

# **Agenda**

## **Sacramento Suburban Water District Facilities and Operations Committee Meeting**

3701 Marconi Avenue  
Sacramento, CA 95821

Thursday, October 19, 2023  
3:00 p.m.

**This meeting will be conducted both in-person in the Sacramento Suburban Water District's Boardroom at the address above, and by videoconference and teleconference using the information provided below. The public is invited to listen, observe, and provide comments during the meeting by any method provided. The Chairperson will call for public comment on each agenda item at the appropriate time and all votes will be taken by roll call. If a member of the public chooses to participate in this public meeting via videoconference and/or teleconference, please see the instructions below.**

**For members of the public interested in viewing and having the ability to comment at the public meeting via Zoom, an internet enabled computer equipped with a microphone and speaker or a mobile device with a data plan is required. Use of a webcam is optional. You also may call in to the meeting using teleconference without video. Please use the following login information for videoconferencing or teleconferencing:**

**Join the meeting from a computer, tablet or smartphone:**

<https://us02web.zoom.us/j/89668131860?pwd=cVdqdBFCGFRZVNodVksxcnZ2ZVVVFQT09>

**Meeting ID: 896 6813 1860  
Password: 502734**

**You can also dial in using your phone: 1 (669) 900-6833**

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**Please mute your line.**

Where appropriate or deemed necessary, the Committee may take action on any item listed on the agenda, including items listed as information items. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Committee less than 72 hours before the meeting are available for public inspection at each Agency's Administrative Offices.

The public may address the Committee concerning an agenda item either before or during the Committee's consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to either one of the General

Managers. The Chairperson will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 916.679.3972. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

**Call to Order**

**Roll Call**

**Public Comment**

This is an opportunity for the public to comment on non-agenda items within the subject matter jurisdiction of the Committee. Comments are limited to 3 minutes.

**Consent Items**

The Committee will be asked to approve all Consent Items at one time without discussion. Consent Items are expected to be routine and non-controversial. If any Committee member, staff, or interested person requests that an item be removed from the Consent Items, it will be considered with the Items for Discussion and/or Action.

1. **Draft Minutes of the April 27, 2021, Facilities and Operations Committee Meeting**  
*Recommendation: Approve the Draft Minutes of the April 27, 2021, Facilities and Operations Committee Meeting.*
2. **Draft Minutes of the March 1, 2023, Facilities and Operations Committee Meeting**  
*Recommendation: Approve the Draft Minutes of the March 1, 2023, Facilities and Operations Committee Meeting.*

**Items for Discussion and/or Action**

3. **Interest in Purchasing Kirby's Pump & Mechanical, Inc.**  
*Recommendation: Exercise the option to purchase Kirby's Pump & Mechanical, Inc., as provided by the exclusive 5-year contract, and recommend to the full Board to authorize the General Manager to conduct an assessment/valuation and report back to the full Board at a future regular Board meeting.*

**Adjournment**

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**Upcoming Meetings:**

Tuesday, October 24, 2023, at 6:00 p.m., Joint Board Meeting  
Monday, October 30, 2023, at 3:00 p.m., Water Banking Committee Meeting  
Wednesday, November 1, 2023, at 4:00 p.m., Audit Committee Meeting  
Monday, November 20, 2023, at 6:00 p.m., Regular Board Meeting

\* \* \* \* \*

I certify that the foregoing agenda for the October 19, 2023, meeting of the Sacramento Suburban Water District Facilities and Operations Committee was posted by October 17, 2023, in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Sacramento, California, and was made available to the public during normal business hours.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District



## Facilities and Operations Committee

### Agenda Item: 1

**Date:** October 19, 2023

**Subject:** Draft Minutes of the April 27, 2021, Facilities and Operations Committee Meeting

**Staff Contact:** Dan York, General Manager

**Recommended Committee Action:**

Approve the Draft Minutes of the April 27, 2021, Facilities and Operations Committee Meeting.

**Attachment:**

1 – Draft Minutes of the April 27, 2021, Facilities and Operations Committee Meeting.

