed to various risks of loss related to torts, theft, damage, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To mitigate these risks the District joined, together with other entities to form the California Sanitation Risk Management Authority (CSRMA), a public-entity risk pool currently operating as a common risk management and insurance program for member entities. The purpose of CSRMA is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group, thereby reducing its cost. The District pays an annual premium to CSRMA for its legal liability, property damage, workers compensation insurance, and automobile coverage.

CSRMA is governed by a Board composed of one representative from each member agency. The Board also controls the operations of CSRMA, including the selection of management and approval of operating budgets. Each member shares surpluses and deficiencies proportionate to its participation in CSRMA.

Audited condensed financial information for CSRMA is presented below for the year ended June 30, 2020 (most recent information available):

Total assets	$	29,737,991
Total liabilities	$	22,524,920
Net Position	$	7,213,071
Total revenues	$	16,076,801
Total expenses	$	15,266,567

The District has not incurred a claim that exceeded its insurance coverage limits in any of the last five years.

A summary of the insurance policies in force as of June 30, 2021, can be found in the Statistical Section of this report. A copy of CSRMA's annual financial report may be obtained from their website at http://www.csrma.org/docs/CSRMA-Annual-Report.pdf.

9. Deferred Compensation

The District offers its employees two deferred compensation plans created in accordance with the Internal Revenue Code Section 457 and 401(a). These plans permit a pre-tax deferral of a portion of salary until future years. The deferred compensation is not available to employees until separation, retirement, death, or an unforeseeable emergency. All employees are eligible to participate in the 457 plans. In addition, professional and management employees are eligible to participate in the 401(a) plan. The District contributes a specified amount to the 457 plan and specified percentages to the 401(a) plan. The District's contributions to the deferred compensation plans were $353,251 and $342,104 for fiscal years June 30, 2020 and June 30, 2021, respectively.

The assets and related income of the plans are assets of a trust to which the District has no obligation other than to make payments on behalf of its employees.

10. Pension Plan

A. General Information about the Pension Plan

Plan Description
All qualified full-time and part-time District employees are eligible to participate in a pension plan offered by California Public Employees Retirement System (CalPERS) a cost-sharing multiple employer defined benefit pension plan. CalPERS provides retirement, disability, and death benefits to eligible plan members and beneficiaries. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided
CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one full year of full-time employment. Members with 5 years of service credit are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for the

non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The annual cost of living adjustment is applied as specified by the Public Employees Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2021 are summarized as follows:

Miscellaneous	**Hired prior to January 1, 2013 Classic**	**Hired on or after January 1, 2013 PEPRA**
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	60	62
Monthly benefits, as a % of annual salary	3%	2%
Required employee contribution rates	8.000%	7.000%
Required employer contribution rates	15.761%	7.794%
Employer payment of unfunded liability	$415,547	$10,324

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect on January 1, 2013.

Key components of the legislation are as follows:

- Establishes PEPRA which will apply to all public employers and public pension plans on and after January 1, 2013 (Except specific exemptions);
- Establishes new retirement tiers/benefits for new public employees;
- Prohibits certain cash payments from being counted as compensation; and
- Increases retirement age for all new public employees.

Employees hired on or after January 1, 2013, without prior CalPERS credited service will fall under the PEPRA as noted in the above table.

CalPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the District's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this method is the level amount the employer must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability.

Employees Covered
As of June 30, 2021, and 2020, the following employees were covered by the benefit terms for each Plan:

	2021	2020
Inactive employees or beneficiaries currently receiving benefits	37	38
Inactive employees entitled to but not yet receiving benefits	0	0
Active employees – Classic and PEPRA	55	56
Total	92	94

Contributions
Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Funding contributions for the Plan is 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 District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions were as follows:

Miscellaneous	**Fiscal Year 2020-21**	**Fiscal Year 2019-20**
Employer Contributions	$3,288,185	$3,253,996

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

The District's proportionate share of the net pension liability is $7,376,274 and $6,153,622 for fiscal years ended June 30, 2020 and June 30, 2021.

The District's net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures.

The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the plan as of June 30, 2020 and 2019 measurement dates were as follows:

	Percentage Share of Risk Pool		Change: Increase/ (Decrease)
Fiscal Year	**6/30/2021**	**6/30/2020**	
Measurement Date	6/30/2020	6/30/2019	
Percentage of Plan (PERF C) NPL	0.05656%	0.07198%	-0.01542%

Plan's Proportionate Share of the Risk Pool Collective Net Pension Liability

	Increases (Decreases)		
	Plan Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Plan Net Pension Liability/(Asset) (c) = (a) - (b)**
Balance at 6/30/19 (MD)	$ 37,628,317	$ 30,252,043	$ 7,376,274
Balance at 6/30/20 (MD)	$ 41,392,241	$ 35,238,619	$ 6,153,622
Net changes	$ 3,763,924	$ 4,986,576	$ (1,222,652)

Deferred Outflows/Inflows Balances
The District recognized pension expense of $2,168,295 and $2,200,729 for the fiscal years ended June 30, 2020 and June 30, 2021.

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources, as listed on the following page:

Deferred Outflows/Inflows Balances at June 30, 2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 317,115	$ -
Changes of assumptions	-	(43,890)
Net differences between projected and actual earnings on plan investments	182,803	
Change in employer's proportion	234,259	(1,046,371)
Differences between the employer's contributions and the employer's proportionate share of contributions	1,237,561	(84,378)
Pension contributions subsequent to measurement date	3,288,185	-
Total	$ 5,259,923	$ (1,174,639)

The District reported $3,253,996 and $3,288,185 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the fiscal years ending June 30, 2020 and June 30, 2021, respectively.

Recognition of Deferrals in Future Pension Expense
Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ending June 30:	Fiscal Year Ending June 30:	Net Total Deferred Outflows/(Inflows) of Resources
2021	2022	$ 251,865
2022	2023	270,848
2023	2024	186,708
2024	2025	87,678
2025	2026	-
Thereafter	Thereafter	-

Actuarial Methods and Assumptions
The total pension liability for the June 30, 2020 measurement period was determined by an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020. The collective total pension liability was based on the assumptions listed on the following page:

	Miscellaneous
Valuation Date:	June 30, 2019
Measurement Date:	June 30, 2020
Measurement Period:	July 1, 2019 to June 30, 2020
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by entry age and service
Mortality Rate Table[1]	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase:	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

[1]The mortality rate table used was derived using CalPERS' Membership Data for all Funds. 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

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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 (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return are listed on the following page:

Asset Class	Assumed Asset Allocation	Real Return Years 1 – 10 [(a)]	Real Return Years 11+ [(b)]
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%
Total	100.00%		

(a) An expected inflation of 2.0% used for this period.
(b) An expected inflation of 2.92% used for this period.

Discount Rate
The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Amortization of Deferred Outflows and Deferred Inflows of Resources
Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5 years straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
The following presents the District's proportionate share of the net pension liability/(asset), calculated using the discount rate, as well as what the District's proportionate share of the net pension liability/(asset) 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		
	6.15% (1% Decrease)	7.15% (Current Rate)	8.15% (1% Increase)
Measurement Date	6/30/2020		
Fiscal Year End	6/30/2021		
Net Pension Liability	$ 11,661,920	$ 6,153,622	$ 1,602,289

	Discount Rate		
	6.15% (1% Decrease)	7.15% (Current Rate)	8.15% (1% Increase)
Measurement Date	6/30/2019		
Fiscal Year End	6/30/2020		
Net Pension Liability	$ 12,437,398	$ 7,376,274	$ 3,198,674

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

C. Payable to the Pension Plan

The District has paid the plan required contributions for the fiscal year 2020-21 and has no outstanding pension payable.

