

2023

# BOARD HANDBOOK



**Fairfield-Suisun Sewer District**

1010 Chadbourne Road

Fairfield, CA 94534

[www.fssd.com](http://www.fssd.com)

# Fairfield-Suisun Sewer District

## Board Handbook 2023

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FAIRFIELD-SUISUN SEWER DISTRICT  
RESOLUTION NO. 2022-18

**A RESOLUTION ESTABLISHING THE REGULAR MEETING SCHEDULE FOR 2023**

WHEREAS, the Fairfield-Suisun Sewer District Act establishes a Board of Directors and the Board of Directors established an Executive Committee of the Board; and,

WHEREAS, the California State Legislature passed the Ralph M. Brown Act in 1953 guaranteeing the public's right to attend and participate in meetings of local legislative bodies; and,

WHEREAS, Board of Directors desires to provide advanced notice to the public of its regular meetings;

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE FAIRFIELD-SUISUN SEWER DISTRICT THAT:

- 1) Table 1 is the adopted schedule for regular meetings of the Board of Directors and the Executive Committee for 2023.

Table 1

Month	Executive Committee	Board of Directors
January	4:30 pm, Monday, January 23	6:00 pm, Monday, January 30
February	4:30 pm, Monday, February 13	6:00 pm, Monday, February 27
March	4:30 pm, Monday, March 20	6:00 pm, Monday, March 27
April	4:30 pm, Monday, April 17	6:00 pm, Monday, April 24
May	4:30 pm, Monday, May 15	6:00 pm, Monday, May 22
June	4:30 pm, Monday, June 12	6:00 pm, Monday, June 26
July	4:30 pm, Monday, July 17	6:00 pm, Monday, July 24
August	<b>No Meeting</b>	<b>No Meeting</b>
September	4:30 pm, Monday, September 18	6:00 pm, Monday, September 25
October	4:30 pm, Monday, October 16	6:00 pm, Monday, October 23
November	4:30 pm, Monday, November 20	6:00 pm, Monday, November 27
December	<b>No Meeting</b>	<b>No Meeting</b>

- 2) All the above meetings shall be held at the District Administrative offices at 1010 Chadbourne Road, Fairfield, California.
- 3) The General Manager is hereby authorized and directed to take all steps necessary and proper to implement this resolution in accordance with District policies and procedures.

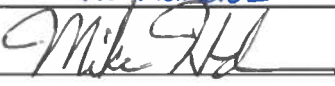
PASSED AND ADOPTED this 24<sup>th</sup> day of October 2022, by the following vote:

Day-Hernandez-Hudson-Panduro-Price  
Timm-Tonnesen-Williams-Vaccaro

AYES: Directors \_\_\_\_\_

NOES: Directors None

ABSENT: Directors Hernandez

  
\_\_\_\_\_  
President

ATTEST:   
District Clerk

# Fairfield-Suisun Sewer District

## Overview and History

The Fairfield-Suisun Sewer District is a California Special District formed in 1951 by an act of the state legislature. It provides wastewater collection and treatment for a population of approximately 149,000 that includes the cities of Fairfield and Suisun City, as well as Travis Air Force Base. The District also operates a drainage maintenance utility that provides certain stormwater management services.

The current treatment plant was built in 1976, and major expansions occurred in 1982, 1986, 1990, and 2009. The treatment plant itself sits on approximately 200 acres, and the collection system is comprised of 13 pump stations and approximately 70 miles of sewers that range from 12" to 48" in diameter. The current estimated replacement cost of over \$800 million points out the significant investment the District has in this infrastructure.

## Planning

One of the District's primary functions is to ensure that sufficient infrastructure is available to handle the planned development of the two-city service area. To meet that goal, the District has an extensive planning process that includes long-range projections of growth, infrastructure needs and financing. Every few years the District updates its Master Plan document to align its growth projections with the General Plans of the two cities it serves. The required capital projects, and estimated costs, are then laid out in the District's Capital Improvement Plan ("CIP"), which is included in the annual budget document.

## Finance

*Sewer Service Charges.* The daily operation and maintenance ("O&M") of the plant and sewers is paid from the monthly sewer service charges collected from each user. Residences currently pay a flat rate of \$45.02 per month, and commercial/industrial users pay rates based on flow and loadings contributed to the system. These fees pay for all O&M, regulatory and administrative expenses, as the District does not receive any tax revenues.

*Capacity Fees.* The District collects capacity fees from new development. Capacity fee rates are based on growth from the Master Plan and project estimates so that the District may collect enough revenue to pay for system growth and/or repair and rehabilitation of the existing system. Community growth pays for itself so that, upon future buildout, major debt service burdens will not be shifted to ratepayers.

*Storm Drain Maintenance Fees.* On March 1, 1988, the District entered into a "Drainage Maintenance Agreement" with Fairfield and Suisun City. This agreement provides a mechanism to provide supplemental funding for the maintenance of storm drain facilities in both cities. Although the District does not own any storm drainage facilities, it is authorized by statute to provide storm drainage services. The District created a storm drainage maintenance enterprise fund and established fees for users of the system which are collected on the county tax roll each year. Revenues are shared by the cities and the District for storm drainage activities. Currently, the District assists the cities by overseeing the Solano Stormwater Alliance and operating and maintaining city-owned stormwater pumping stations. Annual rates are \$20.23 per residence. Total annual revenues collected for the Drainage Maintenance Fund are approximately \$1.6 million each year.

*Reserves.* Ensuring that sufficient funds will be available for major maintenance and eventual replacement of District infrastructure is an important goal of the District. To accomplish this, the District maintains several reserves, including a Major Maintenance and Capital Improvement Program (CIP) reserve. The target level for the Major Maintenance and CIP reserve is set to 100 percent of the five-year rolling average of annual Major Maintenance and CIP spending to ensure funding is available for projects identified during the Budget and Long-Term Financial Plan preparation. To fund new projects, Capacity Fee and Major Maintenance / CIP reserves are periodically built up and drawn down. The total of the 10-year forecast is approximately \$146 million.

To the extent possible, the District attempts to fund projects on a pay-as-you-go basis. District staff annually reviews revenues and expenditure projections to ensure sufficient funds are available to meet District goals. See the Budget and Long-Term Financial Plan for more information.

## **Regulatory Issues**

The District is highly regulated by a number of regional, state, and federal agencies, and regulatory issues play an essential role in the District's operations. Air quality is regulated by the Bay Area Air Quality Management District and the California State Air Resources Board. Water quality is regulated by the Regional Water Quality Control Board. And biosolids are regulated by the Environmental Protection Agency.

Because the District discharges into the environmentally sensitive Suisun Marsh, it has extremely stringent effluent-quality requirements, and treated effluent must essentially exceed the requirements for drinking water. The District's pretreatment and pollution-prevention efforts play important roles in meeting these requirements.

For more information visit the District website at [www.fssd.com](http://www.fssd.com).

## **Fairfield-Suisun Sewer District Board Member Guidelines**

### **1) Election/Appointment**

Upon election or appointment to the City Council of either the City of Suisun City or the City of Fairfield, a City Council member automatically becomes a member of the Board of Directors of the Fairfield-Suisun Sewer District. Board Directors and Alternate Board of Director roles and responsibilities are addressed in Policy No. 4001 - Members of the Board of Directors, attached.

The terms Board Member and District Director are used interchangeably. A new Board Member becomes a part of the Board and begins service at the first Board meeting after confirmation as a City Council member.

### **2) Term of Office**

Term of office coincides with a member's term on the City Council, generally four years.

### **3) Lines of Authority**

The authority for all actions of the Sewer District Board flows from state law: The "Fairfield-Suisun Sewer District Act," statutes of 1951. The document, commonly referred to as the "Enabling Act," outlines the power of the District as a government entity. Any action of the Board requires an affirmative vote of 6 of the 10 members.

### **4) Responsibilities**

The District Board is responsible for providing policy direction to promote the best interests of the District and its customers. Directors approve, among other things, the annual budget, the award of capital projects, and all large contracts.

The Board of Directors delegates some of its duties and responsibilities to subcommittees and staff.

#### **a) General Manager**

Authority for management of the District and direction of staff rests with the General Manager.

#### **b) Committees**

- i) **There is one standing committee, the Executive Committee**, which is composed of four Board Members elected by the Board at the January meeting every other year (odd years). If a position is vacated by a Board Member leaving the City Council, the Board President may appoint a member to fill the position until the next election. Please see Policy No. 4001 - Members of the Board of Directors, attached.

- ii) **Ad-hoc Committees** may be created as needed for specific short-term assignments and filled by Presidential appointment. They are generally comprised of 2 or 3 Board Members. Examples of past ad-hoc committees include Operations & Maintenance Contract Renewal, and Travis AFB Contract Negotiations.

5) **District Counsel**

Counsel is appointed by the Board and works with staff and Directors on legal issues. The District contracts with Solano County for legal support. Carrie Blacklock currently serves as District Counsel.

6) **Lines of Communication**

Communication between Board members and staff is usually accomplished through the General Manager or the Executive Committee. This ensures an orderly flow of information, as well as being convenient for most Board members.

Other staff contact information is included in this Board handbook under the section entitled "Staff Contact Information" as a convenience for those Board members who wish to have wider staff contact.

7) **Meeting Dates and Times**

Regular Board meetings are held the 4th Monday of each month at 6:00 p.m.

Agendas are posted on the District's website (fssd.com) and are emailed to Board Members on the Friday before the scheduled meeting. Occasionally the Board will reschedule a meeting to avoid a conflict with a holiday. Any such rescheduling is done in advance to make certain that Board members and the public have sufficient time to plan their calendars.

8) **Compensation of Board Members**

Board Members are paid \$166.98 per meeting in 2022/23, but may not be compensated for more than six meetings in any one month.

Board members are also eligible to receive health expense reimbursements for receipted health expenses they or their families incur beyond what is paid for or reimbursed by others. The amount of reimbursement increases each year by an inflation factor. The maximum available for 2023 is \$7,695. (See Health Reimbursement Request Form, Resolution & Policy in Handbook for details.)

9) **Conflicts of Interest**

As elected officials, Directors should be aware that several state laws and regulations govern conflicts of interest. The rules governing conflicts of interest which apply to service as Council Members also apply to your service

as a member of the Sewer District Board of Directors. Gifts (anything of value including money, food, entertainment, transportation, accommodations, etc.) must be reported on FPPC Form 700. For the period January 1, 2023 through December 31, 2023, a Board Member may not accept gifts with a total value of more than \$590 from any single source in any calendar year. In addition, a gift from any source of \$50 or more in value must be reported on FPPC Form 700. Questions about interpretation of conflict of interest rules should be directed to District Counsel.

#### 10) **Ethics Training**

State Law (commonly referred to as AB1234) effective January 1, 2006 required elected officials to take an approved ethics training class at least once every two years. If you receive ethics training as a City Council member, you do not need to take it again to meet the requirement as a District Director. Please forward a copy of the certificate of training to the District Clerk for the District records. There are several ways to get the required ethics training, and the District Clerk can help you find an approved class.

#### 11) **Conducting the Public's Business in Public**

California's open meeting laws provide legal minimum requirements for local governmental transparency in decision-making. Decision-making bodies, which include the governing board as well as many committees and advisory bodies, must conduct their business in an open and public meeting to assure the public is fully informed about local decisions.

The following are some key things to keep in mind:

- **Meetings.** A "meeting" is any situation involving a majority of the governing body in which business is transacted or discussed. In other words, a majority of the governing body cannot talk privately about an issue before the body no matter how the conversation occurs, whether by telephone or e-mail or at a local coffee shop.
- **Serial Meetings.** One thing to watch for is unintentionally creating a "serial" meeting, a series of communications that result in a majority of governing body members having conferred on an issue. For example, if five members of a ten-member governing body consult outside of a public meeting (which is not in and of itself a violation) and then one of those individuals consults with a sixth member on the same issue, a majority of the body has consulted on the same issue. Note the communication does not need to be in person and can occur through a third party. For example, sending or forwarding e-mail can be sufficient to create a serial meeting, as can a staff member polling governing body members in a way that reveals the members' positions to one another.

- **Permissible Gatherings.** Not every gathering of governing body members is a problem. For example, a majority of the governing body may attend the same educational conference or a community meeting not organized by the local agency. Nor is attendance at a social or ceremonial event in and of itself a violation. The key rule to keep in mind is a majority of the governing body members cannot meet and discuss agency business except at an open and fully noticed public meeting.

# Fairfield-Suisun Sewer District

## Board of Directors FAQ

### **May I attend conferences?**

Conference attendance is governed by Board Policy No. 4001 - Members of the Board of Directors, attached. Briefly, Board Members may attend meetings of the California Association of Sanitation Agencies (CASA) and similar events related to the business of the District. Reimbursement of reasonable and necessary expenses incurred at the meeting is allowed. In addition, members attending a CASA conference are compensated on a daily basis for service to the board at the current per-meeting rate. Members must report on conference attendance at the next board meeting. See attached policies for details.

To register for a conference, contact the Administrative Specialist, who will handle conference registration and hotel reservations when the conference is out of the local area. Board Members make their own travel arrangements directly and are reimbursed by the District.

### **How do I receive reimbursements?**

#### **Health:**

Board Members are eligible for health reimbursement, Alternate Board Members are not. Complete a Health Reimbursement Request Form (copies in Board Handbook). Attach documentation (invoices, receipts, copies of checks...) and sign and return completed form with documentation to the District's Director of Administrative Services for processing. You will receive a check in the mail or direct deposit, normally within 3 weeks. See Health Reimbursement Policy and forms, in Board Handbook.

#### **Conference & Travel:**

Turn in all receipts to the District's Director of Administrative Services for claims processing. Please indicate what and who the expense is for, if it is not clear. You will receive a check in the mail or direct deposit for your reimbursable expenses, less any pre-paid items or advanced monies, in a timely manner. See Expense Reimbursement Policy No. 4090, attached.

Attendance at CASA meetings by Board Members is reimbursed at the normal meeting rate per day of conference attendance with a monthly reimbursable limit of 6 meeting days for all Board and CASA meetings combined. CASA reimbursements are usually in the same check or direct deposit as attendance of other Board meetings.

Both health reimbursements and meeting attendance payments are paid through the bi-weekly payroll system. Conference and Travel Reimbursement, however, is paid through the accounts payable system, resulting in the possibility of separate checks or

direct deposits should there be both meeting attendance and travel reimbursement due to a Board member.

### **How often am I paid for attending meetings?**

Board Members receive payment through the bi-weekly payroll system for all compensable meetings attended each month. Board members will need to complete a W-4 Form and are encouraged to fill out an ACH Form for direct deposit.

### **What is CASA?**

CASA is an acronym for the California Association of Sanitation Agencies. CASA holds three conferences per year, generally in January, February, and August. Board Members and staff from wastewater agencies throughout the state attend, to interact and receive information on current technical, legal, and regulatory issues.

Board Members are paid a stipend for attending CASA meetings at the same rate per day as Board and Executive Committee Meetings. The maximum number of meeting days per month for which a Board Member may be paid is six and includes Board and Executive Committee meetings.

Per California law (AB 1234), Board Members attending a CASA conference are required to provide a brief report on the meeting(s) attended at the next regular meeting of the Board.

### **What can I expect as a Board Member?**

**Attending Monthly Board Meetings**—The regular Board meeting schedule is one meeting per month, on the 4<sup>th</sup> Monday of the month. Normally there are no scheduled Board meetings for August or December.

Special meetings are occasionally called to allow District business of a pressing nature, or in the event that there is not a quorum at a regular monthly meeting.

**Communicating current contact information, including preferred way to be contacted.** The District will request verification of contact information annually. The District requests notification of any contact information changes so that Board package deliveries and phone/e-mail contact with Board Members may be made.

**Submitting Conflict of Interest paperwork (Form 700)**—An original signature on a Form 700 upon assuming office, once per year by April 1<sup>st</sup>, and upon leaving office is required. The form is to be submitted to the Administrative Specialist. As a member of the City Council, you must file the Form 700 with your city. Some Board Members simplify their filing obligations by filing an expanded statement, with an original signature for each agency.



# FAIRFIELD-SUISUN SEWER DISTRICT

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POLICY		
<b>Policy Number</b>	4001	<b>Adopted:</b> October 26, 2020 Res No. 2020-06
<b>Type of Policy</b>	4000 - Board	
<b>Policy Title</b>	Members of the Board of Directors	
<b>Policy Description</b>	Policy Guidelines for the Board of Directors	

## 1. Board of Directors

1.1 As established in Section 25 of the Fairfield-Suisun Sewer District Act (hereinafter the “Enabling Act”), the District shall be governed by a Board of Directors of ten members who shall be ex officio, all Councilmembers from the City of Suisun City and City of Fairfield.

1.2 Five members of the Suisun City Council serve as District Directors.

1.3 Five members of the Fairfield City Council serve as District Directors. In November 2020, the City of Fairfield moved from at-large Council elections to district-based elections. The result was moving from five Councilmembers to six and an at-large Mayor, for a total of seven. To comply with the Enabling Act, the City of Fairfield will designate and appoint five of the seven Councilmembers to serve as District Directors.

The City of Fairfield may utilize alternates (Alternate Director) from among the two remaining Councilmembers to represent the City of Fairfield on the District Board.

1.4 An Alternate Director may vote at meetings of the Board of Directors, Executive Committee, or Ad Hoc committees.

The two City of Fairfield Councilmembers not appointed to serve as District Directors may attend and participate in meetings of the Board of Directors, but may not vote if not attending as an Alternate.

Voluntary attendance when not serving as an Alternate Director will not be counted as a day of service.

1.5 All ten District Directors may attend CASA meetings. For Each City of Fairfield District Director that does not attend, the City of Fairfield may designate an alternate from among the two City of Fairfield Councilmembers not appointed to serve as District Directors.

- 1.6 The Enabling Act requires a quorum of any six members of the Board. No action shall be taken without the affirmative vote of at least six members.
- 1.7 As the board shall choose one of its members as President and elect other officers in accordance with board policy, the President or the President's designee serves as the Presiding Officer at meetings.

## **2. Executive Committee**

- 2.1 The Board of Directors has established one standing committee called the Executive Committee. The Executive Committee is composed of the President, Vice President and two Directors-at-Large.
- 2.2 Duties and Responsibilities: The Executive Committee examines and clarifies with staff technical issues and details before these issues are brought before the full Board. The Executive Committee does not take any action on its own except to approve the agenda for the Board of Directors meeting. The President of the Board, other member of the Executive Committee, or the General Manager report on substantive issues to the full Board at the regular Board meeting.

Due to the technical nature of the District's business, the Executive Committee review of details ensures that information and action items brought to the full Board have been thoroughly examined.

- 2.3 Executive Committee members are elected by the Board at the January meeting in odd-numbered years (e.g., 2019,2021). The offices of President and Vice President alternate between Fairfield and Suisun City. The Board elects two Directors-at-Large, one from Fairfield and one from Suisun City to complete the Executive Committee.
- 2.4 At the pleasure of the Board, the Executive Committee can be voted on either as a slate or individually by position.
- 2.5 Executive Committee members serve a two-year term.
- 2.6 There is no intentional ascension of Executive Committee roles.
- 2.7 Except as prescribed in 2.3, a Director may be reelected to the Executive Committee.
- 2.8 If an Executive Committee position is vacated, the Board President may appoint a member to fill the position until the next election.
- 2.9 Communication: To ensures an orderly flow of information as well as being convenient for most Executive Committee members, communication between Executive Committee members and staff is usually accomplished through the office of the General Manager.

### **3. Ad-hoc Committees**

- 3.1 Ad-hoc Committees may be created as needed for specific short-term assignments and filled by Presidential appointment. They are generally comprised of 2 or 3 Board Members. Examples of past ad-hoc committees include Operations & Maintenance Contract Renewal, and Travis AFB Contract Negotiations, and conducting General Manager performance evaluations.

### **4. Compensation**

- 4.1 Section 30 (a and b) of the FSSD Act authorizes payment for each board member for each day of his or her actual attendance of the meetings of the board and of committees of the board, and for each day's service otherwise rendered as a board member by request of the board, not exceeding a total of six days in any calendar month.
- 4.2 The Board adopted Ordinance 2016-02 stating "Unless the Board of Directors determines prior to July 1 of any year that such increase shall be deferred, the compensation for Board of Directors shall, as of the first day of the first pay period following July 1, 2016 and each July 1 thereafter, be increased a percentage equal to the percent increase in the Urban Wage Earners and Clerical Workers Consumer Price Index (CPI-W) for the San Francisco-Oakland Metropolitan Area for the twelve months ending April of each year, provided, however, that the percentage change in salary schedules shall not be less than 0% nor more than 5%."
- 4.3 Sec. 31 of the FSSD Act authorizes reimbursement to each board member for actual expenses incurred in the conduct of district business.

### **5. Meetings**

- 5.1.1 Historically, the Board has found the infrequency of procedural decisions does not justify the overhead of establishing a formal parliamentary procedure policy. Therefore, the Board has not formally adopted a manual of parliamentary procedure. When meeting circumstances call for a procedural decision, the Board generally follows the principals of Roberts Rules of Order. Decisions relating to meeting procedures reside with the presiding officer.
- 5.1.2 The General Manager shall be responsible for providing the requested information and shall make all information equally available to all Directors.
- 5.1.3 If writings are distributed to a majority of the Board in connection with an agenda item, those writings shall be made available to the public in the manner required by law.



# FAIRFIELD-SUISUN SEWER DISTRICT

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POLICY		
<b>Policy Number</b>	4090	<b>Adopted:</b> April 23, 2018 Res No. 2018-06
<b>Type of Policy</b>	4000 - Board	
<b>Policy Title</b>	Director Travel and Expenses	
<b>Policy Description</b>	Reimbursement of travel and related expenses incurred by Directors while on District business	

## 1. General Policy

1.1 As established by Resolutions 2016-03, 2007-13, 06-16, and 04-39, a Director is authorized to attend the regular meetings of the California Association of Sanitation Agencies (CASA), to be reimbursed for expenses, and to be compensated for each day of service while attending the conference.

1.2 It is the Policy of the Fairfield-Suisun Sewer District that:

- 1.2.1 Expenses for travel other than CASA must be approved by the Board of Directors.
- 1.2.2 Each Director shall exhibit good judgment in the matter of travel and incidental expenses and shall have proper regard for the propriety and economy of conducting District business.
- 1.2.3 Travel to and attendance at California Association of Sanitation Agency (CASA) conferences by Directors shall be consistent with the approved budget of the District.
- 1.2.4 A Director is required to prepare a brief summary report on the CASA conference highlighting the issues that may impact the District at the next regular Board of Directors meeting.

## 2. Compensable days of service:

- 2.1 Each day of attendance at the CASA conference is considered a day-of-service.
- 2.2 Attending a training provided by the California Sanitation Risk Management Authority as part of the CASA conference is also considered a day-of-service.
- 2.3 A day, or a portion thereof, exclusively for travel to and/or from the conference location is not a day-of-service.
- 2.4 A day, or a portion thereof, exclusively for travel to and/or from the conference location is not a day-of-service.

### **3. Reimbursement for expenses.**

- 3.1 Directors arrange and prepay for their own travel.
  - 3.1.1 District staff, if requested by a Director, will pay for the hotel room, conference fee and travel using District credit card.
- 3.2 Travel Report and Reimbursement requests must be submitted within 30 days of the travel.
- 3.3 Reimbursements will be processed by District staff after a complete travel report/expenses reimbursement request has been submitted.
- 3.4 A complete report includes travel report/expenses reimbursement request with receipts and the mandatory summary report.
- 3.5 Reimbursements will be processed with the normal District Accounts Payable schedule.

### **4. Expenditures of Directors for travel shall be allowed in general accordance with the following criteria:**

- 4.1 Registration Fees: A registration or similar fee charged by the organizers of CASA conference is allowable.
- 4.2 Lodging: Amounts equivalent to the cost of a standard single occupancy room at the hotel or motel at which the conference or meeting is held or comparable nearby lodging are allowable. Conference rate if available at the time of booking and if one has been established.
  - 4.2.1 Lodging is considered necessary when it is for Board Member pre-arranged attendance at meetings such as those presented by CASA, and meets one or more of the criteria in Section 4.2.2 or 4.2.3
  - 4.2.2 The meeting is 40 miles or farther from the District offices.
  - 4.2.3 The meeting is closer than 40 miles from the District offices, and attendance earlier or later than a normal workday is necessary because of committee or subcommittee membership (and attendance at early or late meetings), or special training, or other reason(s) deemed reasonable and appropriate by the General Manager.
- 4.3 Transportation:
  - 4.3.1 Air Travel: Amounts equivalent to the cost of coach class round-trip airfare from Oakland, San Jose, Sacramento, or San Francisco to an airport reasonably near the destination are allowable.
  - 4.3.2 Rental Cars: The cost of a mid-size rental car at a destination is allowable for the time needed for conference.