# Minutes

Sacramento Suburban Water District  
**Facilities and Operations Committee**  
Tuesday, April 27, 2021

## Location:

Video and Audio Conference Only at 1-669-900-6833, or Zoom at Meeting Id # 815 1717 5228

## Call to Order – Videoconference/Audioconference Meeting

Chair Wichert called the meeting to order at 3:00 p.m.

## Roll Call

Directors Present: Bob Wichert and Dave Jones.

Directors Absent: None.

Staff Present: General Manager Dan York, Heather Hernandez-Fort, Matt Underwood, Jeff Ott, Greg Bundesen, Dave Morrow, and Dana Dean.

Public Present: Bill Eubanks, Kevin Thomas, Craig Locke, and Melanie Holton.

## Announcements

None.

## Public Comment

None.

## Consent Items

### 1. Minutes of the December 9, 2020, Facilities and Operations Committee Meeting

The Committee unanimously approved the minutes of the December 9, 2020, Facilities and Operations Committee Meeting.

AYES:	Jones and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

## Items for Discussion and/or Action

### 2. 2020 Urban Water Management Plan Update

Dave Morrow (Mr. Morrow) presented the staff report and PowerPoint presentation and answered clarifying questions.

Mr. Morrow introduced Greg Bundesen (Mr. Bundesen) who continued with presenting the PowerPoint presentation and answered clarifying questions.

Chair Wichert noted that each of the bar graphs were the same in the Water Supply Reliability graph, inquiring if it was correct.

William Eubanks (Mr. Eubanks) agreed with Chair Wichert, noting that the graph didn't seem accurate, as it was very simplistic.

Melanie Holton (Ms. Holton) with Brown and Caldwell, assisted with answered clarifying questions about the Water Supply Reliability graph.

Mr. Bundesen continued presenting the PowerPoint presentation.

Mr. Morrow wrapped up the presentation and answered questions.

The Committee unanimously recommended for staff to place the item on the consent calendar at the May regular Board Meeting.

Director Jones complimented Ms. Holton on a great job collecting and displaying the data, as he noted it was very clear and easy to understand.

### 3. **Water Shortage Contingency Plan**

The Committee unanimously recommended for staff to place the Item on the consent calendar at the May regular Board Meeting.

General Manager Dan York announced that all District meetings going forward will be both virtual, as well as in person.

### **Adjournment**

Chair Wichert adjourned the meeting at 3:47 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District



## Facilities and Operations Committee

### Agenda Item: 2

**Date:** October 19, 2023

**Subject:** Draft Minutes of the March 1, 2023, Facilities and Operations Committee Meeting

**Staff Contact:** Dan York, General Manager

**Recommended Committee Action:**

Approve the Draft Minutes of the March 1, 2023, Facilities and Operations Committee Meeting.

**Attachment:**

1 – Draft Minutes of the March 1, 2023, Facilities and Operations Committee Meeting.

## Minutes

### Sacramento Suburban Water District **Facilities and Operations Committee Meeting** March 1, 2023

#### **Location:**

3701 Marconi Avenue, Suite 100, Sacramento, CA 95821, and Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting Id #825 7076 0689

#### **Call to Order**

Chair Locke called the meeting to order at 5:02 p.m.

#### **Roll Call**

Directors Present: Craig Locke.

Directors Absent: Dave Jones.

Staff Present: General Manager Dan York, Assistant General Manager Matt Underwood, Heather Hernandez-Fort, Dana Dean, Jeff Ott, and Todd Artrip.

Public Present: William Eubanks, Paul Helliker, Ted Costa, Jay Boatwright, and Kevin Thomas.

#### **Announcements**

General Manager Dan York (GM York) announced:

- A reminder of the Carmichael Water District/Sacramento Suburban Water District 2x2 Committee Meeting on Friday, March 3, 2023, at 2:00 p.m.

#### **Public Comment**

None.

#### **Consent Items**

1. **Minutes of the April 27, 2021, Facilities and Operations Committee Meeting**  
Chair Locke requested to move this item to the next meeting when Director Jones would be present.

