

Agenda

Sacramento Suburban Water District Regular Board Meeting

3701 Marconi Avenue, Suite 100
Sacramento, California 95821

Monday, January 12, 2015
6:30 p.m.

Where appropriate or deemed necessary, the Board 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 Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

The public may address the Board concerning an agenda item either before or during the Board'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 the General Manager. The President 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 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

Announcements

Public Comment

This is the opportunity for the public to comment on non-agenda items within the Board's jurisdiction. Comments are limited to 3 minutes.

Consent Items

The Board 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 Board member, staff or interested person requests that an item be removed from the Consent Items, it will be considered with the action items.

1. Minutes of the December 15, 2014 Regular Board Meeting
Recommendation: Approve subject minutes.

Items for Discussion and Action

2. Water Conservation Stage Declaration for 2015
Consider amending the District's current mandatory watering schedule to three days per week.

Information Items

3. District Activity Reports
 - a. Water Operations and Exception Report
 - b. Customer Service Report
 - c. Water Conservation and Regional Water Efficiency Program Report
 - d. Community Outreach Report
4. Engineering Report
 - a. Major Capital Improvement Projects
 - b. County and City Projects/Coordination
 - c. McClellan Business Park
 - d. Developer Projects
 - e. Other
5. Human Resources Quarterly Report
6. Upcoming Policy Review - Investment Policy (PL - Fin 003)
7. Financial Markets Quarterly Report
8. Year-to-Date Interest Expense Quarterly Report
9. 2014 Final Budget Reallocations
10. CIP Projects Quarterly Report
11. Award of Construction Contract for 2015 Meter Retrofit Project
12. Proposition 84 Drought Grant for Enterprise Intertie Improvements

13. City of Sacramento Emergency Water Delivery
14. Preventive Maintenance Annual Report
15. Rio Linda/Elverta Community Water District Interconnection Update
16. Status of Phase 2A Reorganization Study
17. Legislative and Regulatory Update

Committee Reports

18. a. Facilities and Operations Committee (Director Wichert)
No report.
- b. Finance and Audit Committee (Director Locke)
No report.
- c. Government Affairs Committee (Director Wichert)
No report.
- d. 2x2 Water Management Ad Hoc Committee (Director Schild)
See separate agenda item – Status of Phase 2A Reorganization Study.
- e. Ad Hoc Water Banking and Transfer Committee (Director Locke)
No report.

Director's Reports (Per AB 1234, Directors will report on their meeting activities)

19. a. Regional Water Authority (Director Thomas)
Agenda from January 8, 2015 meeting.

Regional Water Authority Executive Committee (General Manager Roscoe)
No report.
- b. Sacramento Groundwater Authority (Director Schild)
No report.
- c. Water Forum Successor Effort (General Manager Roscoe)
Agenda from January 8, 2015 Water Caucus meeting.
- d. San Juan Water District Executive Committee (Assistant General Manager York)
No report.
- e. Other Reports

Miscellaneous Correspondence and General Information

- 20. Correspondence received by the District
- 21. General Information

Director’s Comments/Staff Statements and Requests

The Board and District staff may ask questions for clarification, and make brief announcements and comments, and Board members may request staff to report back on a matter, or direct staff to place a matter on a subsequent agenda.

Closed Session (Closed Session Items are not opened to the public)

- 22. Public employee performance evaluation involving the General Manager under Government Code section 54954.5(e) and 54957.

Adjournment

Upcoming Meetings

Wednesday, January 21, 2015 at 6:00 p.m., Facilities & Operations Committee Meeting

Monday, February 23, 2015 at 6:30 p.m., Regular Board Meeting

Monday, March 16, 2015 at 6:30 p.m., Regular Board Meeting

I certify that the foregoing agenda for the January 12, 2015 meeting of the Sacramento Suburban Water District Board of Directors was posted by January 8, 2015 in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was freely available to the public.

Robert S. Roscoe
General Manager/Secretary
Sacramento Suburban Water District

Agenda Item: 1

Minutes

Sacramento Suburban Water District
Regular Board Meeting
Monday, December 15, 2014

Swearing in Newly Elected Directors

Secretary Roscoe administered the oath of office to Craig Locke, Kevin Thomas and Robert Wichert.

Call to Order

President Thomas called the meeting to order at 6:36 p.m.

Roll Call

Directors Present: Frederick Gayle, Craig Locke, Neil Schild, Kevin Thomas and Robert Wichert.

Directors Absent: None.

Staff Present: General Manager Rob Roscoe, Dan York, Dan Bills, Christine Bosley, Jim Arenz, Greg Bundesen, David Espinoza, Annette O’Leary, John Valdes and Lynne Yost.

Public Present: William Eubanks, Thomas Fellenz, Todd Robison and Avery Wiseman.

Election of District Officers

1. Director Wichert nominated Kevin Thomas to continue to serve as Board President; Director Gayle seconded. Director Schild nominated himself as Board President; Director Locke seconded. Director Schild motioned to close nominations; Director Wichert seconded. There was a brief discussion on Board proceedings for multiple nominations. It was decided that ballots would be cast to determine the election. Director Schild requested the opportunity for candidates to speak; both candidates made brief statements regarding their desire to serve as Board President. Director Thomas stated he would support Director Schild. Ballots were cast and Secretary Roscoe announced there were four votes for Director Schild and one vote for Director Thomas; therefore, Director Schild was elected as Board President for 2015 and assumed the gavel.

President Schild asked if there were any public comments. William Eubanks commented that he was glad the Board was not breaking with the tradition of alternating Directors as President.

Director Thomas nominated himself to serve as Vice President; President Schild seconded. There were no other nominations. Director Thomas was elected as Vice President by unanimous vote.

AYES:	Gayle, Locke, Schild, Thomas and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Announcements

- There will be a Joint Board meeting with San Juan Water District (SJWD) on Tuesday, December 16, 2014 at 6:30 p.m. in the Sacramento Suburban Water District Boardroom.
- There will be a 2x2 Water Management Ad Hoc Committee meeting with SJWD on Thursday, December 18, 2014 at 10:30 a.m. in the Sacramento Suburban Water District Boardroom.
- The upcoming January regular Board meeting will be held one week earlier than usual on January 12, 2015 at 6:30 p.m. Due to the earlier meeting date, there will be no financial information available for the January meeting.
- The annual Sacramento Suburban Water District Financing Corporation meeting will also be held on January 12, 2015. It will be held at 6:00 p.m.
- The February regular Board meeting will be one week later than usual due to the holiday. The meeting will be held on February 23, 2015, and will include January and February draft financial information.

Public Comment

None.

Consent Items

2. Minutes of the November 17, 2014 Regular Board Meeting
3. Minutes of the November 25, 2014 Special Board Meeting
4. Resolution No. 14-24 Accepting Grant of Easement and Right of Way for 4750 Manzanita Avenue – Crestview Village Center
5. Agreement to Grant Easement to SMUD for Antelope Pump Back Pump Station Project
6. Return to Work Policy (PL - HR 007)
7. Employee Recognition and Retention Expense Policy (PL - HR 005)

President Schild requested item 4 be pulled. Director Thomas requested item 5 be pulled.

Director Thomas moved to approve items 2, 3, 6 and 7; Director Wichert seconded. The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild, Thomas and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Regarding item 4, Director Wichert commented that he had reviewed the item and was inclined to approve item 4. President Schild explained that the predecessor district, Northridge Water District, allowed for a 10’ easement, but the current District requires a 20’ easement. President Schild suggested that an opportunity has arisen to demand the developer provide a 20’ easement. General Manager Roscoe commented that there are mains in the ground that are currently without benefit of an easement, the owner is willing to give the 10’ easement and notes the owner has paid a convenience fees. GM Roscoe suggests the District honor the original agreement as eminent domain proceedings

would likely be required to obtain 20' easements where none currently exist. Director Wichert added that the easement was already granted based on easement standards at the time. Director Thomas believes it is good business to stay on friendly terms and suggests accepting the 10' easement. President Schild stated his concern that accepting the 10' easement could set a precedent. President Schild restated his opinion that the developer has a need for the service and when an opportunity arises the District should push for a 20' easement. Director Gayle stated that there could be litigation and that the 10' easement was sufficient at the time the easement was originally negotiated. Director Locke agrees that a 20' easement is preferred, but an easement of 10' in an open parking lot should be adequate.

Director Wichert moved to adopt the resolution accepting the grant of easement; Director Gayle seconded. The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild, Thomas and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Regarding item 5, Director Thomas asked if the meter was a net zero meter or a standard meter. Staff explained that it would be a standard meter but there are plans to install a micro turbine later. Director Locke asked if the micro turbine was installed later, would SMUD install a new meter at their cost. Staff stated it was very doubtful, but they would look into the question.

Director Thomas moved to approve the agreement to grant an easement; Director Gayle seconded. The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild, Thomas and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Items for Discussion and Action

8. Resolution 14-27 Honoring Thomas C. Fellenz as Board Member

GM Roscoe introduced the item and expressed staff's deep appreciation for Mr. Fellenz' service. President Schild read the resolution.

President Schild motioned to approve the resolution; Director Thomas seconded. The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild, Thomas and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Thomas Fellenz stated in was an honor and a pleasure to work with the Directors and staff and that they are a high caliber group. Mr. Fellenz continued that much was accomplished in the eight years he served and that he learned a great deal. Mr. Fellenz states that one priority for the Board in the future should be to maintain long-term sustainability of the water system as an asset. Another priority should be to maintain fiscal responsibility not for just one year but

looking into the future to protect future ratepayers as well as current. Mr. Fellenz added that it is his belief that the most valuable asset is the staff as they are very capable and trustworthy.

Mr. Eubanks stated he commends Mr. Fellenz for his public service and respects his quiet attention to detail and ability to cut through the palaver that the District has dealt with and that Mr. Fellenz has contributed extensively to the success of the District. Mr. Eubanks states that the District is one of the best and most well run districts in the region and Mr. Fellenz contributed to that extensively.

9. **Resolution 14-28 Honoring Todd L. Robison as Board Member**

GM Roscoe introduced the item and expressed staff's appreciation for Mr. Robison's service. President Schild read the resolution.

President Schild moved to adopt the resolution; Director Thomas seconded. The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild, Thomas and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

GM Roscoe commented on staff's appreciation for Mr. Robison's contributions, including his support of long-term asset management.

Mr. Robison stated he has had quite an education and he is thankful for the experience. Mr. Robison commended staff for their patience while he learned the many facets of the District's business.

Mr. Eubanks commended Mr. Robison for his public service. Mr. Eubanks commented that Mr. Robison is a man of few words but when he does speak, there is a lot of common sense there. Further, as a ratepayer, he appreciates Mr. Robison's contributions to the success of the District.

Mr. Fellenz commended Mr. Robison on his public service and commented that Mr. Robison really extended himself and got involved in so many aspects of the District.

10. **Committee and Liaison Appointments for 2015**

The Board President annually reviews committee assignments and makes appointments at the December meeting. Board Action is required for appointments to Sacramento Groundwater Authority. President Schild made the following appointments for 2015:

Committees

- Facilities and Operations Committee Wichert, Chair
- Kevin Thomas
- Staff Contact: Dan York
- Finance and Audit Committee..... Craig Locke, Chair
- Neil Schild
- Staff Contact: Dan Bills

Ad Hoc General Manager Performance Review Committee	Fred Gayle, Chair
.....	Neil Schild
2x2 Water Management Ad Hoc Committee	Neil Schild, Chair
.....	Bob Wichert
.....	Kevin Thomas, Alternate
.....	Staff Contact: Rob Roscoe
Ad Hoc Water Banking and Transfer Committee	Craig Locke, Chair
.....	Kevin Thomas
.....	Staff Contact: Rob Roscoe
Government Affairs Committee	Bob Wichert, Chair
.....	Craig Locke
.....	Staff Contact: Rob Roscoe

Liaison Assignments

ACWA/JPIA.....	Director Position: Neil Schild
.....	Staff Position: Rob Roscoe
ACWA/JPIA Workers Compensation Committee	Neil Schild
ACWA Federal Affairs Committee.....	Neil Schild
ACWA General Election voting delegate	Robert Roscoe
ACWA Groundwater Committee.....	Craig Locke
.....	Neil Schild
.....	Kevin Thomas
.....	Bob Wichert
.....	Robert Roscoe
ACWA Local Government & Outreach Committees.....	Kevin Thomas
ACWA Water Management Committee	Fred Gayle
.....	Craig Locke
.....	Kevin Thomas
.....	Robert Roscoe
California Special Districts Association.....	Fred Gayle
.....	Craig Locke
CSDA Transparency and Formation Expert Feedback Teams ...	Fred Gayle
CSDA Fiscal and Education Committees	None
LAFCo Special District Advisory Committee	Fred Gayle
.....	Craig Locke
Regional Water Authority	Kevin Thomas
.....	Robert Roscoe
.....	Neil Schild, Alternate
.....	Bob Wichert, Alternate
Sacramento Groundwater Authority	Neil Schild
.....	Kevin Thomas, Alternate
.....	Bob Wichert, Alternate
Sacramento Water Forum Successor Effort	Staff Rep: Robert Roscoe
.....	Neil Schild
.....	Craig Locke, Alternate
.....	Kevin Thomas, Alternate
.....	Bob Wichert, Alternate

San Juan Water District Executive Committee Staff Rep: Dan York
 Neil Schild
 Bob Wichert, Alternate

Director Thomas moved to nominate President Schild as the primary contact for the Sacramento Groundwater Authority with Directors Wichert and Thomas listed as alternates; Director Wichert seconded. The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild, Thomas and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Director Thomas encouraged other Directors to attend the Board meetings at San Juan Water District (SJWD) as the District is considering a possible merger and suggested making those meeting compensatory. President Schild, Director Thomas and Director Locke requested staff contact SJWD to have their names added to SJWD’s regular Board meeting distribution list. The Executive Assistant will follow up with the request.

- 11. **Sacramento LAFCo Call for Nominations for the Special District Advisory Committee**
 GM Roscoe provided a brief overview of the item. Director Gayle presently serves on the committee.

Director Wichert moved to nominate Director Locke; Director Thomas seconded. The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild, Thomas and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Information Items

12. **District Activity Reports**

- a. *Water Operations and Exception Report*
 A written report was provided.
- b. *Customer Service Report*
 A written report was provided.
- c. *Water Conservation and Regional Water Efficiency Program Report*
 A written report was provided. President Schild requested a report on the drought stage declaration and part-time staffing be brought back to the Board. Staff advised that the requested report is on the agenda; item 22.
- d. *Community Outreach Report*
 A written report was provided.

13. **Engineering Report**

A written report was provided. Director Locke states there are a lot of repeats in the report and requests a more abbreviated report.

- a. *Major Capital Improvement Projects*
A written report was provided.
- b. *County and City Projects/Coordination*
A written report was provided.
- c. *McClellan Business Park*
A written report was provided.
- d. *Developer Projects*
A written report was provided.
- e. *Other*
A written report was provided.

14. **Financial Report**

Mr. Avery Wiseman states there is a budget surplus of \$6.4 million and requests the Board consider not increasing rates and possibly even a rebate to customers. Finance Director Dan Bills provided a thorough explanation on how to read the financial statements and explained that the District has overspent the last five years and showed that reserves are going down. Mr. Bills also explained that a budget surplus is not cash. Mr. Wiseman states the District is not doing a good job of budgeting and that if overspending is occurring in the CIP budget, the projects should be slowing down. Mr. Wiseman believes the District does not need to follow a 100-year asset management plan quite so slavishly when the District is experience other hardships. President Schild stated the District needs to keep investing in the infrastructure to maintain service.

- a. *Financial Statements – November 2014*
A written report was provided.
- b. *Financial Activity – November 2014*
A written report was provided.
- c. *Investments Outstanding and Activity – November 2014*
A written report was provided.
- d. *Cash Expenditures – November 2014*
A written report was provided.
- e. *Credit Card Expenditures – November 2014*
A written report was provided.
- f. *Directors Compensation and Expense Accounting – Through November 2014*
A written report was provided.

- g. *Market Report Yields – January 2010 through November 2014*
A written report was provided.
 - h. *District Reserve Balances – November 2014*
A written report was provided.
 - i. *Information Required by Bond Agreement*
A written report was provided.
15. **CalPERS Pension - Employer Paid Member Contribution (EPMC)**
A written report was provided. GM Roscoe provided a summary of the report.
 16. **California Employers' Retirement Benefit Trust (CERBT) Update**
A written report was provided. Mr. Bills provided a summary of the report.
 17. **Comprehensive Annual Financial Report (CAFR) Certificate of Achievement**
A written report was provided. President Schild congratulated Mr. Bills and his staff on receiving this award.
 18. **Status of Phase 2A Reorganization Study**
A written report was provided. Mr. Bills provided a summary of the report.
 19. **ACWA/JPIA President's Special Recognition Awards**
GM Roscoe provided a summary of the report.
 20. **New Statewide NPDES Permit for Drinking Water Systems**
GM Roscoe provided a summary of the report.
 21. **Proposition 84 Grant Program Update**
Water Conservation Supervisor Greg Bundesen provided a summary of the report. There was a brief, non-substantive discussion.
 22. **Regulation 15 – Water Conservation Stage Declaration Update**
GM Roscoe introduced and provided a summary of the report. Mr. Bundesen contributed additional background on the report. There was a brief, non-substantive discussion. The Regional Water Authority is working towards a common stage declaration rating for all Districts in the region.

Mr. Eubanks states he hopes the regional effort fails as he believes it doesn't take in account lot size or landscaping.

Director Thomas moved to agendize this item to be brought back to the January Board meeting to consider adopting a three day per week water schedule; Director Locke seconded. The motion carried by unanimous vote.

AYES:	Gayle, Locke, Schild, Thomas and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

23. Rio Linda/Elverta Community Water District Interconnection Issue

GM Roscoe provided a summary of the report. Operations Manager Jim Arenz provided additional details.

Mr. Eubanks states that SCADA systems are prime targets for hackers in disrupting utilities and questioned what the District’s security on these systems is. GM Roscoe explained that security could not be discussed in a public meeting but the District is in compliance with the Department of Homeland Security and State Division of Drinking Water Security guidance for public drinking water systems.

24. Hexavalent Chromium – Regional Water Control Board Data Request

GM Roscoe provided a summary of the report. There was a brief, non-substantive discussion.