- 4.3.3 Private Automobiles: Travel to and from a destination more than 15 miles from the District office using private automobiles is allowable at the IRS mileage rate. This applies so long as the amount so calculated does not exceed the cost of pre-purchased round-trip coach class airfare plus ground transportation that would be incurred for the same trip. If that is the case, the expense shall be limited to the cost of pre-purchased round-trip coach class airfare (rate established four weeks in advance of the travel) plus estimated ground transportation.
- 4.3.4 When more than one District official travels in the same private automobile, allowance will be made to only the owner or lessor of the vehicle used. No credit for airfare or the avoided cost of a second automobile shall be paid to the second person.
- 4.3.5 If the General Manager determines that air transportation is not feasible due to work schedules, time involved, or other similar reasons, an allowance for the use of a private automobile shall be determined based on the IRS mileage rate and shall not be subject to the limitation specified herein.
- 4.4 Tolls and Parking: Tolls, parking and other similar charges are allowable; parking shall be at “non-valet” and “long term” rates when available.
- 4.5 Public Transportation / Taxis: Expenses for public transportation or private “for hire” ground transportation at the destination, to and/or from the destination and/or to or from the departure airport are allowable.
- 4.6 Meals: Actual and reasonable costs of meals while traveling are allowable up to the limits set herein.
  - 4.6.1 No costs for any alcoholic beverages shall be eligible for reimbursement.
  - 4.6.2 A maximum daily reimbursement for meals while traveling is hereby established at the Meal and Incidental Expense Rate for the destination city as established by the United States General Services Administration (USGSA). The maximum daily reimbursement will be reduced by the amount of pre-paid/conference/hosted meals at the rate published by the USGSA.
  - 4.6.3 The maximum daily reimbursement shall also be reduced by the amount associated with the meals that a Director would normally have taken on his or her personal behalf before departure or after their return.
  - 4.6.4 Incidental Expenses: Reasonable incidental expenditures related to travel or the conduct of District business in amounts less than \$5.00 per item are allowable without receipt. These include items such as parking at meters, baggage handling, use of hotel fax services, phone charges, etc., and other similar expenses.
- 4.7 Receipts:
  - 4.7.1 Receipts must be provided prior to reimbursement unless otherwise provided herein.

- 4.7.2 If a receipt is lost, the Director shall so note that on their expense report along with a brief explanation and their estimate of the expense; in such cases copies of credit card statements and/or checking account charges that show the date and amount of the charge and the payee are acceptable substitutes. The General Manager shall apply reasonable discretion, as supported by the evidence of the situation, and determine the actual amount to be reimbursed. (Example: a Director parks at the Oakland Airport for a three day trip but loses the parking receipt and paid cash. A reasonable estimate would be parking in Long Term Parking for a period from 90 minutes before scheduled departure of the flight to 60 minutes after actual arrival.)
- 4.7.3 Receipts for meals shall provide a detailed listing of the items purchased.
- 4.8 No reimbursement is allowed for any direct or incremental expenses of family members or guests traveling with a Director. An example of an unallowable incremental expense is the added cost of upgrading a room or a rental car to accommodate a non-District traveling companion.
- 4.9 That allowable expenses as specified herein are only reimbursable for the time while the conference, business meeting, or other District business activity is occurring, with reasonable allowance for the need to arrive in advance of or depart after a conference or business meeting.

## **5. Procedures**

- 5.1 The principal responsibility for compliance with this policy rests with each Director. The General Manager shall review all expenses submitted for reimbursement for conformance with this policy prior to approving payment. When necessary, the General Manager may exercise reasonable discretion in approving reimbursements related to unusual circumstances that are not in strict accordance with this policy, but that in his judgment were necessary and prudent, and were incurred while furthering the interests of the District.
- 5.2 If a Director disagrees with the General Manager's determination, the Director submitting the reimbursement request shall refer the matter to the President of the Board (or Vice President if the expense sheet is that of the President) for consideration.
- 5.3 If the matter is referred to the Board President (or the Vice President as the case might be), they shall approve the request, unless they believe it substantially deviates from this policy.
- 5.4 Directors may appeal any disapproved reimbursement by the President or Vice President by submitting the matter to the Board as an agenda item at a regular meeting not later than 60 days after the day for which reimbursement is requested.

- 5.5 A Director's reimbursement request shall be deemed an acknowledgement by that Director that the request, in the exercise of his or her judgment, complies with the terms of this policy, that any required approval of the Board was obtained in a timely manner, and that the Director has considered any issues that the General Manager has identified.
- 5.6 That the General Manager shall administer this policy and shall institute appropriate accounting and control procedures to ensure the policy is being followed.
- 5.7 That the General Manager shall administer this policy and shall institute appropriate accounting and control procedures to ensure the policy is being followed.

## Fairfield-Suisun Sewer District 2023 Board Travel Documentation and Reimbursement Request Form

For Travel, Training, Seminars, Meals, and Payment Reconciliation

<b>Director Name</b>	<b>Dates of Travel</b>	<b>Destination</b>

**Purpose of Travel**

**ACCOUNT CODE: 1-6254-0170**

Description							Subtotal PrePaid & District Credit Card Expenses	Subtotal Reimbursable Expense		Total Travel Expense
								Note		
Registration										
Air fare										
Lodging										
Parking										
Bridge Toll										
Taxis/Shuttles										
Luggage Fees										
Breakfast										
Lunch										
Dinner										
Rental car										
Gasoline for rental										
Mileage (personal vehicle)										
Other (explain under Notes)										
<b>Total</b>										

MILEAGE DETAIL - PERSONAL VEHICLE	
	Trip Miles
Home to Airport	
Airport to Home	
<b>Total miles - personal vehicle</b>	-
<b>2023 Reimb. @ .655 cents per mile</b>	

Finance Use	Amount Paid:
Batch #1: _____	Description _____ Date: _____
Batch #2: _____	Description _____ Date: _____
Batch #3: _____	Description _____ Date: _____
Vendor ID 1: _____	Vendor ID 2: _____ ID 3: _____
Petty Cash <input type="checkbox"/>	Paid by: _____

**Notes:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*I hereby certify that the amounts listed were incurred in conformance with the District's travel guidelines and that no part claimed for reimbursement is of a personal nature.*

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**General Manager Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_



# FAIRFIELD-SUISUN SEWER DISTRICT

1010 Chadbourne Road • Fairfield, California 94534 • (707) 429-8930 • [www.fssd.com](http://www.fssd.com)

POLICY		
<b>Policy Number</b>	4050	<b>Adopted:</b> July 23, 2001 Res No. 01-19
<b>Type of Policy</b>	4000 - Board	
<b>Policy Title</b>	Board Health Reimbursement Plan	
<b>Policy Description</b>	Guidelines and procedures for the Board Health Reimbursement Plan	

## 1. Purpose

- 1.1 The purpose of this Policy (Policy) is to provide guidelines to the Board Members of the Fairfield-Suisun Sewer District (District) regarding the Board Health Reimbursement Plan (Plan) guidelines.

## 2. General Policy

- 2.1 Only Board members are eligible for the health reimbursement. Alternate Board Members are not. Board Member Health Reimbursement Plan is on a calendar year basis. Valid medical/dental/vision receipts (see below) of up to \$7,695 may be reimbursed for calendar year 2023. Reimbursements may be subject to income tax.
- 2.2 Only actual expenses paid will be reimbursed to the Board member. No payments will be made directly to another party.
- 2.3 Reimbursement request must be submitted to the District's Director of Administrative Services no later than March 31 of the following year benefits are received.
- 2.4 Examples of valid receipts reimbursable under the Plan are the following:
  - Doctor's visits and prescription drugs co-payments.
  - Health insurance deductibles.
  - Out-of-pocket health insurance premiums paid
  - Vision care expenses such as eye examination, prescription lenses, & contact lenses.
  - Dental preventative care and procedures in excess of what is covered under another insurance plan.

- Receipts must have the following information: transaction date, recipient/patient name, provider or merchant, and amount being submitted for reimbursement.

2.5 The following expenses are NOT covered:

- Over-the-counter medicine.
- Cosmetic procedures.
- Any receipts that have already been paid or reimbursed under another insurance plan, reimbursement program, or otherwise.

### **3. Procedures**

- 3.1 Please attach documentation such as invoices, receipts, and/or checks indicating payment, or check stub showing health premium withholding. Documentation must also show that the invoice was received during the plan period.
- 3.2 Required receipts should be organized by the date of the actual expenditure for ease of processing.
- 3.3 Submit signed Health Reimbursement Form to the District's Director of Administrative Services and allow up to 3 weeks for check processing. Reimbursement may be processed and combined with your monthly Board meeting attendance payment and will be mailed to your residence or directly deposited to your bank account if you signed up for ACH (preferred for prompt service).

FAIRFIELD-SUISUN SEWER DISTRICT  
RESOLUTION NO. 01-19

A RESOLUTION AUTHORIZING BOARD MEMBER BENEFITS

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FAIRFIELD-SUISUN SEWER DISTRICT:


1. Effective July 1, 2001, the District shall contribute up to \$4200.00 per calendar year per Board member toward a Medical/Dental/Vision Reimbursement Program, to be used for reimbursement of medical, dental or vision expenses charged to the Board member or his or her spouse or dependents during the calendar year for expenses incurred by the Board member or his or her spouse or dependents, but only to the extent that the Board member charged the expense is not reimbursed and that payment is not made by any other person or entity on his or her behalf for the expense through insurance or otherwise.
2. The plan period for this program shall be each calendar year. The District contribution for the period July 1, 2001 through December 31, 2001 shall be one-half the amount in Paragraph 1 of this Resolution.
3. Effective January 1, 2002, and each January thereafter, the District contribution shall be increased a percentage equal to the percent increase in the Urban Wage Earners and Clerical Workers Consumer Price Index (CPI-W) for the San Francisco-Oakland Metropolitan area for the twelve months ending October of each year.
4. Each Board member shall be responsible for federal and state tax obligations, if any, related to reimbursements made under this program.
5. The General Manager/District Engineer and Finance Director are hereby authorized and directed to take all steps necessary and proper to implement this resolution in accordance with District policies and procedures.

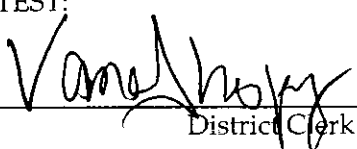
PASSED AND ADOPTED this 23rd day of July 2001 by the following vote:

AYES: Directors ~~BATSON-DAY-LESSLER-MACMILLAN-PETTYGROVE~~  
~~PRICE-SANCHEZ-SEGALA-SPRING-VENTURA~~

NOES: Directors None

ABSENT: Directors Lessler, MacMillan, Spring, Ventura

  
\_\_\_\_\_  
President, Pro-tem

ATTEST:  
  
\_\_\_\_\_  
District Clerk

**FAIRFIELD-SUISUN SEWER DISTRICT  
BOARD MEMBER HEALTH REIMBURSEMENT REQUEST**

<b>Director Name</b>		<b>Calendar Year</b>
		<b>2023</b>
Annual maximum available for calendar year		\$ 7,695.00
Total previously reimbursed to you this calendar year		-
Amount available to you for reimbursement this calendar year		\$ 7,695.00
Amount of this request (please itemized below and attach receipts)		\$ -

Item No.	Transaction Date	Recipient/Patient	Description/Provider or Merchant	Submitted Amount
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

	<b>Total</b>
--	--------------

**CERTIFICATION**

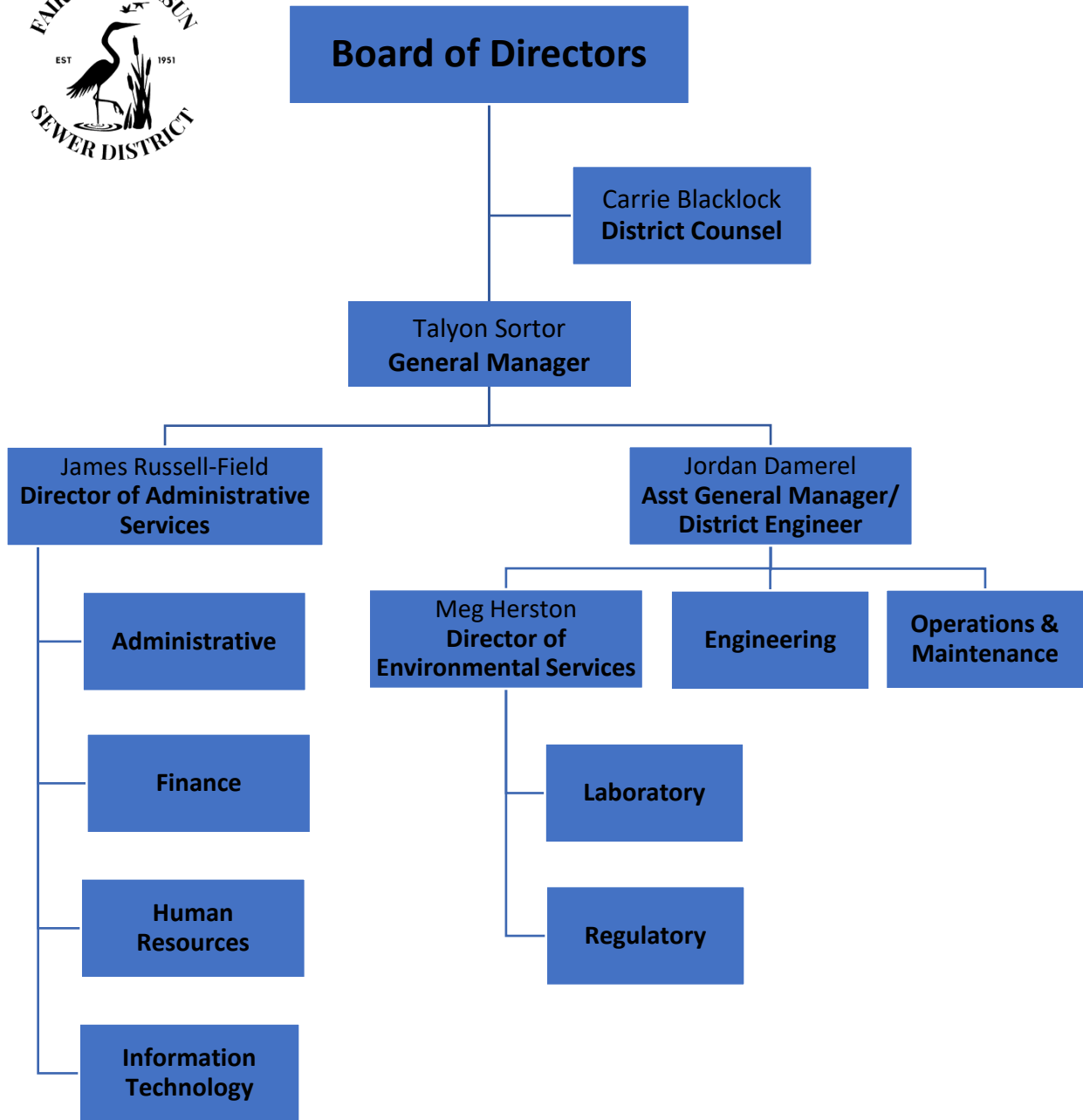
I certify that the amounts listed above are for medical/dental/vision expense(s), which have been incurred by me and/or my eligible dependent(s), and that I am requesting reimbursement for only the amount not paid or reimbursed under any other insurance plan, reimbursement program, or otherwise.

**Board Member Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Accounting Use Only**

Reviewed & approved by: \_\_\_\_\_ Date \_\_\_\_\_

Amount eligible for reimbursement: 1-6136-0170





# FAIRFIELD-SUISUN SEWER DISTRICT

1010 Chadbourne Road • Fairfield, California 94534 • (707) 429-8930 • [www.fssd.com](http://www.fssd.com)

## Contact Information

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	Work	Cell	Title	
Talyon Sortor	707-428-9151	530-219-8175	General Manager	<a href="mailto:tsortor@fssd.com">tsortor@fssd.com</a>
Jordan Damerel	707-428-9155	925-348-5505	Assistant General Manager/ District Engineer	<a href="mailto:jdamerel@fssd.com">jdamerel@fssd.com</a>
James Russell-Field	707-428-9145	801-913-9484	Director of Administrative Services	<a href="mailto:jfield@fssd.com">jfield@fssd.com</a>
Meg Herston	707-428-9109	925-978-6358	Director of Environmental Services	<a href="mailto:mherston@fssd.com">mherston@fssd.com</a>
Theresa Paran	707-428-9112	415-652-1993	Administrative Specialist	<a href="mailto:tparan@fssd.com">tparan@fssd.com</a>

Fairfield-Suisun Sewer District  
1010 Chadbourne Road  
Fairfield, CA 94534-9700

707-429-8930 Phone  
707-429-1280 Fax  
website: [www.fssd.com](http://www.fssd.com)

# Fairfield-Suisun Sewer District

## Biographical Sketch



Talyon Sortor  
General Manager

**Areas of Responsibility:** Serves as Chief Executive Officer providing day-to-day management as well as long-term strategic direction for the District. As such, is responsible for all functional aspects of the organization (Finance, Human Resources, Legal, Regulatory Compliance, Operation and Maintenance, Legislative Issues, Information Technology, Risk Management, etc.). Ensures efficient and effective organizational operation guided by the policies and budget adopted by the Board of Directors.

**Education/Certification:** B.S. in Civil Engineering, University of California - Davis; MBA, Saint Mary's College; California Registered Professional Engineer in Civil Engineering.

**Experience/Major Accomplishments:** Over 30 years of increasing responsibilities in management of staff, water recycling, wastewater treatment plant operation and maintenance, design, and construction management.

**Professional Associations and Activities:**

Board of Directors, Solano Economic Development Corporation  
Chair, Security and Emergency Preparedness Committee - National Association of Clean Water Agencies  
Member, Federal Legislative Committee - California Association of Sanitation Agencies  
Member, Water Sector Coordinating Council  
Member, Liability Committee - California Sanitation Risk Management Authority  
Member, Fairfield-Suisun Rotary Club (Past President of Club)



Jordan Damerel  
Assistant General Manager/District Engineer

**Areas of Responsibility:** Oversees the District's Engineering, Operations, Maintenance, and Regulatory Departments. Provides technical review and oversight of capital and major maintenance projects; manages capital project budgeting; supports regulatory permit compliance; and ensures alignment and coordination between departments. As District Engineer, responsible for approval of District engineering standards, and approval of all development modifications to District facilities. Fulfills duties of the General Manager in his absence.

**Education/Certification:**

B.S. in Civil and Environmental Engineering, University of California, Berkeley  
M.S. in Environmental Engineering, University of Illinois at Urbana-Champaign  
Registered Professional Engineer in Civil Engineering  
Project Management Professional (Project Management Institute)

**Experience/Major Accomplishments:** 15 years of experience in the planning, design, construction, operation, maintenance, and administration of water and wastewater facilities. Extensive design experience with secondary treatment processes, UV disinfection, and anaerobic digestion. Experienced project manager in all phases of infrastructure projects. Previously managed over \$20M of capital construction projects at the District. Worked directly with treatment plant operators to understand the nuances of the wastewater treatment plant to inform engineering design and project coordination.

**Professional Associations and Activities:**

Chair, Bay Area Consortium for Water/Wastewater Education (BACWWE)  
Board of Directors, BAYWORK (Bay Area Water/Wastewater Workforce Development Collaborative)  
Co-Chair, BAYWORK Candidate Development and Outreach Committee  
Adjunct Instructor, Solano Community College, Water/Wastewater Technology  
Member, California Water Environment Association  
Member, Project Management Institute



James Russell-Field  
Director of Administrative Services

**Areas of Responsibility:** Oversee all administrative services for the District including accounting, investing, cash management, payroll, accounts payable, accounts receivable, budgeting, human resources, records retention, and office support. Responsible for all required state and federal financial reporting and coordinating annual external audit. Perform treasury and investment functions and serve as District Treasurer.

**Education/Certification:**

Certified Public Accountant – Licensed in California  
Master of Accounting– University of Utah  
B.S. in Accounting – University of Utah

**Experience/Major Accomplishments:** Experience in all areas of municipal finance including leading the budget cycle, preparing Annual Comprehensive Financial Reports, implementing best practices and process improvements, implementing new financial systems at a Federal and local level, and increasing transparency through better financial reporting. Prior to the District, worked as the Assistant Finance Director at the City of Benicia and as a Senior Accountant at the City of Thousand Oaks and the Department of Interior (Bureau of Reclamation).

**Professional Associations and Activities:**

Member, California Society of Municipal Finance Officers (CSMFO)  
Chair of Recognition Committee, CSMFO  
Past Chair of Communications Committee, CSMFO  
Member, Government Finance Officers Association (GFOA)  
Budget Reviewer, GFOA  
Treasurer, California Special District's Association, Solano County Chapter



Meg Herston  
Director of Environmental Services

**Areas of Responsibility:** Coordinates compliance activities for the District. Prepares compliance reports to regulatory agencies, manages the District's efforts in regional compliance projects, and acts as the District's primary contact with the San Francisco Bay Regional Water Quality Control Board. Supervises regulatory, public outreach, safety, pretreatment, and recycled water programs. Oversees lab accreditation and serves as quality manager for the District Laboratory.

**Education/Certification:**

B.S. Civil/Environmental Engineering, Georgia Tech  
M.S. Public Policy, Georgia Tech  
Graduate Certificate in Engineering Management, University of Colorado at Boulder  
Grade 4 (highest) Laboratory Analyst  
Grade 4 (highest) Environmental Compliance Inspector  
California Registered Professional Engineer in Civil Engineering

**Experience/Major Accomplishments:**

Over 20 years of experience in regulatory compliance, environmental outreach, wastewater engineering, and industrial pretreatment. Previously worked as a Senior Management Analyst and as an Engineer at FSSD. Prior to District employment, worked as an engineer at the Delta Diablo Sanitation District, as a graduate co-op at the Alameda County Water District, and as an undergraduate co-op at Camp, Dresser, and McKee (CDM). Received the 2010 Young Professional of the Year Award and the 2014 P3S Person of the Year Award from the California Water Environment Association (CWEA).

**Professional Associations and Activities:**

Past President, CWEA San Francisco Bay Section  
Past Chair, BACWA Permits Committee  
Member, Bay Area Pollution Prevention Group (BAPPG)  
Water Education Foundation (WEF) Water Leader Alum  
Fairfield-Suisun Chamber of Commerce Leadership Today Alum  
CWEA Technical Certification Program Trainer and Subject Matter Expert

# Budget and Long-Term Financial Plan

FY 2022-23



## **Fairfield-Suisun Sewer District**

1010 Chadbourne Road  
Fairfield, CA 94534

**2022 Board of Directors**

Mike Hudson, President

Chuck Timm, Vice President

Jane Day

Alma Hernandez

Doriss Panduro

Harry Price

Scott Tonnesen

Rick Vaccaro

Wanda Williams

Pam Bertani, First Alternate (City of Fairfield)

Catherine Moy, Second Alternate (City of Fairfield)

**Management Team**

Talyon Sortor, General Manager

Jordan Damerel, District Engineer

Meg Herston, Director of Environmental Services

James Russell-Field, Director of Administrative Services

Kimberly Young, Human Resources Manager

**District Counsel**

Carrie Blacklock

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## MEMORANDUM

DATE: May 23, 2022

TO: Board of Directors

FROM: Talyon Sortor  
General Manager

James Russell-Field  
Director of Administrative Services

SUBJECT: FY 2022-23 Budget and Long-Term Financial Plan

### SUMMARY

We are pleased to submit an annual budget for Fiscal Year 2022-23, along with the Long-Term Financial Plan, for Board adoption. The Long-Term Financial Plan has proven to be a reliable tool for more than 25 years to project revenues, expenses, and required reserves. The Board has relied on long-term capital and financial planning to guide their decisions on budgets. Through prudent management, the District keeps costs to its ratepayers low and has one of the lowest sewer service charges in the San Francisco Bay Area.