#### **Items for Discussion and/or Action**

2. **Groundwater Banking Partnership Between Sacramento Suburban Water District and San Juan Water District**  
Assistant General Manager Matt Underwood (AGM Underwood) presented the staff report and answered clarifying questions.



Chair Locke supported the item.

GM York expressed staff would continue to proceed forward in collaboration with San Juan Water District.

**3. Facilities and Operations Committee Mission Statement and Charter**

AGM Underwood presented the staff report.

Chair Locke recommended removing any name associated with the position, and leave just the position title. He additionally suggested removing “Audit Committee,” and replacing it with, “other Committees.”

AGM Underwood agreed and expressed he would make those changes.

With those two changes, Chair Locke supported the staff recommendation, requesting that the item be placed on Consent at the next regular Board meeting.

**4. Draft Updated Water Meter Asset Management Plan**

Todd Artrip presented the staff report and answered clarifying questions.

Chair Locke supported the staff recommendation and recommend the item be presented to the full Board at the March 20, 2023, regular Board meeting.

**5. United States Bureau of Reclamation Section 215 Water**

GM York presented the staff report and answered clarifying questions.

Chair Locke supported the staff recommendation, requesting that the item be placed on Consent at the next regular Board meeting, and requested staff include a breakdown of the costs associated with the 215 Water in the staff report.

**Adjournment**

Chair Locke adjourned the meeting at 5:55 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District



## Facilities and Operations Committee

### Agenda Item: 3

**Date:** October 19, 2023

**Subject:** Interest in Purchasing Kirby’s Pump & Mechanical, Inc.

**Staff Contact:** Matt Underwood, Assistant General Manager

#### **Recommended Committee Action:**

Exercise the option to purchase Kirby’s Pump & Mechanical, Inc., as provided by the exclusive 5-year contract, and recommend to the full Board to authorize the General Manager to conduct an assessment/valuation and report back to the full Board at a future regular Board meeting.

#### **Background:**

The District’s maintenance and repair efforts for groundwater production and storage facilities have been significantly hampered due to lack of necessary contractor availability. Critical maintenance and repair activities were not able to be completed and this resulted in severe degradation of the overall system reliability.

Reliability reached a critical level in the high demand period of the summer of 2021 when groundwater production capacity was insufficient to both meet customer demand and DDW requirements, as reported to the Board at the November 15, 2021, regular meeting. As a result, the District had to meet the difference with imported surface water.

Having to rely on surface water to meet demand, which is not a “firm” source of water supply for the District, is proof that the reliability of the District’s groundwater production capacity is in a critical state and is not where it needs to be to adequately serve its customers.

While State water quality regulations was a controlling factor, the most significant factor within the District’s control was production facility reliability. Lack of contractor availability severely impacted the District’s ability to maintain production facilities. The missing component needed to provide acceptable reliability of production facilities is regular maintenance through sustained ready access to qualified contractors.

#### Assessment

The overall assessment identified that the long-term degradation of reliability resulting from lack of maintenance due to low contractor availability created a vulnerability which, when combined with the loss of production due to regulatory water quality issues, lowered supply capacity to a

critical level. Clearly the status quo was inadequate, so staff pursued ideas for an alternative and creative approach.

### Response

Kirby's Pump & Mechanical, Inc. (KPM), a California-licensed contractor specializing in maintenance and repair of groundwater wells of all types, has provided excellent service to the District for 20 years, as well as to both of the District's predecessor agencies before that. At the September 26, 2022, Special Board meeting, by a unanimous vote, authorized the General Manager to enter into an exclusive long-term contract (Contract) with KPM for well maintenance and repair.

On September 29, 2022, the District and KPM executed the Contract, the terms of which germane to this Committee item are:

- a) An initial one-year Term and up to four (4) consecutive one-year extension Terms; and
- b) The option for the District to purchase KPM at any time after the initial Term.

The Contract's Term 1 began March 1, 2023.