Mr. Eubanks asked how quickly treatment facilities could be built. GM Roscoe stated it would take approximately one year.

25. State Water Resources Control Board – Post 1914 Curtailments

A written report was provided.

26. Legislative and Regulatory Update

A written report was provided.

Committee Reports

27. a. *Facilities and Operations Committee*

No report.

b. *Finance and Audit Committee*

No report.

c. *Government Affairs Committee*

No report.

d. *2x2 Water Management Ad Hoc Committee*

See separate agenda item – Status of Phase 2A Reorganization Study.

e. *Ad Hoc Water Banking and Transfer Committee*

No report.

Director's Reports (Per AB 1234, Directors will report on their meeting activities)

28. a. Regional Water Authority
No report.

Regional Water Authority Executive Committee
GM Roscoe provided an oral report regarding the December 10, 2014 meeting.

- b. Sacramento Groundwater Authority
Agenda from the December 11, 2014 meeting was provided.

- c. Water Forum Successor Effort
No report.

- d. San Juan Water District Executive Committee
No report.

- e. Other Reports
Director Gayle provided an oral report regarding the November 16-19, 2014 CSDA Special District Leadership Conference and the December 9, 2014 U.S. Bureau of Reclamation Department Climate Change seminar.

President Schild provided an oral report regarding the December 10, 2014 RWA Drought Workshop.

President Schild and Director Thomas provided oral reports regarding the November 21, 2014 tour of CIP projects.

Director Thomas provided an oral report regarding the November 24, 2014 Delta Stewardship Council Luncheon and the November 26, 2014 meeting with Finance Director Bills.

Miscellaneous Correspondence and General Information

29. Certain correspondence received by the District was provided.
30. General information related to District business was provided.

Director's Comments/Staff Statements and Requests

None.

Closed Session (Closed Session Items are not opened to the public)

None.

Adjournment

President Schild adjourned the meeting at 9:52 p.m.

Robert S. Roscoe
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 2

Date: December 29, 2014

Subject: Water Conservation Stage Declaration for 2015

Staff Contact: Greg Bundesen, Water Conservation Supervisor

Recommended Board Action:

Suspend action on the Water Conservation Stage Declaration until the May 2015 regular Board meeting.

Discussion:

At the December 15, 2014 Sacramento Suburban Water District (District) regular board meeting District staff was directed to investigate the possibility of increasing the number of allowed watering days from the current 2 days per week to 3 days per week. Staff has performed their investigation and found several concerns about changing the current 2 day per week watering schedule to 3 days per week.

Staff's main concern when considering a revision to the current 2 day per week watering schedule is timing. The State Water Resources Control Board's (SWRCB) current emergency drought regulations are scheduled to retire in April 2015. The SWRCB met on December 17, 2014 in Los Angeles to solicit and discuss ideas from water agencies and interested parties about how best to continue the promotion and/or regulation of water conservation practices. The SWRCB is considering all recommendations with the idea in mind that drought conditions will continue into 2015 (see Exhibit 1 for the District's response letter). In April 2014 California Governor Jerry Brown stated that "...all Californians should be watering two (2) days per week". The notion to make Governor Brown's recommended watering day schedule a mandatory action was discussed during the December 17th SWRCB meeting. The SWRCB will consider all comments before making any additions or alterations to their current drought regulations. If the District should change from 2 watering days to 3, and the SWRCB decides to make the 2 day per week schedule mandatory for the State, unnecessary confusion will be brought to District customers that will have to adjust back to a 2 day per week schedule.

Timing will also play a part in regards to the District's pending revision of Regulation No. 15. Due to the Region's varying water shortage contingency plans (Plans), the Regional Water Authority asked that agencies meet and attempt to align their plans to lesson public confusion in the Sacramento region. Agencies from around the Region met on November 20, 2014 and were able to reach an agreement on the language that should be included in each stage of an agencies

Plan. Recommended watering day schedules will be part of the completed recommendation. A draft document outlining the language was sent out to the Region's water agencies for comment in December 2014 (see Exhibit 2)

Another concern that staff has about changing the current watering schedule is recent and future weather patterns and the time of year. Due to recent rains and cooler temperatures and reduced hours of daylight, lawns, trees, and other plants do not have a need for supplemental irrigation. Graphs 1 & 2 in Exhibit 3 show the average weather conditions and the 2014 weather conditions, respectively, in Sacramento, including temperature, rainfall and evapotranspiration (the amount of water evaporated from the ground surface and transpired through plant material, ETo). These graphs were generated from information taken from the California Irrigation Management Information System's station number 131 (Fair Oaks, CA). The following information can be assumed based on Graphs 1 & 2 in Exhibit 3:

- ETo, on average, dips below rainfall in the months of January, February, November and December with the average ETo rate in January at 1.10 inches and 1.73 inches in February. On average, the Sacramento region receives 3.62 inches of rainfall in the month of January (2,256 gallons per 1,000 ft²) and 3.46 inches (2,156 gallons per 1,000 ft²) in the month of February. Using the Maximum Applied Water Allowance calculation ((ETo) (0.62) [0.7 x LA], where ETo is the reference evapotranspiration for the month, 0.62 is the conversion factor from inches to gallons, 0.7 is the ETo adjustment factor for turf, and LA is the Landscape Area) from Assembly Bill 1881, the amount of water needed for 1,000 ft² of turf during an average year is 477 gallons in the month of January and 750 gallons in the month of February. As a result, customers do not have a need for supplemental irrigation during the months of January or February during an average year because they receive 1,779 gallons of water more from rainfall than is being lost to ETo in January and 1,406 gallons more in February.
- The need to allow watering days in the winter months are, for drought situations, similar to the conditions the region experienced in 2014. In January 2014, the region received 0.51 inches of rain (318 gallons per 1,000 ft²). Due to higher temperatures, the ETo rate in January 2014 had increased from 1.10 inches to 1.78 inches, 62% higher than an average year. The increase in ETo during January 2014 lead to a water deficit of approximately 454 gallons of water per 1,000 ft² of turf grass. As a result, customers concerned about their turf needed to use supplemental irrigation to make up for the lack of rain water stored in the soil during January 2014.
- Recent rain events in November and December 2014 have been near normal, and although the State's water storage levels are still in a deficit, the rain should provide more than enough water for lawns and other plants to survive during the next 2-3 months. Therefore, increasing the watering days may encourage unnecessary irrigation practices.

Based on the calculations above, District staff is concerned that unnecessary irrigation may take place if customers are notified that the District has changed its watering day schedule from 2 days to 3.

District staff reviewed the watering restriction policies of 107 different agencies throughout the State, including 30 coastal agencies, 39 inland agencies and 38 southern agencies. Of the agencies with outdoor watering day restrictions fifteen (15) agencies allowed only 2 days of outdoor watering per week, thirty (30) agencies allowed only 3 days of outdoor watering per week, one (1) agency allowed 4 days of outdoor watering per week; Forty five (45) agencies did not regulate outdoor watering days as all of these agencies were 100% metered and could track required water reductions; Three (3) agencies allowed outdoor watering every other day; Eight (8) agencies had outdoor watering day restrictions that varied throughout the year (1 day in the winter, 2 days in the spring and fall, 3 days in the summer); and five (5) agencies have resorted to water rationing.

Of the agencies that have watering day restrictions, no agency had a policy that would increase the number of watering days during the fall or winter seasons.

Fiscal Impact:

No fiscal impacts would be realized from suspending the decision to alter the current Water Stage Declaration to May 2014. If the watering schedule is changed, increased funding for public outreach & notification will be incurred.

Strategic Plan Alignment:

Water Supply – 1.B. Provide for the long-term futures needs of the District through prudent planning that will ensure sufficient capacity to serve all customers.

Water Supply – 1.C. Continue to implement and support demand management strategies and water conservation that comply with federal, state and regional programs, support Water Forum Agreement goals and efficiently meet the needs of the District customers.

Water Supply – 1.E. Ensure the safety and security of the water system.

Leadership – 5.D. provide leadership within the community in a positive and progressive manner for the mutual benefit of the area (service groups, adjacent water purveyors, county/city/local government).

Exhibit 1

General Manager

Robert S. Roscoe, P. E.



Board of Directors

President - Neil W. Schild
Vice President - Kevin M. Thomas
Frederick A. Gayle
Craig M. Locke
Robert P. Wichert

December 22, 2014

State Water Resource Control Board
Attn: Jeanine Townsend, Clerk of the Board
1001 I St., 24th Floor
Sacramento, CA, 95814

RE: Comment Letter – Urban Water Conservation Workshop

Dear Ms. Townsend,

In response to the State Water Resources Control Board's (SWRCB) requests for comments regarding public input on a range of actions the SWRCB should consider to compel further urban water savings, Sacramento Suburban Water District (District) respectfully submits the following comments.

In response to question one (1): What more should be done at the local and/or State level in the near-term to increase water conservation?

The District feels that the SWRCB should consider increasing funding to *Save Our Water!* The State needs to consider taking the leadership role in public education and implement a strong statewide campaign that supports regional and local campaigns that promote water use efficiency. These efforts should include local media buys via radio, television, and social media. The District also suggests that the SWRCB set an example by ensuring their own state managed properties are reducing their water use by the requested 20%. The State can show their leadership in water conservation by highlighting the installation of water efficient fixtures, reducing the amount of non-used turf, and sprinkler system upgrades via the previously mentioned media outlets.

In response to question two (2): What additional conservation requirements, if any, should the SWRCB consider adopting if dry conditions persist in the New Year?

The District found great water conservation success in communicating water use efficiency activities to its customers. The District increased its outreach messaging by sending out monthly and quarterly bill inserts/newsletters to customers regarding watering restrictions, an indoor and outdoor water conservation action checklist, what a 20% reduction in water use looks like, landscape irrigation water use efficiency practices, a listing of low-water use plants, examples for customers about how to read their water bill and how to compare their water use from 2013 year to 2014, suggested outdoor watering schedules, a pledge campaign asking customers to take a pledge to reduce their water use by 20%, how to care for trees during a drought, a guide on replacing turf with native landscaping, information regarding soils and how they respond to irrigation, information regarding mulching, how to save water during the holidays, and how to winterize their homes to prevent leaks during cold weather months. The District also provided

window clings to restaurants informing customers that water would only be served upon request, maintained an updated website with the most current information regarding the drought, offered complementary Water-Wise House Calls to show customers how and where they can use water more efficiently. District staff was made available for guest presentations for large home owner associations and community groups to engage participants about drought conditions and to inform them about how they can save more water in and around their homes. The District has also leveraged grant funding opportunities to offer financial incentives to customers who are willing to upgrade their irrigation system (via Proposition 84 funds), and providing direct installation of indoor water fixtures (toilets, showerheads, and faucet aerators) to disadvantaged communities (via Prop 84 and Cal Fed). To further engage the community, the District participated in 4 large public outreach events contacting over 2,000 customers and distributing indoor and outdoor water use efficiency products and literature regarding the efficient use of water. The District also maintains two (2) WEL gardens (totaling 7 acres) where customers can visit to view examples of water efficient landscapes.

Should the drought continue, we advocate additional leadership by the SWRCB in providing enhanced statewide conservation messaging, providing additional funding to local conservation efforts, and providing additional support to local efforts tailored to local conditions.

In response to question three (3): What can be done to compel poorer performing areas to increase conservation?

The District would like to reiterate that the SWRCB should consider taking a leadership role in public education and increase funding for the *Save Our Water!* campaign. The SWRCB can assist all of California's water agencies by aggressively implementing a public education campaign that highlights how outdoor water use efficiency saves water and helps protect the environment and the positive impacts of indoor & outdoor water use efficiency.

In response to question four (4): What additional data should the SWRCB be collecting and how would it be used?

The District highly recommends that the SWRCB consider utilizing annual Residential Gallons Per Capita per Day (R-GPCD) instead of monthly R-GPCD which has limited use to measure and track efficiency and conservation efforts because of its variability between months. Monthly R-GPCD/GPCD can easily be taken out of context and promotes comparing water agencies to one another when they both may differ regarding climate zones, customer classes, and water supply impacts. The District suggests if R-GPCD or GPCD reporting continues the, SWRCB should align with the Department of Water Resources' 20x2020 GPCD reporting standard. The District feels that aligning with the Department of Water Resources' GPCD reporting standard will reduce media and customer confusion in regards to tracking water conservation reduction goals. The District believes that a standardized GPCD reporting method would be more productive.

In addition to the comments above, the District would like to express its appreciation of the SWRCB's current support of local regulations, as opposed to generating a statewide standard for

Comment Letter – Urban Water Conservation Workshop
December 22, 2014
Page 3 of 3

water conservation practices and restrictions. Local agencies are challenged to effectively communicate their programs to their customer base. Enacting a statewide standard would only perpetuate the communication challenges water agencies are already experiencing, and would ignore important local issues that are important to achieving conservation goals.

Respectfully,



Robert S. Roscoe, P.E.
General Manager

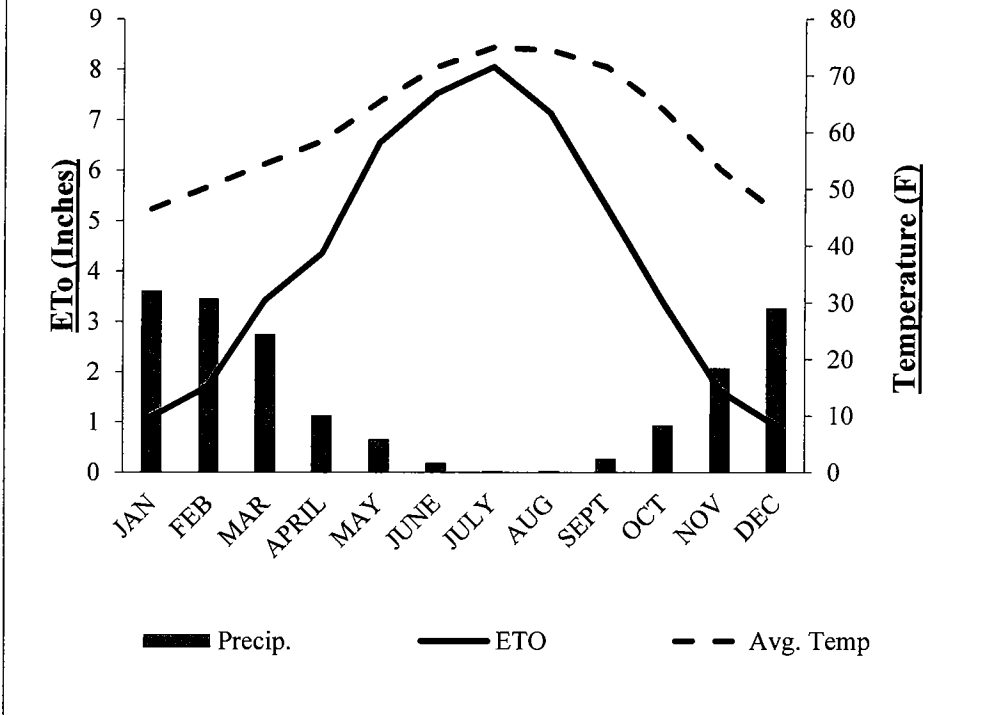
Exhibit 2

Common Water Shortage Stage Template

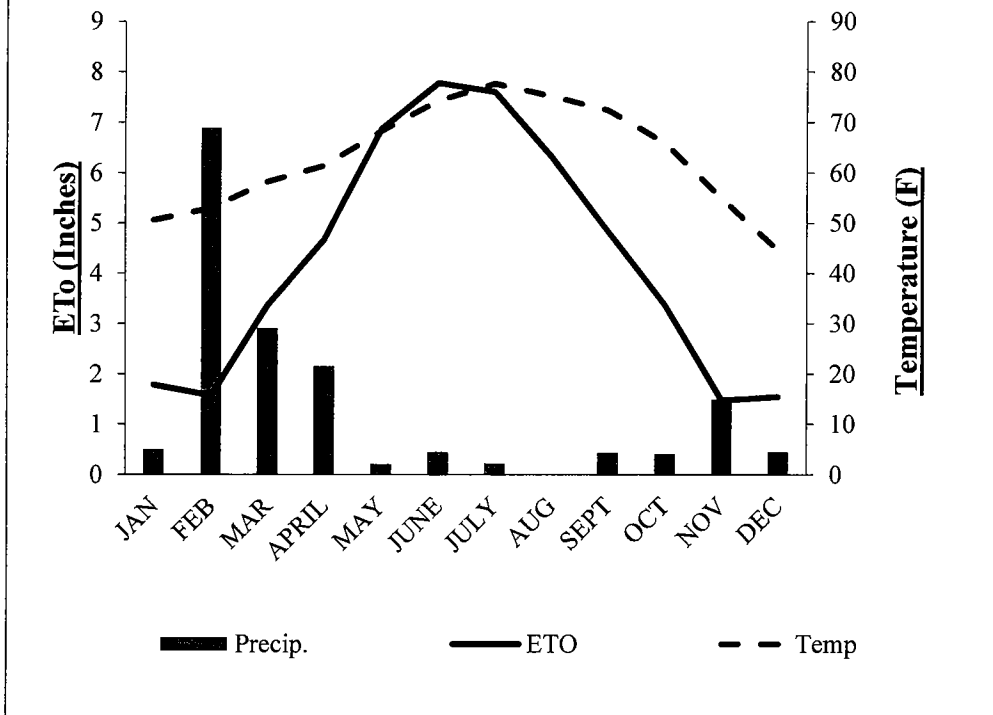
Updated 11/20/2014

Stage	Public Announcement Stage Name	Recommended Conservation (Water Use Reduction)	Best Practices
Normal	Normal Conditions	Use Water Efficiently	<p>Fix leaks or faulty sprinklers promptly.</p> <p>All landscapes watered during cooler morning and evening hours to reduce evaporation and minimize landscape run off.</p> <p>Use a shutoff nozzle on hoses.</p> <p>No landscape watering should occur while it is raining or snowing.</p> <p>Unauthorized use of hydrants is prohibited. Authorization for use must be obtained from water supplier.</p> <p>Commercial, industrial, institutional equipment must be properly maintained and in full working order.</p> <p>Encourage customers to wash only full loads when washing dishes or clothes.</p> <p>Encourage customers to use pool covers to minimize evaporation.</p> <p>Encourage restaurants to only serve water to customers on request.</p> <p>Decorative water features must recirculate water.</p>
1	Water Alert	Up to 20%	<p>Fix leaks or faulty sprinklers within X days.</p> <p>Require restaurants to only serve water to customers on request.</p> <p>Washing down impervious surfaces such as driveways and sidewalks is prohibited unless for public health and safety purposes.</p> <p>No restrictions on landscape watering with non-potable water.</p> <p>Up to 3 days per week turf watering when using potable water. Containers and landscape trees may water additional days using only drip irrigation or hand watering.</p>
2	Water Warning	Up to 30%	<p>Fix leaks or faulty sprinklers within X days.</p> <p>Decorative water features (water fountains, etc.) that use potable water must be drained and kept dry.</p> <p>Car washing is only permitted using a commercial carwash that recirculates water or by high pressure/low volume wash systems.</p> <p>Require a construction water use plan be submitted to the water purveyor which mitigates the impact to existing water users.</p> <p>With the exception of landscapes irrigated with non-potable water, limit the installation of new landscaping to drought tolerant trees, shrubs and groundcover. Prohibit installation of new turf or hydroseed. Customers may apply for a waiver to irrigate during an establishment period for the installation of new turf or hydroseed.</p> <p>Warm/Dry Season Up to two days per week turf watering when using potable water.</p> <p>Plants containers, trees, shrubs and vegetable gardens may water additional days using only by drip irrigation or hand watering.</p> <p>Cool/Wet Season Turf not be irrigated unless utilizing non-potable water during extended dry spells.</p> <p>Plant containers, trees, shrubs, and vegetable gardens to be watering only by drip irrigation or hand watering.</p>
3	Water Crisis	Up to 40%	<p>Fix leaks or faulty sprinklers within X day (s).</p> <p>No new permits for pools will be issued.</p> <p>No new landscape installations or renovations will be permitted. Previous waivers for watering during an establishment period will be revoked.</p> <p>Warm/Dry Season Up to one day per week turf watering when using potable water.</p> <p>Plants containers, trees, shrubs and vegetable gardens may water additional days using only by drip irrigation or hand watering.</p> <p>Cool/Wet Season Turf not be irrigated unless utilizing non-potable water during extended dry spells.</p> <p>Plant containers, trees, shrubs and vegetable gardens to be watered only by drip irrigation or hand watering.</p>
4	Water Emergency	Up to 50%	Water use for public health and safety purposes only.