11. Other Postemployment Benefits (OPEB)

A. General Information about the OPEB Plan

Plan Description
The District provides postemployment healthcare benefit for all its retired employees and their covered dependents as approved by District Resolution No. 2003-36. The California Public Employee Retirement System (CalPERS) administers this benefit through an agent multiple-employer, defined benefit plan. All District retirees who attain age 50 with at least 5 years' service are eligible for this benefit. Coverage discontinues either at the request of the retiree or at the death of those covered. CalPERS requires that retirees enroll in Medicare at age 65. Plan benefits were established in accordance with Board policy, and authority to amend this benefit rests with the District Board.

Benefits Provided
Section 22892 - Unequal Method
The District's contribution for each retired employee plus dependent is equal to 100% of their selected plan premium, up to $1,813 per month for 2021 and $1,713 per month for 2020. The District contribution will continue to increase by the lesser of 5% or $100 each year until it equals that of active employees' premium.

Eligibility: Employees must retire directly (within 120 days of separation from service) from the District with a service or disability annuity and must have been eligible for health benefits immediately before retirement. Benefits are provided to surviving spouses only if the retiree elected a pension annuity with a survivor benefit. Eligible retirees who previously waived PEMHCA benefits can elect coverage during open enrollment.

Section 22893 – State 100/90 Vesting
A second-tier retiree health benefit was established in November 2012, when District Board adopted Resolution No. 2012-19 electing to establish a health benefit vesting requirement for future employees pursuant to Government Code Section (GCS) 22893 of the Public Employees' Medical and Hospital Care Act. The effective date of this participation is March 1, 2013, and the vesting requirement will be applied to employees hired on or after this date.

Eligibility: To be eligible for the vesting health benefits, an employee must be at least 50 years old; must complete a minimum of 5 years' CalPERS-credited service or disability annuity with the District; must complete a total of 10 years' CalPERS-credited service to be eligible for 50% benefits, increasing by 5% each year as follows:

Years of CalPERS Service	Percentage
< 10	0%
10	50%
11	55%
↓	↓
≥ 20 or Disability Retirement	100%

Employees hired prior to the election of GCS 22893 were given a one-time opportunity to individually elect to be covered under the provisions of GCS 22893. Twenty-seven employees opted in.

Employees with 20 or more years of service with the District are classified as inactive and are entitled to future retiree benefits and can elect retiree health coverage from the District at or after retirement, even if they have intervening employment elsewhere.

Benefit under the vesting plan is based on weighted average of the premium of the 4 PEMHCA plans with highest enrollment each year. As of June 30, 2021, and June 30, 2020, monthly employer contributions for fully vested annuitants are as follows:

Coverage	Formula	2021 Cap	2020 Cap
Single	100% of weighted average	$ 798	$ 767
2-party	Amount of single, plus 90% of the increase in the 2-party weighted average over the single coverage weighted average	$ 1,519	$ 1,461
Family	Amount of single, plus 90% of the increase in the family weighted average over the single coverage weighted average	$ 1,937	$ 1,868

Employees Covered

At the June 30, 2020 and 2019 measurement dates, the following current and retirees were covered by the benefit terms under the District's retiree health plan:

	6/30/20	6/30/19
Active employees	57	56
Inactive employee or beneficiaries currently receiving benefits	28	26
Inactive employees entitled to, but not yet receiving benefits	4	4
Total	89	86

Contributions

The annual contribution is based on the actuarially determined contribution.

	Measurement Period	Measurement Date to FY
	7/1/19 to 6/30/20	7/1/20 to 6/30/21
Cash Benefits	$ 310,045	$ 362,584
Implied subsidy benefit payment	60,366	62,000
Total benefit payments	370,411	424,584
Trust reimbursements	-	-
Benefits payments paid outside of trust	370,411	424,584
Administrative expenses paid outside of trust	829	900
Trust contributions	-	835,777
Total employer contributions	$ 371,240	$ 1,261,261

B. Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2020, and the total liability used to calculate the net OPEB liability was determined by an actuarial valuation date as of June 30, 2020.

Actuarial Methods and Assumptions

The total OPEB liability as of June 30, 2020, actuarial valuation was determined using the actuarial methods and assumptions listed on the following page:

	Miscellaneous
Valuation Date:	June 30, 2020
Measurement Date:	June 30, 2020
Amortization Period:	18-year fixed period for FY 2020-21
Asset Valuation Method:	Market value of assets
Actuarial Assumptions:	
Discount Rate	6.75%
Inflation	2.75%
Mortality	CalPERS 1997-2015 Experience Study
Mortality Improvement	Post-retirement mortality projected with Mortality Improvement Society of Actuaries Scale MP-2020
Salary Increases	Aggregate 3% annually Merit – CalPERS 1997-2015
Service Requirement	Either pension eligibility or Section 22893 depending on hire date and employee choice
Healthcare participation for future retirees	90%
Medical Trend	• Non-Medicare - 7.0% for 2022, decreasing to an ultimate rate of 4% in 2076 • Medicare (Non-Kaiser) – 5.0% for 2022, decreasing to an ultimate rate of 4% in 2076 • Medicare (Kaiser) – 6.1% for 2022, decreasing to an ultimate rate of 4% in 2076

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The following is the assumed asset and assumed rate of return for each based on CERBT - Strategy 1:

Asset Class Component	Target Allocation	Expected Real Rate of Return
Global Equity	59%	4.82%
Fixed Income	25%	1.47%
TIPS	5%	1.29%
Commodities	3%	0.84%
REITs	8%	3.76%
Assumed Long-Term Rate of Inflation		2.75%
Expected Long-Term Net Rate of Return, Rounded		6.75%

Discount Rate

The discount rate to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plans fiduciary net position was projected to be sufficient to fully fund the obligation over a period not to exceed 20 years. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in Net OPEB Liability
The changes in the net OPEB liability are as follows for fiscal year ended June 30, 2021:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020 (MD 6/30/19)	$ 9,712,876	$ 5,519,339	$ 4,193,537
Service cost	516,052	-	516,052
Interest in TOL	677,952	-	677,572
Changes of benefit terms	-	-	-
Actual vs. expected experience	(807,314)	-	(807,314)
Assumption changes	(705,468)	-	(705,468)
Employer contributions	-	371,240	(371,240)
Employee contributions	-	-	-
Net Investment Income	-	195,043	(195,043)
Benefit payments	(370,411)	(370,411)	-
Administration expenses	-	(3,526)	3,526
Net changes	(689,189)	192,346	(881,535)
Balance at June 30, 2021 (MD 6/30/20)	$ 9,023,687	$ 5,711,685	$ 3,312,002

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate
The following presents the District's net OPEB liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

	Discount Rate		
	5.75% (1% Decrease)	6.75% Current Rate	7.75% (1% Increase)
Net OPEB Liability	$ 4,498,750	$ 3,312,002	$ 2,333,448

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the District's net OPEB liability if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

	Healthcare Trend Rate		
	(1% Decrease)	Current Trend	(1% Increase)
Net OPEB Liability	$ 2,228,931	$ 3,312,002	$ 4,629,727

OPEB Plan Fiduciary Net Position
Detailed information about the net OPEB plan's fiduciary net position is available in the separately issued CalPERS financial reports at: www.calpers.ca.gov.

Recognition of Deferred Outflows/Inflows of Resources
Gains and losses related to changes in 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 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.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB
For the fiscal years ended June 30, 2021 and June 30, 2020, the District recognized OPEB expense of $948,193 and $1,069,598, respectively.