The District operates cost-efficient, award-winning wastewater and stormwater utility that protects public health and the environment. For approximately \$1.45 per day, the District collects, conveys, treats, and safely disposes an average of 230 gallons of sewage per day from each residential customer in the community. The average dry weather flow of wastewater at the District is 11.7 million gallons per day.

The District maintains 85 miles of 12-inch to 48-inch diameter sewers and utilizes 13 pump stations and one treatment plant to serve a population of approximately 146,100. The Budget and Long-Term Financial Plan is developed to maintain high-quality service to District customers by ensuring the wastewater system is adequately maintained and repairs or replacements requiring significant funding are planned in advance, thereby avoiding rate spikes or debt that can result from short-term planning.

This District continues to proactively maintain aging infrastructure with preventative maintenance and updates to treatment plant facilities. In the last year, the District completed the Digester Reliability Improvement Project and substantially completed Phase One of the Electrical Replacement Project, and began work on Phase Two of the Electrical Replacement Project, Primary Clarifier Rehabilitation, Bioenergy Generation Project, and Peabody Walters Relief Sewer.

The District strengthened data driven decision making with the completion of the Collection System Asset Management Plan (CSAMP) to address aging collection system assets maintained by the District and cities of Fairfield and Suisun City. The District incorporated detailed CSAMP data into the 2022 Cost of Service and Rate Study to develop a Collection

System Rehabilitation and Replacement (R&R) reserve for each city, and a mechanism to address the funding need of each agency.

The District presented the results of the Cost of Service and Rate Study to the Board in January 2022 and completed a Proposition 218 Notice and public hearing on March 28, 2022. At that meeting, the Board adopted a five-year rate schedule effective July 1, 2022 which is incorporated into the Budget and Long-Term Financial Plan.

## GOALS

Under the Board of Directors' guidance, District management set the following long-term financial goals:

- 1) Maintain operating cash reserves of at least three months of operating expenses to ensure smooth cash flow.
- 2) Maintain minimum debt service coverage ratio as legally mandated.
- 3) Pay system expansion capital improvement plan from capacity fees.
- 4) Manage long-term employment-related liabilities to a sustainable level.
- 5) Build up major maintenance/replacement reserves to ensure a source of funds for major maintenance and repairs, upgrades and eventual replacement of the treatment plant and sewer system.
- 6) Minimize debt and long-term borrowing.

## FINANCIAL OVERVIEW

The District maintains six funds. The Budget Summary presents the total revenues and expenses of all funds combined, while the Long-Term Financial Forecast and schedules provides detail on the funds individually.

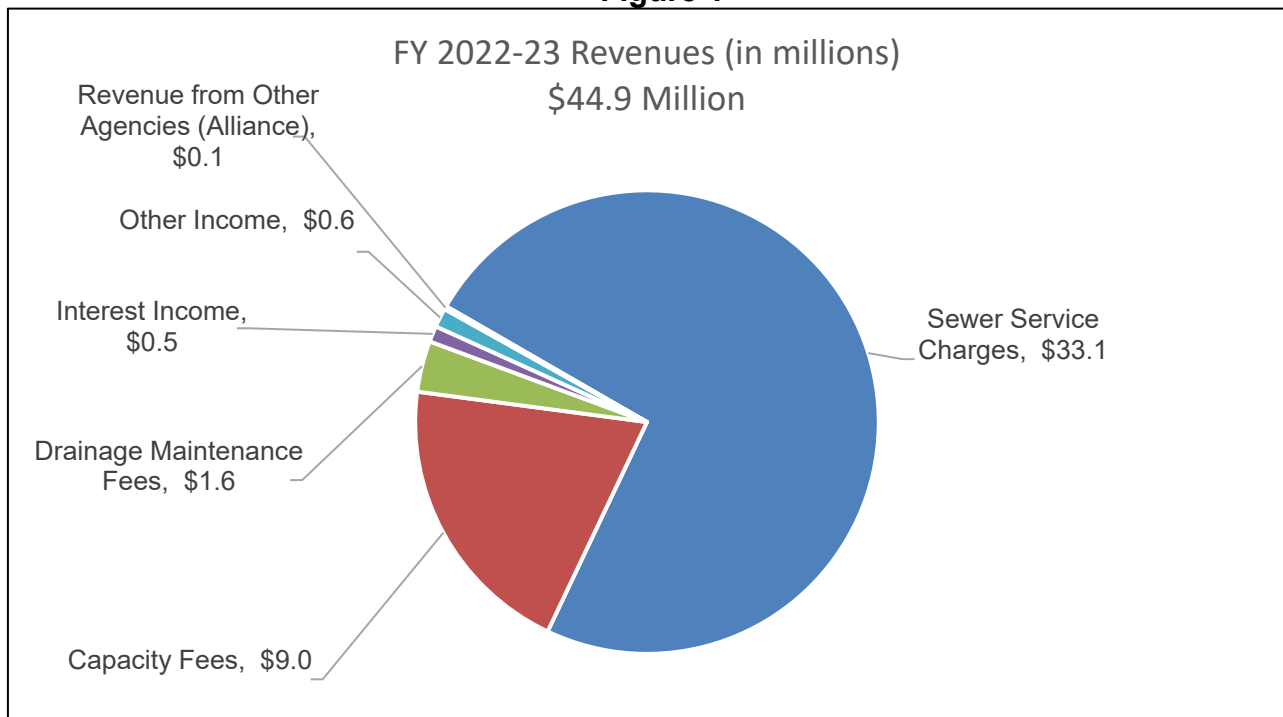
- The Operations Fund is primarily funded from sewer service charges and funds operating expenses and maintenance projects.
- Related to the Operations Fund are the Collection System R&R Reserve Funds for the cities of Fairfield and Suisun City. Each city's Collection System Reserve reserves are held in a separate funds per the District's amended 1965 Agreement with the cities, and are funded from Sewer Service Charges.
- Capacity Fee Funds are funded from capacity fees, which are assessed on new development. Capacity Fee funds are held in two reserves. Capacity fee revenue collected prior to July 1, 2022 is held in a fund restricted for growth-related expenditures in the District's services area. Capacity fee revenue collected after July 1, 2022 will be held in a separate fund restricted for repair and rehabilitation projects identified in the Major Maintenance and CIP budget.
- The Drainage Maintenance Fund is primarily funded from a fee charged to each property in the service area to pay for expenses related to storm drain facilities.

- Related to the Drainage Maintenance Fund is the Solano Stormwater Alliance (Alliance) Fund. Per an Agreement between the District, Vallejo Flood and Wastewater District, and cities of Fairfield, Suisun City, and Vallejo, the funds related to the Alliance are required to be maintained in a separate fund.

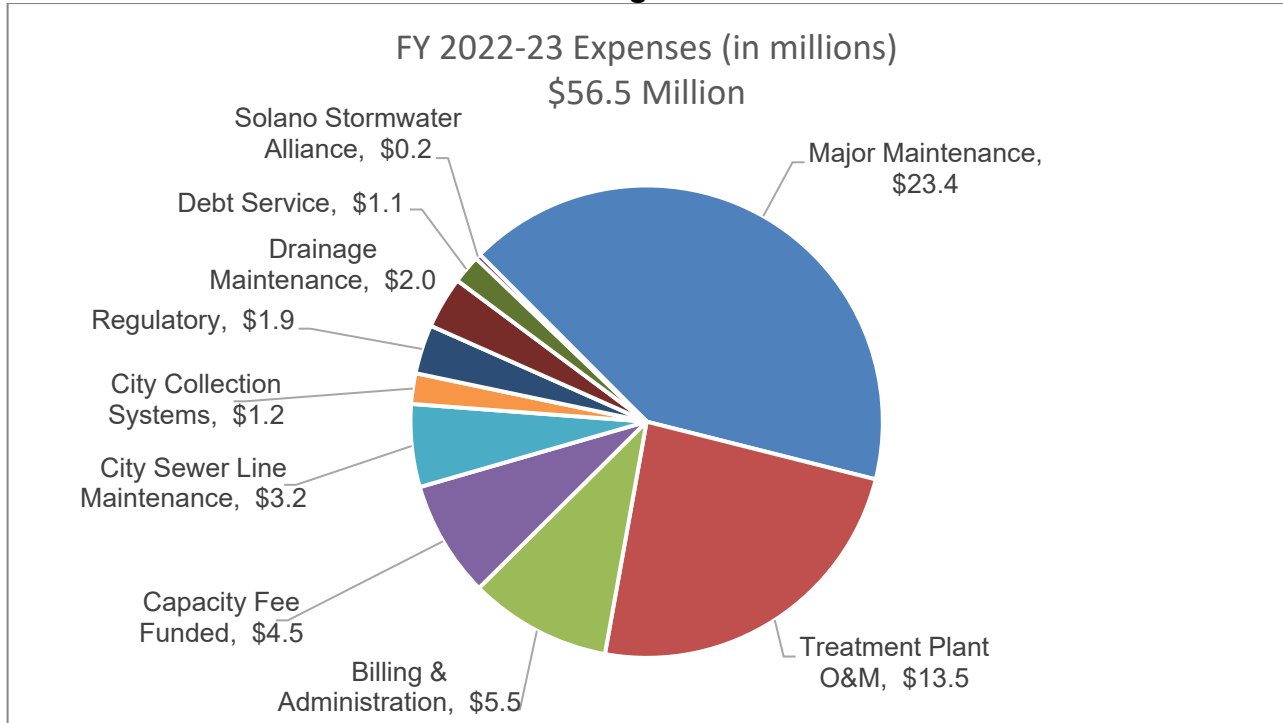
**PROPOSED FY 2022-23 BUDGET SUMMARY**

Figures 1 and 2 provide a visual summary of the Proposed FY 2022-23 Revenues and Expenses, followed by additional details on each of the components. There is no attempt to match expenses to revenues in any single year. Rather, the District relies on long-term financial planning where reserves are periodically built up to fund major projects in future years. This philosophy is instrumental in keeping sewer service rates from experiencing large swings year to year while still maintaining the system adequately. As part of the long-term financial planning, the District plans to draw down existing reserves over the next several fiscal years for increased capital spending. The variance between revenues of \$44.9 million in Figure 1 and expenses of \$57.8 million in Figure 2 indicates the drawdown of reserves.

**Figure 1**



**Figure 2**



**Revenues**

	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>
	<b>Actual</b>	<b>Projected</b>	<b>Budget</b>
Sewer Service Charges	29,227	30,959	33,054
Capacity Fees	5,354	6,329	8,991
Drainage Maintenance Fees	1,647	1,647	1,655
Interest Income	568	491	527
Other Income	598	643	627
Revenue - Other Agencies (Alliance)	-	-	70
<b>Total Revenues</b>	<b>37,394</b>	<b>40,069</b>	<b>44,924</b>

*(In Thousands)*

**Sewer Service Charges**

The largest source of District revenue is derived from residential, commercial, and industrial customers. This budget includes slightly increasing rates consistent with the most recent Cost of Service and Rate Study and subsequent Proposition 218 Notice. Residential customers will see an increase of \$1.67 per month in FY 2022-23 in order for the District to keep up with increased capital needs to reinvest in aging infrastructure. In addition to the

rate increase, Sewer Service Charges are projected to increase due to an estimated residential growth rate of 2.96 percent in FY 2022-23. Customer class growth rates are estimated based on projected development provided from Fairfield and Suisun City.

### *Capacity Fees*

Capacity fees are one-time fees charged to new connections or to existing connections where a change in use will result in increased discharge to the treatment plant facilities. Sewer capacity charges are designed to help recover the costs of infrastructure and assets benefiting new development.

Capacity fee revenue is budgeted at \$9.0 million in FY 2022-23, an increase of \$2.7 million compared to the FY 2021-22 projected actual. The increase is primarily due to City of Fairfield residential and commercial growth projections. Over 1,400 residential units and 135 commercial equivalent dwelling units are estimated to connect to the sewer system in FY 2022-23.

### *Drainage Maintenance Fees*

On March 1, 1988, the District entered a "Drainage Maintenance Agreement" with Fairfield and Suisun City. This agreement provided a mechanism for funding the maintenance of the "Fairfield Streams" federal flood control project which serves both cities as well as local storm drainage facilities. Although the District does not own any storm drainage facilities, it is authorized by statute to provide storm drainage services. The District created a storm drainage maintenance enterprise fund and established fees for users of the system which are collected on the county tax roll each year. Revenues are shared by the cities and the District for drainage maintenance activities.

Since 2001, annual rates have remained unchanged at \$20.23 per residence. Annual drainage maintenance revenue is expected to remain flat in FY 2022-23 and is budgeted at \$1.7 million.

For approximately 10 years, the District worked with the Vallejo Flood & Wastewater District (VFWD), Cities of Fairfield, Suisun City, and Vallejo to coordinate compliance with the Regional Water Quality Control Board's Municipal Regional Stormwater Permit (MRP) through the Fairfield-Suisun Urban Runoff Management Program. Beginning in FY 2022-23, the Solano Stormwater Alliance (Alliance) will become effective and replace the Fairfield-Suisun Urban Runoff Management Program.

The Alliance represents effective and efficient collaboration between the District, VFWD, and the cities of Fairfield, Suisun City, and Vallejo to manage required regulatory stormwater programs while providing other benefits including monitoring, public education, and staff training. The District will serve as the Alliance Fiscal Agent and Manager, responsible for administrative and technical coordination consistent with the MRP requirements.

*Interest Income*

Available cash is invested primarily with the Local Agency Investment Fund (LAIF), an investment pool, created by statute as an investment alternative for local governments and special districts. Participation in LAIF is voluntary. Additionally, the District also works with the California Asset Management Program (CAMP), a California Joint Powers Authority, providing professional investment services to California public agencies. Both LAIF and CAMP are permitted investment for local agencies under California Government Code Section 53601.

Interest income is budgeted at \$0.5 million for FY 2022-23, a slight increase compared to the projected actual of FY 2021-22. The slight increase is primarily due to anticipated increases by the Federal Reserve System during the fiscal year. However, these increases will be limited in FY 2022-23 as the District is anticipating holding less cash due to increases in Major Maintenance and CIP expenses.

*Other Income*

The District receives a combination of miscellaneous and/or nonrecurring revenues such as cell tower and other property leases, as well as insurance dividends. Other income includes revenue related to the District’s share in Lystek biosolids processing, which offsets the District’s biosolids processing costs.

*Revenue from Other Agencies*

Revenue from Other Agencies is a new line item in the District’s budget for FY 2022-23, and represents the contributions from the City of Vallejo and the Vallejo Flood and Wastewater District for the Solano Stormwater Alliance.

**Expenses**

The District’s budgeted expenses are grouped into several categories presented in the table below:

	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>
	<b>Actual</b>	<b>Projected</b>	<b>Budget</b>
Treatment Plant O&M	\$10,468	\$11,890	\$13,521
Regulatory	1,359	1,962	1,886
Billing & Administration	8,746	5,388	5,512
City Sewer Line Maint.	2,552	2,672	3,148
Major Maintenance	7,875	10,135	23,432
Fairfield Collection System	-	-	500
Suisun City Collection System	-	-	685
Capacity Fee Funded	1,355	3,294	4,525
Debt Service	1,535	1,069	1,069
Drainage Maintenance	1,338	1,422	2,022
Solano Stormwater Alliance	-	-	154
<b>Total Expenses</b>	<b>\$35,227</b>	<b>\$37,832</b>	<b>\$56,454</b>

### *Operating Expenses*

Treatment Plant Operations and Maintenance (O&M) expenses are projected to increase to \$13.5 million in FY 2021-22. The increase is primarily due to increases in chemical costs, electricity and biosolids processing costs, as well as cost allocation increases related to safety and information technology. 55 percent of District staff allocate time to Treatment Plant O&M, which means the variance between the FY 2021-22 projected actuals and FY 2022-23 budget is impacted by vacancies and unfilled positions that occur throughout the year. The FY 2022-23 budget assumes all positions are filled for the duration of the fiscal year.

City Sewer Line Maintenance is budgeted at \$3.2 million in FY 2022-23, an increase of \$0.5 million compared to the FY 2021-22 projected actual. Remittances to the cities for local sewer maintenance funding are tied to CPI and will increase 6.5 percent in FY 2022-23. The City of Fairfield's remittance for local sewer funding will also increase 10 percent to support the transfer of a collection system vehicle and inspection responsibilities.

Regulatory increases are budgeted at \$1.9 million in FY 2022-23, a decrease of \$0.1 million from the FY 2021-22 projected actuals. However, this decrease is due to a delayed invoice for the District's NPDES permit. As a result of the delayed invoice, the FY 2021-22 projected actuals reflect two NPDES permit invoices. Excluding this aberration, Regulatory costs are increasing approximately 6 percent year over year.

Salaries and benefits are allocated across the programs in the table above based on employee functions and represent the largest component of the operating budget. By resolution, salaries are adjusted each July between 2 and 6 percent based on April CPI. Salary expenses are anticipated to increase by 6 percent based on the anticipated April 2022 CPI. Other increases are built into salary costs to account for merit adjustments and promotions throughout the fiscal year.

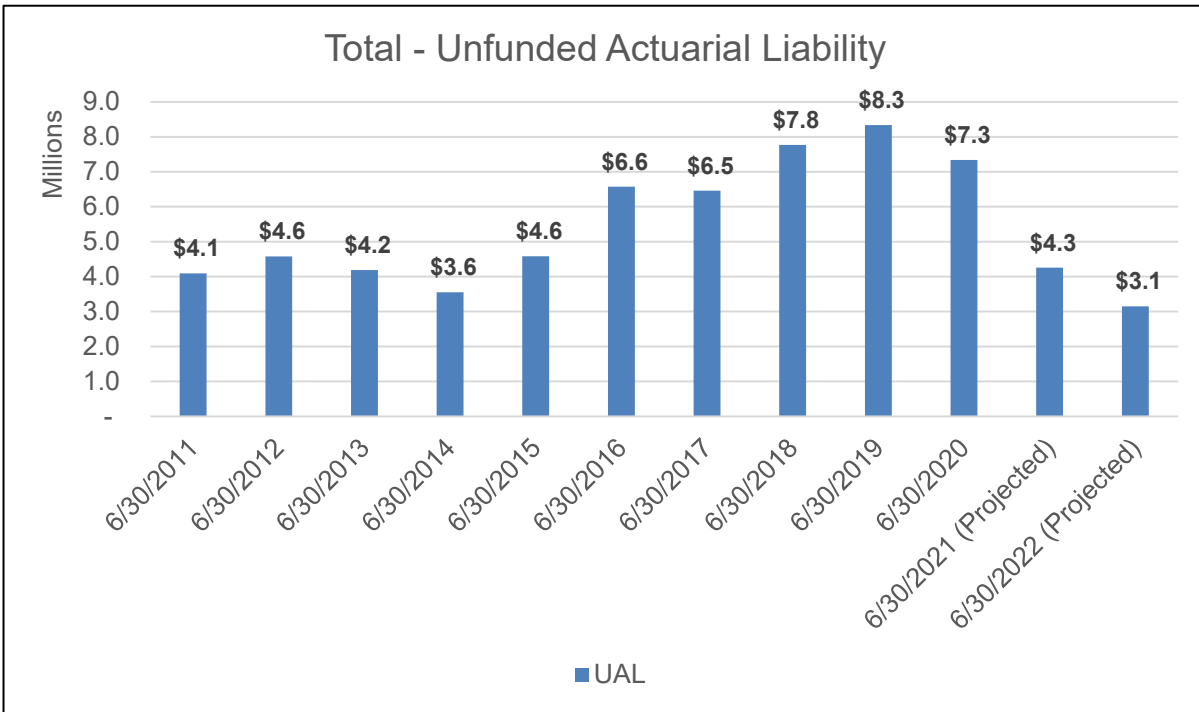
The District continues to face rising healthcare costs. 2022 healthcare premiums for the Kaiser family plan increased 5.4 percent in 2022 and are anticipated to increase 6 percent in 2023. Increases in healthcare impact District costs for active employees and retirees. To manage retiree healthcare costs, the District maintains an Other Post Employment Benefit (OPEB) trust through CalPERS, and contributes the Actuarially Determined Contribution (ADC) each fiscal year. The FY 2022-23 budget includes the ADC of \$251,000.

In FY 2021-22, the District completed the third year of a pension funding plan to make additional discretionary payments to CalPERS. The additional discretionary payments decreased the total Unfunded Actuarial Liability (UAL) as well as the required annual UAL payments as shown in Figures 3 and 4, respectively. The decrease in annual UAL payments represents interest savings and essentially pays off a debt that would have been owed by the District over the next 15 to 20 years. The District continues to closely monitor CalPERS rate of returns. If CalPERS fails to reach their 6.8 percent investment target for June 30, 2022, the District's UAL payments may start to increase again in future fiscal years.

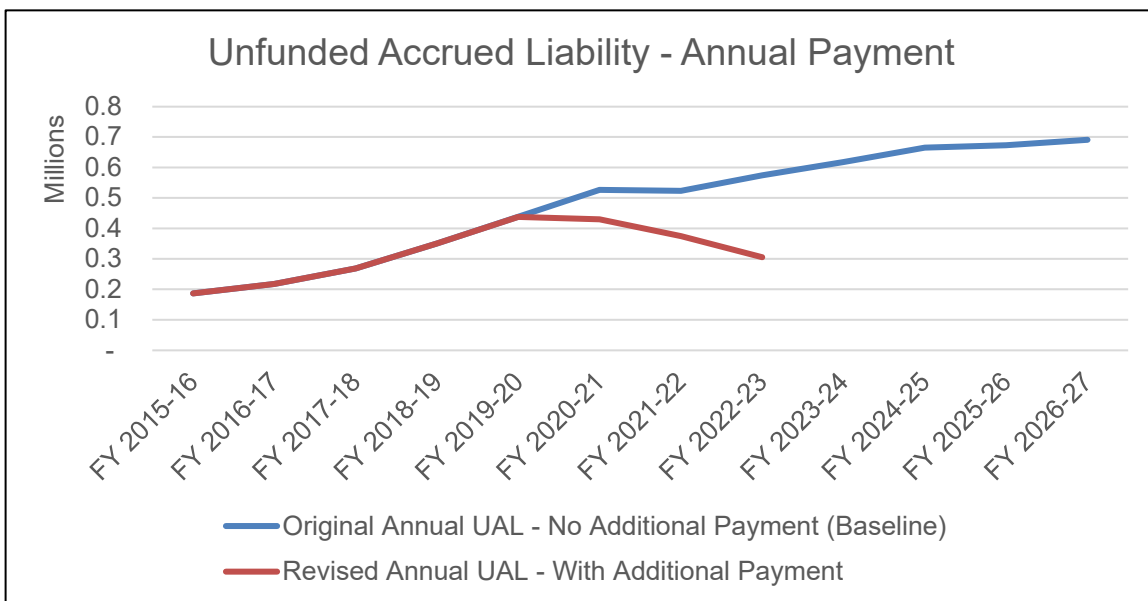
The FY 2022-23 Budget includes \$1.0 million to strategically make an additional payment directly to CalPERS or fund a pension trust. The determination relies on analysis for the

option that will provide the greatest savings to ratepayers. The proactive approach to reducing unfunded pension costs reflects the District’s desire to manage long-term employment liabilities and keep costs at a reasonable level.

**Figure 3**



**Figure 4**



### *Major Maintenance and Capacity Fee Funded Projects*

Major Maintenance expenses are budgeted at \$23.4 million in FY 2022-23 and include both routine maintenance as well as major repairs, upgrades, and replacements. The increase in the budget compared to the FY 2020-21 actual and FY 2021-22 projected actual is the result of a planned drawdown of reserves to reinvest in aging infrastructure. Major Maintenance projects are often large in scope and multi-year in nature, and budgetary estimates cross fiscal years as projects are started during the fiscal year. The largest Major Maintenance projects budgeted for FY 2022-23 are \$4.0 million for the 75 percent of the Bioenergy Generation Project, \$3.7 million for the Phase Two of the Electrical Replacement Project, \$1.9 million for District collection system repair and replacement, and \$1.1 million for the HVAC Rehabilitation Project. Beginning July 1, 2022, Capacity Fee revenue can fund Major Maintenance and CIP project expenses for repair and rehabilitation projects.

Capacity Fee expenses for growth related projects are budgeted at \$3.8 million in FY 2022-23. The primary Capacity Fee-funded projects budgeted for FY 2021-22 are \$2.5 million for Phase 1B of the Peabody Walters Relief Sewer Project, and \$1.3 million for 25 percent of the Bioenergy Generation Project.