Graph 1. Avg. Sacramento Weather Data



Graph 2. 2014 Sacramento Weather Data





Agenda Item: 3.a.

Date: January 5, 2015

Subject: Water Operations and Exception Report

Staff Contact: Jim Arenz, Operations Manager

The following information provides an overview of the Field Operations Department:

1. Monthly Water Production – Page 1
This indicates the amount of water produced, both ground and surface water, in the District’s North Service Area (McClellan Business Park, The Arbors at Antelope, and portions of North Highlands, Antelope, Carmichael, and Citrus Heights) and South Service Area (Portions of Arden Arcade, Carmichael, and City of Sacramento) for Calendar Year 2013 and 2014. Due to the continuing drought conditions, surface water supplies are unavailable in both the North and South Service Areas; therefore, the District continues to rely solely on its ground water sources.
2. Water Wheeled to Other Purveyors – Page 2
This indicates the amount of water the District served to other water purveyors in Calendar Year 2014. The amount is indicated in Million Gallons (MG) and Acre Feet (AF). In December, staff received a request from the City of Sacramento for emergency water delivery through the Enterprise/Northrop Intertie (see report item titled *City of Sac Emergency Water Delivery*). Also in December, staff noted a small amount of usage (0.016 MG) at the Rio Linda/Elverta Community Water District (RLECWD) intertie. This usage appears to be the result of pressure fluctuations in the RLECWD system causing the emergency supply valve to the north to operate as intended.
3. Water Operations Activity – Page 3
This shows the types and number of activities that are conducted daily in the Production, Distribution and Field Services Departments.
4. Claims Update – Page 4
This is a summary report of claims received by the District that are less than \$10,000, and approved or rejected by the General Manager.

Water Operations Report

January 5, 2015

Page 2 of 2

5. Drought Report – Page 5

This report, by the Regional Water Authority (RWA), summarizes the water use reduction in 2014 for the entire Sacramento region, as well as individual member agencies, as a result of the drought. Since the data is gathered and assembled by RWA in the first two weeks of the current month for the previous month, the summary report will always be one month behind. The current report is for November 2014.

This Water Operations report typically covers a major portion of the District's Goals and Principles of its Strategic Plan on a daily basis.

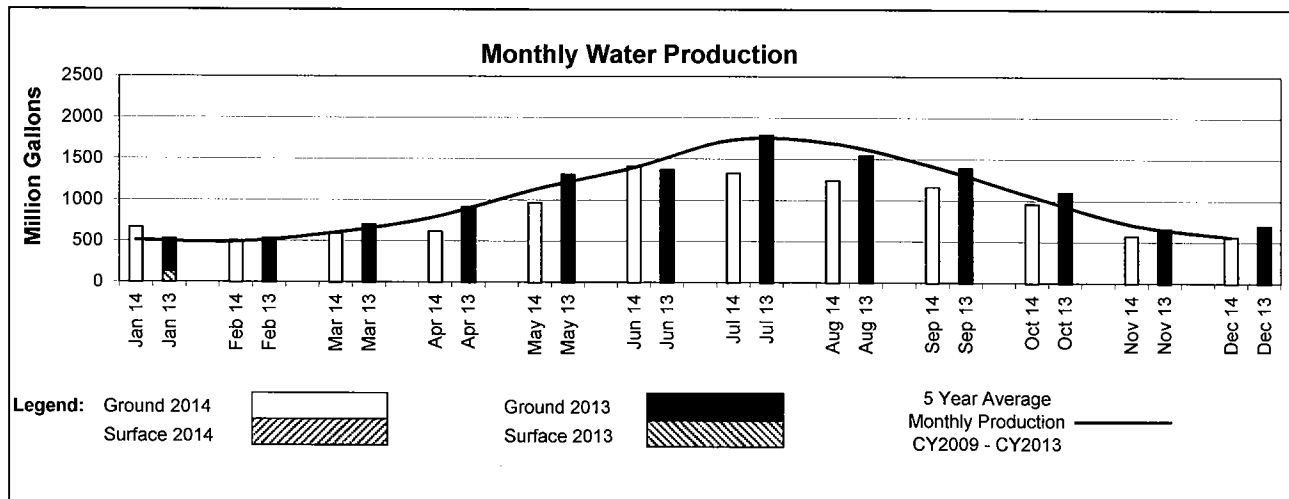
Exception Report for October

None to report.



Monthly Water Production 2014

Month	North Service Area *			South Service Area **			Total North & South Service Areas (MG)	Average MG/Day	% Of Total Year to Date Production
	Surface (MG)	Ground (MG)	Sub Total (MG)	Surface (MG)	Ground (MG)	Sub Total (MG)			
Jan	0.000	387.283	387.283	0.000	280.072	280.072	667.355	21.528	6.290
Feb	0.000	307.081	307.081	0.000	198.145	198.145	505.226	18.044	4.762
Mar	0.000	360.557	360.557	0.000	234.537	234.537	595.094	19.197	5.609
Apr	0.000	343.351	343.351	0.000	276.812	276.812	620.163	20.672	5.845
May	0.000	550.847	550.847	0.000	418.977	418.977	969.824	31.285	9.141
Jun	0.000	825.782	825.782	0.000	587.431	587.431	1,413.213	47.107	13.320
July	0.000	756.553	756.553	0.000	572.692	572.692	1,329.245	42.879	12.528
Aug	0.000	720.974	720.974	0.000	520.387	520.387	1,241.361	40.044	11.700
Sep	0.000	673.481	673.481	0.000	491.756	491.756	1,165.237	38.841	10.982
Oct	0.000	544.114	544.114	0.000	418.572	418.572	962.686	31.054	9.073
Nov	0.000	318.422	318.422	0.000	255.839	255.839	574.261	19.142	5.412
Dec	0.000	334.163	334.163	0.000	232.153	232.153	566.316	18.268	5.338
MG	0.000	6,122.608	6,122.608	0.000	4,487.373	4,487.373	10,609.981	29.068	
AF	0.000	18,789.594	18,789.594	0.000	13,771.242	13,771.242	32,560.836		



* North Service Area (North Highlands, Northridge, McClellan Park and The Arbors)
 ** South Service Area (Town and Country)

Mo/Yr	Million Gallons (MG)			
	Surface	Ground	Total	Difference
Jan 14	0.000	667.355	667.355	137.205
Jan 13	133.258	396.892	530.150	
Feb 14	0.000	505.226	505.226	-34.198
Feb 13	0.000	539.424	539.424	
Mar 14	0.000	595.094	595.094	-108.871
Mar 13	0.000	703.965	703.965	
Apr 14	0.000	620.163	620.163	-296.413
Apr 13	0.000	916.576	916.576	
May 14	0.000	969.824	969.824	-341.763
May 13	0.000	1,311.587	1,311.587	
Jun 14	0.000	1,413.213	1,413.213	45.831
Jun 13	0.000	1,367.382	1,367.382	
Jul 14	0.000	1,329.245	1,329.245	-458.670
Jul 13	0.000	1,787.915	1,787.915	
Aug 14	0.000	1,241.361	1,241.361	-303.923
Aug 13	0.000	1,545.284	1,545.284	
Sep 14	0.000	1,165.237	1,165.237	-225.860
Sep 13	0.000	1,391.097	1,391.097	
Oct 14	0.000	962.686	962.686	-139.331
Oct 13	0.000	1,102.017	1,102.017	
Nov 14	0.000	574.261	574.261	-92.058
Nov 13	0.000	666.319	666.319	
Dec 14	0.000	566.316	566.316	-134.855
Dec 13	0.000	701.171	701.171	

SACRAMENTO SUBURBAN WATER DISTRICT
Water Wheeled To Other Purveyors
2014

Month	California American Water Company		Citrus Heights Water District		City of Sacramento		County of Sacramento		Rio Linda / Elverta Water District	
	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)
January	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
February	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
March	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
April	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
May	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
June	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
July	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
August	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
September	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
October	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	10.898	3.551
November	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.199	0.065
December	0.000	0.000	0.000	0.000	104.146	33.936	0.000	0.000	0.049	0.016
YTD	0.000	0.000	0.000	0.000	104.146	33.936	0.000	0.000	11.146	3.632



Water Operations Activity

	<u>December 2014</u>	<u>Monthly Average</u>	<u>CY 2014</u>
<u>Production Department</u>			
<u>Service Orders</u>			
<u>Preventive Maintenance: Work Orders Completed</u>	755	999	11,988
<u>Corrective Maintenance: Work Orders Completed</u>	7	20	242
<u>Water Quality</u>			
<u>Complaints</u>	0	3	30
<u>Inquiries</u>	6	9	110
<u>Distribution Department</u>			
<u>Service Orders</u>			
<u>Main Leaks</u>	5	5	61
<u>Service Line Leaks</u>	14	10	125
<u>Locate & Expose (L&E)</u>	7	29	353
<u>Determine Responsibility (DR)</u>	52	70	839
<u>Water Main Shutdown</u>			
-- Emergency	5	7	86
-- Scheduled	3	8	100
<u>Preventive Maintenance Program</u>			
<u>Fire Hydrants Inspected</u>	122	105	1,255
<u>Fire Hydrant Valves Inspected</u>	109	100	1,202
<u>Fire Hydrant Valves Exercised</u>	89	81	975
<u>Valves Inspected</u>	29	75	898
<u>Underground Service Alert</u>			
<u>Reviewed</u>	1,073	1,218	14,614
<u>Marked</u>	371	364	4,369
<u>After Hours Activity (On-Call Technician)</u>			
<u>Calls Received</u>	64	85	1,024
<u>Calls Responded</u>	29	28	338
<u>Average Call Time Hours</u>	2	3	2
<u>Overtime Hours</u>	63	73	880
<u>Field Services Department</u>			
<u>Meters</u>			
<u>Preventive Maintenance - Meters Tested</u>	0	5	57
<u>Preventive Maintenance - Meters Replaced</u>	61	12	143
<u>Preventive Maintenance - Meter Re-Builds</u>	1	6	67
<u>Customer Service</u>			
<u>Shut Off (non-payment)</u>	114	213	2,561
<u>Restore Service</u>	149	175	2,100
<u>Customer Pressure Inquiries</u>	8	10	121
<u>Field Operations Department</u>			
<u>Service Requests Generated</u>	1,615	1,895	22,736
<u>Work Orders Generated</u>	782	995	11,939



Date: December 29, 2014

Subject: Claims Update

Staff Contact: Jim Arenz, Operations Manager

On December 21, 2009, the District adopted a Claims Processing Policy. The Policy requires any claim in excess of \$10,000 be brought before the Board for approval or rejection of said claim. The General Manager has the authority to approve or reject claims up to \$10,000. The Policy further requires that all claims less than \$10,000 be reported to the Board as an information item.

CLAIMS APPROVED/REJECTED BY GENERAL MANAGER

There were no formal claims approved or rejected by the General Manager this month.

CLAIMS UNDER REVIEW/INVESTIGATION

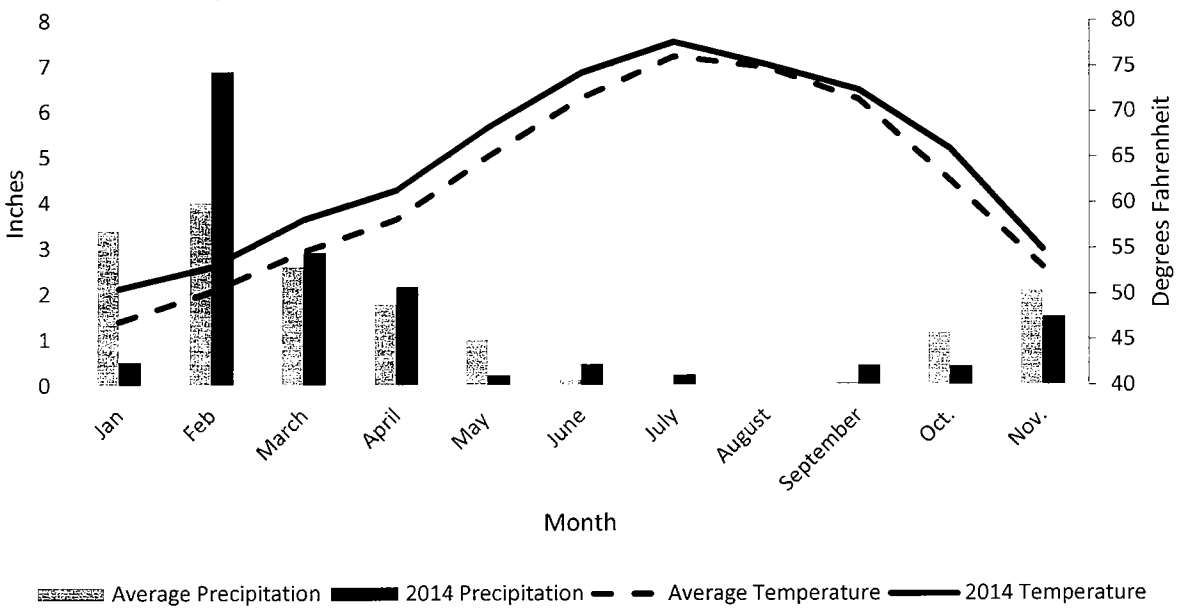
There are no claims under review or investigation at this time.

RWA Drought Summary November 2014

REDUCTION BY VOLUME (MG)												
	Jan	Feb	March	April	May	June	July	August	Sept.	Oct.	Nov.	Total
2014	7,565	5,724	6,741	8,034	12,069	15,528	16,196	14,996	13,357	11,201	7,201	118,612
2013	6,419	6,602	9,218	11,048	16,025	17,968	20,742	19,335	16,022	13,710	9,839	146,928
%	-17.8%	13.3%	26.9%	27.3%	24.7%	13.6%	21.9%	22.4%	16.6%	18.3%	26.4%	19.3%

REDUCTION BY AGENCY (2014 data compared to 2013)			
Water Agency	Jan.-Nov. Reduction	November Reduction	October Reduction
California American Water	21.1%	26.2%	16.7%
Carmichael Water District	21.9%	38.0%	28.7%
Citrus Heights Water District	20.1%	25.2%	20.6%
City of Folsom	20.1%	20.8%	15.0%
City of Lincoln	16.7%	30.0%	19.1%
City of Roseville	19.1%	29.4%	21.3%
City of Sacramento	19.1%	25.5%	20.0%
City of West Sacramento	18.1%	27.0%	12.6%
Del Paso Manor Water District	19.4%	24.8%	8.7%
El Dorado Irrigation District	22.8%	36.3%	23.8%
Elk Grove Water District	17.2%	26.9%	16.8%
Fair Oaks Water District	21.2%	35.4%	21.5%
Golden State Water Company	15.7%	19.8%	14.1%
Orange Vale Water Company	23.3%	33.2%	23.0%
Placer County Water Agency	18.0%	27.1%	11.5%
Rancho Murieta CSD	19.7%	24.7%	23.6%
Rio Linda/Elverta CWD	20.0%	27.2%	19.3%
Sacramento County Water Agency	17.3%	25.9%	18.2%
Sacramento Suburban WD	15.8%	13.8%	10.8%
San Juan Water District	25.2%	40.1%	22.1%
Average	19.6%	27.9%	18.4%
Minimum	15.7%	13.8%	8.7%
Maximum	25.2%	40.1%	28.7%

Precipitation and Temperature, Average (1998-2013) and 2014



Water Agency	R-GPCD
California American Water	116
Carmichael Water District	107
Citrus Heights Water District	98
City of Folsom	129
City of Lincoln	96
City of Roseville	86
City of Sacramento	73
City of West Sacramento	107
Del Paso Manor Water District	N/A
El Dorado Irrigation District	77
Elk Grove Water District	121
Fair Oaks Water District	155
Golden State Water Company	149
Orange Vale Water Company	127
Placer County Water Agency	118
Rancho Murieta CSD	N/A
Rio Linda/Elverta CWD	108
Sacramento County Water Agency	93
Sacramento Suburban WD	103
San Juan Water District	N/A
Regional Average	96



Agenda Item: 3.b.