At June 30, 2021, the District reported deferred outflows and deferred inflows of resources from the following sources as listed on the following page:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 838,209
Changes of assumptions	1,694,383	616.168
Net difference between project and actual earnings on plan investments	135,922	-
Change in employer's proportion	-	-
OPEB contributions subsequent to measurement date	1,261,261	-
Total	$ 3,091,566	$ 1,454,377

Recognition of Deferrals in Future OPEB Expense
The $1,261,261 reported as deferred outflow of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the Net OPEB liability in the year ended in June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

FYE June 30	Deferred Outflows/(Inflows) of Resources
2022	$123,127
2023	123,126
2024	131,324
2025	127,865
2026	92,380
Thereafter	(221,894)

No separate postemployment benefit plan report is available.

12. Commitments and Contingencies

As of June 30, 2021, the District has construction commitments from contractual agreements as listed below:

Project Name	Contract Agreements		Remaining Balance	
Digester Reliability Improvement Project	$	3,395,391	$	235,930
Electrical Replacement Project - Phase 1		3,655,000		775,750
Electrical Replacement Project - Phase 2		175,200		175,200
Primary Clarifier Rehabiliation - No. 1 & 2		525,134		339,134
Secondary Clarifier Rebuilds		283,892		129,519
	$	8,034,617	$	1,655,533

13. New Governmental Accounting and Reporting Standards

The following GASBS were implemented for the year ended June 30, 2021:

- **GASB No. 84 – *Fiduciary Activities*** – The primary objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes, and how those fiduciary activities should be reported.

- **GASB No. 90 – *Majority Equity Interests*** – The primary objective of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

Upcoming GASBS effective for the year ended June 30, 2022, includes:

- GASB No. 87 - *Leases*
- GASB No. 89 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- GASB No. 90 – *Accounting for Interest Cost Incurred before the End of a Construction Period*
- GASB No. 91 – *Conduit Debt Obligations*
- GASB No. 92 – *Omnibus 2020*
- GASB No. 93 – *Replacement of Interbank Offered Rates*
- GASB No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*

Upcoming GASBS effective for the year ended June 30, 2023, includes:

- GASB No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- GASB No. 96 - *Subscription-Based Information Technology Arrangements*

The above listed Statements will have no significant impact on the District's operations.

More information on the above Standards is available on the GASB website at http://www.gasb.org.

FAIRFIELD-SUISUN SEWER DISTRICT
Required Supplementary Information
June 30, 2021

Postemployment Benefits

Schedule of Changes in the Net OPEB Liability and Related Ratios for the Measurement Period Ended June 30, Last Ten Fiscal Years*

Changes in Total OPEB Liability	2021 (MD 6/30/20)	2020 (MD 6/30/19)	2019 (MD 6/30/18)	2018 (MD 6/30/17)
Service cost	$ 516,052	$ 504,802	$ 246,354	$ 239,761
Interest in TOL	677,952	624,067	431,326	392,225
Actual vs. expected experience	(807,314)	-	(205,681)	-
Assumption changes	(705,468)	-	2,618,593	-
Benefit payments	(370,411)	(313,249)	(217,557)	(188,779)
Net change in total OPEB liability	(689,189)	815,620	2,873,035	443,207
Total OPEB liability - beginning	9,712,876	8,897,256	6,024,221	5,581,014
Total OPEB liability - ending	9,023,687	9,712,876	8,897,256	6,024,221
Changes in Fiduciary Net Position				
Employer contributions	$ 371,240	$ 586,189	$ 367,557	$ 338,779
Benefit payments	(370,411)	(313,249)	(217,557)	(188,779)
Net investment income	195,043	322,833	351,673	413,243
Administrative expenses	(3,526)	(1,735)	(8,232)	(2,091)
Net change in plan fiduciary net position	192,346	594,038	493,441	561,152
Plan fiduciary net position - beginning	5,519,339	4,925,301	4,431,860	3,870,708
Plan fiduciary net position - ending	5,711,685	5,519,339	4,925,301	4,431,860
Net OPEB Liability/(Asset) - ending	$ 3,312,002	$ 4,193,537	$ 3,971,955	$ 1,592,361
Plan fiduciary net position as a percentage of the total OPEB liability	63.30%	56.82%	55.36%	73.57%
Covered payroll	$ 6,855,796	$ 6,525,667	$ 6,092,493	$ 6,092,493
Net OPEB liability as a percentage of covered payroll	48.31%	64.26%	65.19%	26.14%

*GASB 75 was implemented in fiscal year ended June 30, 2018. Additional years will be added up to10 years when information becomes available.

FAIRFIELD-SUISUN SEWER DISTRICT
Required Supplementary Information
June 30, 2021

Schedule of Employer Contributions
Last Ten Fiscal Years*

Fiscal Year Ended June 30,	2021	2020	2019	2018
Actuarially determined contribution (ADC)	$ 656,504	$ 855,033	$ 833,721	$ 225,228
Actual contribution in relation to ADC	1,261,261	371,240	586,189	367,557
Contribution deficiency (Excess)	$ (604,757)	$ 483,793	$ 247,532	$ (142,329)
Covered payroll	$ 9,237,126	$ 6,855,796	$ 6,525,667	$ 6,092,493
Contribution as a percentage of payroll	13.65%	5.41%	8.98%	6.03%

The actuarially determined contributions for fiscal years 2019-20 and 2020-21 were from the actuarial valuations dated June 30, 2018, and June 30, 2020.

Actuarial Methods and Assumptions Used to Determine Contributions

	Miscellaneous
Valuation Date:	June 30, 2020
Measurement Date:	June 30, 2020
Actuarial Cost Method:	Entry-Age Normal Cost Method
Amortization Period:	18-year fixed period for 2020/21
Amortization Method:	Level Percentage of Payroll
Asset Valuation Method:	Market value of assets
Actuarial Assumptions:	
Discount Rate	6.75%
Inflation	2.75%
Mortality	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2020
Service Requirement	Either pension eligibility or Section 22893 depending on hire date and employee choice
Medical Trend	Non-Medicare - 7.0% for 2022, decreasing to an ultimate rate of 4% in 2076 Medicare (Non-Kaiser) - 5.0% for 2022, decreasing to an ultimate rate of 4% in 2076 Medicare (Kaiser) - 6.1% for 2022, decreasing to an ultimate rate of 4% in 2076

*GASB 75 was implemented in fiscal year ended June 30, 2018. Additional years will be added up to10 years when information becomes available.

Pension Plan

Schedule of Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date in Relation to PERF C
Last Ten Fiscal Years*

	Fiscal Year End						
	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015 [1]
Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
District's proportion of the net pension liability	0.05656%	0.07198%	0.06821%	0.06835%	0.06556%	0.06157%	0.06186%
District's proportionate share of the net pension liability	$ 6,153,622	$ 7,376,274	$ 6,572,464	$ 6,778,010	$ 5,673,350	$ 4,225,956	$ 3,849,298
District's covered payroll [2]	$ 6,436,028	$ 6,123,141	$ 6,051,649	$ 6,038,180	$ 5,170,000	$ 5,638,769	$ 5,638,769
District's proportionate share of the net pension liablity as a percentage of covered-employee payroll	95.61%	120.47%	108.61%	112.25%	109.74%	74.94%	68.26%
Plan's fiduciary net position as a percentage of the plan's total pension liability	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	79.82%

*GASB 68 was implemented in fiscal year ended June 30, 2015. Additional years will be added up to10 years when information becomes available.