### *City Collection System Reserves*

The City of Fairfield and City of Suisun City Collection system reserves are new line items in the FY 2022-23 Budget. CSAMP data was included in the 2022 Cost of Service and Rate Study to develop a mechanism for the District and cities to fund aging collection system infrastructure. Each city has provided the District with their anticipated FY 2022-23 expenditures for the Collection System Reserves. On July 1, the District will fully fund the reserves by transferring \$1.83M into the City of Fairfield Collection System Reserve and \$1.77M into the City of Suisun City Collection System Reserve. By August 1, the District will appropriate the budgeted amounts into each City's collection system enterprise fund. Unused reserves will be held by the District and accrue interest until "trued up" for the next fiscal year.

### *Debt Service*

Debt Service expenses are budgeted at \$1.1 million in FY 2022-23. The remaining outstanding debt service includes an SRF Loan for the UV Project, and an SRF Loan for the Blower Project. The debt service for the SRF Loan for the blower project is split between the Operations Fund and Capital Fund at 75 percent and 25 percent, respectively.

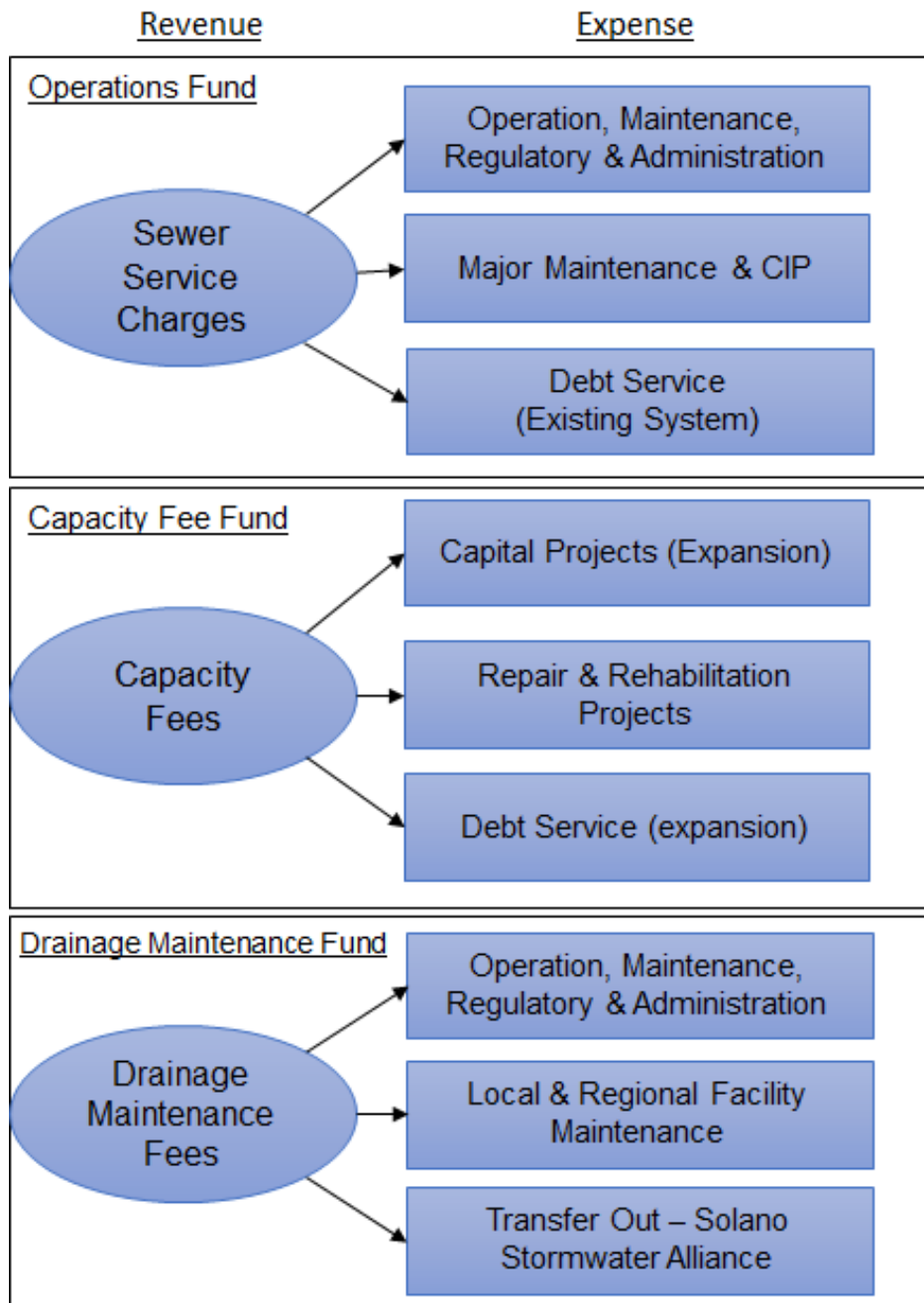
### *Drainage Maintenance*

Drainage Maintenance expenses are budgeted at \$2.0 million for FY 2022-23, an increase of \$0.6 million compared to the FY 2021-22 projected actuals. The increase is primarily related to \$575,000 for the Air Base Parkway and State Street Pump Station Replacement project.

**LONG-TERM FINANCIAL PLAN AND RESERVES**

The Long-Term Financial Plan projects revenues and expenses for District funds. Figure 5 highlights the flow of funds and utilization of the District’s Operations Fund, Capacity Fees Fund, and Drainage Maintenance Fund. Schedules 2 to 6 provide a comprehensive 10-year estimate of each revenue, expense, and reserve amount.

**Figure 5**



**Schedule 2 – Wastewater Operations Fund Forecast**

- The Operations Fund pays for all treatment plant and sewer system operating expenses, including collection, treatment, maintenance, major repairs, upgrades to facilities and eventual replacement, billing, regulatory activities, and administration. It receives revenue from user fees and related interest income. The Operations Fund receives no property tax revenues.
- Operating reserves are maintained at 25 percent, or three months, of total operating expenses (Schedule 2, Line 26) and are intended to fund operational expenses in case of emergencies.
- Net revenue (revenues less expenses) is allocated to debt service payments and the operating reserve target before funding the Fairfield and Suisun City Collection System Reserves. Remaining funding is transferred to the Major Maintenance and CIP Reserve.
- Contributions to the Fairfield and Suisun City Collection System Reserves are new to the FY 2022-23 budget, and a result of the Collection System Asset Management Plan completed during FY 2021-22.

**Schedule 3 – Capacity Fee Fund Forecast**

- The Capacity Fee Funds receive revenues from capacity fees and related interest income and pays for debt service, growth-related construction projects, and repair and rehabilitation projects.
- Capacity fee revenues are based on growth forecasts for Fairfield and Suisun City. The cities are projecting a significant increase in residential and commercial growth between FY 2022-23 and FY 2025-26, which results in higher forecasted capacity fee revenues.
- The 2022 Cost of Service and Rate Study changed the methodology used to calculate capacity fees. As a result, beginning on July 1, 2022, Capacity Fee revenue will be available to fund repair and rehabilitation projects identified in the Major Maintenance and CIP Budget. The District will maintain Capacity Fee reserves in two separate funds to distinguish reserves restricted for growth-related expenses and reserves restricted for repair and rehabilitation projects.

**Schedule 4 – Major Maintenance and Capital Improvement Program**

- This represents the District's projects funded by growth-restricted Capacity Fees and Major Maintenance and CIP reserves (consisting of Sewer Service Charges and repair and rehabilitation restricted Capacity Fees).
- Total growth-restricted Capacity Fee projects total \$15.2 million through FY 2030-31.
- Total Major Maintenance and CIP expenses total \$146.2 million through FY 2030-31.

- The District's long-term financial planning for Major Maintenance and CIP expenses helps assist the District with the strategy to fund projects with cash ("pay as you go") instead of debt.
- Major Maintenance and Capacity Fee project expenses are estimates that are re-evaluated each budget cycle. Because the projects are multi-year, significant planning is required to estimate timing of necessary financial resources. Due to variables with identifying individual projects, the outyears of the forecast partially rely on historical averages.

## **Schedule 5 –Reserves**

### Debt Service Reserve

- In compliance with the State Revolving Fund (SRF) loan agreements, the District established a debt service reserve account of \$737,000 in November 2011 for the UV Project, which was increased by \$332,000 in FY 2019-20 for the Blower Project. This reserve is funded out of the Operations Fund and is not available to the District until the loan is paid in full.

### Capacity Fee Reserve

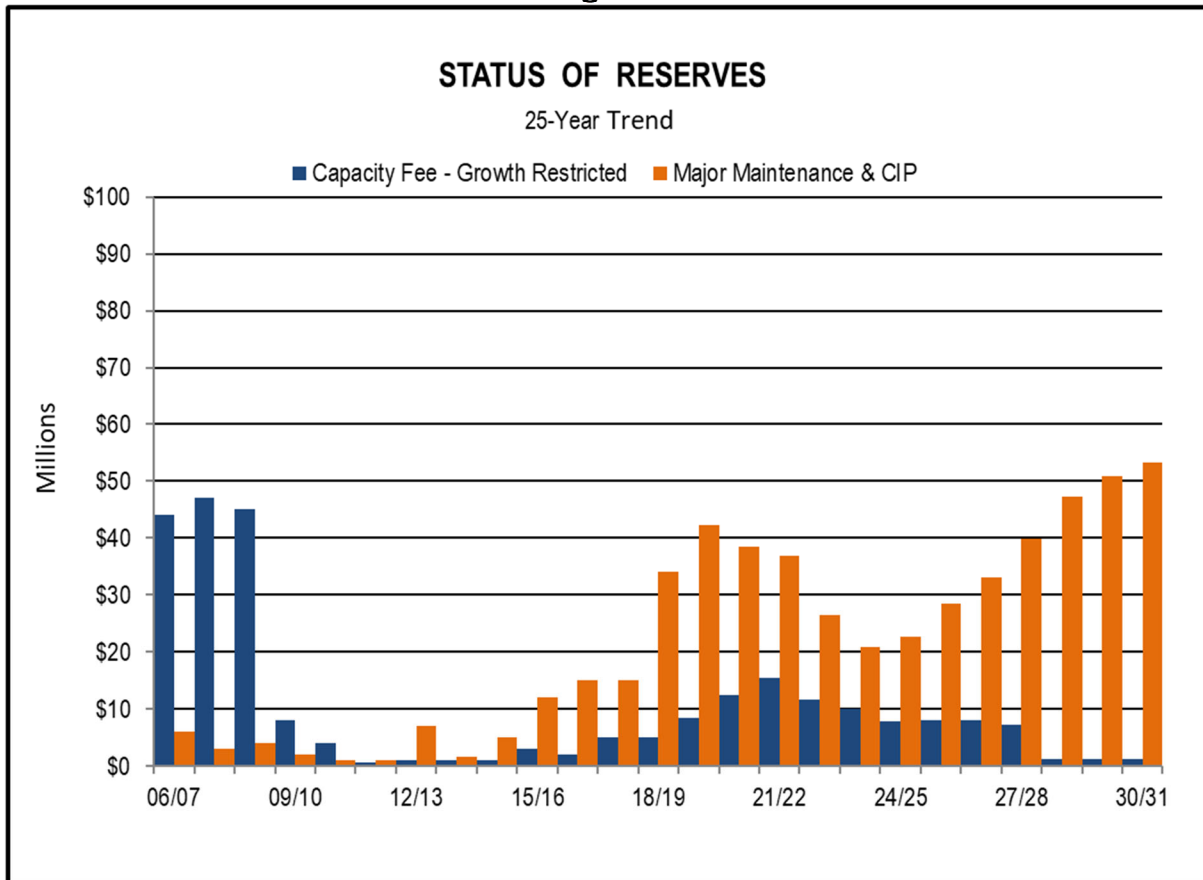
- This reserve accumulates annual net revenues for two purposes: making cash contributions to capital projects and making debt service payments if capacity fee shortages are experienced.
- Because new Capacity Fee revenue will be utilized for Major Maintenance and CIP projects, the Capacity Fee Reserve restricted for growth will eventually be drawn down over remainder of the forecast.
- Figure 6 shows the "life cycle" of the Capacity Fee and Major Maintenance Reserves. Significant balances are periodically built up, then subsequently drawn down to pay for sewer and treatment plant expansion projects.

### Major Maintenance and CIP Reserve

- Accumulating a sufficient Major Maintenance and CIP Reserve is critical for funding major repairs of the treatment plant facilities, upgrades to infrastructure to meet regulatory requirements, and the eventual treatment plant replacement.
- The Major Maintenance Reserve allows funding for future replacement and rehabilitation projects that have not yet been specifically scoped and planned.
- Effective FY 2022-23, the Major Maintenance and CIP reserve target is set to the five-year rolling average of estimated Major Maintenance and CIP expenditures. This target better ties the necessary reserves to estimated expenditures to help mitigate rate impacts.

- The current reserve forecast is heavily dependent on the projected growth rate for residential and commercial additions in each city. Figure 6 shows the forecasted reserves at the end of FY 2031-31 based on the current growth forecast. Reserves are thoroughly reviewed each year as changes in the anticipated and actual growth rate can have significant impacts to planned spending for Major Maintenance & CIP projects.

**Figure 6**



**Schedule 6 – Drainage Maintenance and Solano Stormwater Alliance**

- Budgeted expenses for FY 2022-23 include operating expenses of \$1.4 million as well as \$575,000 for Fairfield Flood Pump Station Replacements.
- Drainage Maintenance Rates, as illustrated on page 23, Ordinance 2022-01, remain unchanged.
- The bottom of Schedule 6 includes the Solano Stormwater Alliance (Alliance) forecast. Fairfield and Suisun City contributions to the Alliance are represented by Transfers Out from Drainage Maintenance funds and Transfers In to the Alliance, while contributions to the Alliance from Vallejo and Vallejo Flood and Wastewater District are shown as Revenue from Other Agencies.

**CONCLUSION**

The Board's continued support of long-range fiscal planning as produced a stable financial structure to meet the District's current and future needs given a range of possible community growth rates. In particular, the Board's long-range planning will allow the District proceed with a \$13.3 million increase in Major Maintenance and CIP expenses in FY 2022-23 without the use of debt. Prudent cost management and the District's philosophy of building up reserves were instrumental in positioning the District to invest in infrastructure and continue to provide critical services to the community.

**ACKNOWLEDGMENT**

We thank the Board for its guidance and continued support of developing a sustainable budget and long-term financial plan. Special appreciation is given to department managers and District staff who assisted in the preparation of this budget.

**SCHEDULE 1  
FY 2021-22 PROJECTED ACTUAL COMPARED TO BUDGET**

(Dollars in 000s)

	Schedule Reference	2021/22 Adopted Budget	2021/22 Revised Budget	2021/22 Projected Actual	Dollar Variance	Percent Variance	
1	REVENUES & REVENUE SOURCES:						
2	Sewer Service Charges	Sched 2, line 2	\$31,192	\$31,192	\$30,959	(\$233)	-1%
3	Capacity Fees	Sched 3, lines 2-3	4,014	4,014	6,329	2,315	58%
4	Drainage Maintenance Fees	Sched 6, line 2	1,676	1,676	1,647	(29)	-2%
5	Interest Income	All Schedules	611	611	491	(120)	-20%
6	Other Income	Sched 2, lines 4 and 5	363	363	643	280	77%
7	Total Revenues		<u>\$37,856</u>	<u>\$37,856</u>	<u>\$40,068</u>	<u>\$2,212</u>	<u>6%</u>
8	EXPENSES:						
9	Treatment Plant O&M	Sched 2, lines 8-9	\$11,709	\$11,709	\$11,890	\$181	2%
10	Regulatory	Sched 2, line 16	1,833	1,833	1,962	129	7%
11	Billing & Administration	Sched 2, lines 12-14	5,637	5,637	5,388	(249)	-4%
12	City Sewer Line Maint.	Sched 2, line 11	2,733	2,733	2,672	(61)	-2%
13	Major Maintenance	Sched 2, line 10, Sched 4 line 28	12,520	12,520	10,011	(2,509)	-20%
14	Capacity Fee Funded	Sched 4, line 11 and Sched 3 line 8	4,007	4,011	3,294	(717)	-18%
15	Debt Service	Sched 2, line 19 and Sched 3, line 10	1,069	1,069	1,069	0	0%
16	Drainage Maintenance	Sched 6, lines 11,21,26,31	1,530	1,530	1,422	(108)	-7%
17	Total Expenses		<u>\$41,038</u>	<u>\$41,042</u>	<u>\$37,708</u>	<u>(\$3,334)</u>	<u>-8%</u>

**RESERVE BALANCES AT YEAR-END**

		2021-22 Projected	
18	Capacity Fee - Growth Restricted	Schedule 5, line 11	\$15,470
19	Major Maintenance & CIP	Schedule 5, line 19	\$36,945
20	Operating	Schedule 2, line 25	\$5,667
21	Debt Service	Schedule 5, line 5	\$1,069
22	Drainage Maintenance	Schedule 6, lines 17, 22, 27, 32	\$3,136

**SCHEDULE 2  
WASTEWATER OPERATIONS FUND FORECAST**

(Dollars in 000s)

	Actual	Projected	FORECAST								
	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
1 REVENUES:											
2 Sewer Service Charges	\$29,227	\$30,959	\$33,054	\$35,477	\$37,989	\$40,182	\$42,558	\$45,005	\$47,371	\$49,854	\$52,460
3 Interest Income	100	51	22	25	29	32	36	36	36	36	36
4 Biosolids Host & Facility Charge	364	404	420	437	454	473	492	511	532	553	575
5 Other Income	234	239	207	211	215	220	224	229	233	238	243
6 Total Revenues	29,925	31,653	33,702	36,150	38,687	40,906	43,310	45,781	48,172	50,681	53,313
7 EXPENSES:											
8 Treatment Plant O&M	8,185	9,309	10,701	11,236	11,798	12,388	13,007	13,657	14,340	15,057	15,573
9 Electricity and Chemicals	2,283	2,581	2,820	2,954	3,094	3,241	3,395	3,556	3,725	3,902	4,088
10 District Sewer Line Maintenance	467	757	881	907	935	963	992	1,021	1,052	1,084	1,116
11 City Sewer Line Maintenance (1)	2,552	2,672	3,148	3,305	3,471	3,644	3,826	4,018	4,219	4,430	4,651
12 Admin, Legal, Board	4,193	3,679	3,693	3,316	3,445	3,581	3,723	3,871	3,527	3,527	3,527
13 Utility Billing Fees - Fairfield	520	545	573	596	620	645	670	697	725	726	727
14 Utility Billing Fees - Suisun	145	150	158	164	171	178	185	192	200	201	202
15 Financial & Personnel Services	888	1,014	1,088	1,132	1,177	1,224	1,273	1,324	1,377	1,432	1,489
16 Regulatory Programs (2)	1,359	1,962	1,886	2,046	2,259	2,151	2,248	2,349	2,454	2,640	2,880
17 Total Expenses	20,592	22,669	24,948	25,656	26,969	28,014	29,318	30,686	31,619	36,980	38,235
18 Net Revenue before Debt & Transfers	9,333	8,984	8,754	10,494	11,718	12,893	13,991	15,095	16,553	13,700	15,078
19 Debt Service Pymt - SRF	(986)	(986)	(986)	(986)	(986)	(986)	(986)	(986)	(986)	(986)	(986)
20 Transfer to Operating Reserve (Line 25)	(283)	(519)	(570)	(177)	(328)	(261)	(326)	(342)	(233)	(1,340)	(314)
21 Tfr Out-Fairfield Collection System Res.	-	-	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)
22 Tfr Out-Suisun City Collection System Res.	-	-	(1,770)	(1,770)	(1,770)	(1,770)	(1,770)	(1,770)	(1,770)	(1,770)	(1,770)
23 Transfer to Maj. Maint. Reserve (Sch. 5)	(8,065)	(7,478)	(3,599)	(5,731)	(6,804)	(8,045)	(9,079)	(10,167)	(11,733)	(7,774)	(10,179)
24 Operating Reserves, beginning	4,865	5,148	5,667	6,237	6,414	6,742	7,003	7,330	7,671	7,905	9,245
25 Operating Reserves, ending (3)	\$5,148	\$5,667	\$6,237	\$6,414	\$6,742	\$7,003	\$7,330	\$7,671	\$7,905	\$9,245	\$9,559
26 Target Operating Reserve	5,148	5,667	6,237	6,414	6,742	7,003	7,330	7,671	7,905	9,245	9,559
27 Operating Reserve Target Met?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Note 1 - This is maintenance for under-12" sewers owned by the cities and includes tv inspection of city sewer lines performed by the District. Trunk sewer maintenance is funded from the Major Maintenance Reserve.

Note 2 - Regulatory Programs include Air Quality Compliance, Regional Monitoring Program fees, Hazardous Materials fees, NPDES permit studies and fees, Laboratory costs, Source Control (Industrial Monitoring and Pollution Prevention programs mandated by RWQCB) and \$45,000 participation in Fairfield-Suisun household hazardous waste programs.

Note 3 - Operations Reserve target is set to 25% (3 months) of Schedule 2 Operating Expenses.

**SCHEDULE 3  
WASTEWATER CAPACITY FEE FORECAST**

(Dollars in 000s)

	Actual	Projected Actual	FORECAST									
			20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30
1 REVENUES & OTHER FUNDING SOURCES:												
2 Fairfield Capacity Fees	\$5,336	\$5,400	\$8,441	\$9,321	\$9,720	\$8,669	\$6,408	\$6,113	\$6,296	\$6,485	\$6,680	
3 Suisun City Capacity Fees	18	929	551	108	113	117	117	121	126	129	133	
4 Total Revenues	5,354	6,329	8,991	9,430	9,833	8,786	6,525	6,234	6,422	6,614	6,813	
5 EXPENSES & DEBT SERVICE												
6 Project Planning & Administration	97	107	441	435	456	479	503	528	555	582	612	
7 New Development Review / Inspection	75	144	244	251	259	267	275	283	291	300	309	
8 Total Expenses	172	251	685	686	715	746	778	811	846	882	921	
9 Interfund Loan Repayment - MM	466	0	0	0	0	0	0	0	0	0	0	
10 SRF Loan Repayment - Blower Proj	83	83	83	83	83	83	83	83	83	83	83	
11 Total Debt Service	549	83	83	83	83	83	83	83	83	83	83	
12 Total Expenses and Debt Service	721	334	768	769	798	829	861	894	929	965	1,004	
13 Rev. & Other Funding Sources less Exp.	4,633	5,995	8,223	8,661	9,035	7,957	5,664	5,340	5,493	5,649	5,809	
14 Tfr Out-Capacity Fee Reserve for Growth (1)	(4,633)	(5,995)	0	0	0	0	0	0	0	0	0	
15 Tfr Out-Capacity Fee Reserve for R&R (2)	0	0	(8,223)	(8,661)	(9,035)	(7,957)	(5,664)	(5,340)	(5,493)	(5,649)	(5,809)	
16 Ending Available Cash Balance (3)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

Note 1 - Revenue collected FY 2021-22 and prior is restricted for growth-related projects based on the methodology used to calculate the Capacity Fee.

Note 2 - Starting FY 2022-23, Capacity Fee revenue is restricted to Repair & Rehabilitation (R&R) projects per the District's 2022 Cost of Service and Rate Study.

Note 3 - No unrestricted Net Position is maintained; all net revenues are transferred to Capacity Fee Reserves.