Date: December 31, 2014

Subject: Customer Service Report

Staff Contact: Annette O'Leary, Administrative Services Manager

The following items provide a summary of the Customer Service Department activity for the month of December 2014.

1. Customer Service Monthly Activity (see Exhibits 1 and 2)

- a. Customer Service Activity Report shows Customer Service activity for the month of December 2014.
- b. Call Volume Report shows number of calls received, abandoned calls, and queue times.

2. Customer Service Exceptions

The rate increase, adopted by the Board of Directors on August 27, 2013, will take effect on January 1, 2015. Customers were informed of this rate increase in the December bill insert. In addition, the January bill insert will include an article on the rate increase and the bill message will mention the increase.



Exhibit 1 - Customer Service Activity

<u>Customer Service Department</u>	<u>December 2014</u>		<u>Calendar Year 2014</u>
<u>Billing</u>			
Water Connections - Total Active	46,112		n/a
Active Flat w/o Meter	11,434		n/a
Active Flat w/Meters	2,006		n/a
Active Meter Non-Residential	6,601		n/a
Active Meter Residential	26,071		n/a
Water Connections - Suspended/Disconnected	619		n/a
Owner/Tenant Billing Agreement	1,964		n/a
E-billing	1,130		n/a
Water Statements Mailed	40,043		475,183
Monthly Calls	3,476		51,436
Customer Changes	150		2,364
<u>Collections</u>			
15-Day Notices	1,712		19,689
48-hour Door Tags Generated-Federal Express	500		9,643
Lock-off Door Tags Generated	172		3,126
Bankruptcy Processed	12		225
<u>Payments</u>			
		<u>% of Total</u>	<u>Count</u> <u>% of Total</u>
Cash/Check Payments (Front Office)	1,290	3.2%	16,071 3.5%
Credit Card Payments (Front Office)	620	1.5%	9,029 2.0%
SSWD Customer Web Payments	3,137	7.7%	39,730 8.6%
Direct Payment Service (Auto Payment-Checking)	5,040	12.4%	62,742 13.6%
Direct Payment Service (Auto Payment-Credit Card)	1,024	2.5%	4,203 0.9%
IVR (Automated Phone System)	1,128	2.8%	13,662 3.0%
Electronic Payments (Online Banking Payment)*	11,854	29.1%	136,922 29.8%
LockBox (Checks)	16,593	40.8%	177,452 38.6%
Total Payments	40,686	100.0%	459,811 100.0%

*Electronic payments have been combined into one category

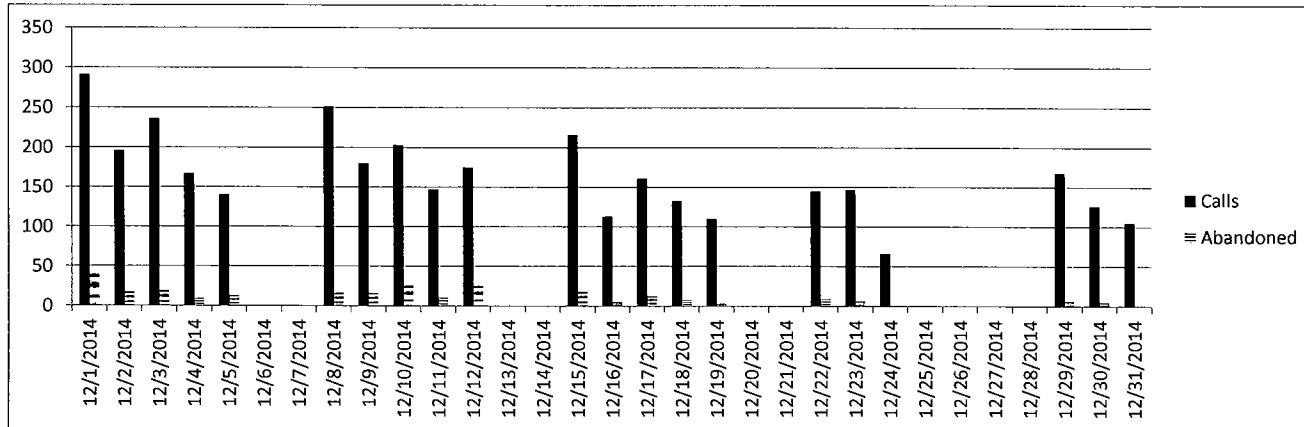


Exhibit 2 - Call Volume Report - December 2014

Date Ranges : 12/01/2014 - 12/31/2014

Time Ranges : 08:00 a.m. - 04:30 p.m.

Date	Calls Accepted	Calls Abandoned	% of Calls Abandoned	Average Wait On Queue	Maximum Wait on Queue	Average Treatment Time	Notes
12/1/2014	291	43	14.78%	0:02:09	0:13:35	0:02:49	Billing Due Date
12/2/2014	196	19	9.69%	0:01:57	0:07:48	0:02:52	
12/3/2014	236	21	8.90%	0:01:33	0:07:36	0:02:33	Lock-off for Collections
12/4/2014	167	10	5.99%	0:01:46	0:14:46	0:02:31	
12/5/2014	140	14	10.00%	0:02:24	0:11:47	0:02:50	
12/8/2014	251	18	7.17%	0:01:53	0:12:26	0:02:51	Billing Due Date
12/9/2014	180	18	10.00%	0:02:13	0:13:11	0:02:54	
12/10/2014	203	28	13.79%	0:02:13	0:08:56	0:03:14	Lock-off for Collections
12/11/2014	147	12	8.16%	0:01:37	0:07:02	0:02:58	
12/12/2014	175	28	16.00%	0:02:13	0:14:25	0:02:59	
12/15/2014	216	20	9.26%	0:01:50	0:10:30	0:03:10	Billing Due Date
12/16/2014	113	6	5.31%	0:02:20	0:10:25	0:03:05	
12/17/2014	161	14	8.70%	0:02:00	0:15:54	0:03:02	Lock-off for Collections
12/18/2014	133	9	6.77%	0:01:04	0:06:24	0:03:22	
12/19/2014	110	4	3.64%	0:01:30	0:05:27	0:03:02	
12/22/2014	145	10	6.90%	0:01:27	0:06:43	0:02:56	Billing Due Date
12/23/2014	147	7	4.76%	0:01:53	0:12:11	0:02:43	
12/24/2014	66	2	3.03%	0:02:31	0:12:20	0:03:13	
12/29/2014	168	7	4.17%	0:01:41	0:06:43	0:02:34	
12/30/2014	126	6	4.76%	0:01:49	0:08:47	0:02:54	
12/31/2014	105	2	1.90%	0:01:13	0:06:31	0:02:54	
GroupTotal	3476	298	8.57%	0:01:56	0:15:54	0:02:54	





Agenda Item: 3.c.

Date: January 5, 2014

Subject: Water Conservation and Regional Water Efficiency Program Report

Staff Contact: Greg Bundesen, Water Conservation Supervisor

Water Production

As part of the ongoing effort to evaluate the success of Sacramento Suburban Water District's (District) Water Conservation Program, staff has developed a data set tracking tool (See Exhibit 1) to track the District's monthly water production in comparison to the monthly historical water use averages.

As seen on the graph, specifically for the month of December 2014, District production declined 14% when compared to the historical average for the month of December, 7% from the 10 year average, 8% from the 3 year average, and 19% from the baseline average. December 2014's production also saw a decrease of 19% when compared to December of 2013. The District has reduced its water production by 18% for CY2014 when compared to CY2013.

It appears that District customers continue to reduce their water use as stricter water conservation measures have been in affect. December's water consumption tends to be a bit higher as the holiday season tends to drive additional water use.

Water Conservation Program

As a result of the State Water Recourses Control Board's mandatory water conservation decision on July 15, 2014, the District increased its Water Conservation Stage to a full Stage 2 – Water Warning asking District customer to reduce their water consumption by 25%. In an effort to ensure that District customers are made aware of the change in Conservation Stage, District staff continues to implement the following:

- Website updates:
 - Homepage banner updates.
 - Water Conservation Stage Declaration page update, noting mandatory Water Conservation Stage 2 – Water Warning restrictions.
 - Drought Information Page updated with the most recent State Water Recourses Control Board decision.
 - Watering Days page updated to reflect 2 day per week watering schedule.
 - Water Conservation page retooled making navigation easier.

- Water Conservation Stage 2 – Water Warning post card outlining the changes made by the Board of Directors’ decision, including the major changes to the watering days (from 3 down to 2) and restricted watering times (no watering between the hours of 12:00 noon and 8:00 p.m.).
- Updated messages on hold reflecting new Water Conservation Stage 2 – Water Warning.
- Updated Water Conservation brochure to reflect new Water Conservation Stage 2 – Water Warning.
- RWA website update
 - Noted on www.bewatersmart.info asking for a 25% reduction in water consumption.
 - Water Stage Map on www.bewatersmart.info with Water Conservation Stage 2 – Water Warning restrictions.

Staff will continue to promote the District Water Conservation Stage through future bill inserts, envelope messages, and newsletters. District staff will also continue to promote water conservation practices with water efficient devices and other promotional items.

District staff continues to promote water conservation directly to the District customers. To date, District staff and our contract company have performed 148 indoor residential Water-Wise House Calls and 287 outdoor residential Water-Wise House Calls. Staff has issued 2,212 notices of Water Waste, a 145% increase when compared to CY2013. During 2014, staff conducted 29 Large Landscape water surveys for the various parks districts, Home Owners Associations, and schools as well as, 36 Commercial, Industrial, and Institutional water use surveys. Staff is also reaching out to the community about water conservation issues and information.

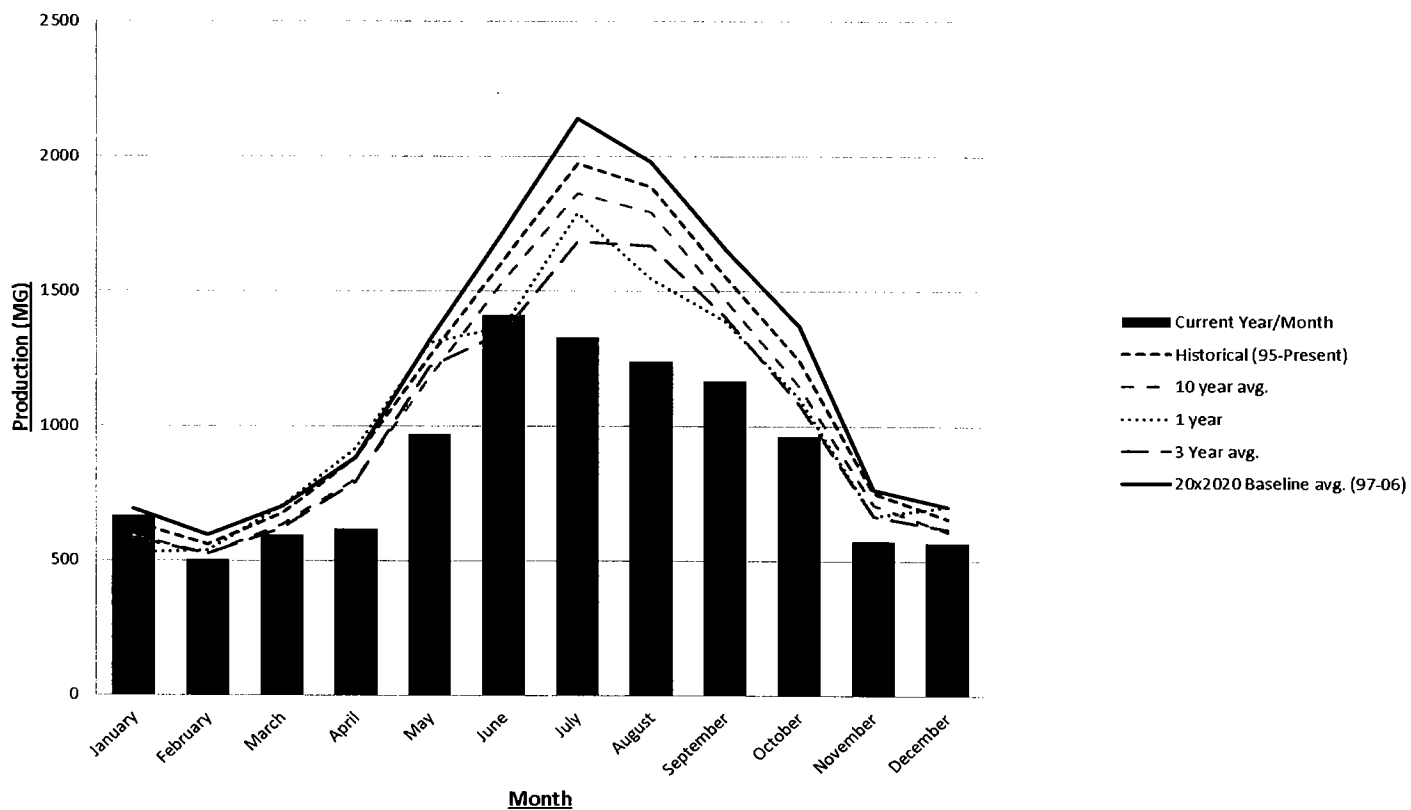
The California Urban Water Conservation Council held its Board of Director elections at the December 10, 2014 Winter Plenary Session. The Inland Region had one (1) seat available. Staff is pleased to report that the District has been elected to represent the Inland Region. The Coastal Region had two (2) seats available. The City of Santa Rosa and East Bay Municipal Water District were elected to fill those seats. The Southern Region had three (3) seats available. Los Angeles Department of Water and Power, San Diego Water Authority, and Metropolitan Water District of Southern California were elected to fill those seats.

The Department of Water Resources (DWR) released its first Snow Pack Survey results of the 2014/15 winter season (see Exhibit 2). The results of the survey showed that the California snow pack was 50 percent of the multi-year average for December 30. DWR Director Mark Conwin stated: “Although this year’s survey shows a deeper snowpack than last year, California needs much more rain and snow than we’ve experienced over the past 2 years to end the drought in 2015.” Staff will continue to monitor and report the most recent snow survey results as they are made available.

Upcoming Events

California Urban Water Conservation BMP 1.4 PAC Committee Meeting – January 14, 2014; Oakland, CA.

Exhibit 1



Month	Production (MG)	% Chg. Hist.	% Chg. 10 Yr.	% Chg. 1 Yr.	% Chg. 3 Yr.	% Chg. B.L.
Dec-14	566.4	-14%	-7%	-19%	-8%	-19%



CALIFORNIA DEPARTMENT OF WATER RESOURCES

NEWS FOR IMMEDIATE RELEASE

NEWS FOR IMMEDIATE RELEASE

December 30, 2014

Doug Carlson, Information Officer – (916) 653-5114

Paul.Carlson@water.ca.gov

Elizabeth Scott, Information Officer – (916) 712-3904

Elizabeth.Scott@water.ca.gov

Ted Thomas, Information Officer – (916) 653-9712

Ted.Thomas@water.ca.gov

Survey Finds More Snow in Mountains, but Water Content Is Still Far Below Average for Date

SACRAMENTO – The first manual snow survey of the Sierra snowpack this winter found more snow than last year at this time, but the snow water equivalent as measured statewide remains far below average for this date.

The Department of Water Resources (DWR) conducted the survey today about 90 miles east of Sacramento on a plot along Highway 50 near Echo Summit. Snow covered the ground there to a depth of 21.3 inches, according to DWR's Frank Gehrke, chief of the California Cooperative Snow Surveys Program who conducted the survey.

The snow water equivalent was 4 inches at that particular snow course, or 33 percent of average. Statewide, 105 electronic sensors in the Sierra detected a snow water equivalent of 4.8 inches, 50 percent of the multi-year average for December 30. That compares favorably with last Winter's first survey, when the snow water equivalent statewide was only 20 percent of normal, which tied with 2012 as the driest readings on record.

DWR Director Mark Cowin said of today's survey results: "Although this year's survey shows a deeper snowpack than last year, California needs much more rain and snow than we've experienced over the past two years to end the drought in 2015. The department encourages Californians to continue their water conservation practices."

Cowin said the state's surface and groundwater reservoirs have been severely depleted during the drought, which now is in its fourth consecutive year. He said a snowpack built up significantly during the winter months would be needed to recharge the reservoirs to their historical averages as the snow melts during the late spring and summer months.

Generally, California's snowpack supplies about a third of the water needed by the state's residents, agriculture and industry as it melts in the late spring and summer.

Today's electronic readings indicate that water content in the northern mountains is 57 percent of normal for the date and 17 percent of the average on April 1, when the snowpack normally is at its peak before the spring melt. Electronic readings in the central Sierra show 45 percent of normal for the date and 16

percent of the April 1 average. The numbers for the southern Sierra are 48 percent of average for the date and 15 percent of the April 1 average.

DWR and cooperating agencies conduct manual snow surveys around the first of the month from January to May. The manual measurements supplement and check the accuracy of real-time electronic readings.

Results of today's manual readings by DWR off Highway 50 near Echo summit are as follows:

Location	Elevation	Snow Depth	Water Content	% of Long Term Average
Alpha	7,600 feet	_ inches	_ inches	Not Yet Available
Phillips Station	6,800 feet	21.3 inches	4 inches	33
Lyons Creek	6,700 feet	_ inches	_ inches	Not Yet Available
Tamarack Flat	6,500 feet	inches	inches	Not Yet Available

Historic Comparison

The average January 1 snowpack water content at Phillips Station is about 12 inches; the April 1 average 27.6 inches. Phillips had its lowest early-January water content reading of 0.1 inch in 2012, in a snow depth of only 0.6 inches. On January 3, 2014, Phillips had 2.3 inches of water content in 9.3 inches of snow. Besides that reading and the similar one in 2012, the driest January readings at Phillips were in 1987 (0.9 inches of snowpack water content), 1981 (2 inches), 1976 (2.7 inches) and 2000 (3 inches). Records at Phillips go back 50 years.

DWR currently estimates it will be able to deliver only 10 percent of the slightly more than 4 million acre-feet of State Water Project (SWP) water requested for calendar year 2015 by the 29 public agencies that collectively supply more than 25 million Californians and nearly a million acres of irrigated farmland. It is hoped the initial 10 percent delivery estimate will increase as winter storms develop.