FAIRFIELD-SUISUN SEWER DISTRICT
Required Supplementary Information
June 30, 2021

Schedule of Proportionate Share of Employer Contributions
Last Ten Fiscal Years*

Contributions for the fiscal year ending:	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015 [1]
Actuarially determined contribution	$ 1,288,185	$ 1,253,996	$ 1,099,426	$ 1,004,247	$ 958,408	$ 822,449	$ 975,423
Contributions in relation to the actuarially determined contribution	(3,288,185)	(3,253,996)	(1,099,426)	(1,004,247)	(958,408)	(822,449)	(975,423)
Contribution deficiency (Excess)	$ (2,000,000)	$ (2,000,000)	$ -	$ -	$ -	$ -	$ -
District's covered payroll [2]	$ 6,392,656	$ 6,436,028	$ 6,123,141	$ 6,051,649	$ 6,038,180	$ 5,170,000	$ 5,638,769
Contributions as a percentage of covered payroll	51.44%	50.56%	17.96%	16.59%	15.87%	15.91%	17.30%

Notes:
1. Fiscal year ending June 30, 2015 was the 1st year of implementation
2. For the fiscal year ending on the date shown.

*GASB 68 was implemented in fiscal year ended June 30, 2015. Additional years will be added up to10 years when information becomes available.

OTHER INDEPENDENT AUDITORS' REPORTS

CROPPER
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CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors

Fairfield-Suisun Sewer District
1010 Chadbourne Road
Fairfield, 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 Fairfield-Suisun Sewer District (the District) for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 24, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 financial statements. 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.

Cropper Accountancy Corporation

CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, CA
November 24, 2021

FAIRFIELD-SUISUN SEWER DISTRICT
Statistical Section

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Schedule 1
Condensed Statements of Net Position
Last Ten Fiscal Years ($000)

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Current and other assets	$ 66,817	$ 64,879	$ 55,214	$ 44,222	$ 34,947	$ 27,964	$ 20,820	$ 16,303	$ 13,670	$ 13,587
Capital assets	74,754	71,612	73,713	68,860	72,638	76,831	81,307	85,229	88,698	91,771
Total assets	141,571	136,491	128,927	113,082	107,585	104,795	102,127	101,532	102,368	105,358
Deferred charges on refunding	-	-	-	-	-	-	18	229	-	-
Deferred outlfow - GASB 68	5,260	4,653	2,671	3,288	3,134	1,946	1,425	-	-	-
Deferred outflow - GASB 75[1]	3,091	2,374	2,897	367	-	-	-	-	-	-
Total deferred outflows of resources	8,351	7,027	5,568	3,655	3,134	1,946	1,443	229	-	-
Long-term liabilities	20,587	23,439	25,185	16,620	13,786	14,040	14,179	13,340	15,263	19,294
Other liabilities	4,317	6,454	3,760	2,692	2,494	2,252	4,542	4,522	4,992	4,346
Total liabilities	24,904	29,893	28,945	19,312	16,280	16,292	18,721	17,862	20,255	23,640
Deferred inflow - GASB 68	1,175	432	340	324	438	886	1,048	-	-	-
Deferred inflow - GASB 75	1,454	168	214	-	-	-	-	-	-	-
Total deferred inflows of resources	2,629	600	554	324	438	886	1,048	-	-	-
Net position:										
Net investment in capital assets	63,077	58,331	59,386	60,275	64,207	66,632	68,306	69,507	71,649	72,261
Restricted										
Restricted for capital projects	12,431	8,568	5,374	5,250	3,876	785	1,078	313	265	542
Restricted for debt service	1,069	1,069	737	737	737	737	2,021	2,049	2,070	2,090
Restricted for major maintenance	40,577	40,567	33,755	14,951	15,390	9,730	5,690	2,487	951	1,095
Unrestricted	5,235	4,490	5,744	15,888	9,791	11,679	6,706	9,543	7,178	5,730
Total net position	$ 122,389	$ 113,025	$ 104,996	$ 97,101	$ 94,001	$ 89,563	$ 83,801	$ 83,899	$ 82,113	$ 81,718

Source: District Audited Financial Statements

Schedule 2
Condensed Statements of Revenues, Expenses, and Changes in Net Position
Last Ten Fiscal Years ($000)

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Service charges	$ 29,227	$ 29,028	$ 27,549	$ 26,046	$ 25,904	$ 23,351	$ 23,067	$ 20,881	$ 19,445	$ 19,115
Drainage fees	1,647	1,706	1,619	1,598	1,580	1,552	1,545	1,501	1,491	1,486
Interest income	576	1,164	923	519	260	96	61	50	50	52
Other[1]	78	1,240	956	194	222	212	219	596	178	248
Capacity fees	5,497	2,023	3,000	2,079	2,478	2,835	3,157	2,647	2,472	1,405
Federal grant - loan forgiveness	-	4,000	-	-	-	-	-	-	-	-
Total revenues	37,025	39,161	34,047	30,436	30,444	28,046	28,049	25,675	23,636	22,306
Expenses:										
Business operations	14,815	14,803	15,549	14,941	15,863	11,389	12,677	12,354	11,500	12,685
Sewer line maintenance	2,815	3,345	3,060	3,355	3,058	2,644	2,836	2,890	2,797	2,780
General and administrative	5,055	7,719	2,357	1,976	1,483	1,871	1,904	1,872	2,038	2,592
Billing and collection	667	647	621	594	572	549	528	511	493	474
Interest expense	335	260	224	238	311	404	489	526	606	655
Depreciation	3,974	4,358	4,341	4,449	4,719	4,911	5,370	5,736	5,807	6,892
Total expenses	27,661	31,132	26,152	25,553	26,006	21,768	23,804	23,889	23,241	26,078
Change in net position	9,364	8,029	7,895	4,883	4,438	6,278	4,245	1,786	395	(3,772)
Net position, beginning of period	113,025	104,996	97,101	94,001	89,563	83,801	83,899	82,113	81,718	85,490
Prior period adjustment, GASB 68	-	-	-	-	-	(516)	(4,343)	-	-	-
Prior period adjustment, GASB 75	-	-	-	(1,783)	-	-	-	-	-	-
Net position, as restated	113,025	104,996	97,101	92,218	89,563	83,285	79,556	82,113	81,718	85,490
Net position, end of period	$ 122,389	$ 113,025	$ 104,996	$ 97,101	$ 94,001	$ 89,563	$ 83,801	$ 83,899	$ 82,113	$ 81,718
Statement of Net Position										
Net investment in capital assets	$ 63,077	$ 58,331	$ 59,386	$ 60,275	$ 64,207	$ 66,632	$ 68,306	$ 69,507	$ 71,649	$ 72,261
Restricted										
Restricted for capital projects	12,431	8,568	5,374	5,250	3,876	785	1,078	313	265	542
Restricted for debt service	1,069	1,069	737	737	737	737	2,021	2,049	2,070	2,090
Restricted for major maintenance	40,577	40,567	33,755	14,951	15,390	9,730	5,690	2,487	951	1,095
Unrestricted	5,235	4,490	5,744	15,888	9,791	11,679	6,706	9,543	7,178	5,730
Total net position	$ 122,389	$ 113,025	$ 104,996	$ 97,101	$ 94,001	$ 89,563	$ 83,801	$ 83,899	$ 82,113	$ 81,718

Note: Other revenues includes net increase (decrease) in fair value of investments

Source: District Audited Financial Statements

Schedule 3
Changes in Net Position
Last Ten Fiscal Years ($000)