**SCHEDULE 4  
CAPITAL IMPROVEMENT PROGRAM & COLLECTION SYSTEM RESERVES**

(Dollars in 000s)

	Project Name	Actual	Projected Actual	FORECAST								Total Forecast	
		20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30		30/31
1	Cordelia Pump Station Expansion	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000
2	Northeast Fairfield Pump Station	166	2,200	-	-	-	-	-	-	-	-	-	-
3	Peabody Walters Relief Sewer - Phase 1B	0	500	2,500	-	-	-	-	-	-	-	-	2,500
4	Peabody Walters Relief Sewer - Phase 2	0	-	-	-	-	-	-	1,000	5,500	-	-	6,500
5	Lopes Lift Station/Force Main Capacity Improvements	0	-	-	500	1,200	-	-	-	-	-	-	1,700
6	Collection System Master Plan	17	15	15	15	15	15	15	15	400	15	15	520
7	Digester Feedback/Biogas Master Plan	158	-	-	-	-	-	-	-	-	-	-	-
8	Flow Monitoring	0	50	-	-	50	-	-	50	-	-	50	150
9	Digester Reliability Improvement (25%)	814	78	-	-	-	-	-	-	-	-	-	-
10	Bioenergy Generation Project (25%)	28	200	1,325	1,325	-	-	-	-	-	-	-	2,650
11	<b>Total Capacity Fee - Growth Restricted</b>	<b>\$1,183</b>	<b>\$3,043</b>	<b>\$3,840</b>	<b>\$1,840</b>	<b>\$2,265</b>	<b>\$15</b>	<b>\$15</b>	<b>\$1,065</b>	<b>\$5,900</b>	<b>\$15</b>	<b>\$65</b>	<b>\$15,197</b>
12	Suisun Force Main Rehabilitation	\$0	\$0	\$300	\$6,000	\$6,000	\$0	\$0	\$0	\$0	\$0	\$0	\$12,300
13	Digester Reliability Improvement (75%)	2,441	235	-	-	-	-	-	-	-	-	-	2,911
14	Electrical Replacement - Phase I	2,643	1,500	-	-	-	-	-	-	-	-	-	4,898
15	Electrical Replacement - Phase II	0	100	3,740	4,400	325	-	-	-	-	-	-	8,588
16	Electrical Replacement - Phase III	0	-	-	-	350	4,500	-	-	-	-	-	4,850
17	Electrical Replacement - 12kV Distribution	0	-	-	-	-	500	5,000	5,000	-	-	-	10,500
18	Primary Clarifier Rehab	209	405	-	-	-	-	-	-	-	-	-	1,019
19	Primary Clarifier Rehab No. 2 and 4	0	100	460	-	-	-	-	-	-	-	-	560
20	HVAC Rehabilitation	89	114	1,100	-	-	-	-	-	-	-	-	1,367
21	Bioenergy Generation Project (75%)	85	600	3,975	3,975	-	-	-	-	-	-	-	9,167
22	Crystal Pump Station Generator / ATS	0	-	-	100	-	-	-	-	-	-	-	100
23	Secondary Clarifier 2 Floor Grout	0	-	-	150	-	-	-	-	-	-	-	150
24	Secondary Clarifier 3 Floor Grout	0	-	-	-	-	150	-	-	-	-	-	150
25	Tertiary Filer 4/5 VFD Replacement	0	-	125	-	-	-	-	-	-	-	-	125
26	Maintenance Replacements / Upgrades	1,941	6,200	10,949	3,859	4,777	3,142	4,552	3,905	10,366	10,366	10,366	73,281
27	FSSD Collection System R&R	-	-	1,902	1,751	2,863	2,488	1,038	550	550	550	4,544	16,236
28	<b>Total Major Maintenance</b>	<b>\$7,408</b>	<b>\$9,254</b>	<b>\$22,551</b>	<b>\$20,235</b>	<b>\$14,315</b>	<b>\$10,780</b>	<b>\$10,590</b>	<b>\$9,455</b>	<b>\$10,916</b>	<b>\$10,916</b>	<b>\$14,910</b>	<b>\$146,201</b>

	Actual	Projected Actual	FORECAST									
			20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30
29	City of Fairfield - Collection System R&R Reserve											
30	\$0	\$0	\$0	\$1,352	\$48	\$77	\$110	\$146	\$1,713	\$3,280	\$3,346	
31	-	-	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830
32	-	-	22	26	29	33	37	37	37	37	37	37
33	-	-	(500)	(3,160)	(1,830)	(1,830)	(1,830)	(300)	(300)	(1,800)	(300)	
34	\$0	\$0	\$1,352	\$48	\$77	\$110	\$146	\$1,713	\$3,280	\$3,346	\$4,913	
35	City of Suisun City - Collection System R&R Reserve											
36	\$0	\$0	\$0	\$1,106	\$2,343	\$3,614	\$4,834	\$5,952	\$7,557	\$9,262	\$10,968	
37	-	-	1,770	1,770	1,770	1,770	1,770	1,770	1,770	1,770	1,770	1,770
38	-	-	21	25	28	32	35	35	35	35	35	35
39	-	-	(685)	(558)	(527)	(582)	(688)	(200)	(100)	(100)	(100)	
40	\$0	\$0	\$1,106	\$2,343	\$3,614	\$4,834	\$5,952	\$7,557	\$9,262	\$10,968	\$12,673	

**SCHEDULE 5  
WASTEWATER RESERVE FORECAST**

(Dollars in 000s)

	Actual	Projected Actual	FORECAST								
	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
1 DEBT SERVICE RESERVE (1):											
2 Beginning Cash Balance	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069
3 Trans Out-Capital/Debt Service Fund	0	0	0	0	0	0	0	0	0	0	0
4 Trans In-Major Maintenance Reserve	0	0	0	0	0	0	0	0	0	0	0
5 Ending Cash Balance	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069	\$1,069
6 CAPACITY FEE RESERVE (Growth Restricted):											
7 Beginning Cash Balance	\$8,860	\$12,431	\$15,470	\$11,751	\$10,039	\$7,885	\$7,998	\$8,127	\$7,188	\$1,295	\$1,288
8 Transfer In - Capacity Fee Fund	4,633	5,995	0	0	0	0	0	0	0	0	0
9 Interest Income	121	87	121	128	111	128	144	125	8	7	6
10 Capacity Fee Funded CIP (Growth) - Schedule 4	(1,183)	(3,043)	(3,840)	(1,840)	(2,265)	(15)	(15)	(1,065)	(5,900)	(15)	(65)
11 Ending Cash Balance (2)	\$12,431	\$15,470	\$11,751	\$10,039	\$7,885	\$7,998	\$8,127	\$7,188	\$1,295	\$1,288	\$1,229
12 MAJOR MAINT & CIP RESERVE (3):											
13 Beginning Balance	\$37,065	\$38,515	\$36,945	\$26,523	\$20,954	\$22,815	\$28,510	\$33,271	\$40,054	\$47,359	\$50,989
14 Transfer In- Net Revenues From Schedule 2	8,065	7,478	3,599	5,731	6,804	8,045	9,079	10,167	11,733	7,774	10,179
15 Transfer In - Capacity Fee - R&R (4)	0	0	8,223	8,661	9,035	7,957	5,664	5,340	5,493	5,649	5,809
16 Interfund Loan Repayment - Capital	466	0	0	0	0	0	0	0	0	0	0
17 Interest Income	328	205	308	275	337	473	608	730	995	1,123	1,287
18 Maj. Maint & CIP - Schedule 4	(7,408)	(9,254)	(22,551)	(20,235)	(14,315)	(10,780)	(10,590)	(9,455)	(10,916)	(10,916)	(14,910)
19 Ending Cash Balance	\$38,515	\$36,945	\$26,523	\$20,954	\$22,815	\$28,510	\$33,271	\$40,054	\$47,359	\$50,989	\$53,354
20 Target Major Maintenance & CIP Reserve (5)	19,000	19,000	19,294	16,675	14,811	14,131	14,957	15,149	15,847	16,513	18,510
21 Major Maintenance & CIP Reserve Target Met?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
22 TOTAL REPLACEMENT COST OF											
23 TREATMENT PLANT AND SEWERS:											
24 Beginning Replacement Cost	\$706,412	\$758,502	\$822,236	\$883,172	\$943,707	\$990,993	\$1,038,271	\$1,080,648	\$1,124,021	\$1,164,948	\$1,203,934
25 Inflationary Increases	46,623	60,680	49,334	44,159	37,748	39,640	36,339	37,823	33,721	34,948	36,118
26 Plant/Sewer Additions	5,467	3,054	11,602	16,376	9,538	7,638	6,038	5,550	7,206	4,038	11,207
27 Ending Replacement Cost	\$758,502	\$822,236	\$883,172	\$943,707	\$990,993	\$1,038,271	\$1,080,648	\$1,124,021	\$1,164,948	\$1,203,934	\$1,251,259

Note 1 - These funds are restricted cash held by trustee and/or District for debt service reserves until bond issues and other debt obligations are paid off, and are not available for other purposes.

Note 2 - These funds are restricted for growth related projects.

Note 3 - Major Maintenance & CIP Reserve funds projects to repair and upgrade existing treatment facilities and trunk sewers and pays for replacement when they reach the end of their useful lives.

Note 4 - These funds are restricted for Repair & Rehabilitation projects and are maintained in a separate fund. They are included with Sewer Service Charge reserves to present a better forecast of total reserves available for Major Maintenance and CIP project costs.

Note 5 - Major Maintenance & CIP Reserve target is equal to five year rolling average of Major Maintenance & CIP costs.

**SCHEDULE 6  
DRAINAGE MAINTENANCE FUND FORECAST**

(Dollars in 000s)

	Actual	Projected Actual	FORECAST									
			20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30
1 REVENUES:												
2 Drainage Maintenance Fees	\$1,647	\$1,647	\$1,655	\$1,664	\$1,672	\$1,680	\$1,689	\$1,697	\$1,706	\$1,714	\$1,723	
3 Interest Income	19	24	34	39	48	59	70	75	79	84	88	
4 Total Revenues	1,666	1,671	1,689	1,702	1,720	1,739	1,758	1,772	1,785	1,798	1,810	
5 EXPENSES:												
6 Local Facility Maintenance	959	959	959	959	959	959	959	959	959	959	959	
7 Regional Facility Maintenance	84	82	114	117	121	125	128	132	136	140	144	
8 Admin, Billing, Capital Outlay	30	18	289	319	332	346	361	376	392	437	455	
9 Stormwater Regulatory Program (1)	265	223	0	0	0	0	0	0	0	0	0	
10 Tfr Out - Solano Stormwater Alliance (2)	0	0	85	85	85	85	85	85	85	85	85	
11 Total Expenses	1,338	1,282	1,447	1,480	1,497	1,515	1,533	1,552	1,572	1,621	1,644	
12 Revenues less Expenses	328	390	241	222	223	224	225	219	213	176	166	
13 Tfr In/(Out)-Desilting Reserve	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	
14 Tfr In/(Out)-Major Maint. Reserve	(150)	(360)	(211)	(192)	(193)	(194)	(195)	(189)	(183)	(146)	(136)	
15 Tfr In/(Out)-Operations Reserve	(150)	0	0	0	0	0	0	0	0	0	0	
16 Beginning Cash Balance	312	310	310	310	310	310	310	310	310	310	310	
17 Ending Available Cash Balance	\$310	\$310	\$310	\$310	\$310	\$310	\$310	\$310	\$310	\$310	\$310	
18 OPERATIONS RESERVE: (3)												
19 Beginning Cash Balance	\$850	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	
20 Transfer In/(Out)	150	0	0	0	0	0	0	0	0	0	0	
21 Expenses	0	0	0	0	0	0	0	0	0	0	0	
22 Ending Cash Balance	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	
23 DESILTING RESERVE (4):												
24 Beginning Cash Balance	\$368	\$398	\$428	\$458	\$488	\$518	\$548	\$578	\$608	\$638	\$668	
25 Transfer In/(Out)	30	30	30	30	30	30	30	30	30	30	30	
26 Expenses	0	0	0	0	0	0	0	0	0	0	0	
27 Ending Cash Balance	\$398	\$428	\$458	\$488	\$518	\$548	\$578	\$608	\$638	\$668	\$698	
28 MAJOR MAINT RESERVE: (5)												
29 Beginning Cash Balance	\$1,028	\$1,178	\$1,398	\$1,034	\$998	\$1,191	\$1,384	\$1,579	\$1,769	\$1,951	\$2,098	
30 Transfer In/(Out)	150	360	211	192	193	194	195	189	183	146	136	
31 Expenses	0	(140)	(575)	(228)	0	0	0	0	0	0	0	
32 Ending Cash Balance	\$1,178	\$1,398	\$1,034	\$998	\$1,191	\$1,384	\$1,579	\$1,769	\$1,951	\$2,098	\$2,234	

**SOLANO STORMWATER ALLIANCE (ALLIANCE) FORECAST**

	Actual	Projected Actual	FORECAST								
			20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29
33 Tfr In - From Drainage Maint.	\$0	\$0	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85
34 Revenue from Other Agencies	-	-	70	70	70	70	70	70	70	70	70
35 Interest Income	-	-	0	0	0	0	0	0	0	0	0
36 Total Revenues	\$0	\$0	\$155	\$155	\$155	\$155	\$155	\$155	\$155	\$155	\$155
37 Expenses	\$0	\$0	\$154	\$155	\$155	\$155	\$155	\$155	\$155	\$155	\$155
38 Revenues less Expenses	\$0	\$0	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39 ALLIANCE RESERVE (6)	\$0	\$0	\$1	\$1	\$2	\$2	\$2	\$2	\$3	\$3	\$3

- Note 1 - This is a federally-mandated regulatory program. Starting FY 2022-23, program is known as the Solano Stormwater Alliance.
- Note 2 - This transfer represents Fairfield and Suisun City's contribution to Solano Stormwater Alliance.
- Note 3 - Reserve accumulated for unexpected operations expense.
- Note 4 - Reserve for 33 percent of City of Suisun City dredging costs.
- Note 5 - Reserve for unanticipated cost increases in maintenance projects.
- Note 6 - Remaining Alliance funds are maintained in a separate fund and reserve.

**SCHEDULE 7  
WASTEWATER FORECAST ASSUMPTIONS**

(Dollars in 000s)

	Actual	Actual	Projected	FORECAST								
	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
1 GROWTH RATE:												
2 Residential	0.74%	5.42%	1.97%	2.96%	2.74%	2.44%	2.09%	2.25%	2.05%	1.47%	1.45%	1.42%
3 Commercial/Industrial	0.15%	1.08%	0.39%	0.59%	0.55%	0.49%	0.42%	0.45%	0.41%	0.29%	0.29%	0.28%
4 Commercial Special Strength	0.15%	1.08%	0.39%	0.59%	0.55%	0.49%	0.42%	0.45%	0.41%	0.29%	0.29%	0.28%
5 Travis Air Force Base	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6 Anheuser-Busch	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7 SEWER RATE (per HCF, except Residential):												
8 Residential (Flat Rate per Month)	\$40.40	\$41.85	\$43.35	\$45.02	\$47.27	\$49.63	\$51.62	\$53.68	\$55.83	\$58.06	\$60.38	\$62.80
9 Commercial - Regular Strength	\$3.23	\$3.35	\$3.46	\$3.60	\$3.78	\$3.97	\$4.13	\$4.30	\$4.47	\$4.65	\$4.84	\$5.03
10 Industrial - Regular Strength	\$3.23	\$3.35	\$3.46	\$3.60	\$3.78	\$3.97	\$4.13	\$4.30	\$4.47	\$4.65	\$4.84	\$5.03
11 Commercial - Special Strength	\$5.32	\$5.48	\$5.62	\$6.23	\$6.54	\$6.87	\$7.14	\$7.43	\$7.73	\$8.04	\$8.36	\$8.69
12 Industrial - Special Strength	\$5.32	\$5.48	\$5.62	\$6.23	\$6.54	\$6.87	\$7.14	\$7.43	\$7.73	\$8.04	\$8.36	\$8.69
13 Anheuser-Busch (Case by Case Avg)	\$3.29	\$3.40	\$3.51	\$3.75	\$3.94	\$4.14	\$4.30	\$4.48	\$4.66	\$4.84	\$5.04	\$5.24
14 Travis Air Force Base	\$2.48	\$2.59	\$2.71	\$2.90	\$3.05	\$3.20	\$3.33	\$3.46	\$3.60	\$3.74	\$3.89	\$4.05
15 SEWER REVENUES:	\$29,029	\$29,227	\$30,959	\$33,054	\$35,477	\$37,989	\$40,182	\$42,558	\$45,005	\$47,371	\$49,854	\$52,460
16 Residential (Fairfield)	18,011	17,994	19,063	20,394	22,001	23,664	25,125	26,717	28,355	29,921	31,568	33,299
17 Residential (Suisun)	4,746	4,925	5,218	5,582	6,022	6,477	6,877	7,313	7,761	8,190	8,640	9,114
18 Commercial - Regular Strength	2,119	2,117	2,210	2,312	2,441	2,576	2,690	2,810	2,935	3,061	3,193	3,330
19 Industrial - Regular Strength	1,059	1,058	1,105	1,156	1,221	1,288	1,345	1,405	1,467	1,530	1,596	1,665
20 Commercial - Special Strength	297	315	350	391	413	435	455	475	496	517	540	563
21 Industrial - Special Strength	694	734	784	838	879	923	960	999	1,039	1,080	1,123	1,168
22 Anheuser-Busch	1,141	1,196	1,277	1,364	1,432	1,504	1,564	1,627	1,692	1,759	1,830	1,903
23 Travis Air Force Base	962	888	950	1,017	1,068	1,121	1,166	1,212	1,261	1,311	1,364	1,418
24 Consumer Price Index	2.00%	4.29%	6.00%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
25 Interest Earnings Rate	1.75%	0.94%	1.00%	1.20%	1.40%	1.60%	1.80%	2.00%	2.00%	2.00%	2.00%	2.00%
26 Bond Interest Rate	1.50%	1.95%	2.30%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%	3.00%
27 Construction Cost Index	3.00%	6.60%	8.00%	6.00%	5.00%	4.00%	4.00%	3.50%	3.50%	3.00%	3.00%	3.00%
28 Project Inflationary Cost Factor	1.2668	1.3504	1.4584	1.5459	1.6232	1.6881	1.7557	1.8171	1.8807	1.9371	1.9952	2.0551
29 New Residential Units - Fairfield	331	294	694	1,347	1,345	1,226	1,075	858	800	800	800	800
30 New Residential Units - Suisun	0	5	235	80	15	15	15	15	15	15	15	15
31 Total New Residential Units	331	299	929	1,427	1,360	1,241	1,090	873	815	515	515	515
32 Total DUs in District (year-end)	44,782	47,211	48,140	49,567	50,927	52,168	53,258	54,455	55,570	56,385	57,200	58,015
34 Capacity Fee Per EDU	\$6,281	\$6,281	\$6,281	\$6,883	\$7,227	\$7,516	\$7,817	\$8,090	\$8,374	\$8,625	\$8,884	\$9,150
35 New Commercial EDU	40.0	51.3	88.5	135.3	183.2	131.3	121.2	63.6	50.0	50.0	50.0	50.0
36 DEBT SERVICE COVENANT												
37 Avg Debt Service Ratio (1.15 min.)	7.67	8.82	11.88	5.86	9.48	10.94	12.37	13.38	15.36	9.80	5.32	5.53

FAIRFIELD-SUISUN SEWER DISTRICT  
ORDINANCE NO. 2022-01

**AN ORDINANCE AMENDING ORDINANCE NO. 88-2 AND ADOPTING WITHOUT INCREASE THE FAIRFIELD-SUISUN SEWER DISTRICT ANNUAL STORM DRAIN MAINTENANCE SERVICE CHARGES**

1. THE BOARD OF DIRECTORS OF THE FAIRFIELD-SUISUN SEWER DISTRICT DOES HEREBY AMEND PARAGRAPH 2 OF SECTION 1 OF ORDINANCE NO. 88-2 AS FOLLOWS:

“2. **Schedule of Charges.** The storm drain maintenance charges continue unchanged for fiscal year 2022-23 at the same rates as 2021-22, and such charges are assigned to lots or parcels of land as follows:

CATEGORY	RATE
A. Residential: Single-family to Four-plex (Improved property in County Assessor Codes 1000, 1011, 1012, 1013, 1019, 1200, 1500, 2100 – 4 units or less)	\$20.23 per lot or parcel
B. Multiple Family and Institutional (Improved property in County Assessor Codes 2100 and 2190 – greater than 4 units, 2700, 8100, 8200, 8300, 8500, 8700)	\$250.51 per acre
C. Commercial and Industrial (Improved property in County Assessor codes 3100, 3200, 3300 3400, 3500, 3510, 3520, 3530, 3540, 3550, 3560, 3570, 3580, 3585, 3590, 3800, 4400, 4442, 4443, 4444, 4449)	\$313.14 per acre
D. Undeveloped (Unimproved property greater than 0.1 acres in all above County Assessor Code Categories, plus all property in County Assessor Codes 1100, 1113, 1116, 1117, 1118, 2000, 3000, 4000, 5000, 5051, 5052, 5053, 5054, 5059, 6100, 6400, 6462, 6463, 6464, 8400, 9000, 9500, 9600, and 9999)”	\$1.06 per acre or portion thereof

2. This Ordinance shall be posted for one week in three public places in the City of Fairfield and three public places in the City of Suisun City and shall take effect upon expiration of the week of such posting.

PASSED AND ADOPTED this 23rd day of May 2022, by the following vote:

AYES: Directors Day-Hernandez-Hudson-Panduro-Price  
Timm-Tonnesen-Williams-Vaccaro

NOES: Directors None

ABSENT: Directors None

  
\_\_\_\_\_  
President

ATTEST:  
  
\_\_\_\_\_  
District Clerk


FAIRFIELD-SUISUN SEWER DISTRICT  
RESOLUTION NO. 2022-13

**A RESOLUTION APPROVING REVISED FISCAL YEAR 2021-22 REVENUE AND EXPENSE PROJECTIONS AND ADOPTING THE FISCAL YEAR 2022-23 BUDGET AND LONG-TERM FINANCIAL PLAN**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FAIRFIELD-SUISUN SEWER DISTRICT:

- 1. The District hereby adopts the estimated revenues, expenses and interfund transfers for all funds and reserves for the fiscal year 2021-22, which are attached hereto and made a part thereof.
- 2. The District hereby adopts the Proposed Budget for Fiscal Year 2022-23 and Long-Term Financial Plan, attached hereto and made a part hereof, as an operating guideline for the scheduling and financing of future capital projects and debt issuance, provided that all projects and debts are subject to subsequent Board approval.
- 3. The General Manager is hereby authorized and directed to allocate net operations revenue to the District's reserves in accordance with the District's reserve policy.
- 4. The General Manager is hereby authorized and directed to amend the Fiscal Year 2022-23 Budget when the Solano Stormwater Alliance budget is adopted.
- 4. The General Manager is hereby authorized and directed to take all steps necessary and proper to implement this resolution in accordance with District policies and procedures.
- 5. The District finds that the activities authorized herein are statutorily or categorically exempt under one or more of the following CEQA Guidelines: 15378 (The activity is not a "project" as defined in Section 15378); 15061(b)(3) (It can be seen with certainty that there is no possibility that this activity may have a significant effect on the environment); 15378(b)(4) (Government fiscal activities which do not involve any commitment to any specific project); 15262 (Feasibility and Planning Studies); and 15306 (Information Collection). Staff is hereby authorized to file a Notice of Exemption under CEQA Guidelines 15062.