The final SWP allocation for calendar year 2014 was 5 percent of the slightly more than 4 million acre-feet requested. In 2013, it was 35 percent, and in 2012, the final allocation was 65 percent. It was 80 percent in 2011, up dramatically from an initial allocation of 25 percent. The final allocation was 50 percent in 2010, 40 percent in 2009, 35 percent in 2008, and 60 percent in 2007. The last 100-percent allocation – difficult to achieve even in wet years because of Delta pumping restrictions to protect threatened and endangered fish – was in 2006.

DWR weather watchers note that it's early in the season with plenty of time for the snowpack to build. The concern, however, is that irrigation-dependent San Joaquin Valley farms and some other areas will be hard hit if Water Year 2015 ends as the fourth full year of drought. Storage in key reservoirs has increased due to heavy December rainfall but is still far below normal levels for the date.

Lake Oroville in Butte County, the State Water Project's (SWP) principal reservoir, today is at only 38 percent of its 3.5 million acre-foot capacity (61 percent of its historical average for the date). Shasta Lake north of Redding, California's and the federal Central Valley Project's (CVP) largest reservoir, is at 41 percent of its 4.5 million acre-foot capacity (66 percent of average for the date). San Luis Reservoir, a critical south-of-Delta reservoir for both the State Water Project and Central Valley Project, is a mere 39 percent of its 2 million acre-foot capacity (58 percent of average for the date) due both to dry weather and Delta pumping restrictions to protect salmon and Delta smelt. Delta water is pumped into the off-stream reservoir in winter and early spring for summer use in the Bay Area, San Joaquin Valley, Central Coast and Southern California.

Continuing dry weather prompted Director Cowin on December 13, 2013 to mobilize DWR's drought management team "to offset potentially devastating impacts to citizen health, well-being and our economy."

Governor Edmund G. Brown Jr. declared a drought emergency on January 17, 2014.

In October, DWR announced the award of more than \$200 million in grants to reduce drought impacts on local communities and improve access to water supplies.

Electronic snowpack readings are available on the Internet at:

<http://cdec.water.ca.gov/cdecapp/snowapp/sweq.action>

Electronic reservoir readings may be found at:

<http://cdec.water.ca.gov/cdecapp/resapp/getResGraphsMain.action>

Electronic precipitation readings are at:

http://cdec.water.ca.gov/snow_rain.html

For a broader snapshot of current and historical weather conditions, see:

Water Conditions Page

<http://www.water.ca.gov/waterconditions/waterconditions.cfm>

Drought Page

<http://www.water.ca.gov/waterconditions/index.cfm>

-30-

Visit SaveOurWater.com to find out how everyone can do their part, and visit <http://drought.ca.gov> to learn more about how California is dealing with the effects of the drought. The Department of Water Resources operates and maintains the State Water Project, provides dam safety and flood control and inspection services, assists local water districts in water management and water conservation planning and plans for future statewide water needs.





2014 BMP Activity Report

	<u>Month</u> December	<u>Year</u> 2014
<u>Foundational BMPs - No Measurable Water Savings</u>		
1.1-1 Conservation Coordinator	*	Yes
1.1-2 Water Waste Prevention	*	Yes
1.1-3 Wholesale Agency Assistance	N/A	N/A
1.2 Water Loss Control	N/A	Yes
1.3 Metering/Commodity Rates	21	1643
1.4 Retail Conservation Pricing	*	Yes
2.1 Public Information	*	Yes
2.2 School Education	*	Yes
<u>Programmatic BMPs - Demonstrated Water Savings</u>		
3.1 Residential Audits - Indoors	3	148
3.2 Residential Audits - Outdoors	12	287
3.3 Rebates - HE Clothes Washers	0	82
3.4 Rebates - HE Toilets	*	N/A
3.5 Residential New Development Assist.	*	N/A
4 CII Audits	0	36
5 Large Landscape Audits	1	29
<u>Other Water Savings Measures</u>		
Irrigation Efficiency Rebates	1	35
High Bill Investigations	10	128
<u>Water Waste Calls and Notifications</u>		
Water Waste Calls	8	878
Water Waste via Website	13	879
Notice - Water Waste	31	2101
Warning - Water Waste	2	101
1st Violation - Water Waste	0	10
2nd Violation - Water Waste	0	0
3rd Violation - Water waste	0	0

* Not all BMPs are quantifiable. Of those that are not, if the District is implementing them, they are noted as "Yes;" If the District is not implementing them, they are noted as "N/A."



Agenda Item: 3.d.

Date: December 29, 2014

Subject: Community Outreach Report

Staff Contact: Annette O'Leary, Administrative Services Manager

1. February Bill Insert

The February bill insert will begin on January 28, 2015 and continue until February 18, 2015. The bill insert is a flyer that shows customers what a 20% reduction in water looks like. The insert is in English and Spanish.

The bill insert is scheduled to be posted on the District's website at the end of January 2014. A sample of the bill insert has been included with this report.

2. January Envelope Message

The January envelope encourages customers to make a 2015 New Year's Resolution to save water. The envelope will start on December 30, 2014 and continue until January 21, 2015. A sample of the envelope is included with this report.

3. Community Meetings/Events

Staff, representing SSWD, attended the following agency meetings, conference calls, community meetings, and events in December 2014:

<u>Date</u>	<u>Meeting</u>	<u>Staff</u>
12/08/14	Water Forum – Carryover Water Storage Working Group	Dan York
12/08/14	Meeting with Roseville Mayor Susan Rohan re: Phase 2A Study	Robert Roscoe
12/08/14	Mtg with Citrus Heights Council Woman Sue Frost re: Phase 2A	Robert Roscoe
12/10/14	Water Forum - Water Caucus Meeting	Robert Roscoe
12/10/14	Regional Drought Preparedness Workshop	Dan York
12/11/14	Sacramento Groundwater Authority Board Meeting	Dan York
12/12/14	ACWA Groundwater Implementation Committee Meeting	Robert Roscoe
12/16/14	Dept. of Water Resources Long Term Water Transfer Meeting	Dan York
12/23/14	Mtg with Roseville Council Woman B. Gore re: Phase 2A Study	Robert Roscoe

WHAT DOES A 20% REDUCTION in water use look like?



AVERAGE DAILY USE

The average Californian uses 196 gallons of water per day. Here are some easy ways to reduce water use. Find the right combination for you to reduce by 20% or 39 gallons a day.



00130225



INSTALL AERATORS ON BATHROOM FAUCETS

saves

1.2 GALLONS
per person/day



WASH ONLY FULL LOADS OF CLOTHES

saves

15-45 GALLONS
per load



TURN OFF WATER WHEN BRUSHING TEETH OR SHAVING

saves

10 GALLONS
per person/day



TAKE FIVE MINUTE SHOWERS INSTEAD OF 10 MINUTE SHOWERS

saves

12.5 GALLONS
with a water efficient showerhead



FILL THE BATHTUB HALFWAY OR LESS

saves

12 GALLONS
per person



INSTALL A WATER-EFFICIENT SHOWER HEAD

saves

1.2 GALLONS
per minute



FIX LEAKY TOILETS

saves

30-50 GALLONS
per day/toilet



10 GALLONS
per average 10-minute shower



INSTALL A HIGH-EFFICIENCY TOILET (1.28 GALLON/FLUSH)

saves

19 GALLONS
per person/day



RUN DISHWASHER WHEN FULL INSTEAD OF HALF FULL

saves

5-15 GALLONS
per load

For more tips on reducing water use, visit sswd.org



Your 2015 New Year's Resolutions

- Turn off the tap when not in use!
- Turn off sprinklers when it rains!
- Replace older water-wasting fixtures!



EnviroSafe

¿COMO PARECE UNA
REDUCCION DE 20%
en el uso de *agua*?



TIPICO USO DIARIO

Una persona típica usa 196 galones de agua cada día. Aquí se ofrece unas ideas para reducir su uso por 20% al día.



INSTALA REGULADORES CON RESTRICCIÓN DE PASO EN LAS LLAVES

ahorra
🚰 **1.2 GALONES**
al día



USA LA LAVADORA DE ROPA SOLAMENTE CUANDO ESTÉ LLENA

ahorra
🚰 **15-45 GALONES**
por lavada



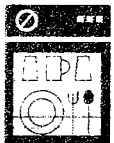
CIERRE LA LLAVE AL CEPILLARSE LOS DIENTES

ahorra
🚰 **10 GALONES**
al día



REDUCE TU TIEMPO EN LA DUCHA A CINCO MINUTOS

ahorra
🚰 **12.5 GALONES**
al día



USA LA LAVADORA DE PLATOS AUTOMÁTICA SOLAMENTE CUANDO ESTÉ LLENA

ahorra
🚰 **5-15 GALONES**
por lavada



INSTALA ALCACHOFAS DE LA DUCHA MAS EFICIENTES

ahorra
🚰 **1.2 GALONES**
por minuto



REPARA LOS INODOROS CON FUGAS

ahorra
🚰 **30-50 GALONES**
por inodoro al día



REEMPLACE LOS INODOROS ANTICUADOS E INEFICIENTES CON INODOROS NUEVOS DE ALTO RENDIMIENTO

ahorra
🚰 **19 GALONES**
por persona al día



LLENA LA TINA HASTA LA MITAD PARA BAÑARTE

ahorra
🚰 **12 GALONES**
por baño

Para obtener más ideas, visita sswrd.org





Agenda Item: 4

Date: December 29, 2014

Subject: Engineering Report

Staff Contact: John E. Valdes, Engineering Manager

Described below are significant engineering department activities and milestones over the past month. The report is separated into the following sections: Major Capital Improvement Projects, Developer Projects, County and City Projects/Coordination, McClellan Business Park, Developer Projects and Other.

a. Major Capital Improvement Projects

i. Production

Rutland Production Well (#N39) Design and Construction

The Notice to Proceed was issued to Roadrunner Drilling on December 8, 2014. The contracted completion date is February 6, 2015. Roadrunner Drilling has begun mobilization activities and construction of BMPs including the rock entrance to the site. Installation of the conductor casing is scheduled to begin on January 5, 2015. The contractor is confident that they will be able to complete the contract work by the contracted time of completion. The District's engineer, Wood Rodgers, should finalize the construction drawings for the pump station contract in January.

Various Well Investigation and/or Rehabilitation Projects

Some of the ongoing projects are discussed in more detail below:

- Well #13, Calderwood/Marconi – The work at this site has been completed in regards to the pump rehabilitation and development, discharge piping reconfiguration, electrical work, and fluoridation of the site. The only remaining work to be completed at this site is the asphalt replacement that will occur early next year, weather pending. However, the well can still be put online and is being scheduled for startup pending a permit amendment from the SWRCB Division of Drinking Water.
- Wells #N7 (Rosebud), #N8 (Field), #N12 (St. Johns), #N14 (Orange Grove), #N25 (Sutter) and #N35 (North Antelope) – The flush-to-waste work has been completed at five of the six sites with the contractor working on the last site. This work is on scheduled to be completed the last week of the year.

- Well #64, Galbrath/Antelope Woods – The District’s contractor has completed the installation of the new pump and is finishing the electrical connection and installation of discharge piping. The engineering and production departments will then schedule the startup activities.
- Well #31A, Watt/Elkhorn – The District’s contractor has completed approximately 26 hours of well development and the manganese levels have decreased to near the Maximum Contaminant Level (MCL). The contractor is continuing with two additional days of development in hopes of continuing the tread and lowering the manganese levels to below the MCL.

Electrical Arc Flash Hazard Modifications at Various Well Sites

Some of the ongoing projects are discussed in more detail below:

- New Panel Installation – The panels have been manufactured by Tesco and are scheduled to be installed in early 2015.
- Control Panel Modifications – Due to scheduling conflicts with SMUD and Tesco, this work will not be completed this year and is scheduled to be completed in January 2015.

SCADA RTU/Communication Improvements/MCC Panel Replacement/Upgrades

Some of the ongoing projects are discussed below:

- SCADA Installation – The District’s contractor has been continuing work on the installation of panels at several sites and is on schedule to complete work at all sites with the exception of two sites that are currently offline due to exceedance of Hexavalent Chromium.
- MCC Panel Replacement – The District’s contractor has been continuing work on the installation of panels at several sites and is on schedule to complete work at all sites.

Installation of Variable Frequency Drive (VFD) at Auburn/ Yard Well (#40A)

This project is 50% funded by a water energy demonstration grant from SMUD. The estimated total cost of the new VFD and related work is \$46,000 and the grant will pay one-half. The District has purchased and taken delivery of the new variable frequency drive (VFD). Tesco Controls is under contract to perform the VFD installation as well as necessary programming for the Programmable Logic Controller (PLC) and Supervisory Control and Data Acquisition (SCADA). Tesco will be completing their contracted work in January 2015. The required air conditioner (AC) unit to cool the electrical panel has been ordered and will be installed in January 2015. It is anticipated that startup and testing of the new VFD will be conducted in February 2015.

ii. Distribution

Arden Oaks Main Replacement Project - Phases 1 & 2

The project is completed except for final paving to be completed by the County of Sacramento (under an agreement with SSWD) in the spring/summer of 2015. A Notice of Completion has been prepared and will be posted at the County Clerk Recorder's Office on December 30, 2014.

North Country Club Estates Phase 4 Main Replacement Project

All new mainlines have been installed and tested by the contractor (Veerkamp General Engineering). GM Construction still has 40 in-tract lines to complete with an estimated completion date of January 30, 2015. Final paving will be postponed until weather conditions are acceptable.

Santa Anita Phase 2 Main Replacement Project (2015)

The District's master service contractor (Veerkamp) is reviewing the work schedule and will be submitting a cost estimate in January 2015. The unit cost bid items from Veerkamp will be reviewed and compared to recent competitively bid main replacement projects. A recommendation to award or not to award Task Order No. 1 to the existing Master Service Contract will be made to the General Manager. On this project, key materials such as fire hydrants, valves, meter setters, meter boxes, etc. will be purchased by the District using a competitive bid process.

Fair Oaks Estates Main Extension Project (2015)

The design for this project was completed in-house. The design draft is now 100% complete and staff will be performing a final internal review in January 2015. One or two easements also need to be acquired for this project. Construction is anticipated to begin in mid-spring 2015 if easement acquisition is successful.

El Camino/Fulton Right of Way (ROW) Improvement Project

The El Camino Avenue and Fulton Avenue portions of the project are 100% complete. A Notice of Completion was prepared and posted at the County Clerk Recorder's Office. District staff has competitively re-bid the Belcot Road portion of the job and the apparent low bidder was Performance Piping, Inc. at \$229,614. The contract has been awarded to Performance Piping and the work is well underway. Performance Piping is working to have substantial completion by January 15, 2015.

2014 Heatherdale Main Extension Project

All the new main line piping has been installed and the contractor will begin pressure testing and final tie-ins in the coming weeks. The paving for the project will be completed under a separate contract in 2015.

McKinney Way Main Extension Project

This project is now completed with the installation of two new fire hydrants, 11 new metered water services, and 472-linear feet of 12" ductile iron pipe (DIP). This project

was completed in front of the site for the new Rutland Well allowing for the abandonment of an existing 6" AC main through the adjacent backyards, and allowing for better connectivity of the new well to the distribution system.

2014 Meter Retrofit Project

The District's contractor, Flowline Contractors, is currently wrapping up the 2014 project. Flowline is approximately 98% complete with only 13 additional services still to be metered in late-December/early-January.

2015 Meter Retrofit Project

The bid opening for the 2015 project was held on December 11, 2014. Bids were received from four contractors. The bids ranged from \$1,418,275 to \$1,979,700. The apparent low bid was from Flowline Contractors, Inc. Flowline was the District's meter retrofit contractor in 2014. Staff has reviewed the bid results and awarded this project to Flowline Contractors. Notice to Proceed will be issued to Flowline effective on January 1, 2015. For more detailed information, see a separate staff report.

iii. Other Projects

Antelope Pump Back Project

Notice to Proceed was issued to W.M. Lyles on December 10, 2014. A pre-construction meeting with W.M. Lyles was held on December 15, 2014. Because this project is partially grant funded, the District's labor compliance consultant, DCM Group, also attended this meeting. W.M. Lyles is putting together final cost estimates for possible Value Engineering measures that were proposed to realize potential cost savings. These items include, but are not limited to, eliminating the permanent standby generator, changing two flow meters from mag meters in large concrete vaults to direct bury mag meters, and changing manufacturers for the two variable frequency drives (VFD) for the larger pump back pumps.

Note that at the December 2014 Board meeting, Director Thomas asked about the SMUD power meter to be installed as part of the project and, since there are plans to potentially install a small in-conduit turbine at this facility, whether it would make sense to ask SMUD to install a "net metering" type of power meter now rather than later. This type of meter would potentially allow the District to send any surplus power back into SMUD's power distribution grid. Engineering Manager John Valdes posed this question to Mr. Ryan Nakano, Engineering Designer in the Design & Construction Services Division at SMUD. Mr. Nakano will have to discuss this with other staff at SMUD and has promised to get back to the District with an answer in early January.

b. County and City Projects/Coordination

County of Sacramento – 2014 AC Overlay Project

This project is completed and has been accepted by the County of Sacramento.

In addition, there are several Sacramento County and/or City of Citrus Heights projects on file. These projects are in various stages of design ranging from A-Plans to C-Plans. C-Plans are projects that are approved for construction or are under construction.

c. McClellan Business Park
Nothing new to report.

d. Developer Projects

General

The updated project list for 2014 has not changed from last month. There are approximately 44 projects in various stages of the approval process within the District. The majority of these are commercial projects. Currently there are 35 projects approved for construction, 17 of which have started or are under construction, and 18 that are scheduled, but have not provided the required deliverables prior to start of construction.

Total fees collected to date for CY 2014 remain at approximately \$183,864, of which facilities development charges accounted for approximately \$140,535.

Easements

▪ 1020 Jonas Avenue

An easement is needed through the backyard of one of the lots in this development to connect (or loop) to an existing District water main. This easement was pulled from the October Board meeting with direction to staff to try to obtain a 20 foot easement rather than the proposed 10 foot easement in the backyard of one of the lots. The proposed easement has two segments to it; one on the western side of the lot and the other on the southern side of the lot. Various options have been discussed with the developer. In order to exhaust all feasible options, a meeting with the developer is being scheduled for mid-January when the District's plan reviewer, Associate Engineer David Espinoza, returns from vacation. It is anticipated that a proposal for resolution of this easement issue will be brought before the Board at the February 2015 Board meeting.

e. Other

North Highlands Community Planning Advisory Council (CPAC)

The regular North Highlands CPAC Meeting was held on December 23, 2014. Staff did not attend as the only item on the agenda was consideration of a residential use permit to legalize an existing accessory dwelling on 1.05 acres in the AR-1 (Agricultural-Residential) zone.