	Fiscal Year Ended June 30,										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:											
Service charges	$ 29,227	$ 29,028	$ 27,549	$ 26,046	$ 25,904	$ 23,351	$ 23,067	$ 20,881	$ 19,445	$ 19,115	$ 18,895
Drainage fees	1,647	1,706	1,619	1,598	1,580	1,552	1,545	1,501	1,491	1,486	1,455
Interest income	576	1,164	923	519	260	96	61	50	50	52	72
Other[1]	78	1,240	956	194	222	212	219	596	178	248	97
Capacity fees	5,497	2,023	3,000	2,079	2,478	2,835	3,157	2,647	2,472	1,405	1,223
Federal grant - loan forgiveness	-	4,000	-	-	-	-	-	-	-	-	-
Total revenues	37,025	39,161	34,047	30,436	30,444	28,046	28,049	25,675	23,636	22,306	21,742
Expenses:											
Business operations	14,815	14,803	15,549	14,941	15,863	11,389	12,677	12,354	11,500	12,685	12,068
Sewer line maintenance	2,815	3,345	3,060	3,355	3,058	2,644	2,836	2,890	2,797	2,780	2,663
General and administrative	5,055	7,719	2,357	1,976	1,483	1,871	1,904	1,872	2,038	2,592	1,711
Billing and collection	667	647	621	594	572	549	528	511	493	474	459
Interest expense	335	260	224	238	311	404	489	526	606	655	403
Depreciation	3,974	4,358	4,341	4,449	4,719	4,911	5,370	5,736	5,807	6,892	6,644
Total expenses	27,661	31,132	26,152	25,553	26,006	21,768	23,804	23,889	23,241	26,078	23,948
Change in net position	$ 9,364	$ 8,029	$ 7,895	$ 4,883	$ 4,438	$ 6,278	$ 4,245	$ 1,786	$ 395	$ (3,772)	$ (2,206)

Note: Other revenues includes net increase (decrease) in fair value of investments
Source: District Audited Financial Statements

Schedule 4
Net Position by Component
Last Ten Fiscal Years ($000)

	Fiscal Year Ended June 30,										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net position:											
Net investment in capital assets	$ 63,077	$ 58,331	$ 59,386	$ 60,275	$ 64,207	$ 66,632	$ 68,306	$ 69,507	$ 71,649	$ 72,261	$ 77,298
Restricted	54,077	50,204	39,866	20,938	20,003	11,252	8,789	4,849	3,286	3,727	4,777
Unrestricted	5,235	4,490	5,744	15,888	9,791	11,679	6,706	9,543	7,178	5,730	3,415
	$ 122,389	$ 113,025	$ 104,996	$ 97,101	$ 94,001	$ 89,563	$ 83,801	$ 83,899	$ 82,113	$ 81,718	$ 85,490

Source: District Audited Financial Statements

Schedule 5
Expenses by Classification
Last Ten Fiscal Years
(Excludes capital expenditures)

		Operating Expenses					Nonoperating Expenses
Year Ended June 30,	Total	Business Operations	Sewer Line Maintenance	General & Administrative	Billing & Collection	Depreciation & Amortization	Interest Expense
2011	$ 23,947,279	$ 12,068,443	$ 2,662,722	$ 1,710,678	$ 458,838	$ 6,643,608	$ 402,990
2012	26,079,154	12,685,852	2,779,967	2,592,127	474,598	6,892,033	654,577
2013	23,241,874	11,500,305	2,797,256	2,037,747	493,560	5,806,604	606,402
2014	23,890,305	12,353,729	2,890,484	1,872,155	510,901	5,736,618	526,418
2015	23,804,570	12,676,976	2,836,351	1,904,179	527,945	5,369,653	489,466
2016	21,767,976	11,388,630	2,644,369	1,871,275	548,613	4,911,240	403,849
2017	26,004,419	15,863,010	3,057,863	1,482,397	572,075	4,718,543	310,531
2018	25,553,526	14,940,913	3,354,563	1,975,825	594,247	4,449,438	238,540
2019	26,152,009	15,549,518	3,060,300	2,356,610	620,929	4,340,674	223,978
2020	31,133,094	14,803,087	3,345,091	7,719,292	647,226	4,357,994	260,404
2021	27,660,682	14,814,798	2,814,501	5,055,105	667,098	3,974,168	335,012

Source: District Audited Financial Statements

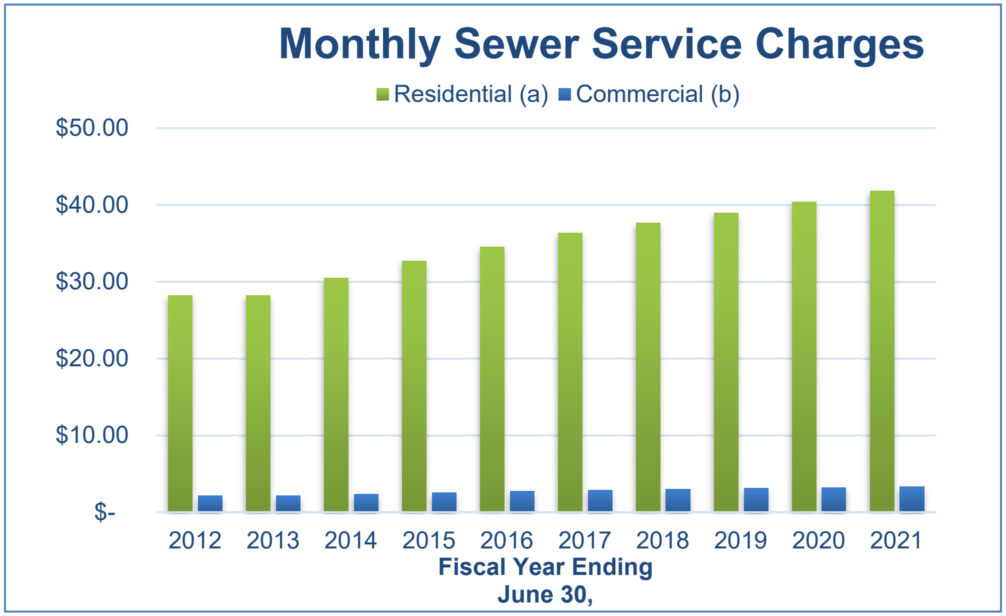
Schedule 6
Revenues by Sources
Last Ten Fiscal Years
(Including interest)

Year Ended June 30,	Total	Operating Revenues: Sewer Service Charges	Operating Revenues: Drainage Fees	Operating Revenues: Other	Nonoperating Revenues: Interest Income	Nonoperating Revenues: Other (1)	Contributed Capital: Capacity Fees	Federal Grant: Loan Forgiveness
2011	$ 21,742,376	$ 18,894,915	$ 1,454,574	$ -	$ 72,481	$ 97,754	$ 1,222,652	$ -
2012	22,305,730	19,114,963	1,486,129	1,684	51,669	246,076	1,405,209	-
2013	23,637,581	19,445,408	1,491,470	50,675	50,574	127,667	2,471,787	-
2014	25,676,277	20,881,091	1,501,074	485,290	49,759	111,506	2,647,557	-
2015	28,049,378	23,066,724	1,545,538	34,596	61,196	184,481	3,156,843	-
2016	28,028,751	23,351,121	1,551,786	3,654	95,688	191,437	2,835,065	-
2017	30,442,600	25,904,084	1,580,378	28,981	259,750	191,084	2,478,323	-
2018	30,618,728	26,046,503	1,598,012	1,775	519,249	374,541	2,078,648	-
2019	34,046,479	27,548,719	1,618,819	284,679	922,968	671,302	2,999,992	-
2020	39,162,093	29,028,821	1,706,076	286,695	1,164,907	952,984	2,022,610	4,000,000
2021	37,025,452	29,227,168	1,646,905	392,040	575,666	(313,795)	5,497,468	-