PASSED AND ADOPTED this 23rd day of May 2022, by the following vote:

		Day-Hernandez-Hudson-Panduro-Price
AYES:	Directors	Timm-Tonnesen-Williams-Vaccaro
		_____
NOES:	Directors	None
		_____
ABSENT:	Directors	None
		_____
		
		_____
		President

ATTEST:

  
\_\_\_\_\_  
District Clerk



# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

*For the Year Ended June 30, 2021*

**FAIRFIELD-SUISUN SEWER DISTRICT**  
1010 Chadbourne Road, Fairfield, CA 94534

[www.fssd.com](http://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](http://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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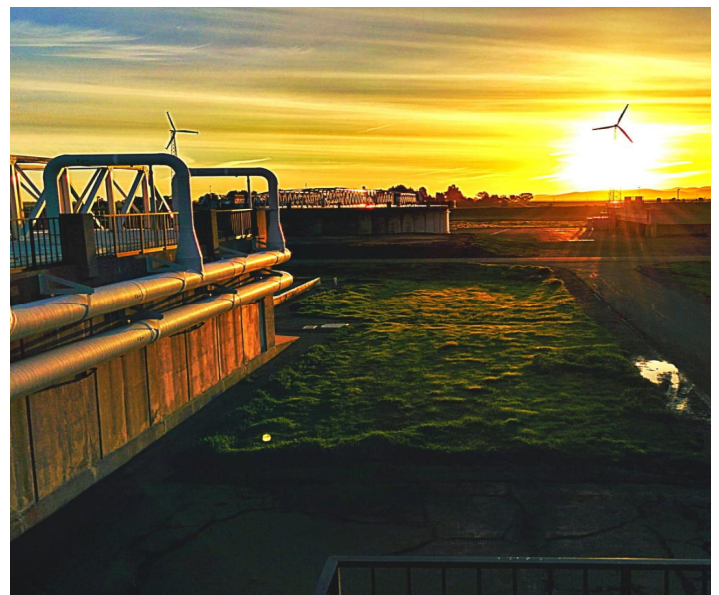
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# Introductory Section

**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 zoogeleal 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](http://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**

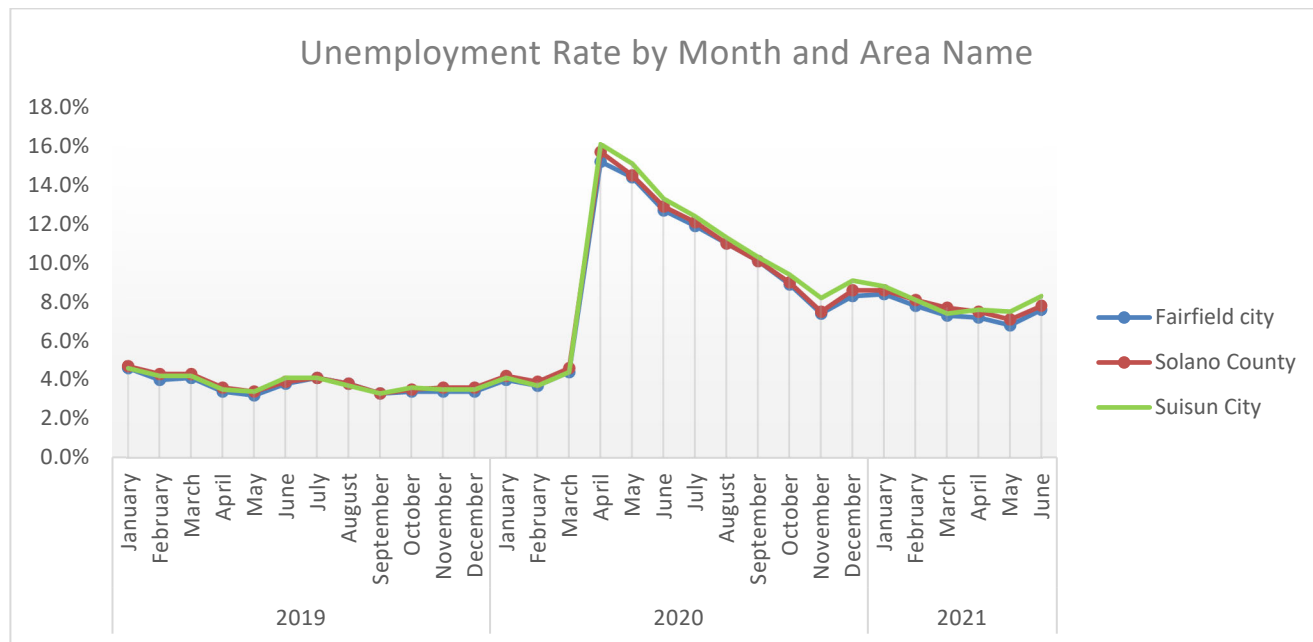
### **Local Economic Condition and Outlook**

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°F. 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

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### **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

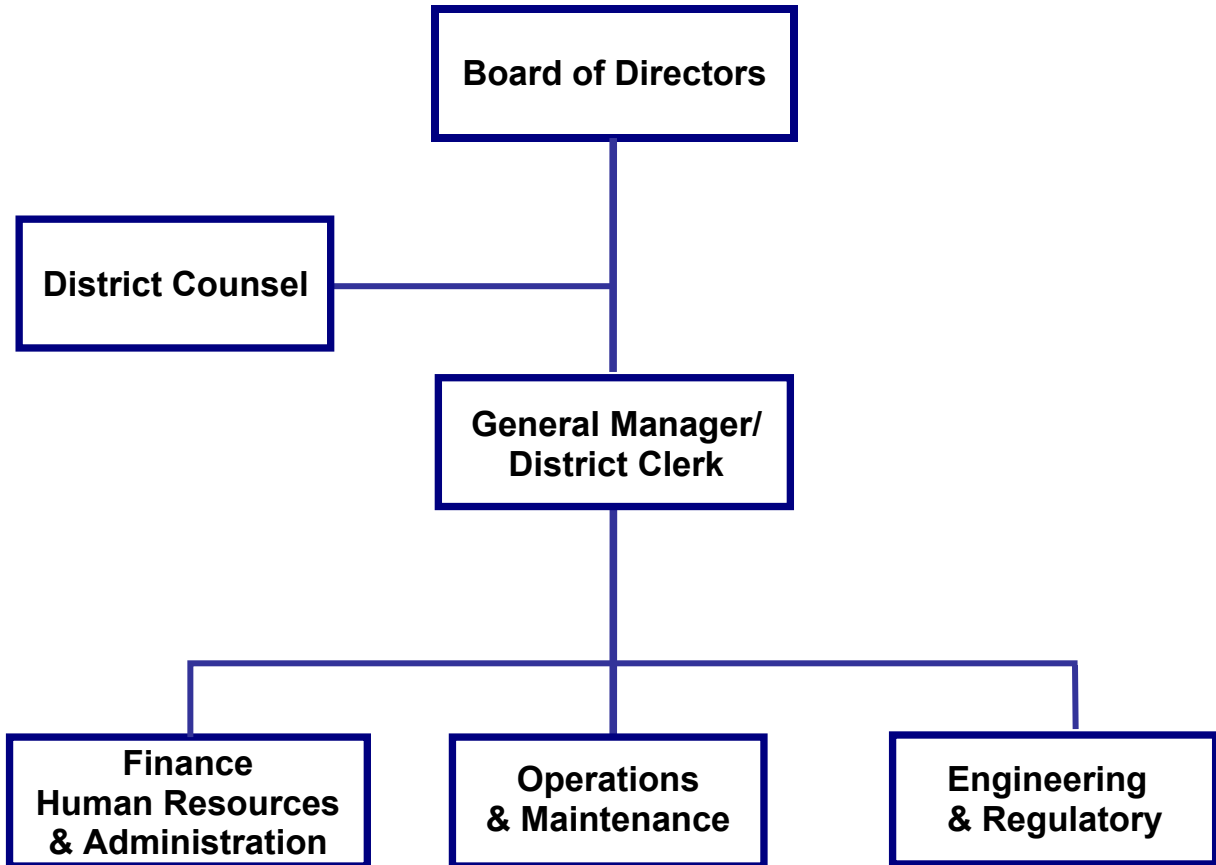
James Russell-Field, Director of Administrative Services

### **District Counsel**

Carrie Scarlata

# Fairfield-Suisun Sewer District Organization

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**Fairfield-Suisun Sewer District**  
Certificate of Achievement for Excellence in Financial Reporting

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Fairfield-Suisun Sewer District**  
**California**

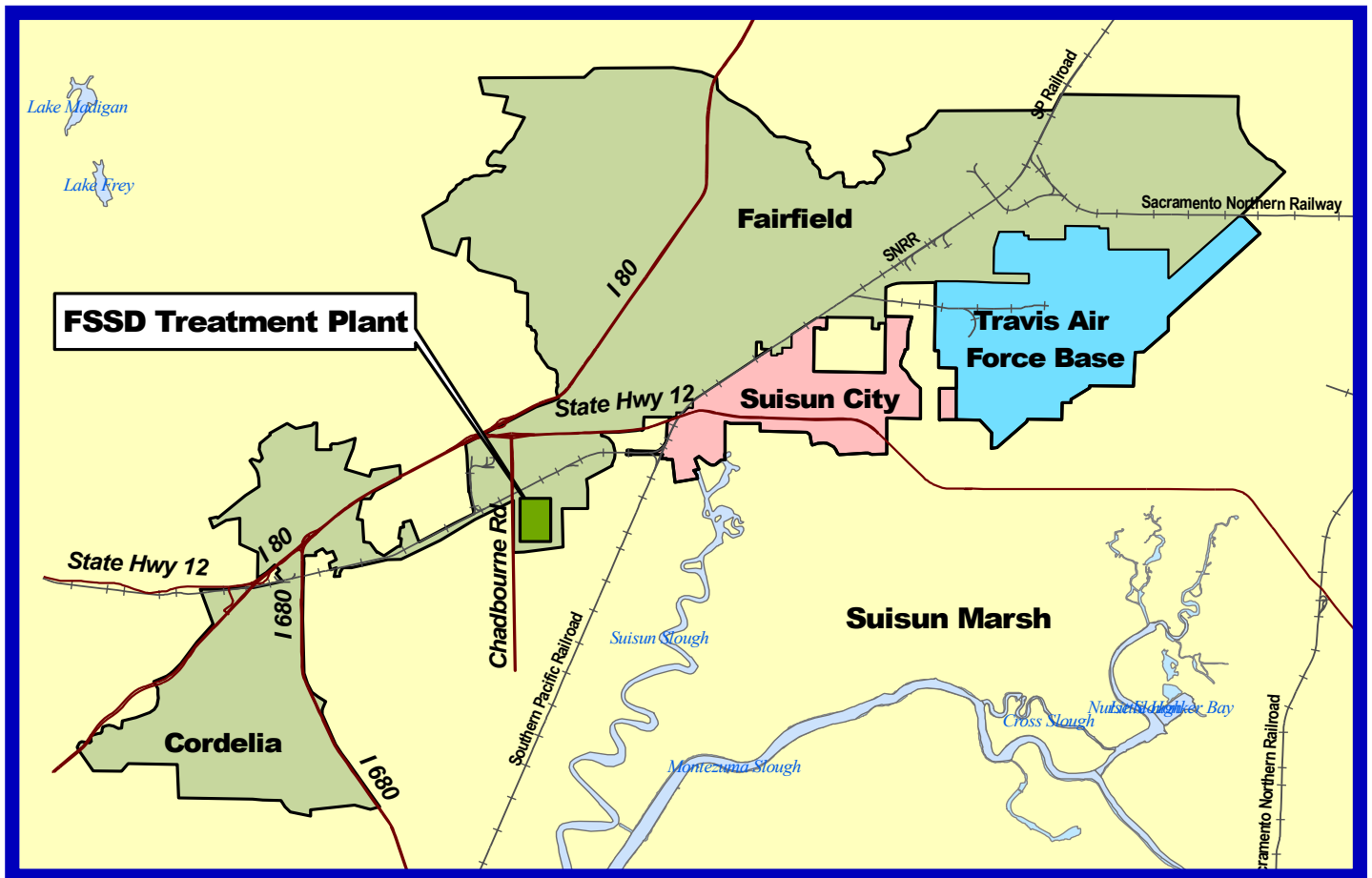
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

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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## 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

Walnut Creek, CA

November 24, 2021

# Fairfield-Suisun Sewer District

## Management's Discussion and Analysis

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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.

# Fairfield-Suisun Sewer District

## Management's Discussion and Analysis

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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%.

# Fairfield-Suisun Sewer District

## Management's Discussion and Analysis

### 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,		Increase	Percent	June 30,	Increase	Percent
	2021	2020	(Decrease)	Increase		(Decrease)	Increase
			21 over 20	(Decrease)	2019	20 over 19	(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

# Fairfield-Suisun Sewer District

## Management's Discussion and Analysis

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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 future 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.

# Fairfield-Suisun Sewer District

## Management's Discussion and Analysis

- *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,		Increase	Percent	June 30,	Increase	Percent
	2021	2020	(Decrease)	Increase		(Decrease)	Increase
			21 over 20	(Decrease)	2019	20 over 19	(Decrease)
<b>Revenues:</b>							
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%
<b>Total revenues</b>	<b>31,528</b>	<b>33,138</b>	<b>(1,610)</b>	<b>-4.9%</b>	<b>31,047</b>	<b>2,091</b>	<b>6.7%</b>
<b>Expenses:</b>							
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%
<b>Total expenses</b>	<b>27,661</b>	<b>31,132</b>	<b>(3,471)</b>	<b>-11.1%</b>	<b>26,152</b>	<b>4,980</b>	<b>19.0%</b>
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%
<b>Change in net position</b>	<b>9,364</b>	<b>8,029</b>	<b>1,335</b>	<b>16.6%</b>	<b>7,895</b>	<b>134</b>	<b>1.7%</b>
Net position - beginning of period	113,025	104,996	8,029	7.6%	97,101	7,895	8.1%
<b>Net position - end of period</b>	<b>\$ 122,389</b>	<b>\$ 113,025</b>	<b>\$ 9,364</b>	<b>8.3%</b>	<b>\$ 104,996</b>	<b>\$ 8,029</b>	<b>7.6%</b>

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

# Fairfield-Suisun Sewer District

## Management's Discussion and Analysis

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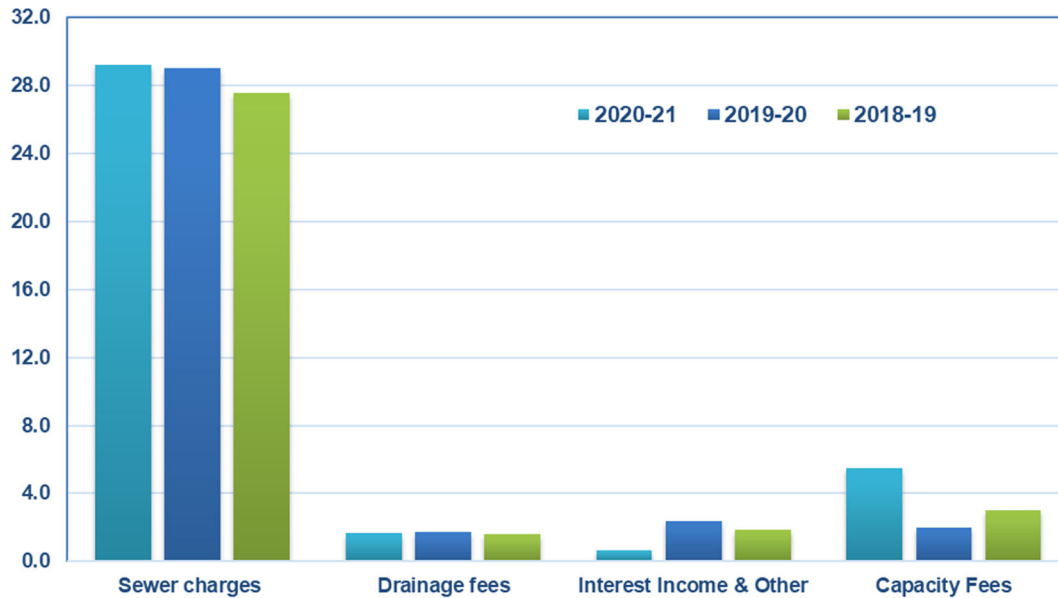
2021 connection fee revenue exceeded what the District typically receives for the entire fiscal year.

- *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.

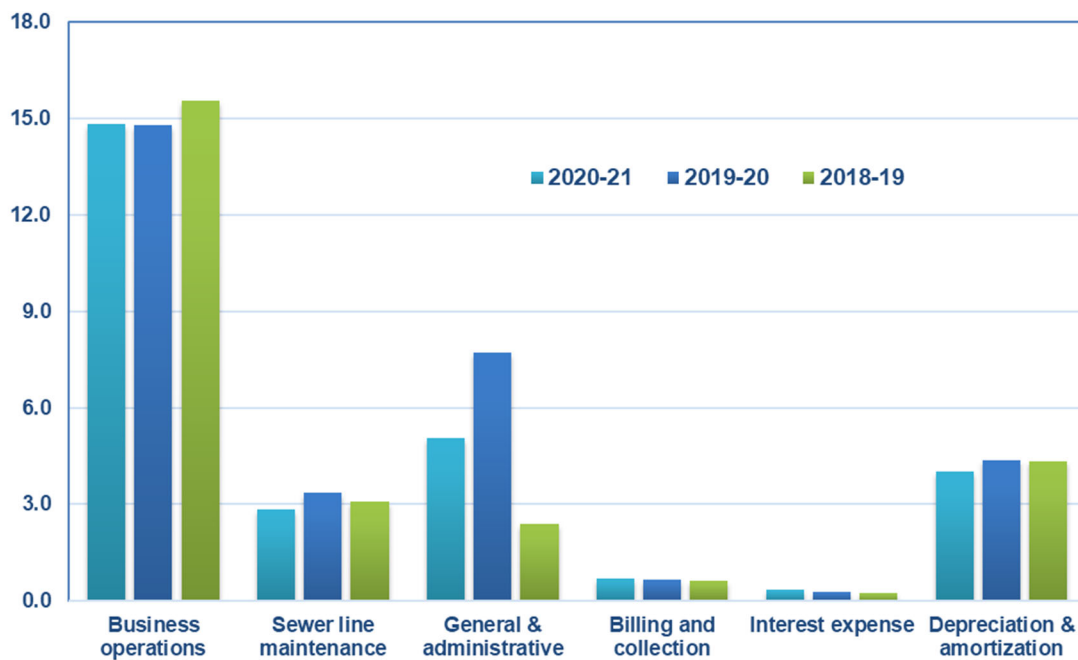
# Fairfield-Suisun Sewer District

## Management's Discussion and Analysis

### 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)



# Fairfield-Suisun Sewer District

## Management's Discussion and Analysis

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### 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**

	<b>2021</b>
<b>ASSETS</b>	
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
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
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**

	<b>2021</b>
<b>LIABILITIES</b>	
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
<b>DEFERRED INFLOWS OF RESOURCES</b>	
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
<b>NET POSITION</b>	
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**

	<b>2021</b>
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)

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	<b>2021</b>
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**  
(Page 2 of 2)

	<b>2021</b>
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.*

# FAIRFIELD-SUISUN SEWER DISTRICT

## Notes to Financial Statements

### June 30, 2021

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## 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.

# FAIRFIELD-SUISUN SEWER DISTRICT

## Notes to Financial Statements

### June 30, 2021

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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.

# FAIRFIELD-SUISUN SEWER DISTRICT

## Notes to Financial Statements

### June 30, 2021

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**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

# FAIRFIELD-SUISUN SEWER DISTRICT

## Notes to Financial Statements

### June 30, 2021

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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.

**FAIRFIELD-SUISUN SEWER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2021**

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**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

**FAIRFIELD-SUISUN SEWER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2021**

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**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

**FAIRFIELD-SUISUN SEWER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2021**

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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

# FAIRFIELD-SUISUN SEWER DISTRICT

## Notes to Financial Statements

### June 30, 2021

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**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.

# FAIRFIELD-SUISUN SEWER DISTRICT

## Notes to Financial Statements

### June 30, 2021

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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.

**FAIRFIELD-SUISUN SEWER DISTRICT**  
**Notes to Financial Statements**  
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**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

**FAIRFIELD-SUISUN SEWER DISTRICT**  
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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:

Investment Type	Fair Value	June 30, 2021 Remaining Maturity Distribution			% of Portfolio
		0-12 months	1-2 years	2-5 years	
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%
<b>Total Investments</b>	<b>\$ 59,918,348</b>	<b>\$ 42,012,696</b>	<b>\$ 5,124,658</b>	<b>\$ 12,780,994</b>	<b>100.00%</b>

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.

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**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.

Investment Type	June 30, 2021	
	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	<u>\$ 59,918,348</u>	

**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%

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**Notes to Financial Statements**  
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**4. Restricted Net Position**

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

		<u>2021</u>		<u>2020</u>
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.

**FAIRFIELD-SUISUN SEWER DISTRICT**  
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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

**FAIRFIELD-SUISUN SEWER DISTRICT**  
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**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

**FAIRFIELD-SUISUN SEWER DISTRICT**  
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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
	<u>\$ 5,318,823</u>	<u>\$ 1,008,529</u>	<u>\$ 6,327,352</u>

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

**FAIRFIELD-SUISUN SEWER DISTRICT**  
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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.

# FAIRFIELD-SUISUN SEWER DISTRICT

## Notes to Financial Statements

### June 30, 2021

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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

**FAIRFIELD-SUISUN SEWER DISTRICT**  
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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:

<b>Miscellaneous</b>	<b>Hired prior to January 1, 2013 Classic</b>	<b>Hired on or after January 1, 2013 PEPRA</b>
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

**FAIRFIELD-SUISUN SEWER DISTRICT**  
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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 PEPR	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

**FAIRFIELD-SUISUN SEWER DISTRICT**  
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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:

Fiscal Year	Percentage Share of Risk Pool		Change: Increase/ (Decrease)
	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:

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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	-
<b>Total</b>	<b>\$ 5,259,923</b>	<b>\$ (1,174,639)</b>

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:

**FAIRFIELD-SUISUN SEWER DISTRICT**  
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	<b>Miscellaneous</b>
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 <sup>1</sup>	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

*<sup>1</sup>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:

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<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Real Return Years 1 – 10 <sup>(a)</sup></b>	<b>Real Return Years 11+ <sup>(b)</sup></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%
<b>Total</b>	<b>100.00%</b>		

(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

**FAIRFIELD-SUISUN SEWER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2021**

**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.

**FAIRFIELD-SUISUN SEWER DISTRICT**  
Notes to Financial Statements  
June 30, 2021

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**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.

**FAIRFIELD-SUISUN SEWER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2021**

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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

**FAIRFIELD-SUISUN SEWER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2021**

**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:

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

**Contributions**

The annual contribution is based on the actuarially determined contribution.

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

**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:

**FAIRFIELD-SUISUN SEWER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2021**

	<b>Miscellaneous</b>
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	<ul style="list-style-type: none"> <li>• Non-Medicare - 7.0% for 2022, decreasing to an ultimate rate of 4% in 2076</li> <li>• Medicare (Non-Kaiser) – 5.0% for 2022, decreasing to an ultimate rate of 4% in 2076</li> <li>• Medicare (Kaiser) – 6.1% for 2022, decreasing to an ultimate rate of 4% in 2076</li> </ul>

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.

**FAIRFIELD-SUISUN SEWER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2021**

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

<b>Asset Class Component</b>	<b>Target Allocation</b>	<b>Expected Rate of Return</b>	<b>Real</b>
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.

**FAIRFIELD-SUISUN SEWER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2021**

**Changes in Net OPEB Liability**

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

	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
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
<b>Net changes</b>	<b>(689,189)</b>	<b>192,346</b>	<b>(881,535)</b>
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:

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

**FAIRFIELD-SUISUN SEWER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2021**

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**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](http://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:

**FAIRFIELD-SUISUN SEWER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2021**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
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	-
<b>Total</b>	<b>\$ 3,091,566</b>	<b>\$ 1,454,377</b>

**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:

<b>FYE June 30</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
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.

**FAIRFIELD-SUISUN SEWER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2021**

**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 Rehabilitation - 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*

**FAIRFIELD-SUISUN SEWER DISTRICT**  
Notes to Financial Statements  
June 30, 2021

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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\***

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>(MD 6/30/20)</b>	<b>(MD 6/30/19)</b>	<b>(MD 6/30/18)</b>	<b>(MD 6/30/17)</b>
<b>Changes in Total OPEB Liability</b>				
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
<b>Changes in Fiduciary Net Position</b>				
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 to 10 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 to 10 years when information becomes available.

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

**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 <sup>1</sup>
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 <sup>2</sup>	\$ 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 liability 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 to 10 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 <sup>1</sup>
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 <sup>2</sup>	\$ 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 1<sup>st</sup> 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 to 10 years when information becomes available.