Agenda Item: 5

Date: December 29, 2014
Subject: Human Resources Quarterly Report
Staff Contact: Lynne Yost, Human Resources Coordinator

1. Current Statistics

Number of Full Time Employees:	62
Number of Temporary Employees:	7

Current temporary employees include three water conservation representatives, two engineering interns, one meter retrofit intern and one office assistant.

2. Completed/Ongoing Work of Note

- a) Completed hiring process and orientations for two new hires: Distribution Operator Jeffrey Lamson and Environmental Compliance Supervisor David Armand.
- b) Updated medical and dental benefit costs in ADP human resources and payroll program.
- c) Completed 2015 benefit costs and deductions payroll report.
- d) Discontinued the medical expense Flexible Spending Account (FSA) plan effective 1/1/15 as recommended by the Finance Director and General Manager due to issues related to compliance with HIPAA privacy and security rules; the childcare expense and medical premium-only payment plans will continue to be offered.
- e) Added a provision to the District's AIG Valic deferred compensation plan as approved by the General Manager to allow unforeseen emergency withdrawals; this provision was added at no cost to the District and is a standard option under most Valic plans.
- f) Confirmed 2015 cost increases in DOT and pre-employment medical exams as approved by the General Manager; the DOT cost increase is due to changes in the law requiring new online reporting and certification requirements for qualified DOT examiners; the pre-employment exam cost increase with the District's current provider, Sutter Occupational Health, was approved after reviewing other local clinic charges for the Occu-Med exam and reviewing procedures recommended by ACWA/JPIA.
- g) Completed updated evaluation form for introductory employees; finalizing revised Performance Evaluation form after evaluator and management staff discussion and review.
- h) Confirmed harassment prevention training completed for all staff with supervisory and/or oversight responsibilities.
- i) Continuing to work with management staff on drafting new Alternate Staffing Worksheet for Assistant and Associate Engineer positions, and updating current worksheets for Distribution Operator, Production Operator and Water Conservation Technician positions.
- j) Continuing to work with operations staff on updating mandated training matrixes for individual departments.



Agenda Item: 6

Date: December 19, 2014

Subject: Upcoming Policy Review – Investment Policy (PL - Fin 003)

Staff Contact: Daniel A. Bills, Finance Director

Discussion:

Included with this report is the updated Investment Policy (PL – Fin 003) for the Board’s review and comment. The District’s Investment Policy was recently revised in November 2014, but is being brought back early at the request of Director Schild who is requesting the addition of “Supranationals” as a permitted investment in the District’s portfolio. In addition to the inclusion of Supranationals as permitted investments, a few minor technical changes are also recommended by staff.

California Government Code (Code) Section 53600, et seq. provides the legal authority for the types of investments in which the District is permitted to invest. Newly added section 53601 (q) permits investing in “Supranationals” as of January 1, 2015 in amounts not to exceed 30% of the District’s portfolio. Although permitted by law, the District, however, does not include in its investment policy all legally permitted investment types unless there is an express understanding by staff and the District’s investment advisors of the risks and rewards of each investment and an ability to manage those risks and rewards. As Supranational institutions have been around for some time and have successfully navigated the economic upheavals of the past decade, adding the option of investing in Supranationals to the District’s portfolio is acceptable to staff.

As summarized by the California State Treasurer’s Office, Supranationals are international institutions that provide development financing, advisory services and/or other financial services to their member countries to achieve an overall goal of improving living standards through sustainable economic growth. A supranational entity is formed by two or more central governments to promote economic development for the member countries. Supranational Institutions finance their activities by issuing bond debt and are usually considered part of the sub-sovereign debt market. Some well-known examples of AAA supranational institutions are:

1. The World Bank
2. International Finance Corporation
3. Inter-American Development Bank
4. European Bank for Reconstruction and Development
5. African Development Bank
6. Asian Development Bank
7. Council of Europe

8. European Investment Bank
9. Nordic Investment Bank

Supranational institutions sell their bonds on local markets of member countries and in the Eurobond market.

Supranationals are considered a prudent investment vehicle as they are:

1. Triple-A rated
2. 0% risk weighting with Basle II and III
3. Financial strength based on –
 - a. diversified, sovereign shareholders
 - b. conservative risk management
 - c. quality loan portfolio (preferred creditor status)
 - d. substantial liquidity and consistent profitability
 - e. strong capitalization
4. Issuers of US\$ global benchmarks
5. Issuers of only senior, unsecured debt
6. Some issue other instruments of possible interest to US government and official sector investors (e.g., US\$ callables, Federal Reserve Notes, etc.)
7. Benchmark bonds included in major USD and global indices

This policy will be brought before the Board for consideration at the February meeting. All director comments received by the end of business on Monday, February 9, 2015, will be included in the draft version for the February meeting.

Sacramento Suburban Water District

Investment Policy

Adopted: December 16, 2002

Revised: August 20, 2007; August 17, 2009; August 15, 2011; December 17, 2012;
November 17, 2014, February XX, 2015**100.00 Investment Authority**

In accordance with section 53600 et. seq. of the Government Code of the State of California (Government Code), the authority to invest public funds is expressly delegated to the Board of Directors for subsequent re-delegation to the Finance Director /District Treasurer. Investments by the Finance Director /District Treasurer, or his designee, pursuant to the delegation made by this Investment Policy are limited to those instruments described herein (the "Policy").

200.00 Statement of Objectives

In order of importance, four fundamental criteria will be followed in the investment program:

210.00 Safety of Principal

Investments will be undertaken in a manner which first seeks to ensure the preservation of capital in the portfolio. Each investment transaction will be entered into seeking quality in issuer and in underlying security or collateral. Market risk will be reduced by diversifying the portfolio, by limiting the average maturity of the portfolio, by limiting the maximum maturity of any one security, and by performing cash flow analyses to avoid the need to sell securities prior to maturity.

220.00 Liquidity

Investments will be made with maturity dates compatible with cash flow requirements to permit conversion to cash without a significant loss in value.

230.00 Interest Rate Risk Hedging

The District's investment portfolio will be designed with the objective of mitigating interest rate risk that arises due to adjustable-rate debt financing or other contractual arrangements, commensurate with the investment risk constraints and the cash flow characteristics of the portfolio.

240.00 Return on Investment

The District's investment portfolio will be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow characteristics of the portfolio.

300.00 Prudent Investor Standard

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing the District's funds, the Board and those to whom investment authority has been delegated shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District. This standard will be applied in all investment decisions, including those related to hedging interest rate risks associated with debt financing.

400.00 Portfolio Management

Any reference to the District's portfolio will mean the total of the cash and securities under management by the Finance Director /District Treasurer, excluding cash and securities held in escrow or in trust on behalf of the District. Any reference to the Finance Director /District Treasurer herein will include his/her designee or designees (such as a professional portfolio manager or financial advisor). The Finance Director /District Treasurer may invest in any security authorized for investment under this Policy, subject to the limitations described below:

410.00 Maturity Limitations

- a. With the exception of securities underlying repurchase agreements, ~~mortgage obligations and asset backed securities,~~ the Finance Director /District Treasurer is authorized to invest the District's fund balances to a maximum term of five years, unless a longer maturity would be warranted and has been approved by the Board at least 90 days in advance of the investment. Investment of bond proceeds held by the bond Trustee such as bond reserve funds, construction funds or funds established for the refunding and defeasance of bonds shall be subject to the applicable provisions set forth in the bond agreements, rather than the provisions of the Government Code.
- b. For certain instruments, the term of the investment is limited by market convention or as otherwise prescribed herein.

420.00 Purchase and Sale of Securities

- a. Information concerning investment opportunities and market developments will be gained by maintaining contact with the financial community together with information provided by financial advisors to the District.
- b. The purchase of any investment other than those purchased directly from the issuer will be, to the extent possible, purchases from a firm designated as a Primary Dealer (dealers) by the Federal Reserve Bank of New York.
- c. All dealers will be required to provide confirmations of all purchases or sales directly to the Finance Director /District Treasurer.
- d. Initially, and when there are material changes to this Policy, the Finance Director /District Treasurer will transmit a copy of the current Policy to its professional portfolio manager or financial advisor, requiring them to return a signed statement indicating receipt and understanding of the Policy.
- e. When practicable, the Finance Director /District Treasurer will solicit more than one quotation on each trade. Investment trades will be awarded on a competitive bid basis.
- f. Prohibited investments include inverse floaters, range notes, interest-only strips derived from a pool of mortgages (Collateralized Mortgage Obligations), and any security that could result in zero interest accrual if held to maturity. (Zero interest accrual means the security has the potential to realize zero earnings through its maturity.)
- g. If the District uses a professional portfolio manager, the portfolio manager may use its own list of approved brokers, dealers, and financial institutions to conduct security transactions on behalf of the District subject to the provisions of Government Code section 53601.5.

430.00 Exchange of Securities

An exchange of securities is a shift of assets from one instrument to another and may be done for a variety of reasons, such as for interest rate risk hedging purposes, to increase yield, to lengthen or shorten maturities, to realize a profit, or to increase investment quality. In no instance will an exchange be undertaken for speculative purposes. Exchanges, to the extent practicable, will be simultaneous (same day execution of sale and purchase).

440.00 Portfolio Adjustments

- a. District portfolio percentage limitations for each category of investment are applicable only at the date of purchase. Should an investment percentage of portfolio limitation be exceeded due to an incident such as a fluctuation in portfolio size, the affected securities may be held to maturity, if deemed necessary, to avoid losses.
- b. When no loss is indicated, the Finance Director /District Treasurer will consider restructuring the portfolio basing his/her decision in part on the expected length of time the portfolio will be imbalanced.
- c. In the event a security held by the District is subject to a ratings change that brings it below the minimum ratings specified in this Policy, the Finance Director /District Treasurer shall notify the Board of the change. The course of action to be followed will be decided on a case-by-case basis, subject to Board approval, considering such factors as the reason for the ratings drop, prognosis for recovery or further ratings drops, and the market price of the security.
- d. The Finance Director /District Treasurer may at any time further restrict the securities approved for investment as deemed appropriate.

450.00 Safekeeping

- a. All securities transactions, including collateral, for repurchase agreements entered into by the District will be conducted on a delivery versus payment (DVP) basis.
- b. Securities will be held in safekeeping pursuant to a safekeeping agreement by an independent custodian, which does not act as a principal or secondary broker-dealer.
- c. All financial institutions which provide safekeeping services for the District will be required to provide reports or safekeeping receipts directly to the Finance Director /District Treasurer to verify securities taken into their possession.
- d. A counterparty bank's trust department or separate safekeeping department may be used for physical delivery of a security. The security must be held in the District's name.

500.00 Authorized Investments

The following are types of securities that may be purchased subject to the limitations specified. A summary of these security types and the limitations on the percentage of portfolio is shown in Appendix A.

501.00 U.S. Government, Agencies, and Government Sponsored Enterprises

- a. Investments in U.S. Treasury obligations will not be subject to any limitations. Purchases may be affected through the Federal Book Entry System which includes acceptance of a Federal Reserve receipt on behalf of the District.
- b. Investments in direct obligations of federal agencies guaranteed by the U.S. Government will not be subject to any limitations. (See Appendix B.)
- c. Investments in federal agency obligations not explicitly guaranteed by the U.S. Government will not be subject to any limitations. (See Appendix B.)
- d. Investments in government sponsored enterprise obligations not explicitly guaranteed by the U.S. Government will not be subject to any limitations. (See Appendix B.)

502.00 Municipal Obligations

- a. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency
- b. Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California

503.00 Bankers' Acceptances

Restrictions are as follows:

- a. Investments in prime bankers' acceptances will not exceed 40 percent of the portfolio in effect immediately after any such investment is made.
- b. No more than 5 percent of the total portfolio may be invested in the securities of any one non-government issuer regardless of security type.
- c. Eligible bankers' acceptances will be rated in the highest short-term ratings category by a nationally recognized statistical rating organization (NRSRO).
- d. The maximum maturity will be limited to 180 days.

504.00 Negotiable Certificates of Deposit

Restrictions are as follows:

- a. Investments in negotiable certificates of deposit will not exceed 30 percent of the total portfolio in effect immediately after any such investment is made.
- b. No more than 5 percent of the District's portfolio may be invested in the securities of any one non-government issuer regardless of security type.
- c. To be eligible, a certificate of deposit must be issued by a nationally or state-chartered bank, a state or federal savings and loan association or savings bank, or a federally- or state-licensed branch of a foreign bank.
- d. Eligible negotiable certificates of deposits will be rated "A" long-term or "A-1" short-term, or its equivalent, or better by at least one NRSRO.
- e. The investment will not exceed the Districts' equity in any depository bank. For the purpose of this constraint, shareholders' equity will be deemed to include capital notes and debentures.
- f. The investment will not exceed the total of the net worth of any depository savings and loan association, except that investments up to a total of \$500,000 may be made to a savings and loan association without regard to the net worth of that depository, if such investments are insured or secured as required by law.
- g. The District's Board and the Finance Director /District Treasurer or other official of the District having legal custody of the moneys are prohibited from investing District funds, or funds in the custody of the District, in negotiable certificates of deposit issued by a state or federal credit union if a member of the District's Board, or a person with investment decision making authority at the District also serves on the board of directors of the credit union, or any committee appointed by the credit union board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.
- h. The maximum maturity will be limited to five years.

505.00 Commercial Paper

Restrictions are as follows:

- a. Only commercial paper of prime quality of the highest ranking or of the highest letter and numerical rating, at the time of purchase, as provided by Moody's Investors Services or Standard & Poor's Corporation, may be purchased.

- b. Investment of the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):
 - (1) The entity meets the following criteria:
 - a. Is organized and operating in the United States as a general corporation.
 - b. Has total assets in excess of five hundred million dollars (\$500,000,000).
 - c. Has debt other than commercial paper, if any, that is rated “A” or higher by a nationally recognized rating service.
 - (2) The entity meets the following criteria:
 - a. Is organized within the United States as a special purpose corporation, trust, or limited liability company.
 - b. Has program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.
 - c. Has commercial paper that is rated “A-1”, its equivalent, or higher, by a nationally recognized rating service.
- c. Investments in commercial paper will not exceed 25 percent of the District’s portfolio.
- d. Each investment will not exceed 270 days maturity.
- e. No more than 10 percent of the outstanding commercial paper of an issuing corporation may be purchased.
- f. No more than 5 percent of the District’s portfolio may be invested in the securities of any one non-government issuer regardless of security type.

506.00 Repurchase Agreements

A repurchase agreement is a purchase of authorized securities (other than commercial paper) with terms including a written agreement by the seller to repurchase the securities on a later specified date for a specified amount. Restrictions are as follows:

- a. The percentage limit for investment in repurchase agreements will be 50 percent of the total portfolio.
- b. Repurchase agreements will be made only with primary dealers of the Federal Reserve Bank of New York or with a nationally- or state-chartered bank that has had a significant banking relationship with the District. The bank must be rated in the highest short-term ratings category by an NRSRO.

- c. Such investments will provide for purchased securities with a market value of at least 102 percent of the amount of the invested funds. The value will be adjusted not less than quarterly.
- d. Purchased securities are limited to those protected by United States Bankruptcy Code, Treasury bills, bonds and notes, or other investments that are direct obligations of or fully guaranteed as to principal and interest by the United States or any agency thereof. Zero coupon and stripped coupon instruments are not acceptable.
- e. Such investments will provide for transfer of ownership and possession of the purchased securities either to the District directly or to a custodian depository institution which will take record title and will establish and maintain a sub-account in its financial records for the securities in the District's name, and such custodian will not be the dealer from which the securities were purchased.
- f. Each repurchase agreement will have a valid and perfected first security interest therein under the California Commercial Code or pursuant to the book entry procedures described by 31 C.F.R. Part 306 and/or 31 C.F.R. Part 357.
- g. The term of a repurchase agreement may not exceed one year.

507.00 Time Deposits

For purposes of this policy, collateralized time deposits will be considered investments. The following criteria will be used in evaluating financial institutions and form of collateral to determine eligibility for deposits:

- a. Must have been in existence for at least five years.
- b. Must have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities. Eligibility for deposits will be limited to those financial institutions that have a branch in the State of California and maintain a rating equivalent to Thompson BankWatch Service of "B" or better. Credit requirements may be waived for a time deposit that is federally insured.
- c. The deposit will not exceed the shareholders' equity of any depository bank. For the purpose of this constraint, shareholders' equity will be deemed to include capital notes and debentures.
- d. The deposit will not exceed the total of the net worth of any depository savings and loan association, except that deposits not exceeding a total of \$500,000 may

be made to a savings and loan association without regard to the net worth of that depository, if such deposits are insured or secured as required by law.

- e. Deposits must be insured up to the FDIC's current limit. For uninsured deposits, the financial institution will maintain in the collateral pool securities having a market value of at least 10 percent in excess of the total amount deposited. The District, at its discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. The District shall have a signed agreement with any depository accepting District funds. Promissory notes secured by real estate mortgages or deeds of trust are not acceptable as collateral.
- g. When other factors are equal, appropriate consideration will be given to a financial institution that either individually or as a member of a syndicate bids on or makes a substantial investment in the District's securities, contributes service to the District, and offers significant assistance to the District, so as to provide for distribution of total deposits among eligible financial institutions.
- h. Purchased time deposits will be limited to a maximum maturity of one year.

508.00 Medium-Term Notes

Restrictions are as follows:

- a. Investment in medium-term notes are limited to corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
- b. Notes eligible for investment under this subdivision will be rated "A" or better by at least one NRSRO.
- c. Purchases of medium-term notes may not exceed 30 percent of the District's portfolio.
- d. Purchases of medium-term notes will be limited to a maximum maturity of five years.

509.00 Mortgage Obligations and Asset Backed Securities

The District may invest in any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond.

Restrictions are as follows:

- a. A maximum of five years to maturity.
- b. Securities eligible for investment must be rated in a rating category of “AA” or better by an NRSRO, and issued by an issuer having an “A” or higher rating for the issuer’s debt as provided by an NRSRO~~the issuer must have a rating of “A” or higher.~~
- c. Purchase of securities authorized by this subdivision may not exceed 20 percent of the District’s portfolio.