(1) Includes net increase (decrease) in fair value of investments.
Source: District Audited Financial Statements

Schedule 7
Monthly Sewer Service Charges
Last Ten Fiscal Years

Fiscal Year	Residential (a)	Commercial (b)
2011-12	28.21	2.14
2012-13	28.21	2.14
2013-14	30.46	2.35
2014-15	32.71	2.56
2015-16	34.56	2.73
2016-17	36.35	2.90
2017-18	37.65	3.00
2018-19	39.00	3.11
2019-20	40.40	3.22
2020-21	41.85	3.34



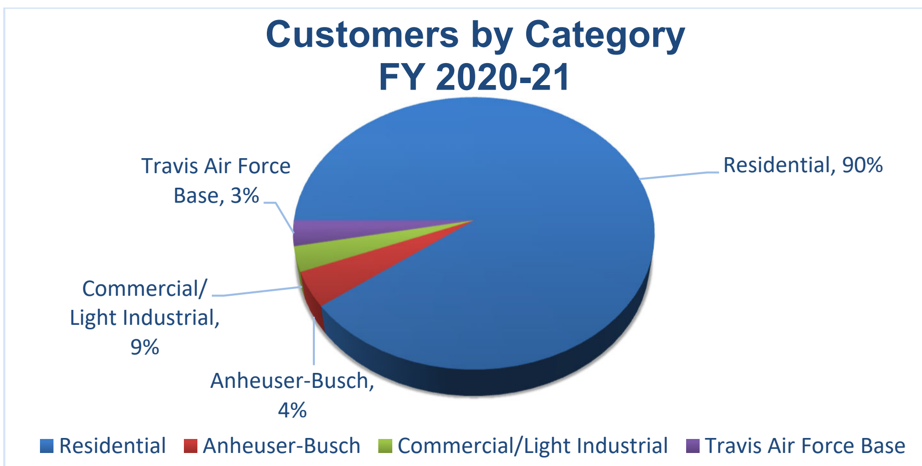
(a) Residential customers are billed a flat rate per month, per dwelling unit.
(b) Commercial customers are billed based on water usage, per hundred cubic feet.

The District completes a Cost of Service and Rate Study and adopts rates every five years. The most recent rates were adopted on March 17, 2017 and are effective through FY 2021-22.

Source: District rate ordinance

Schedule 8
Service Area of Principal Customers and Percentage of Total Sewer Service Charges

		Fiscal Years Ended June 30,										
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total sewer service charges $000		$ 29,227	$ 29,028	$ 27,549	$ 26,047	$ 25,904	$ 23,351	$ 23,067	$ 20,881	$ 19,445	$ 19,115	$ 18,895
User	Type											
Travis Air Force Base	Military Base	3.03%	3.31%	4.75%	3.87%	4.76%	3.73%	3.92%	4.18%	4.58%	4.60%	4.85%
Anheuser-Busch	Brewery	4.21%	3.93%	4.23%	3.65%	5.86%	4.21%	4.39%	5.43%	5.94%	6.98%	6.71%
Courage Production	Manufacturing	0.21%	0.47%	0.36%	0.79%	0.47%	1.08%	0.54%	0.93%	0.85%	0.31%	0.31%
Producers Dairy Foods	Dairy	1.39%	1.82%	1.06%	0.77%	0.95%	1.06%	0.73%	1.82%	0.97%	1.03%	0.88%
Paradise Valley Estates	Housing	0.56%	0.54%	0.58%	0.56%	0.46%	0.58%	0.55%	0.57%	0.57%	0.58%	0.56%
Pointe Fairfield Venture, LLC	Housing	0.50%	0.49%	0.53%	0.49%	0.49%	0.52%	0.50%	0.51%	0.51%	0.52%	0.50%
Rolling Oaks 88 LP	Housing	0.50%	0.48%	0.52%	0.46%	0.49%	0.51%	0.49%	0.51%	0.51%	0.00%	0.00%
Verdant at Green Valley	Housing	0.49%	0.46%	0.51%	0.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ball Metal Corporation	Manufacturing	0.50%	0.35%	0.29%	0.42%	0.66%	0.79%	0.85%	0.74%	0.69%	0.72%	0.48%
Dover Woods Senior Apts.	Housing	0.38%	0.36%	0.36%	0.33%	0.34%	0.00%	0.34%	0.34%	0.35%	0.35%	0.34%
United Mobile Homeowners	Housing	0.36%	0.34%	0.38%	0.33%	0.35%	0.37%	0.36%	0.36%	0.37%	0.37%	0.35%
Jelly Belly Candy Co.	Manufacturing	0.18%	0.29%	0.30%	0.32%	0.34%	0.35%	0.32%	0.32%	0.33%	0.34%	0.32%
Amcor Pet Packing	Manufacturing	0.60%	0.54%	0.59%	0.31%	0.74%	0.70%	0.58%	0.58%	0.51%	0.52%	0.48%
Pacific Estates	Housing	0.30%	0.29%	0.31%	0.28%	0.29%	0.31%	0.29%	0.30%	0.30%	0.31%	0.30%
		13.22%	13.68%	14.76%	13.05%	17.44%	14.21%	13.86%	16.61%	16.50%	16.31%	15.78%



Source: City of Fairfield and District billing records

Schedule 9
Pledged-Revenue Coverage
Last Ten Fiscal Years

Year Ended June 30,	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)	Debt Coverage % (4)
2012	22,305,730	17,742,762	4,562,968	3,166,843	144%
2013	23,637,581	16,466,332	7,171,249	3,163,638	227%
2014	25,676,277	17,297,759	8,378,518	3,160,188	265%
2015	28,049,378	17,649,451	10,399,927	3,244,839	321%
2016	28,028,751	21,767,976	6,260,775	3,242,767	193%
2017	30,442,600	26,004,419	4,438,181	2,080,299	213%
2018	30,618,728	25,553,526	5,065,202	737,038	687%
2019	34,046,479	26,152,009	7,894,470	737,038	1071%
2020	39,162,093	31,133,094	8,028,999	1,068,895	751%
2020	37,025,452	27,660,682	9,364,770	1,068,895	876%

(1) Includes capacity fees.
(2) Does not include depreciation, amortization, and other postemployment benefits.
(3) Highest annual debt service payment due on the remaining life of the bonds.
(4) Bond covenant requires that net revenue be at least 115% of debt service requirement.

Source: District's Audited Financial Statements and Accounting Records

Schedule 10
Summary of Debt Service Payments
Last Ten Fiscal Years

Year Ended June 30,	City of Fairfield Reimbursement Agreement	State Revolving Fund Loan	2010 Sewer Refunding Bonds	Total Debt Service
2012	$ -	$ 742,253.00	$ 2,424,590.00	$ 3,166,843.00
2013	-	737,038	2,426,600	3,163,638
2014	-	737,038	2,423,150	3,160,188
2015	81,651	737,038	2,426,150	3,244,839
2016	81,651	737,038	2,424,078	3,242,767
2017	1,343,261	737,038	-	2,080,299
2018	-	737,038	-	737,038
2019	-	737,038	-	737,038
2020	-	737,038	-	737,038
2021	-	737,038	-	737,038
Total	$ 1,506,563	$ 6,638,557	$ 14,551,721	$ 22,696,841

Debt Capacity: The District may issue or incur new debt on a parity basis if the sum of audited net sewer enterprise revenues for the prior fiscal year, plus 75% of estimated increases in net revenues due to rate increases in effect before the District issues or incurs the new parity obligations (but not in effect during the prior fiscal year), equals at least 115% of the combined maximum annual payment.