**OTHER INDEPENDENT AUDITORS' REPORTS**

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

To the Board of Directors

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

Walnut Creek, CA  
November 24, 2021

# FAIRFIELD-SUISUN SEWER DISTRICT

## Statistical Section

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<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant revenue sources.	66-67
<b>Debt Capacity</b> These schedules contain information to help the reader assess the District's current level of outstanding debt obligation and its ability to issue additional debt in the future. The District has no overlapping bonded debt.	68-70
<b>Operating Information</b> These schedules contain data to help the reader understand how the information in the District's financial report relates to the services it provides.	71-73
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place.	74-77

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# FAIRFIELD-SUISUN SEWER DISTRICT

## Financial Trends

### 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 outflow - GASB 68	5,260	4,653	2,671	3,288	3,134	1,946	1,425	-	-	-
Deferred outflow - GASB 75 <sup>1</sup>	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

# FAIRFIELD-SUISUN SEWER DISTRICT

## Financial Trends

### 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
<b>Revenues:</b>										
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 <sup>1</sup>	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	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>37,025</b>	<b>39,161</b>	<b>34,047</b>	<b>30,436</b>	<b>30,444</b>	<b>28,046</b>	<b>28,049</b>	<b>25,675</b>	<b>23,636</b>	<b>22,306</b>
<b>Expenses:</b>										
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
<b>Total expenses</b>	<b>27,661</b>	<b>31,132</b>	<b>26,152</b>	<b>25,553</b>	<b>26,006</b>	<b>21,768</b>	<b>23,804</b>	<b>23,889</b>	<b>23,241</b>	<b>26,078</b>
<b>Change in net position</b>	<b>9,364</b>	<b>8,029</b>	<b>7,895</b>	<b>4,883</b>	<b>4,438</b>	<b>6,278</b>	<b>4,245</b>	<b>1,786</b>	<b>395</b>	<b>(3,772)</b>
<b>Net position, beginning of period</b>	<b>113,025</b>	<b>104,996</b>	<b>97,101</b>	<b>94,001</b>	<b>89,563</b>	<b>83,801</b>	<b>83,899</b>	<b>82,113</b>	<b>81,718</b>	<b>85,490</b>
Prior period adjustment, GASB 68	-	-	-	-	-	(516)	(4,343)	-	-	-
Prior period adjustment, GASB 75	-	-	-	(1,783)	-	-	-	-	-	-
<b>Net position, as restated</b>	<b>113,025</b>	<b>104,996</b>	<b>97,101</b>	<b>92,218</b>	<b>89,563</b>	<b>83,285</b>	<b>79,556</b>	<b>82,113</b>	<b>81,718</b>	<b>85,490</b>
<b>Net position, end of period</b>	<b>\$ 122,389</b>	<b>\$ 113,025</b>	<b>\$ 104,996</b>	<b>\$ 97,101</b>	<b>\$ 94,001</b>	<b>\$ 89,563</b>	<b>\$ 83,801</b>	<b>\$ 83,899</b>	<b>\$ 82,113</b>	<b>\$ 81,718</b>
<b>Statement of Net Position</b>										
<b>Net investment in capital assets</b>	<b>\$ 63,077</b>	<b>\$ 58,331</b>	<b>\$ 59,386</b>	<b>\$ 60,275</b>	<b>\$ 64,207</b>	<b>\$ 66,632</b>	<b>\$ 68,306</b>	<b>\$ 69,507</b>	<b>\$ 71,649</b>	<b>\$ 72,261</b>
<b>Restricted</b>										
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
<b>Unrestricted</b>	<b>5,235</b>	<b>4,490</b>	<b>5,744</b>	<b>15,888</b>	<b>9,791</b>	<b>11,679</b>	<b>6,706</b>	<b>9,543</b>	<b>7,178</b>	<b>5,730</b>
<b>Total net position</b>	<b>\$ 122,389</b>	<b>\$ 113,025</b>	<b>\$ 104,996</b>	<b>\$ 97,101</b>	<b>\$ 94,001</b>	<b>\$ 89,563</b>	<b>\$ 83,801</b>	<b>\$ 83,899</b>	<b>\$ 82,113</b>	<b>\$ 81,718</b>

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

*Source: District Audited Financial Statements*

# FAIRFIELD-SUISUN SEWER DISTRICT

## Financial Trends

### 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
<b>Revenues:</b>											
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	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	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>37,025</b>	<b>39,161</b>	<b>34,047</b>	<b>30,436</b>	<b>30,444</b>	<b>28,046</b>	<b>28,049</b>	<b>25,675</b>	<b>23,636</b>	<b>22,306</b>	<b>21,742</b>
<b>Expenses:</b>											
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
<b>Total expenses</b>	<b>27,661</b>	<b>31,132</b>	<b>26,152</b>	<b>25,553</b>	<b>26,006</b>	<b>21,768</b>	<b>23,804</b>	<b>23,889</b>	<b>23,241</b>	<b>26,078</b>	<b>23,948</b>
<b>Change in net position</b>	<b>\$ 9,364</b>	<b>\$ 8,029</b>	<b>\$ 7,895</b>	<b>\$ 4,883</b>	<b>\$ 4,438</b>	<b>\$ 6,278</b>	<b>\$ 4,245</b>	<b>\$ 1,786</b>	<b>\$ 395</b>	<b>\$ (3,772)</b>	<b>\$ (2,206)</b>

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

*Source: District Audited Financial Statements*

# FAIRFIELD-SUISUN SEWER DISTRICT

## Financial Trends

### 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
	<u>\$ 122,389</u>	<u>\$ 113,025</u>	<u>\$ 104,996</u>	<u>\$ 97,101</u>	<u>\$ 94,001</u>	<u>\$ 89,563</u>	<u>\$ 83,801</u>	<u>\$ 83,899</u>	<u>\$ 82,113</u>	<u>\$ 81,718</u>	<u>\$ 85,490</u>

Source: District Audited Financial Statements

# FAIRFIELD-SUISUN SEWER DISTRICT

## Financial Trends

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

Year Ended June 30,	Total	Operating Expenses					Nonoperating
		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

# FAIRFIELD-SUISUN SEWER DISTRICT

## Financial Trends

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

Year Ended June 30,	Total	Operating Revenues			Nonoperating Revenues		Contributed Capital	Federal Grant
		Sewer Service Charges	Drainage Fees	Other	Interest Income	Other (1)	Capacity Fees	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	-

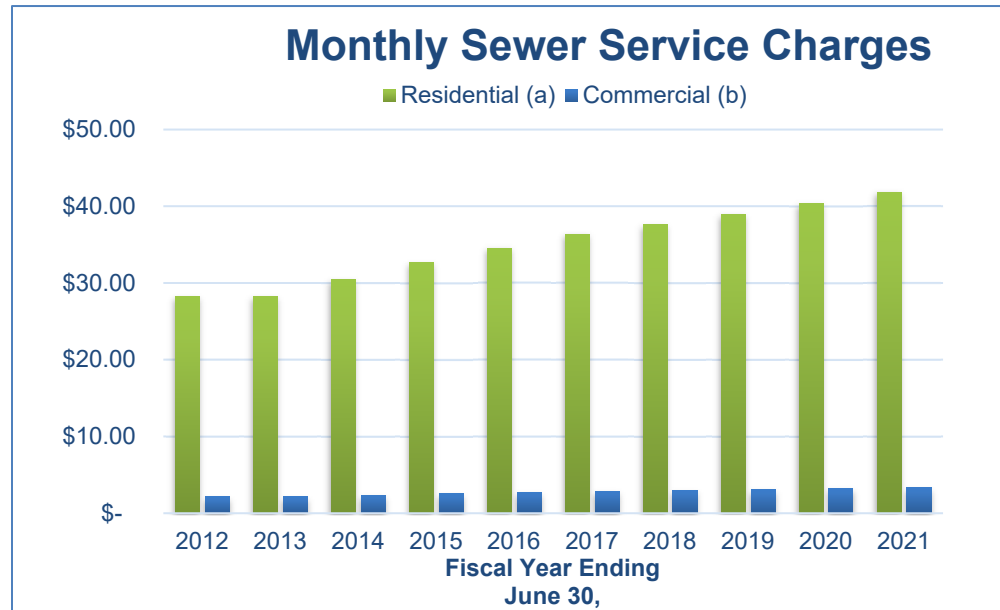
(1) Includes net increase (decrease) in fair value of investments.  
Source: District Audited Financial Statements

# FAIRFIELD-SUISUN SEWER DISTRICT

## Revenue Capacity

### 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

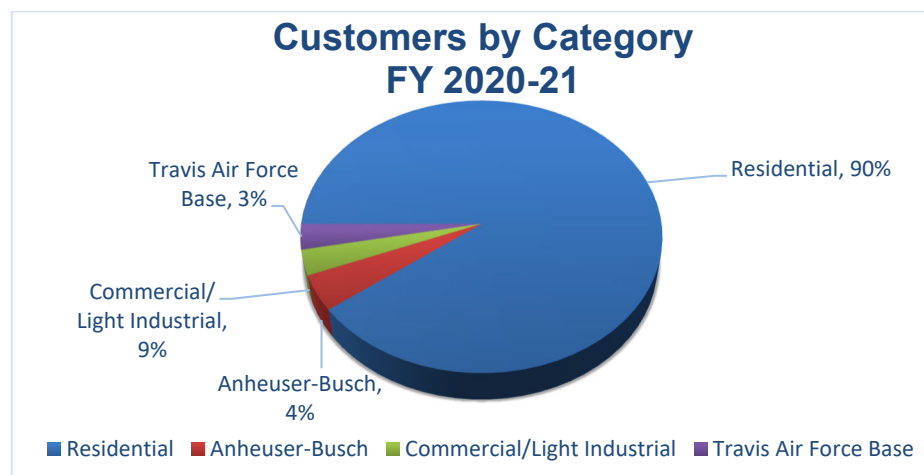
# FAIRFIELD-SUISUN SEWER DISTRICT

## Revenue Capacity

### 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

# FAIRFIELD-SUISUN SEWER DISTRICT

## Debt Capacity

### Schedule 9 Pledged-Revenue Coverage Last Ten Fiscal Years

Year Ended June 30,	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements	Debt Coverage %
	(1)	(2)		(3)	(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

# FAIRFIELD-SUISUN SEWER DISTRICT

## Debt Capacity

### 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

# FAIRFIELD-SUISUN SEWER DISTRICT

## Debt Capacity

### 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

# FAIRFIELD-SUISUN SEWER DISTRICT

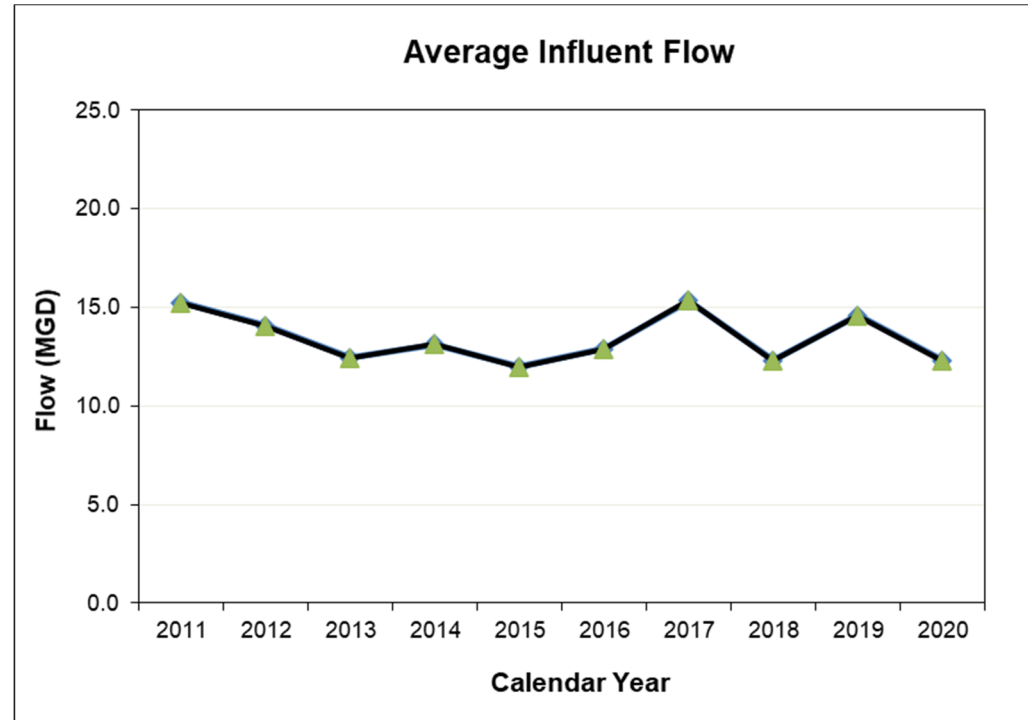
## Operating Information

### Schedule 12 Average Annual Influent Flow

#### Average Annual Influent Flow

<u>Year</u> <u>(Calendar)</u>	<u>Flow</u> <u>(MGD)*</u>
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.

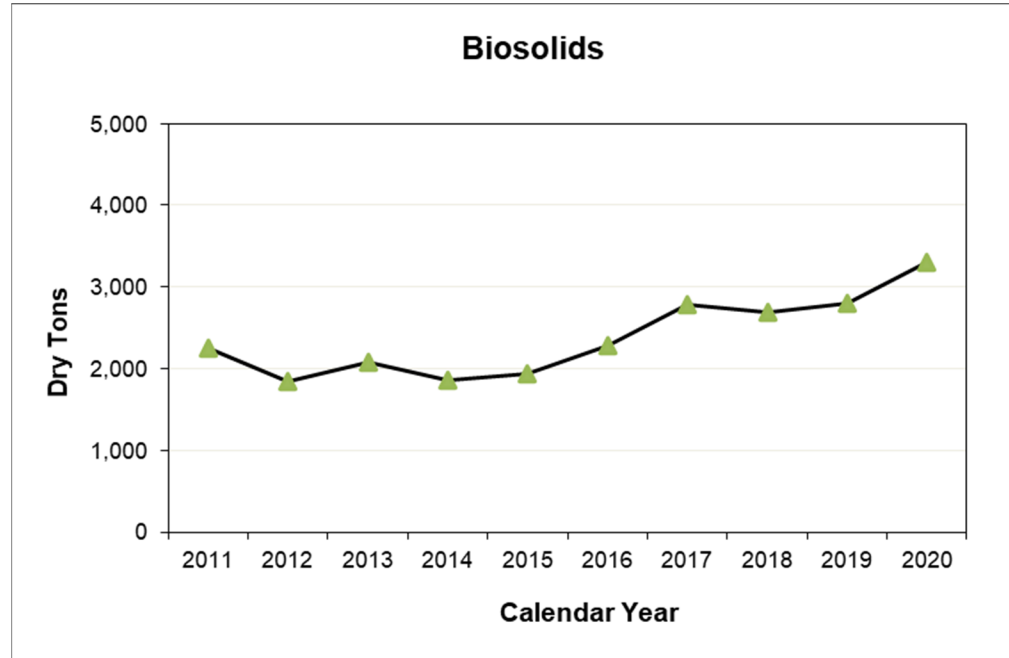
# FAIRFIELD-SUISUN SEWER DISTRICT

## Operating Information

### Schedule 13 Biosolids Disposal

#### Biosolids (Sludge) Hauled/Produced

<u>Year</u> <u>(Calendar)</u>	<u>Dry Metric Tons</u>
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.

# FAIRFIELD-SUISUN SEWER DISTRICT

## Operating Information

### Schedule 14 Schedule of Insurance Coverage June 30, 2021

NATURE OF INSURANCE	POLICY #	EFFECTIVE DATE 20-21	COMPANY	LIMITS/ DED.	COST
GL/JAL (INCLUDING ERRORS & OMISSIONS AND EMPLOYMENT PRACTICES LIABILITY)  REINSURANCE  REINSURANCE	CSL FSSD 2021 1	12/31/20-21	CSRMA POOLED LIABILITY  MUNICH AMERICAN REINSURANCE CO.  BERKLEY PUBLIC ENTITY	XS \$15,500,000 COVERAGE LIMIT \$50,000 DED \$2,500 E&O DED \$25,000 EPL DED \$50,000 SEWER BACKUP DED \$10,000,000 ULTIMATE NET LOSS XS \$500,000 EACH LOSS OCCURRENCE  \$5,000,000 ULTIMATE NET LOSS XS \$10,500,000 EACH LOSS OCCURRENCE	\$114,519
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	LLOYD'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 WEAPONS 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, 1 <sup>ST</sup> PARTY PROPERTY DAMAGE, BUSINESS INTERRUPTION AND DEMOLITION/MEMORIALISATION	NO CHARGE

Source: California Sanitation and Risk Management Authority

**FAIRFIELD-SUISUN SEWER DISTRICT**  
 Economic and Demographic Information

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**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

# FAIRFIELD-SUISUN SEWER DISTRICT

## Economic and Demographic Information

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

Firm Name	Type of Business	2020		% of Total		2011		% of Total	
		Employees	Ranking	City of Fairfield	Employees	Ranking	City of Fairfield	Employees	Ranking
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*

# FAIRFIELD-SUISUN SEWER DISTRICT

## Economic and Demographic Information

### Schedule 17

#### Full-Time District Employees by Program Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30,									
	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 brought 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

# FAIRFIELD-SUISUN SEWER DISTRICT

## Economic and Demographic Information

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### 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

**Fairfield-Suisun Sewer District  
Fee Schedule**

	<i>Effective July 1, 2022</i>	<i>Billing Cycle / Unit</i>	<i>Resolution / Ordinance</i>
<b>Sewer Service Charges</b>			
Residential <sup>1</sup>	\$45.02	per month	Resolution 2022-05  Ordinance 2022-02
Commercial			
Monthly Account Charge	\$11.97	per account per month	
<b>and</b>			
Regular Strength Volumetric <sup>2</sup>	\$3.60	per Hundred Cubic Feet	
<b>or</b>			
High Strength Volumetric <sup>3</sup>	\$6.23	per Hundred Cubic Feet	
Case-by-Case <sup>4</sup>			
Monthly Account Charge	\$11.97	per account per month	
<b>and</b>			
Volumetric (direct connect)	\$2,994.65	per Million Gallon	
<b>and</b>			
Biochemical Oxygen Demand (by weight)	\$503.54	per 1000 lbs.	
<b>and</b>			
Total Suspended Solids (by weight)	\$255.55	per 1000 lbs.	
Travis Air Force Base (volumetric)	\$2.90	per Hundred Cubic Feet	
<b>Sewer Capacity Charges</b>			
Sewer Capacity Charge	\$6,883.00	per Equivalent Dwelling Unit*	Resolution 2022-05
<i>*Calculation varies by use and square footage of building. See next page from Ordinance 2022-02</i>			
Lawler Ranch Surcharge	\$271.03		Ordinance 2022-02
North Cordelia Sub-basin A Surcharge	\$593.65	per Equivalent Dwelling Unit**	
Rancho Solano Surcharge	\$1,691.51		
<i>**In addition to base fee of \$6,883 per Equivalent Dwelling Unit</i>			
<b>Other Fees</b>			
Regulatory Compliance Fee <sup>5</sup>	\$1,026.24	per month	Ordinance 2022-02
Short-Term Discharge Permit Fee	\$100.00	per application	
Short-Term Discharge Fee	\$0.0903	per gallon (\$500.00 minimum)	
<b>Storm Drain Maintenance Charges</b>			
Residential	\$20.23	per lot or parcel for year	Ordinance 2022-01
Multiple-Family and Institutional (Churches)	\$250.51	per acre for year	
Commercial and Industrial	\$313.14	per acre for year	
Undeveloped	\$1.06	per acre/portion thereof for year	

<sup>1</sup> Single-family and Multiple-family dwellings.

<sup>2</sup> Offices, retail, stores, hotels, motels, schools, churches, hospitals, nursing homes, laundromats, dry cleaning, establishments, bars without dining facilities, car washes, other commercial or industrial customers not treated High Strength or as Case-by-Case.

<sup>3</sup> Commercial laundries, restaurants, service stations with holding tank dumping facilities, car washes with auto steam cleaning facilities, bakeries and food processing, other commercial or industrial customers with concentrations greater than 306 milligrams per liter biochemical oxygen demand (BOD) or 216 milligrams per liter total suspended solids (TSS), but less than the concentrations specified for Case-by-Case.

<sup>4</sup> All commercial or industrial customers other than those specified as Regular or High Strength with flows greater than 0.010 million gallons per day (MGD), or with concentrations greater than 650 mg/l BOD or 1,000 mg/l TSS; all intermittent customers; and any commercial or industrial customer requesting and paying the full cost of metering and testing.

<sup>5</sup> For those customers holding a District Wastewater Discharge Permit.

**From Ordinance 2022-02, Exhibit A**

**Table A1: EDUs by Customer Class**

<b>Customer Class</b>	<b>Assigned Equivalent Dwelling Units (EDUs)</b>
<b>Residential</b>	
Single-Family Dwelling	1.00 EDU per dwelling
Multiple-Family with units > or = 1,200 sq. ft.	1.00 EDU per unit
Multiple-Family with units <1,200 sq. ft.	0.60 EDU per unit
Accessory Dwelling Unit (within an existing single-family dwelling or existing accessory structure)	None
Accessory Dwelling Unit (new detached ADU up to 1,200 sq. ft.; new attached ADU sized 500-1,200 sq. ft. with new single-family dwelling)	0.60 EDU per unit
<b>Commercial</b>	
Auto Body / Painting, Dealerships, Repair, Service Stations	0.50 EDU / 1,000 sq. ft. of gross floor area
Bakeries	1.50 EDU / 1,000 sq. ft. of gross floor area
Barbers, Beauty Shops, Hair Salons	0.40 EDU / 1,000 sq. ft. of gross floor area
Bars, Wine Tasting, Beer Tasting (no food service)	1.00 EDU / 1,000 sq. ft. of gross floor area
Car Wash	3.00 EDU / 1,000 sq. ft. of gross floor area
Churches	0.30 EDU / 1,000 sq. ft. of gross floor area
Dry Cleaners	0.25 EDU / 1,000 sq. ft. of gross floor area
Grocery (no bakery, deli, or food prepared on-site)	0.60 EDU / 1,000 sq. ft. of gross floor area
Grocery (with bakery, deli, or food prepared on-site)	0.90 EDU / 1,000 sq. ft. of gross floor area
Laundry – Self Service	0.50 EDU / washing machine
Laundry – Commercial	4.00 EDU / 1,000 sq. ft. of gross floor area
Gym, Health Clubs, Tanning Salons	1.20 EDU / 1,000 sq. ft. of gross floor area
Hotel / Motel	0.50 EDU / sleeping room or unit
Hospital	1.00 EDU / bed
Medical, Dental, and Massage Therapy Office	0.60 EDU / 1,000 sq. ft. of gross floor area
Office Buildings	0.30 EDU / 1,000 sq. ft. of gross floor area
Parks – Public, Private, and Community	1.00 EDU / restroom building
Restaurants	3.00 EDU / 1,000 sq. ft. of gross floor area
Retail	0.30 EDU / 1,000 sq. ft. of gross floor area
Schools	0.50 EDU / 1,000 sq. ft. of gross floor area
Theaters, Halls, Lodges, Auditoriums	0.30 EDU / 1,000 sq. ft. of gross floor area
Warehouses	0.05 EDU / 1,000 sq. ft. of gross floor area

Sewer Capacity Charge = Rate for Single Family Dwelling EDU x square feet ÷ 1,000 x Assigned EDUs  
OR

Sewer Capacity Charge = Rate for Single Family Dwelling EDU x Assigned EDUs per unit

For Other Commercial Units with uses that are not included in the above table, the General Manager shall assign an EDU factor per 1,000 SF based on their best professional judgement, an estimate of loading from the facility, the characteristics of the intended use and/or a comparison of similar types of use.

# **The Fairfield-Suisun Sewer District Act**

## **Conformed Document as of 7/1/2020**

*An act relating to the financing, construction, maintenance and operation of sanitary sewerage and storm drainage systems for the Cities of Fairfield and Suisun City, creating the Fairfield-Suisun Sewer District and prescribing its boundaries, change of boundaries, organization, operation, management, financing and powers, declaring the urgency thereof, to take effect immediately.*

*The people of the State of California do enact as follows:*

### Article 1. General Provisions

SECTION 1. The Fairfield-Suisun Sewer District is hereby created to consist of the territory in Solano County now contained within the Cities of Fairfield and Suisun City. Any territory hereafter annexed to either city shall be a part of the district upon annexation. No property shall become a part of the district unless it is a part of either the City of Fairfield or the City of Suisun City.

Section 2. This act shall be known and may be cited as "Fairfield-Suisun Sewer District Act."

Sec. 3. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of this act, or the application of such provision to other persons or circumstances, shall not be affected thereby.

### Article 2. Definitions

Sec. 10. Unless the context otherwise requires, the provisions of this article shall govern the construction of this act.

Sec. 11. "District" means the Fairfield-Suisun Sewer District.

Sec. 12. "Board" means the board of directors of the district.

Sec. 13. "Cities" refers to the Cities of Fairfield and Suisun City.

Sec. 14. "Charges" includes fees, tolls, rates and rentals.

Sec. 15. "County" means the County of Solano.

Sec. 16. "Board of supervisors" means the Board of Supervisors of the County of Solano.

Sec. 17. "Clerk" means the clerk of the district.

Sec. 18<sup>a</sup>. In the application to the district of laws, the procedure of which is made applicable to proceedings of the district, the terms used in those laws shall have the following meanings:

(a) "Auditor" means the person or entity designated as the auditor by the board.

(b) "Clerk" means the clerk of the district.