### **Discussion:**

With seventy-one groundwater wells, the District is 100% reliant on groundwater to supply customers. The District does not have any surface water rights, only contract entitlements for surface water. In addition, the availability of surface water has a history of being intermittent and unpredictable. Therefore, the District must maintain production facilities at a high level of reliability if it is to meet the supply demands of its customers.

The Contract has been by all measures and results a resounding success. As reported to the Board at the September 19, 2023, regular Board meeting, in the first six months of the Contract (March through August 2023) twenty-two off-line wells were returned to on-line status, which represents a combined capacity of 26,800 gallons per minute. Additionally, important non-capacity projects were completed, such as replacement of the booster pump at the Walnut Tank and installation of a mixer in the Watt/Elkhorn Reservoir. In summary, numerous backlogged maintenance and repair activities were completed to restore capacity and improve reliability.

### Assessment

There are several strong positives supporting a purchase of KPM, in staff's view:

1. *Maintenance: Reactive to Proactive*

It would bring the necessary capability in-house to move from a reactive posture to a proactive posture for maintenance. Wells require maintenance over their entire lifespan.

2. *Reliability*

Such in-house capability would assure the necessary level of reliability consistent with the needs of our customers.

3. *Longevity*

Maintained wells last longer, and they produce water at a higher rate since clogging is reduced through proper maintenance. Therefore, over the life of a well its benefit is maximized.

4. *Property Acquisition*

Property for a new well is very hard to come by and it can be very costly. Prolonging the life and capacity of existing wells through proper maintenance can potentially delay the need to acquire land.

5. *Space*

The District has sufficient space at existing facilities to accommodate purchase of KPM and construction of new facilities is not required. Therefore, integration with current operations would be not be overly complicated.

6. *Contractor Scarcity Avoided*

The Contract provides an exit for KPM after the initial Term. As such, the District is at risk of a return to the prior contractor market conditions that led to the decline in reliability:

If the District were to not purchase KPM, and KPM later opted to not renew the exclusive contract with the District, the District would surely find itself once again competing with other water purveyors for capable contractors in a market with a severely inadequate supply. Or a worse case scenario, KPM could enter into an exclusive contract with another water purveyor, thereby leaving the District in dire straits with respect to production reliability.

Conclusion

Staff strongly supports not delaying efforts to look further into the benefit and viability of the purchase option.

KPM has expressed a strong interest in discussions with the District on the purchase option. District legal counsel provided preliminary guidance last fall that this option appears likely to be viable from a legal standpoint. The work to assess benefit and viability of a purchase will require assistance of a consultant, and consultation with District legal counsel to guide staff in the process.

**Fiscal Impact:**

A. Purchase Option

- Fiscal impact from a valuation/assessment of purchasing is anticipated to be no more than \$50,000.
- The full fiscal impact of purchasing KPM is not known at this time and would be a primary component of the effort to assess the benefit to the District of purchasing KPM.
- If the purchase price is on the order of \$5 million, and salary and benefits costs are \$1 million per year, this option would be a better financial deal to the District after only about 3 or 4 years.

**B. No Purchase Option**

- If the Contract continues for further Terms, the District can expect to pay \$2.7 million in 2024, and inflationary-adjusted increases for subsequent Terms.
- If KPM leaves the Contract, the District can expect to pay significantly less than Contract for maintenance alone due to lack of contractor availability. And well lifespan would be expected to be shorter than if properly maintained. Additionally, since, in staff's view, the Contract has effected likely permanent change in the regional well contractor business market, contractor unit costs could very well be appreciably higher.
- A return to inadequate contractor availability will surely mean a reduction in maintenance and a corresponding drop in well reliability and lifespan. With the cost of a new well facility increasing markedly over recent years, this is a very expensive prospect over the long run as new wells will be needed sooner than if existing wells were maintained.

**Strategic Plan Alignment:**

Goal A: Provide a High-Quality Reliable Water Supply by Ensuring it is Sustainable, Clean and Safe

Goal B: Optimize Operational and Organizational Efficiencies

Goal C: Ensure Fiscal Responsibility and Affordable Rates

Goal D: Maintain Excellent Customer Service