Source: District's Audited Financial Statements and Accounting Records

Schedule 11
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Year Ended June 30,	City of Fairfield Reimbursement Agreement (3)	State Revolving Fund Loan	2010 Sewer Refunding Bonds (1)	Total Outstanding Debt	Population Served (2)	Debt per Capita
2012	$ -	$ 10,708,446	$ 8,831,822	$ 19,540,268	$ 134,357	$ 145
2013	-	10,278,861	6,708,276	16,987,137	136,441	125
2014	1,330,000	9,836,728	4,783,581	15,950,309	133,432	120
2015	1,308,199	9,381,681	2,311,516	13,001,396	138,567	94
2016	1,285,417	8,913,340	-	10,198,757	141,728	72
2017	-	8,431,319	-	8,431,319	143,452	59
2018	-	8,585,219	-	8,585,219	145,348	59
2019	-	14,976,452	-	14,976,452	148,991	101
2020	-	12,440,576	-	12,440,576	146,100	85
2021	-	11,677,087	-	11,677,087	146,887	79

(1) Refunded in fiscal year 2009/10
(2) Refer to Schedule 15
(3) Paid in full in July 2017

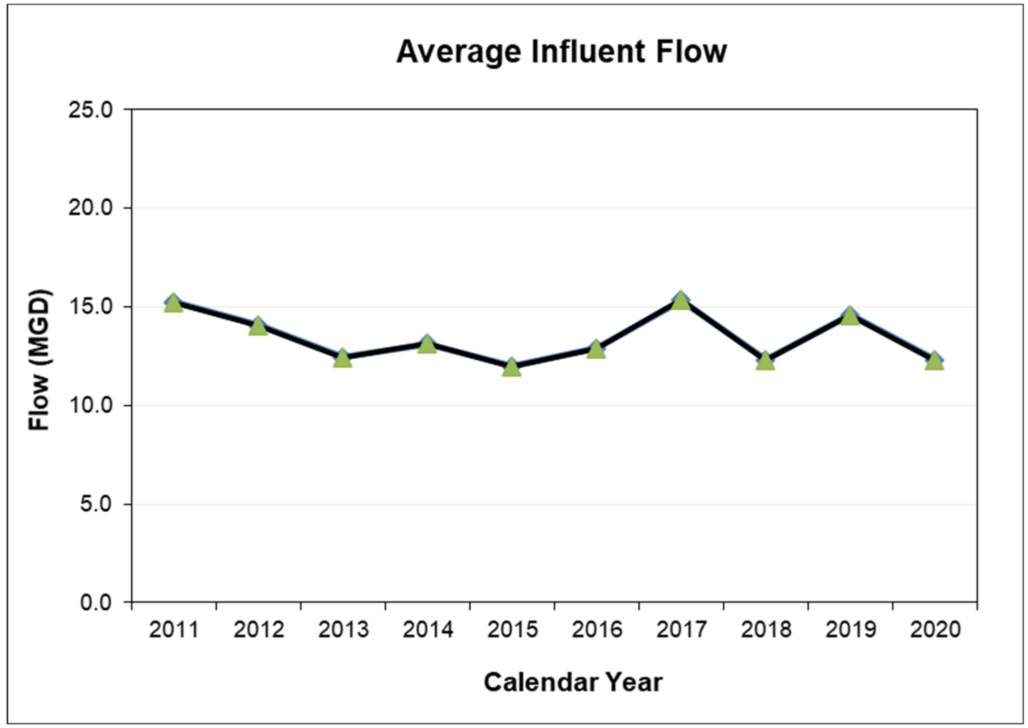
Source: District's Audited Financial Statements and Accounting Records

Schedule 12
Average Annual Influent Flow

Average Annual Influent Flow

Year (Calendar)	Flow (MGD)*
2011	15.3
2012	14.1
2013	12.5
2014	13.1
2015	12.0
2016	12.9
2017	15.4
2018	12.3
2019	14.6
2020	12.3

*Million gallons per day

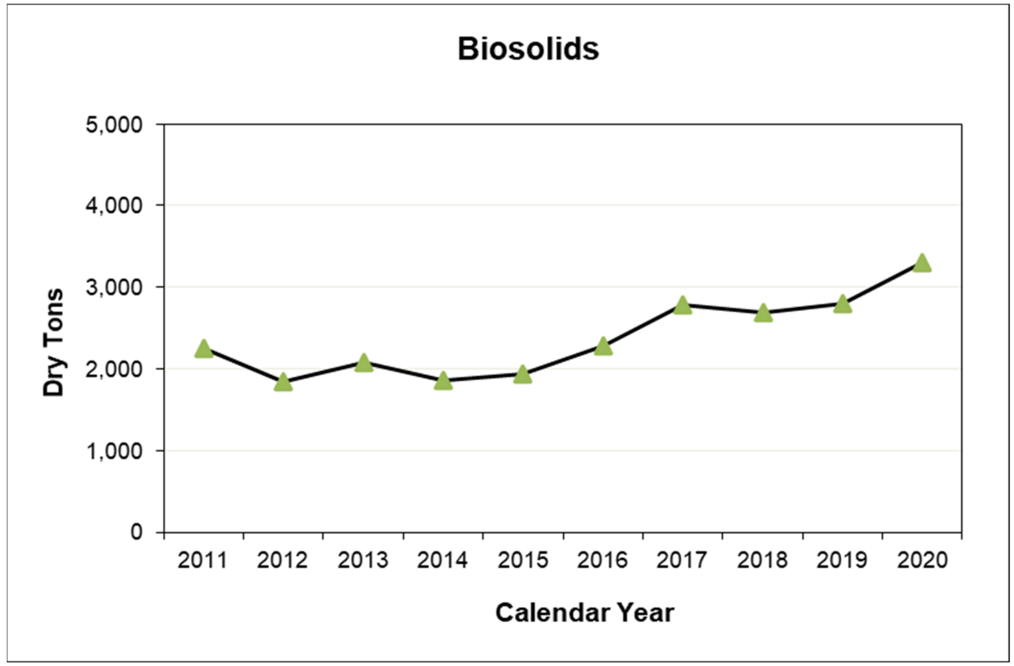


Source: District's Regulatory Department
Data for calendar year 2021 is not available as of fiscal year-end date.

Schedule 13
Biosolids Disposal

Biosolids (Sludge) Hauled/Produced

Year (Calendar)	Dry Metric Tons
2011	2,250
2012	1,845
2013	2,073
2014	1,859
2015	1,939
2016	2,284
2017	2,777
2018	2,691
2019	2,802
2020	3,296



Annual biosolids disposal is derived by totaling the tons of biosolids removed from the treatment plant each year. Inter-annual variability results when on-plant storage is used to a greater or lesser extent year to year.

Source: District's Regulatory Department
Data for calendar year 2021 is not available as of fiscal year-end date.