510.00 Local Agency Investment Fund Deposits

Deposits for the purpose of investment in the Local Agency Investment Fund of the State Treasury may be made up to the maximum amount permitted from time to time by State Treasury policy.

511.00 Shares of Beneficial Interest (Money Market Funds)

The Finance Director /District Treasurer may invest, for temporary periods pending disbursement or reinvestment, in shares of beneficial interest issued by eligible diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. These companies must meet the following criteria:

- a. Attain the highest ranking of the highest letter and numerical rating provided by not less than two nationally recognized rating agencies, or retain an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years’ experience managing money market funds with assets under management in excess of \$500 million.
- b. The purchase price of the shares will not include any commission that the companies may charge and will not exceed 20 percent of the District’s portfolio.

512.00 Shares of Beneficial Interest Issued by a Joint Powers Authority (Local Government Investment Pools)

Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (o) of Government Code Section 53601, inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria: (1) The adviser is registered or exempt from

registration with the Securities and Exchange Commission. (2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (o) Government Code Section 53601, inclusive. (3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

513.00 **Supranationals**

Beginning January 1, 2015. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB).

Restrictions are as follows:

- a. A maximum of five years to maturity.
- b. Must be eligible for purchase and sale within the United States.
- c. Notes eligible for investment under this subdivision will be rated “AA” or better by at least one NRSRO.
- d. Purchases of these securities may not exceed 30 percent of the District’s portfolio.

600.00 Reporting

On a monthly basis, the Finance Director /District Treasurer will provide a report to the Board of Directors showing the holdings and investment transactions, issuers, maturity dates, par and dollar amounts invested, cash balances, amounts held by the Local Agency Investment Fund and any other amounts under the management of contracted parties.

700.00 Grandfather Clause

Any investment held by the District at the time this Policy is adopted or amended will not be sold to conform to any part of this Policy unless its sale is judged to be prudent by the Finance Director /District Treasurer.

800.00 Conflicts of Interest

The Finance Director /District Treasurer and his designees will perform duties under this Policy in accordance with sections 1090 and 1126 of the Government Code as well as any other state law referred to in this policy.

900.00 Conflicts

In the event any provision of this Policy is in conflict with any of the statutes referred to herein or any other state or federal statute, the provision of such statutes will govern.

1000.00 Policy Review

This policy shall be reviewed at least biennially.

APPENDIX A

**State Authorized Investments vs. District's Statement of
Investment Policy**

Investment Type	Maximum Maturity ⁽¹⁾	Maximum Percentage of Portfolio	Percentage By Any Issuer or Bank
U.S. Treasury Obligations:			
State Code	5 years	100	--
District Policy	5 years	100	--
Federal Agencies and Government Sponsored Enterprises:			
State Code	5 years	100	--
District Policy	5 years	100	--
Municipal Obligations:			
State Code	5 years	100	--
District Policy	5 years	100	--
Repurchase Agreements:			
State Code	1 year	100	--
District Policy	1 year	50	--
Bankers Acceptances:			
State Code	180 days	40	30
District Policy	180 days	40	5
Commercial Paper:			
State Code	270 days	25	--
District Policy	270 days	25	5
Negotiable Certificates of Deposit:			
State Code	5 years	30	--
District Policy	5 years	30	5
Medium Term Notes:			
State Code	5 years	30	--
District Policy	5 years	30	5
Time Deposits:			
State Code	--	100	--
District Policy	1 year	100	--
Mortgage Backed and Asset Backed Obligations:			
State Code	5 years	20	--
District Policy	5 years	20	--
Local Agency Investment Fund:			
State Code	N/A	⁽²⁾	--
District Policy	N/A	⁽²⁾	--

Shares of Beneficial Interest (Money Market Fund):			
State Code	N/A	20	--
District Policy	N/A	20	10
Shares of Beneficial Interest (Local Government Investment Pools):			
State Code	N/A	100	--
District Policy	N/A	100	--
<u>Supranationals:</u>			
State Code	<u>5 years</u>	<u>30</u>	--
District Policy	<u>5 years</u>	<u>30</u>	--

Note: For funds established by Indentures of Trust, the provisions of such Indentures will govern investments.

- (1) California Government Code provides authority to the Board to permit maturities beyond five years with certain restrictions. The current Policy provides for maturities longer than five years for funds established by Indentures of Trust.
- (2) Maximum allowed by LAIF is \$50 million for general reserve funds. There is no limit for bond-proceed funds.

APPENDIX B

Securities of Government-Sponsored Enterprises, Agencies and International Institutions

<u>Issuer</u>	<u>Explicit U.S. Govt. Guarantees</u>	
Agency for International Development	(AID)	Yes
Export-Import Bank		Yes
Farmers Home Administration	(FmHA)	Yes
Federal Housing Administration	(FHA)	Yes
Financial Assistance Corporation	(FAC)	Yes
General Services Administration	(GSA)	Yes
Private Export Funding	(PEFCO)	Yes
Small Business Administration	(SBA)	Yes
U.S. Department of Housing & Urban Development	(PHAs)	Yes
U.S. Maritime Administration		Yes
Veterans Administration	(VA)	Yes
Washington Metropolitan Area Transit		Yes
Government National Mortgage Association	(GNMA)	No
Federal Farm Credit Bank	(FFCB)	No
Federal Home Loan Bank	(FHLB)	No
Federal Home Loan Mortgage Corporation	(FHLMC)	No
Federal National Mortgage Association	(FNMA)	No
Financing Corporation	(FICO)	No
Resolution Funding Corporation	(Refcorp)	No
Tennessee Valley Authority	(TVA)	No
U.S. Postal Service	(USPS)	No
World Bank	(WB) (IBRD)	No



Agenda Item: 7

Date: January 5, 2015

Subject: Financial Markets Quarterly Report

Staff Contact: Daniel A. Bills, Finance Director

Summary of District's Debt Portfolio:

Debt	Original Par	Outstanding	Issuance	Credit Enhancement	Final Maturity
2009A	\$ 42,000,000	\$ 42,000,000	Adjustable Rate Revenue COP's	Sumitomo Bank*	11/1/2034
2009B	\$ 36,155,000	\$ 27,915,000	Fixed Rate Revenue COP's		11/1/2028
2012A	\$ 29,200,000	\$ 23,440,000	Fixed Rate Revenue Bond		11/1/2027
	<u>\$107,355,000</u>	<u>\$ 93,355,000</u>			

* Credit enhancement expires 6/30/2015

Current Status of District's Variable-Rate Debt Portfolio:

Debt	Outstanding	Credit Enhancement	Bank Owned	Sold in Market	Market Rate
2009A	\$42,000,000	Sumitomo Bank LOC	None	\$42,000,000	0.03%
	Notional Amount	Counterparty	FMV	Receive Rate	Fixed Rate
Swap	\$33,300,000	Wells Fargo Bank, N.A.	(\$7,497,354)	0.2734%	3.283%

Current Status of District's Investment Portfolio (December 31, 2014):

Outstanding (Fair Market Value)	Security Type	Yield
\$ 842,148	LAIF	0.26%
	Certificates of Deposit	*
	Corporate Notes	*
	Agency Securities Bonds/Notes	*
	Municipal Bonds	*
	Treasury Bonds/Notes	*

* Information not available at time of printing. Information from Investment Advisor is typically available by the second business week of the month.

Market:

Listed below is the most recent market summary provided by the District's Investment Portfolio Advisor (PFM Asset Management):

Current Bond Markets

- Bond yields were relatively stable for most of November before moving lower in the last week of the month on weaker economic data and a collapse in oil prices. The yield curve flattened, as longer maturity yields fell the most. Long-dated Treasuries generated very strong returns for the month.
- Agency and corporate spreads were mixed, depending on maturity and quality. Agency spreads five years and less narrowed, while longer Agency spreads widened. Corporates rated BBB and below exhibited spread widening, which caused performance to lag.
- Despite strong new issuance, higher-rated corporate bond spreads mostly narrowed in November, providing outperformance for intermediate maturities. Year to date, the corporate sector has strongly outperformed Treasuries and Agencies, as U.S. economic conditions have remained supportive of corporate fundamentals.
- Yields in the money market space remained relatively stable. New bank capital and liquidity rules continued to constrain the supply of high-quality, short-duration investments.

PFM Outlook – Short-Term

- November saw a continuation of recent market trends: improving domestic economic data contrasted against the headwinds of global uncertainty. We continue to monitor what impact this will have on the timing and pace of future FOMC policy actions and interest rate expectations.
- Because the U.S. labor market has continued to improve and broad inflation measures have recently ticked modestly higher—indications that the Federal Reserve (Fed) is near to achieving its dual mandate of maximum employment and stable prices—the market expects rates to eventually trend higher. As a result, we are positioning longer portfolios with durations that are modestly defensive.
- We continue to favor high-grade corporate issues across the yield curve, as well as intermediate- and longer-maturity Federal Agencies. We are also modestly adding to our allocations of MBS and asset-backed securities (ABS).
- Short-term yields remain anchored by the combination of a near-zero federal funds rate and diminishing supply of high-quality investments. The Fed announced an increase in its overnight reverse repo rate to 0.1%, which may put modest upward pressure on very short-term rates. As the near-term outlook for short-maturity rates remains relatively stable, we continue to favor slightly longer maturities in the money market space.

(Source: PFMAM Nov 2014 Monthly Market Review).

Debt Portfolio:

The District's debt portfolio is now primarily fixed-rate debt, with such issuances representing 55% of the District's portfolio. And while the District's exposure to market conditions has been reduced, the District is exposed to interest rate risk primarily on the un-hedged portion of its variable-rate COP, representing \$8.7 million. Such risk is managed by the District through adherence to the District's Reserve Policy that addresses the management of interest rate risk through prudent investing of reserves in short-term securities in an amount at least equal to the un-hedged debt exposure on the variable-rate COP.

Investment Portfolio:

In this market environment, the investment objective is to position portfolio durations modestly short of benchmarks while underweighting longer maturities with a bit more emphasis on shortening than in recent months.



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Agenda Item: 8

Date: January 5, 2015

Subject: Year-to-Date Interest Expense Quarterly Report

Staff Contact: Daniel A. Bills, Finance Director

Interest expense consists of: 1) interest paid to bondholders, 2) letter-of-credit facility fees, 3) remarketing fees, 4) arbitrage rebate liabilities, and 5) net SWAP interest.

For 2014, the District incurred interest expense of \$3,859,206 versus a forecast of \$3,950,000, or a \$90,794 positive variance. The combination of the municipal bond markets continuing to remain stable with debt trading at or near historic lows and the “receive-rate” on the interest rate swap exceeding interest expense on variable-rate debt have led to the positive results.

DRAFT

**Sacramento Suburban Water District
Interest Expense
2014**

DRAFT

	<u>A</u> 2014 Debt Interest FORECAST	<u>B</u> 2014 Actual Debt Service Cost	<u>A - B</u> 2014 DIFFERENCE	2014 CUMULATIVE YTD DIFFERENCE
2014				
January	\$ 329,100	\$ 326,857	\$ 2,243	\$ 2,243
February	329,100	338,780	(9,680)	(7,437)
March	329,300	307,325	21,975	14,538
April	329,100	302,930	26,170	40,708
May	329,100	305,146	23,954	64,663
June	329,300	350,128	(20,828)	43,834
July	329,100	317,699	11,401	55,235
August	329,100	284,604	44,496	99,731
September	329,300	350,204	(20,904)	78,827
October	329,100	342,727	(13,627)	65,200
November	329,100	287,174	41,926	107,126
December	329,300	345,632	(16,332)	90,794
TOTAL 2014	<u>\$ 3,950,000</u>	<u>\$ 3,859,206</u>	<u>\$ 90,794</u>	



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Agenda Item: 9

Date: January 6, 2015

Subject: 2014 Final Budget Reallocations

Staff Contact: Daniel A. Bills, Finance Director

Discussion:

CIP Budget Reallocations

At budget adoption, the Board authorizes “the General Manager to adjust and/or reallocate amongst the project type cost categories as necessary within the total CIP Budget amount.” Recently, the General Manager authorized transfers between various projects as described in Exhibit 1. The total CIP budget of \$20,955,000 is unchanged.

OCB Budget Reallocations

Similar to the CIP budget, the Board authorizes “the General Manager to adjust and/or reallocate amounts amongst the project type cost categories as necessary during the budget year within the total OCB Budget amount.” Necessary reallocations related primarily to seven projects as listed below and discussed in greater detail in Exhibit 2. The total OCB budget of \$944,000 is unchanged.

The projects are:

IT Refresh Program - MS Tablets (4) – Hardware planned for purchase in 2015 bought in 2014 to allow for purchase of CIS Software Conservation Module that was not completed by the vendor in 2014. 2015 budget will be reduced and funds reallocated to CIS Software Conservation Module Project accordingly. The cost was \$6,500.00.

AWWA Standards – Historically, staff has been utilizing hard copies of the AWWA Standards kept in two sets of binders, one housed at Walnut and the other at Marconi. The current version of the Standards is on CD. The cost was \$5,600.00.

Landscaping at Walnut Office – Due to the drought much of the underlying groundcover at the Walnut Corporation Yard has thinned considerably exposing bare soil. Further erosion is causing storm drain backup. New mulch has been installed. The cost was \$10,200.00.

Exterior Lighting at Walnut Office– Existing Lighting at the Walnut Corporation Yard is high pressure sodium or quartz halogen which is expensive to operate. All exterior lighting was retrofitted with low energy LED fixtures. Energy savings are estimated to recoup costs in 1.6 years and 86 tons of carbon emissions are expected to be reduced annually. The cost was \$23,000.00.

Office Furniture– Two chairs replaced in Customer Service. The cost is \$1,600.00.

Fire Service Backflow at Walnut Office– The 4” Fire Service Backflow device at the Walnut Corporation Yard recently failed its annual test and cannot be repaired. A new device was installed. The cost was \$2,200.00.

NPDES Field Monitoring Equipment– Purchase of pH Meters and Turbidity Meters required for field monitoring of specific discharges under the new SWRCB Statewide NPDES Permit. The cost was \$8,000.00.

Strategic Plan Alignment:

Finance – 4.H. Produce and monitor an annual budget for necessary system operations, maintenance and improvements.

EXHIBIT 1 - CY2014 CIP Budget Transfers

Project Number	Project Name	Original or Reallocated Budget Estimate	Reallocated Amount	Current Budget Estimate	Reason for Transfer
SC14-007	Groundwater Monitoring/Modeling	\$210,000	(\$180,000)	\$30,000	One of the two proposed groundwater monitoring wells had to be relocated, thereby delaying the project. Construction of the groundwater monitoring wells and related water quality sampling/testing will now occur in 2015.
SC14-012	Well Replacement	\$698,000	(\$300,000)	\$398,000	Start of construction of the new Rutland Well (#N39), and corresponding construction management, was delayed until late-December 2014 as the result of the drought and well drilling contractors being backlogged with work.
SC14-019	Distribution Main Extensions/Improvements/Interties	\$750,000	\$450,000	\$1,200,000	Additional small main replacement and/or extension projects became a higher priority due to operation and maintenance issues.
SC14-024	Meter Retrofit Program – District Funded	\$1,950,000	\$150,000	\$2,100,000	Meters that were not installed in previous years due to various complications were added to this year's contract.
SC14-024A	Voluntary Meter Retrofit Program	\$75,000	\$15,000	\$90,000	More voluntary meters have been installed this year as compared to past years.
SC14-027	Distribution Main Major Repairs	\$350,000	\$100,000	\$450,000	A couple of large main leaks that caused significant damage have resulted in a need for increased funds in this account.
SC14-034	Corrosion Control and Reservoir and Tank Painting/Coating, Upgrades and Improv.	\$150,000	(\$100,000)	\$50,000	Less painting and cathodic protection work has been required this year as compared to past years.
SC14-035	Professional/Special Services	\$200,000	(\$50,000)	\$150,000	Due to hiring an in-house engineer, the need for professional services has been less this year as compared to prior years.
SC14-039	Fire Hydrant	\$100,000	\$50,000	\$150,000	As a result of the District's preventative maintenance program

December 31, 2014

	Replacement/Rehab./ Additions				more fire hydrant repairs and/or replacements have been required this year as compared to past years.
SC14-040	Engine Generator Compliance	\$75,000	(\$45,000)	\$30,000	No engine generators required replacement or engine overhauls in 2014.
SC14-041	Permitting for Operation of Aquifer Storage and Recovery (ASR) Wells	\$90,000	(\$90,000)	\$0	This project is deferred pending the outcome of SGA's Regional Tools Assessment project which will evaluate the best groundwater model for the region.
Total		\$4,648,000	\$0	\$4,648,000	

EXHIBIT 2 – 2014 OCB Budget Transfers

Project Number	Project Category	Original or Reallocated Budget Estimate	Reallocated Amount	Current Budget Estimate	Reason for Transfer
SF14-278	Customer Information System Software	\$255,000	(\$70,000)	\$185,000	The CIS Software System (TruePoint) Conservation Module is still in process of development for the District. Remaining budget transferred to desktop, laptop, server and tablet refresh programs for 2015 (Projects SF14-305, 306, 307 and 326.)
SF14-290	Remove Asbestos Material at Well Sites	\$58,000	(\$42,200)	\$15,800	A portion of the funds for the 2013 Asbestos Removal Project were budgeted in 2014 as it was assumed the project may carry in to 2014. Project was fully completed in 2013.
SF14-291	Asphalt Repair/Replacement at Well Sites	\$30,000	(\$14,000)	\$16,000	Budget monies available due to unforeseen circumstances and cold weather affecting asphalt repair at certain well sites.
SF14-292	NSA Flow Meters and Valve Relocations	\$61,000	\$29,000	\$90,000	Budget increased due to the addition of an additional well site to the project.
SF14-293	Production Meter Replacements - Magmeters	\$30,000	(\$1,100)	\$28,900	Actual costs came in lower than expected, remaining budget transferred to Weir Tank Cover Project (SF14-295.)
SF14-294	Chemical feed system replacements	\$76,000	(\$11,140)	\$64,860	Actual costs came in lower than expected, remaining budget transferred to other projects.
SF14-295	Covers for Weir Tank	\$15,000	\$1,100	\$16,100	Weir Tank Cover actual costs more than expected.
SF14-300	ICS 16" Diamond Wet Chain Saw	\$5,000	(\$1,000)	\$4,000	Actual costs came in lower than expected, remaining budget transferred to other projects.
SF14-305	IT Refresh Program – 6 Desktops	\$10,400	\$9,100	\$19,500	Hardware planned for purchase in 2015 bought in 2014 to allow for purchase of CIS Software Conservation Module that was not completed by the vendor in 2014. 2015 budget will be reduced and funds reallocated to CIS Software Conservation Module Project accordingly.