(c) "Middle Green Valley Specific Plan" means the type, location, density, and extent of

## Fairfield-Suisun Sewer District Act

Conformed Document as of 7/1/2020

development, conditioned by conservation easements, as planned in the version of the Middle Green Valley Specific Plan adopted by the board of supervisors on August 8, 2017.

- (d) "Organic materials" means material that is organic in nature, including, but not limited to, plant material, food and beverage waste, and paper products, that can be recycled using treatment processes like composting, digestion, and other processes that decompose organic matter. The gas produced from the process may be captured and used to generate electricity and heat.
- (e) "Tax collector" means the person designated as the tax collector by the board.
- (f) "Treasurer" means the person designated as the treasurer by the board.

### Article 3. General Administrative Provisions

Sec. 25. The district shall be governed by a board of directors of 10 members who shall be ex officio, all members of the city councils of the cities.

Sec. 26. A quorum for the transaction of business shall consist of any six members of the board. No action shall be taken without the affirmative vote of at least six members.

Sec. 27<sup>b</sup>. The board shall choose one of its members as president and elect other officers in accordance with board policy.

Sec. 28<sup>c</sup>.

Sec. 29<sup>d</sup>. All contracts, deeds, warrants, releases, receipts, and documents shall be signed in the name of the district in accordance with board policy.

Sec. 30<sup>e</sup>. (a) Subject to subdivision (b), each board member shall receive one hundred dollars (\$100) for each day of his or her actual attendance of the meetings of the board and of committees of the board, and for each day's service otherwise rendered as a board member by request of the board, not exceeding a total of six days in any calendar month.

(b) The board may, by ordinance, increase the compensation received by board members above one hundred dollars (\$100) a day, provided that the increase shall not exceed an amount equal to 5 percent of the compensation which is received when the ordinance is adopted, for each calendar year following the operative date of the last increase.

Sec. 31<sup>f</sup>. Each board member shall be reimbursed for actual expenses incurred in the conduct of district business.

Sec. 32<sup>g</sup>. The board may, in its discretion, establish a district treasury and appoint a district treasurer to serve at the pleasure of the district board.

Sec. 33<sup>h</sup>. All district elections other than bond elections shall be conducted in accordance with the election laws applicable to general law cities.

Sec. 34<sup>i</sup>. The board may require an employee or officer to be bonded. The district shall pay the cost of

# Fairfield-Suisun Sewer District Act

Conformed Document as of 7/1/2020

the bonds.

## Article 4. Powers

Sec. 40. The district may adopt and use a seal which shall be alterable at the pleasure of the board.

Sec. 41. The district may sue and be sued.

Sec. 42<sup>j</sup>. The district may acquire, construct, reconstruct, alter, enlarge, lay, repair, renew, replace, replace, maintain, and operate such sewers, drains, septic tanks, and sewage collection, outfall, treatment works, and other sanitary disposal systems, and storm water, storm water collection, outfall, and disposal systems, and water reclamation and distribution systems, within or without the district, as in the judgment of the board shall be necessary and proper.

Sec. 43. The district may take, acquire, hold, use and dispose of property of every kind within or without the district necessary, expedient, or advantageous to the full exercise and economic enjoyment of its purposes and powers.

Sec. 44<sup>k</sup>. The district may exercise the right of eminent domain to acquire any property necessary to carry out any of the objects or purposes of the district.

Sec. 45. The district may make and accept contracts, deeds, releases, and documents that, in the judgment of the board, are necessary or proper in the exercise of any of the powers of the district.

Sec. 46<sup>l</sup>. The district may cooperate and contract with the United States or any agency thereof, with the State or any political subdivision thereof, or with either of the cities for the joint acquisition, construction, or use, or aid in the construction, of a facility that the district is empowered to construct under this act, including assignment to the district of any subventions of either of the cities.

Sec. 47. All existing contracts of either of the cities relating to the collection and disposal of sewage may be assumed by the district.

Sec. 48<sup>m</sup>.

- (a) Except as otherwise provided in subdivisions (b), (c), and (d), the district may not accept or contract for the disposal of any sewage emanating from outside the district except sewage from a public building.
- (b) The district may accept and contract for the disposal of sewage emanating from buildings outside the district if those buildings are connected to the district's sewage treatment system on March 1, 2002.
- (c) Notwithstanding any sphere of influence and subdivisions (b) and (c) of Section 56133 of the Government Code, the district may, upon request of a landowner, accept and contract for the disposal of sewage that will emanate or that is emanating from buildings within the Middle Green Valley Specific Plan if approved pursuant to subdivisions (a) and (d) of Section 56133 of the Government Code.

## Fairfield-Suisun Sewer District Act

Conformed Document as of 7/1/2020

- (d) Pursuant to Section 56133 of the Government Code, the district may contract with the County of Solano or another public entity for the disposal of sewage emanating from buildings outside the district if the board of the district determines that the contract furthers the protection of public health and safety and is in the best interests of the district.
- (e) Every user that is connected to the district's sewage treatment system is subject to the district's ordinances, resolutions, and other laws.
- (f) The district may accept organic material originating from within or outside the district as the board determines is in the district's best interest.

Sec. 49. The district may borrow money and provide for its repayment without regard to any limitation by reason of any budget law or otherwise.

Sec. 50. The district may guarantee the performance of any of its transactions, including the payment of local improvement bonds issued pursuant to any general law, without regard to any limitation by reason of any budget law or otherwise.

Sec. 51. The district may refund or retire any public indebtedness or lien that may exist or be created against the district or any property therein which shall have arisen out of the transaction of the affairs of the district.

Sec. 52. The district may incur indebtedness and issue bonds in the manner herein provided.

Sec. 53<sup>n</sup>. The district may issue warrants in payment of district obligations. When not paid for want of funds, the warrants shall be registerable as provided in the Government Code for registration of city warrants when not paid for want of funds. Claims for money or damages against the district are governed by Part 3 (commencing with Section 900) and Part 4 (commencing with Section 940) of Division 3.6 of Title 1 of the Government Code, except as provided therein. Claims not governed by those statutes, other statutes, ordinances, or regulations, and expressly applicable to those claims, shall be prepared and presented to the governing body, and all claims shall be audited and paid, in the same manner and with the same effect as are similar claims against a general law city. All claims shall be free of the limitation of any budget law.

Sec. 54. The district may cause special assessments to be levied and collected on the basis of benefit to the properties assessed for the purpose of financing the acquisition and construction of local improvements. If all or any portion of such assessment remains unpaid, the district may issue bonds, not in excess of the amount of the assessment remaining unpaid, secured by the assessment.

Sec. 55. The district may appoint, employ, and fix the compensation of such engineers, attorneys, assistants, and other employees as it deems proper.

Sec. 56<sup>o</sup>. The district may contract for the purchase or sale of any effluent resulting from the operation of any sewage treatment plant as the board determines is necessary and in the district's best interest. Sections 6520.7 and 6520.9 of the Health and Safety Code are applicable to the district.

Sec. 57. The district may obtain insurance in such form and in such amounts as the board may deem necessary for the adequate protection of the district's property, officers, employees, and interests.

## Fairfield-Suisun Sewer District Act

Conformed Document as of 7/1/2020

Sec. 59<sup>p</sup>. The district may adopt all necessary regulations for all sanitary purposes not in conflict with the laws of this state. A person who violates a regulation of the district is guilty of a misdemeanor. A regulation of the board shall be adopted by ordinance, shall be published pursuant to Section 6061 of the Government Code, and shall take effect upon expiration of the week of publication. A subsequent finding of the board, entered in its minutes, that publication has been made is conclusive evidence that the publication was properly made.

Sec. 60. The district may compel all residents and property owners in the district to connect their houses and habitations and structures requiring sewage or drainage disposal service with the sewer and storm drains in streets.

Sec. 61. The district may prescribe, revise and collect charges for services and facilities furnished by it.

Sec. 62. The district may contract with the cities for the collection of charges for any sewer enterprise or service together with and not separately from the charges for any other utility service rendered by the cities, and that all charges shall be billed upon the same bill and collected as one item. If all or any part of the bill is not paid, the district or either of the cities may discontinue its utility service until the said bill is paid. Such contract shall provide for the payment of a reasonable collection charge to the city involved.

Sec. 63<sup>q</sup>. The district may require that its charges be payable in advance. In case any charges remain unpaid at the time specified for fixing the tax rate of the district, if the property is owned, controlled, or in the possession of the same person who owned, controlled, or was in possession of it during the time the charges were incurred, or if the only transfers were made of the property since the date the charges were incurred, have been transfers by gift, descent, bequest, or devise, the amount due for the charges may be collected at the same time and in the same manner as annual taxes levied against the land served by the district facilities. The charges shall constitute a lien on the land. If the taxes are divided and made payable in two installments, the unpaid charges may be added to, and become a part of, the first installment. The board shall include in the statement of tax rate transmitted to the county auditor the amount of the charges to be levied against the land served, and the county auditor shall include the charges in the tax bills. Alternatively, charges, for any services and facilities which the district is authorized to provide and for which it is authorized to collect charges, may be collected in the manner provided by Section 5473 of the Health and Safety Code in accordance with the procedures set forth in other applicable provisions of Article 4 (commencing with Section 5470) of Chapter 6 of Division 5 of the Health and Safety Code.

Sec. 64. The district, directly or through a representative, may attend the Legislature and any committees thereof and present information to aid the passage of legislation which the board deems beneficial or to prevent the passage of legislation which the board deems detrimental to the district. Expenses incident thereto are proper charges against the district.

Sec. 65. The district may enter in associations. Through a representative of the associations, it may also attend the Legislature to accomplish the purposes outlined in the next preceding section.

Sec. 66<sup>r</sup>. All contracts for the construction of any unit of work shall be governed by Sections 22032 to

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22039, inclusive, contained in Article 3 (commencing with Section 21200) of Chapter 2 of Part 3 of Division 2 of the Public Contract Code.

### Article 5. General Obligation Bonds

Sec. 80. The district may issue bonds as provided in this article.

Sec. 81. The district may issue bonds for any of the purposes stated in Sections 42 and 51 of this act.

Sec. 82. When in its judgment it is advisable, the board may, and, upon a petition of 10 percent of the registered voters residing in the district shall, adopt a resolution calling an election to submit to the voters of the district the question whether bonds shall be issued.

Sec. 83. The resolution calling the election may submit as one proposal the question of issuing bonds to make all of the outlays or so many of them as may be selected, or the resolution may submit at the election as separate questions the issuance of bonds for any of the outlays singly or in combination.

Sec. 84. Notice of bond elections shall be given by posting notices, signed by the clerk of the board, in three public places in the district, not less than 20 days before the election, and by publishing the notice not less than once a week for three successive weeks before the election in a newspaper printed and published in the district, if there is one, and if not, in a newspaper printed and published in the county.

Sec. 85. The notice shall contain:

- (a) Time and place of holding the election.
- (b) The names of the officers of election appointed to conduct it.
- (c) The hours during the day in which the polls will be open.
- (d) A statement of the purpose for which the election is held.
- (e) The amount and denomination of the proposed bonds, the rate of interest and the number of years, the whole or any of the bonds are to run.

Sec. 86. The vote shall be by ballot, without reference to the general law in regard to the form of ballot. The ballot shall contain the words "Bonds—Yes" and "Bonds—No," and the person voting at the election shall put a cross (+) upon his ballot after the "Yes" or "No," to indicate whether he has voted for or against the bonds.

Sec. 87. After the votes have been announced the ballots shall be sealed and delivered to the clerk or president of the board, which board shall on the seventh day after the election, at 8 o'clock p.m., meet and canvass them and enter the returns in its minutes.

The entry is conclusive evidence of the fact and regularity all prior proceedings and of the facts stated in the entry. No informality shall affect the validity of said bonds.

Sec. 88. Except as herein provided, the election shall be conducted as nearly as practicable in accordance with laws relating to general elections.

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Sec. 89. If, at the election, a majority of the votes cast are in favor of the issuance of bonds, the board may issue and dispose of the bonds as proposed in the resolution calling the election.

Sec. 90<sup>s</sup>. Bonds issued by the district under this article shall be in the denominations determined by the board.

Sec. 91<sup>t</sup>. The bonds shall be payable in lawful money of the United States at the office of the treasurer and bear interest at the rate determined by the board but not to exceed the amount specified in Section 53531 of the Government Code.

Sec. 92. No bonds shall be payable in installments, but each shall be payable in full on the date specified therein by the board. The board may provide that all bonds issued by the district may be subject to retirement at any time prior to maturity.

Sec. 93. Each bond shall be signed by the president and countersigned by the clerk.

Sec. 94. The bonds shall be numbered consecutively, beginning with number one, and shall have coupons attached referring to the number of the bond.

Sec. 95. The bonds shall be disposed of by the board in such manner and in such quantities as may be determined by it in its discretion. No bond may be disposed of for less than its face value.

Sec. 96. The term of bonds issued shall not exceed 40 years.

Sec. 97. The board may in its discretion, before issuance commence in the superior court of the county, a special proceeding to determine its right to issue the bonds and their validity, similar to the proceeding in relation to irrigation district bonds, provided for by Division 11 of the Water Code, and its provisions apply to and govern the proceedings to be commenced by the board, so far as applicable. The judgment has the same effect as a judgment in relation to irrigation district bonds under the provisions of Division 11 of the Water Code. The board may use the same procedure to validate the creation of the district and any annexations thereto.

Sec. 98. An issue of bonds is hereby defined to be the aggregate principal amount of all of the bonds authorized to be issued in accordance with a proposal submitted to and approved by the electors of the district, but no indebtedness will be deemed to have been contracted until bonds shall have been sold and delivered and then only to the extent of the principal amount of bonds so sold and delivered.

Sec. 99. The board may, in its discretion, divide the aggregate principal amount of such issue into two or more divisions or series and fix different dates for the bonds of each separate division or series. In the event any authorized issue is divided into two or more divisions or series, the bonds of each division or series may be made payable at such time or times as may be fixed by the board separate and distinct from the time or times of payment of bonds of any other division or series of the same issue.

### Article 6. Revenue Bonds

Sec. 105. Proceedings for the authorization, issuance, sale, security, and payment of revenue bonds of the district shall be conducted in substantial accordance with and with like legal effect as is now or

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hereafter provided in the Sanitation, Sewer and Water Revenue Bond Law of 1941.

Sec. 106. The board shall have and exercise for the district the powers and duties of local agencies under the said law, and the bondholders shall have the rights and remedies therein provided.

Sec. 107. The board may guarantee the payment of any part of the principal and interest of said bonds which are not paid for want of sufficient revenues of the enterprise. For that purpose it may pledge all revenues of the district, including tax revenues.

### Article 7. Assessment Bonds

Sec. 110. The Municipal Improvement Act of 1913, the Improvement Act of 1911, the Street Opening Act of 1903 and the Improvement Bond Act of 1915 are applicable to the district.

Sec. 111. In its resolution of intention adopted pursuant to any of the acts mentioned in Section 110, the board may determine and declare that bonds will be issued and paid, and the assessments therefor levied, collected and augmented in accordance with the applicable provisions of Sections 14, 15, 16, 17, 20, 21, 22, 24, 25, 26, 27, and 28 of the Refunding Assessment Bond Act of 1935, as now or hereafter provided, in which case the applicable provisions of said act are incorporated herein and made a part hereof by reference. Appropriate changes shall be made in the form of the bond to show that it is for a public improvement or acquisition under this act.

The list of unpaid assessments shall be filed, noticed, heard, and the bonds ordered issued, interest shall accrue from the date, the assessments thereafter paid before maturity, bonds called, premium paid, and illegal assessments and bonds reassessed, all as provided in the Improvement Bond Act of 1915. The bond shall be entitled "Improvement Bond." The provisions for payment of the bond before maturity, as contained in the bond form in the Improvement Bond Act of 1915, shall be inserted in the place of the similar provision in said refunding bond form. There shall also be inserted in the bond form after the title of the refunding act the words "as modified in the Fairfield-Suisun Sewer District Act."

Sec. 112. The improvements authorized to be constructed or acquired by this article are restricted to those permitted to be constructed or acquired by the district under Article 4 of this act.

Sec. 113. Notwithstanding the provisions of any act to the contrary, it shall not be necessary to obtain the consent of either of the cities to conduct assessment proceedings. It shall only be necessary to record the assessment in the office of the district engineer and in the office of the county surveyor or county engineer of the county. No assessment or bond hereafter levied or issued shall become a lien and no person shall be deemed to have notice thereof until a certified copy of said assessment and the diagram thereto attached shall be recorded in the office of the district engineer and in the office of the county surveyor or county engineer of the county.

Sec. 114. Division 4 of the Streets and Highways Code shall not apply to proceedings under this act.

### Article 8. Finances and Taxation

Sec. 120. The lien for taxes for the first fiscal year after the district is formed shall attach on the first

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Monday in March or on the date the district is created, whichever is later.

Sec. 121. Annually, at least 15 days before the first day of the month in which the board of supervisors is required by law to levy the amount of taxes required by law for county purposes, the board shall furnish to the board of supervisors a written statement of the following:

1. The amount necessary to pay the interest on bonds for that year, and the portion of the principal that is to become due before the time for making the next general tax levy.
2. The amount necessary to maintain, operate, extend, or repair any work or improvements of the district, and to defray all other expenses incidental to the exercise of any of the district powers or to pay any existing obligations of the district.

Sec. 122. The board of supervisors shall at the time and in the manner of levying other county taxes, levy and cause to be collected a tax upon the taxable property in the district, based upon the last equalized assessment roll of the county, sufficient to pay the amounts set forth in the statement of the board.

Sec. 123. If the board fails to furnish the written statement, the board of supervisors shall ascertain the amount necessary to pay the interest on the bonds for that year and the portion of the principal that is to become due before the proceeds of the next general tax levy shall become available, and shall levy and cause to be collected the amount.

Sec. 124. The tax shall be collected at the same time and in the same manner as the general tax levy for county purposes, and when collected shall be paid into the county treasury of Solano County to the credit of the proper district fund, as provided in Article 9 hereof. The board shall control and order its expenditure.

Sec. 125. The tax is a lien on all property within the district and of the same force and effect as other liens for taxes, and its collection may be enforced by the same means as provided for the enforcement of liens for state and county taxes.

Sec. 126. The principal and interest on district bonds shall be paid by the treasurer in the manner now or hereafter provided by law for the payment of principal and interest on the bonds of the county.

Sec. 127. Compensation to the county for the performance of services described in this article is hereby fixed at one-half of 1 percent of all money collected for the district.

Sec. 128. Sections 54900 to 54903, inclusive, of the Government Code shall not apply to the district.

### Article 9. Funds

Sec. 150<sup>u</sup>. There is created in the treasury of the district a fund entitled the "Fairfield-Suisun Sewer District General Fund."

Sec. 151. The proceeds of the sale of revenue bonds or general obligation bonds or proceeds of special assessments levied by the board shall be deposited with the treasurer and shall be by him placed in the

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fund to be called the "Fairfield-Suisun Sewer District Construction Fund No. \_\_\_\_\_." (inserting number)

Sec. 152. The money in any construction fund shall be used for the purpose indicated in the resolution calling the election upon the question of the issuance of bonds, or for the purpose described in the resolution of intention in the assessment proceedings, or for repayment of money borrowed for the purpose of financing the improvement for which bonds were subsequently issued, or the assessment levied, and for no other purpose, except that any money in the construction fund determined by resolution of the board to be in excess of the amounts required for completion of the improvement authorized may, by the resolution so determining, be transferred to any other fund of the district and be used for any lawful purpose.

Sec. 153<sup>y</sup>. There is created, at the discretion of the board, in the district treasury, a fund called the "Fairfield-Suisun Sewer District Bond Fund, Series \_\_\_\_\_," (inserting series number) in which the treasurer shall keep money levied by the board for that fund.

Sec. 154. No part of the money in the bond fund may be transferred to any other fund or be used for any purpose other than the payment of principal and interest of the bonds of the district, or for repayment of money borrowed for the purpose of paying the principal and interest of the bonds of the district, until said bonds are fully paid, at which time it may be transferred to any other fund.

Sec. 155. The budget laws do not apply to the district.

Sec. 156<sup>w</sup>. The district treasurer or any other person authorized by the district board to fulfill the treasurer's duties shall give bonds to the district conditioned for performance of their duties, fixed and approved by the governing body and that premium paid by the district.

Sec. 157<sup>x</sup>. Any investments made by the Fairfield-Suisun Sewer District shall be performed pursuant to Article 1 (commencing with Section 53600) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

### Article 10. Urgency

Sec. 160. The purpose of this act is to form the Fairfield-Suisun Sewer District in order that the area benefited may be served with sewer and storm drain facilities; special facts and circumstances, applicable to the area in which the district lies and not generally, makes the accomplishment of this purpose impossible under existing general laws, and therefore special legislation is necessary. The special facts are as follows:

a. The area has no facilities for the treatment and disposal of sewage and is consequently contaminating and polluting the waters of Suisun Bay.

b. Recent increases have resulted in a population disproportionate to the assessed valuation of taxable property in the area, and construction of adequate facilities cannot therefore be financed within the framework of existing general laws.

c. The area is of strategic importance during times of war or threatened war because of

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the proximity of the Travis Air Force Base, formerly known as the Fairfield- Suisun Army Air Base, center of military air operations on the Pacific Coast. Influx of military men and their families has greatly aggravated the problem of sewage disposal in the area.

Sec. 161. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall take effect immediately. The facts constituting such necessity are:

Water pollution and contamination are critical problems in the proposed district. State and local health authorities are agreed on the urgent need for immediate sewage treatment facilities in the area if a serious health condition is to be avoided. Inadequacy of existing law makes it necessary that this legislation take immediate effect so that necessary facilities may be provided.

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<sup>a</sup> Sec. 18. As Amended in Statutes of 2019, Chapter 69.

<sup>b</sup> Sec. 27. As Amended in Statutes of 2019, Chapter 69.

<sup>c</sup> Sec. 28. Repealed by Statutes of 2019, Chapter 69.

<sup>d</sup> Sec. 29. As Amended in Statutes of 2019, Chapter 69.

<sup>e</sup> Sec. 30. As amended in full, Statutes of 1985, Ch. 985, and as amended in full, Statutes of 2001, Ch. 176

<sup>f</sup> Sec. 31. As amended in full, Statutes of 1985, Ch. 985

<sup>g</sup> Sec. 32. As amended in full, Statutes of 1997, Ch. 489

<sup>h</sup> Sec. 33. As amended in full, Statutes of 1985, Ch. 985

<sup>i</sup> Sec. 34. Repealed and replaced by Statutes of 2019, Chapter 69

<sup>j</sup> Sec. 42. As amended in full, Statutes of 1992, Ch. 18

<sup>k</sup> Sec. 44. As amended in full, Statutes of 1975, Ch. 587

<sup>l</sup> Sec. 46. As Amended in Statutes of 2019, Chapter 69.

<sup>m</sup> Sec. 48. As amended in full, Statutes of 1985, Ch. 985 and as amended in full, Statutes of 2002, Ch. 426 and As Amended in Statutes of 2019, Chapter 69

<sup>n</sup> Sec 53. As amended in full, Statutes of 1959, Ch. 1728, as amended in full, Statutes of 1963, Ch. 1715 and as amended in full, Statutes of 1985, Ch 985

<sup>o</sup> Sec. 56. As amended in full, Statutes of 1992, Ch. 18 and As Amended in Statutes of 2019, Chapter 69

<sup>p</sup> Sec. 59. As Amended in Statutes of 2019, Chapter 69

<sup>q</sup> Sec. 63. As amended in full, Statutes of 1986, Ch. 1019

<sup>r</sup> Sec. 66. As repealed, then amended in full, Statutes of 1985, Ch. 985, and as amended in full, Statutes of 1987

<sup>s</sup> Sec 90. As amended in full, Statutes of 1985, Ch. 985

<sup>t</sup> Sec 91. As amended in full, Statutes of 1985, Ch. 985

<sup>u</sup> Sec 150. As amended in full, Statutes of 1985, Ch. 985, and as amended in full, Statutes of 1997, Ch. 489 and As Amended in Statutes of 2019, Chapter 69.

<sup>v</sup> Sec. 153. As amended in full, Statutes of 1997, Ch. 489 and as Amended in Statutes of 2019, Chapter 69.

<sup>w</sup> Sec. 156. Added by Statutes of 1997, Ch. 489

<sup>x</sup> Sec. 157. Added by Statutes of 1997, Ch. 489