Schedule 14
Schedule of Insurance Coverage
June 30, 2021

NATURE OF INSURANCE	POLICY #	EFFECTIVE DATE 20-21	COMPANY	LIMITS/ DED.	COST
GL/AL (INCLUDING ERRORS & OMISSIONS AND EMPLOYMENT PRACTICES LIABILITY)	CSL FSSD 2021 1	12/31/20-21	CSRMA POOLED LIABILITY	XS $15,500,000 COVERAGE LIMIT $50,000 DED $2,500 E&O DED $25,000 EPL DED $50,000 SEWER BACKUP DED	$114,519
REINSURANCE			*MUNICH AMERICAN REINSURANCE CO.*	*$10,000,000 ULTIMATE NET LOSS XS $500,000 EACH LOSS OCCURRENCE*	
REINSURANCE			*BERKLEY PUBLIC ENTITY*	*$5,000,000 ULTIMATE NET LOSS XS $10,500,000 EACH LOSS OCCURRENCE*	
EXCESS LIABILITY	312-6366	12/31/20-21	ALLIED WORLD NATIONAL ASSURANCE COMPANY	$5,000,000 (50%) PART OF $10,000,000	INCLUDED ABOVE
EXCESS LIABILITY	3342504-03	12/31/20-21	GREAT AMERICAN E&S INSURANCE COMPANY	$5,000,000 (50%) PART OF $10,000,000	INCLUDED ABOVE
SPECIAL FORM PROPERTY	APIP2020 (DEC 34)	07/01/20-21	ALLIANT PROPERTY INSURANCE PROGRAM (APIP)	$311,363,827 TIV $25,000 DED	$162,582
PUBLIC ENTITY POLLUTION LIABILITY (CLAIMS MADE & REPORTED)	USL00885220	07/01/20-21	INTERSTATE FIRE & CASUALTY INSURANCE COMPANY	$25,000,000 POLICY AGG 2,000,000 PER POLLUTION CONDITION LIMIT/MEMBER $100,000 AGG $300,000 PER POLLUTION CONDITION RETENTION	INCLUDED ABOVE
CYBER LIABILITY COVERAGE	PH2033938	07/01/20-21	LLOYDS'S OF LONDON – BEAZLEY SYNDICATE: SYNDICATES 2623-623 - 100% (APIP)	$2,000,000 (THIRD PARTY LIMITS) $2,000,000 AGG (FIRST PARTY COMPUTER SECURITY) $50,000 RETENTION	INCLUDED ABOVE
PRIMARY INSURANCE PROGRAM PACKAGE >GENERAL LIABILITY	5105-1158-07	12/31/20-21	ALLIED WORLD ASSURANCE COMPANY (U.S.), INC.	GENERAL LIABILITY/AUTO LIAB. $1,000,000 OCC/$3,000,000 AGG $0 DEDUCTIBLE	$4,247
EXCESS LIABILITY	5107-1158-07	12/31/20-21	ALLIED WORLD ASSURANCE COMPANY (U.S.), INC.	$4,000,000 EACH OCCURRENCE EMPLOYER'S LIAB. INCLUDED	INCLUDED ABOVE
WORKERS' COMPENSATION EMPLOYERS' LIABILITY	CSWC FSSD 2021 1	07/01/20-21	CSRMA POOLED WORKERS' COMPENSATION	$750,000 LIMIT $0 DED	$153,553
EXCESS WORKERS' COMPENSATION EMPLOYERS'	SP 4060565	07/01/20-21	SAFETY NATIONAL CASUALTY	STATUTORY XS 750,000 $1,000,000 XS $750,000	INCLUDED ABOVE
ALLIANT MOBILE VEHICLE PROGRAM (AMVP)	MXI 93058679	07/01/20-21	AGCS MARINE INSURANCE COMPANY	$391,050 TOTAL VALUE $25,000/25,000 COMP & COLLISION DEDUCTIBLE	$1,394
ID FRAUD MASTER POLICY IDENTITY THEFT	106007331	10/13/20-21	TRAVELERS INSURANCE COMPANY	$25,000 LIMIT $0 DEDUCTIBLE	NO CHARGE
ADWRP – ALLIANT DEADLY WEAPSONS RESPONSE	PJ2000050 - 0005	07/01/20-21	LLOYDS OF LONDON - BEAZLEY	LIMITS OF LIABILITY (100%) $500,000 EACH & EVERY EVENT (INCLUDING CLAIM EXPENSE) $2,500,000 ANNUAL AGGREGATE $250,000 VARIOUS SUBLIMITS FOR COUNSELING SERVICES, FUNERAL EXPENSES, 1ST PARTY PROPERTY DAMAGE, BUSINESS INTERRUPITION AND DEMOLITION/MEMORIALISATION	NO CHARGE

Source: California Sanitation and Risk Management Authority

Schedule 15
Population Served
Last Ten Fiscal Years

Year	City of Fairfield	City of Suisun City	Total Served	% Change
2012	106,379	27,978	134,357	1.0%
2013	108,207	28,234	136,441	1.6%
2014	105,321	28,111	133,432	-2.2%
2015	110,018	28,549	138,567	3.8%
2016	112,637	29,091	141,728	2.3%
2017	114,157	29,295	143,452	1.2%
2018	116,156	29,192	145,348	1.3%
2019	119,544	29,447	148,991	2.5%
2020	116,981	29,119	146,100	-1.9%
2021	118,005	28,882	146,887	0.5%

Source: State of California Department of Finance

Schedule 16
Major Employers
(Current year compared to nine years ago)

Firm Name	Type of Business	Employees 2020	Ranking	% of Total City of Fairfield Employment	Employees 2011	Ranking	% of Total City of Fairfield Employment
Travis Air Force Base	Military Base	13,414	1	21%	14,353	1	31%
County of Solano	Government	2,633	2	4%	2,850	2	6%
Fairfield-Suisun Unified School District	Education	2,213	3	4%	2,000	3	7%
NorthBay Medical Center	Hospital	1,969	4	3%	1,115	4	3%
Solano Community College	Education	750	5	1%	650	5	1%
City of Fairfield	Government	571	6	1%	560	6	2%
Sutter Regional Medical Foundation	Medical	475	9	1%	475	7	0%
Jelly Belly Candy Co.	Candy & Confections	489	8	1%	461	8	1%
Partnership HealthPlan	Insurance	561	7	1%	-	-	0%
Westamerica Bank	Corporate Headquarters	418	10	1%	407	10	1%
Copart		-	-	0%	450	9	1%

Note: City of Fairfield Annual Comprehensive Financial Report for the year ended June 30, 2021 not yet available. Data presented is from the prior year.
Source: City of Fairfield Annual Comprehensive Financial Report and California Employment Development Department

Schedule 17
Full-Time District Employees by Program
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Engineering and Construction (1)	8.5	6	6	6	6	6	6	7	7	7
Administration (3)	8	6	6	6	6	7.5	7	7	7	8
Regulatory (2)	5	4	4	4	4.5	4.5	4.5	4.5	4.5	4.5
Safety (4)	0	1	1	1	1	1	1	1	1	1
Operation and Maintenance	40	40	40	40	40	39	40.5	41	41	41
	61.5	57	57	57	57.5	58.0	59.0	60.5	60.5	61.5

Billing and collection functions are contracted out to third parties.

(1) This includes engineering technicians and inspectors
(2) This includes laboratory and source control. The Laboratory program was brough in-house in June 2007.
(3) Administration consists of the General Manager and Administrative Services Department, which includes Finance, Human Resources, and Information Technology.
(4) Starting in 2021, the Safety function is handled by Regulatory and Administration.

Source: Fairfield-Suisun Sewer District

Schedule 18
Other Information

General	
Service area	City of Fairfield
	City of Suisun City
Governing body	Council members of both cities
Chief executive officer	General Manager
Date of formation	May 5, 1951
Type of service	Sewage collection, treatment and disposal and drainage maintenance
Number of full-time employees	61.5
District population	146,100
Wastewater Facilities	
Area served (square miles)	45
Number of treatment plant(s)	1
Number of pump stations	13
Permitted dry weather capacity	23.70 MGD
Average dry weather flow	11.70 MGD
Miles of sewer (12-inch and larger)	85
Stormwater Facilities	
Area served (square miles)	45
Number of pump stations	7

Source: Fairfield-Suisun Sewer District