December 31, 2014

SF14-306	IT Refresh Program – 7 Laptops	\$12,900	\$15,100	\$28,000	Hardware planned for purchase in 2015 bought in 2014 to allow for purchase of CIS Software Conservation Module that was not completed by the vendor in 2014. 2015 budget will be reduced and funds reallocated to CIS Software Conservation Module Project accordingly.
SF14-307	IT Refresh Program – 3 Servers	\$45,000	\$42,900	\$87,900	Hardware planned for purchase in 2015 bought in 2014 to allow for purchase of CIS Software Conservation Module that was not completed by the vendor in 2014. 2015 budget will be reduced and funds reallocated to CIS Software Conservation Module Project accordingly.
SF14-308	ESRI & CityWorks Modification	\$25,000	\$10,000	\$35,000	Additional funds needed to allow the District's USA software to integrate with its Service Order Software.
SF14-311	New Accounting Software Assessment	\$8,200	(\$4,200)	\$4,000	This project was primarily deferred and re-budgeted to 2015.
SF14-312	Antelope Monitoring System	\$5,000	(\$5,000)	\$0	This project was deferred and re-budgeted in 2015.
SF14-313	Inventory Scanner & Software	\$10,000	(\$10,000)	\$0	This project was deferred and re-budgeted in 2015. Remaining budget transferred to ESRI & City Works Modification Project (SF14-308.)
SF14-314	Improvements to Labor Tracking System	\$5,660	(\$5,660)	\$0	This project was deferred and re-budgeted in 2015.
SF14-326	IT Refresh Program – 4 Tablets	\$0	\$6,500	\$6,500	New Project - Hardware planned for purchase in 2015 bought in 2014 to allow for purchase of CIS Software Conservation Module that was not completed by the vendor in 2014. 2015 budget will be reduced and funds reallocated to CIS Software Conservation Module Project accordingly.
SF14-327	AWWA Standards Software	\$0	\$5,600	\$5,600	New Project – Historically, staff has been utilizing hard copies of the AWWA Standards kept in two sets of binders, one housed at Walnut and the other at Marconi. The current version of the Standards is on CD.
SF14-328	Landscaping at Walnut Yard	\$0	\$10,200	\$10,200	New Project - Due to the drought much of the underlying groundcover at the Walnut Corporation Yard has thinned considerably exposing bare soil. Further erosion is causing storm drain backup. New mulch has been installed.

December 31, 2014

SF14-329	Exterior Lighting at Walnut Yard	\$0	\$23,000	\$23,000	New Project – Existing Lighting at the Walnut Corporation Yard is high pressure sodium or quartz halogen which is expensive to operate. All exterior lighting was retrofitted with low energy LED fixtures. Energy savings are estimated to recoup costs in 1.6 years and 86 tons of carbon emissions are expected to be reduced annually.
SF14-330	Office Furniture	\$0	\$1,600	\$1,600	New Project – Two chairs needed replacing in the Customer Service Area.
SF14-331	Fire Service Backflow Device at Walnut Yard	\$0	\$2,200	\$2,200	New Project – The 4” Fire Service Backflow device at the Walnut Corporation Yard recently failed its annual test and cannot be repaired. A new device was installed.
SF14-332	NPDES Field Monitoring Equipment	\$0	\$8,000	\$8,000	New Project – Purchase of pH Meters and Turbidity Meters required for field monitoring of specific discharges under the new SWRCB Statewide NPDES Permit.
Total		\$652,160	\$0	\$652,160	



Agenda Item: 10

Date: December 31, 2014

Subject: CIP Projects Quarterly Report

Staff Contact: John E. Valdes, Engineering Manager

The following report provides updates on the projects identified in the approved Capital Improvement Program (CIP). This report shows those projects included in the approved Calendar Year (CY) 2014 CIP budget and the current status of those projects. To the extent that billings and invoices have been received and processed, cost expenditures through December 29, 2014, are included in the report. Note that many invoices from consultants and/or contractors for work performed in December are still to be received and processed so this report does not reflect final CIP costs for CY 2014. However, this will be the last report generated for CY 2014 CIP projects.

A similar report will again be used throughout CY 2015 as a tool for staff to track projects internally and as a report to the Board to show the progress of individual projects and the program in total. Projects completed in prior years will no longer be shown. It is anticipated that the report will continue to be provided to the Board on a quarterly basis.

**Sacramento Suburban Water District
Calendar Year (CY) 2014
Capital Improvement Program Budget**

Project No.	Project Name	Responsible Staff	Approved and/or Amended 2014 Budget	CY14 Spent To Date (\$) (Thru 12/29/14)	Remaining Encumbered Funds (\$)	Status / Comments
PRODUCTION (SOURCE OF SUPPLY)						
SC14-007	SSWD Groundwater Monitoring and Modeling Project	John Valdes	\$30,000	\$4,751	\$91,272	[Budget revised from \$210,000 to \$30,000 via budget transfer.] The District has received a partial Prop. 84 Local Groundwater Assistance (LGA) grant from the Department of Water Resources (DWR) in the amount of \$157,135. The funded project consists of two groundwater monitoring wells and related tasks. The total estimated project cost is approximately \$207,000. Therefore, the District's local cost share is approx. \$50,000. The location of one of the two proposed monitoring wells had to be changed thereby delaying the project somewhat. The revised monitoring well locations are the site of the District's abandoned Arden/William Pond Rec. Area Well (#49) and the District's existing Eden/Root Well (#32A). B&C has completed 90% plans and specifications for construction of the monitoring wells which are under review by District staff. The monitoring wells will be constructed in early 2015.
SC14-009	Well Rehabilitation / Pump Station Improvements	See Below	\$890,000	See Below	See Below	The requested 2014 budget is similar to end of the final (adjusted) account budget for 2013 (\$1,040,000). Projects planned for CY 2014 may include, but not be limited to: well investigations/evaluations and/or rehabilitation projects for Well #N26 (Monument), #33A (Auburn/Norris), #35 (Ulysses/Mercury), #56A (Fairbairn/Karl), #73 (River Walk/NETP East) and #74 (River Walk/NETP South); rebuild two pressure vessels and replace underdrain system at Well #32A (Eden/Root); raise pump and pedestal from a pit to the ground surface at Well #2A (El Prado/Park Estates); remove and replace existing flow meters at North area PRV stations with new mag meters; install facility controls at McCBP elevated tanks for operation into distribution system; install facility controls at The Arbors PRV and Capehart elevated tank; pump-to-waste drain lines to be installed at Wells #N6 (Palm) and #N8 (Field); a new motor control center (MCC) panel to be installed at Well #2A (El Prado/Park Estates); and abandonment of Wells #57 (Larchmont/Watt), #61 (Poplar/Watt), and #N13 (Madison).
SC14-009A	Abandonment of Rubicon/Seely Well (#7) [COMPLETED]	John Valdes	Incl. Above	\$6,654	\$0	Roadrunner Drilling was hired to pull the pump/motor, perform well video and other work to abandon the well and prepare it for destruction. Total contract amount = \$3,526.50. This project is completed.
SC14-009B	Abandonment of Columbia/Fair Oaks Well (#50) [COMPLETED]	John Valdes	Incl. Above	\$0	\$0	Roadrunner Drilling was hired to pull the pump/motor, perform well video and other work to abandon the well and prepare it for destruction. Total contract amount = \$3,127.50. This project is completed.
SC14-009C	Muffler Replacement at Gas Engine Well Sites [COMPLETED]	Doug Cater	Incl. Above	\$56,177	\$8,637	The existing engine mufflers at four gas engine well sites need to be replaced. Mufflers were ordered and work at all four well sites (37, 39, 43 and 46) have been completed.
SC14-009D	Coyle Well (#N38) Minor Electrical Modifications [COMPLETED]	John Valdes / Doug Cater	Incl. Above	\$3,500	\$0	Minor electrical modifications were required at this well. These modifications consisted of adding valve position switches and a timer to allow the sodium hypochlorite chemical dosing pump to be primed. The work was performed by Prodigy Electric. The project is completed.
SC14-009E	Galbraith/Antelope Woods Well (#64) Investigation and Rehab. [COMPLETED]	Nicole Weideman / Doug Cater	Incl. Above	\$6,212	\$30,560	The well had experienced bacteriological problems. Planned work includes demolishing the existing sand drain box, pulling pump/motor, pumping oil from the top of the water column, and constructing a new (relocated) sand drain box. The sand separator box has been demolished. Roadrunner Drilling scratched the casing, perforated the casing in some areas, and video surveyed the well. Longmire was brought in to patch a hole in the casing. The pump pulled from the well would have needed to be rebuilt, due to the schedule constraints, Loewen Pump was able to use a fairly new pump from the District's abandoned Well N27 Jamestown. Loewen adapted the existing bowl to the Johnston tube and shafting to match the discharge head, and installed the pump and motor. The new sand separator box was constructed by GM Construction.
SC14-009F	2015 Well #12 Santa Anita/Hernando Improvements	Patrick Wilson / Nicole Weideman	Incl. Above	\$7,638	\$10,888	This well falls under next year's 2015 Santa Anita Phase 2 mainline replacement, and will need to have upgraded piping up to the well site. During a review of the well site it was noted that a pump-to-waste would be ideal. The Fulton/El Camino Park District is very interested in Well 12 for their ownership and is looking at possibly giving the District a new well site at Bohemian Park in exchange for the well. The Fulton/El Camino Park District has had a board meeting and agreed to move forward with determining the feasibility in this transfer for next year.
SC14-009G	South Park / Wrendale Well (#8) Access Improvements	Dave Jones / Nicole Weideman	Incl. Above	\$0	\$0	The property limits have been identified by Area West and show that the neighbor to the east is encroaching our property by 5'. The property to the north is currently using our property for a basketball court. The District needs to fence off the entire property, but there are access issues with the property being landlocked. Once the well history is looked into (WQ) to determine if the property is worth keeping for a future well, the District will move forward with addressing the property lines and easement issues. Well history has been looked into and well was shut off for WQ issues.
SC14-009H	Watt/Elkhorn Well (#31A) Investigation/Rehab [COMPLETED]	Nicole Weideman	Incl. Above	\$11,052	\$39,600	Roadrunner Drilling perforated the liner at a depth of about +/- 230 feet, cleaned/bailed/pumped out the gravel pack material between the 14-inch and the 18-inch casing above and just below the new perforation, and then redeveloped the well. After 5 days of development the Manganese levels had decreased from 4x the MCL to just above the MCL, at which point it was decided to further develop the well for an additional two days to potentially lower the levels to below the MCL. Samples were also taken to be sent to the lab to be tested total versus dissolved.
SC14-009H3	General Well Evaluation and Rehabilitation - Engineering Services	Nicole Weideman	Incl. Above	\$134,840	\$15,160	Contract amendments in the amount of \$75,000 have been issued to Brown and Caldwell (B&C) for continued well evaluation and rehabilitation engineering and hydrogeological services in 2014. Wood Rodgers is also still under contract for similar services.
SC14-009I	Air Conditioning Replacement MCC Panel (N10) [COMPLETED]	Doug Cater	Incl. Above	\$8,747	\$0	Replacement AC Unit for Well #N10 Walnut. Work has been completed.
SC14-009J	New VFD Pump at Auburn Yard Well (#40A)	Nicole Weideman	Incl. Above	\$13,655	\$23,454	The VFD has been ordered. Due to winter storms and the need to keep the well online, the work will occur in early 2015. Tesco Controls will install the VFD and perform the necessary PLC and SCADA programming. Brower will furnish and install the AC unit for the VFD, and a shade structure will also be installed. The project will stay within the grant budget of \$46,000 with \$23,000 payback.
SC14-009K	Investigation/Rehab - Well #45, Jamestown/ Middleberry - Pull Pump, Video Well, Raise Pedestal	Nicole Weideman	Incl. Above	\$10,379	\$0	Due to bacteriological hits, the pump at Well 45 needs to be pulled and have the oil removed off the top of the well water, and have the well video surveyed as part of routine maintenance. The work will also include raising the pedestal to comply with the County's 18" requirement, and reconfiguring of discharge piping and installation of new flow meter. Given the tight constraints in the pump building, it was determined the best course of action was to destroy the portion of the building that enclosed the pump and the chemical room, leaving only the motor room. The building destruction has been completed and the pump investigation/rehab will occur in 2015.

**Sacramento Suburban Water District
Calendar Year (CY) 2014
Capital Improvement Program Budget**

Project No.	Project Name	Responsible Staff	Approved and/or Amended 2014 Budget	CY14 Spent To Date (\$) (Thru 12/29/14)	Remaining Encumbered Funds (\$)	Status / Comments
SC14-009K1	Well #N36, Verner – Remove Pump, Video Well, and Complete Physical and Chemical Treatment [COMPLETED]	Doug Cater	Incl. Above	\$10,766	\$0	Roadrunner Drilling finished fabricating the below-pump packer ("swab") and installed it on February 5th. Initial testing of manganese showed levels in the range of 0.2 mg/L which is four times higher than the MCL. Roadrunner continued pumping throughout the day on February 6th at a higher flow rate but the manganese level was still up around 0.2 mg/L. It does appear that the upper screened section has been isolated because the PWL had dropped considerably. Ken Worster/B&C recommended additional test pumping but this was complicated by an NPDES permit requirement that the chlorine residual be tested every 10 minutes. Staff started test pumping in the morning on March 13th and the test pumping was completed in the afternoon on March 14th (approximately 32 hours later). The manganese levels dropped to twice the MCL. Additional test pumping was recommended. Staff was able to get an amendment to the existing NPDES permit to allow test pumping without testing the chlorine residual every 10 minutes. Staff pumped the well from June 18-20 and 23-25 testing the manganese and iron levels twice a day. The average manganese level (0.10) is still above the MCL (0.05). After lowering the pumping rate to the very minimum (550 gpm) the manganese levels dropped to 50% of the MCL. Staff is drafting a request to DDW to allow operation of the well not to exceed 550 gpm with quarterly monitoring until a treatment plant can be constructed.
SC14-009L	Well N13, Madison - Well Destruction [COMPLETED]	Nicole Weideman	Incl. Above	\$491	\$54,890	A well Destruction Memo was prepared and approved. Well destruction has been completed. As part of the destruction of this well, a portion of the nearby waterlines and valves need to be abandoned as well as some above ground facilities associated with the discharge piping into the system. Once all work was completed, the fencing around the lot was removed, the area was hydroseeded and the lot was turned back over to the School District.
SC14-009M	Well 57, Larchmont/Watt - Well Destruction [COMPLETED]	Nicole Weideman	Incl. Above	\$3,737	\$30,790	A well Destruction Memo was prepared and approved. Well destruction has been completed. As part of the destruction of this well, the existing piping to the well site needed to be removed and the contractor straightpiped all connection points to the well.
SC14-009N	Well 61, Poplar/Watt - Well Destruction [COMPLETED]	Nicole Weideman	Incl. Above	\$15,627	\$0	A well Destruction Memo was prepared and approved. Well destruction has been completed.
SC14-009O	Investigation/Rehab – Well #23, Marconi North/Fulton - Pull Pump, Video Well, Raise Pedestal	Nicole Weideman	Incl. Above	\$379	\$0	Requests for quotes out to Kirby Pump and Loewen Pump to pull pump at Well 23, remove the oil off the top of the well water, and have the well video surveyed as part of routine maintenance. Work will also include raising pedestal to comply with 18" requirement, and reconfiguring of discharge piping and installation of new flow meter. Due to schedule constraints on the contractors and coordination with SMUD to alley arm the overhead lines, the pump investigation work will occur in 2015.
SC14-009O1	Well #13, Calderwood / Marconi – Pull Pump and Perform Video Survey [COMPLETED]	Nicole Weideman	Incl. Above	\$210,278	\$19,750	A full-depth liner was installed inside the well casing, however, the recent rehabilitation activities (cleaning and liner installation) destabilized the open hole portion of the well. After a gravel plug was installed by Eaton, the modified well was test pumped and developed. However, the well was producing sand. The well was test pumped as high as 1,000 gpm with no sand but when the pumping rate was reduced to 600 gpm, the sand came back. Eaton removed the new inner casing, capped its bottom, and reinstalled it with a gravel filter pack (a liner assembly). Loewen installed the new pump along with reconfiguration of discharge piping and flush to waste, and installation of new flow meter. Prodigy completed the necessary electrical work associated with the reconfiguration of the discharge piping and fluoridation of the well. Production staff installed the chemical feed system for the fluoride. The permit is being amended to allow for the fluoride, and the site is scheduled to have the asphalt replaced in Spring of 2015.
SC14-009P	Investigation/Rehab – Well #3A, Kubel/Armstrong - Pull Pump, Video Well, Raise Pedestal	Nicole Weideman	Incl. Above	\$4,134	\$0	Requests for quotes out to Kirby Pump and Loewen Pump to pull pump at Well 3A, remove the oil off the top of the well water, and have the well video surveyed as part of routine maintenance. Work will also include raising pedestal to comply with 18" requirement, and reconfiguring of discharge piping and installation of new flow meter. Additionally, due to lot size constraints, it was decided to remove the hydro pneumatic tank at the site. The tank was removed and the piping blind flanged at either end. Due to schedule constraints on the contractors and coordination with SMUD to alley arm the overhead lines, the pump investigation work will occur in 2015, along with the reconfiguration of the discharge piping once the pump pedestal has been raised.
SC14-009Q	Pneumatic Tank Removal and Flush-to-Waste Installation at Well N1	Nicole Weideman	Incl. Above	\$9,742	\$0	Well N1 is not being ran due to high pressures in the surrounding systems and staff concerns for the tank with pressure rating. The tank has been removed and a flush-to-waste system will be installed into the discharge piping to resolve the concern. Engineering staff is working on the design in house. The discharge piping and flush-to-waste installation will occur in 2015.
SC14-009Q1	Well #54, North / Root – Bridge Structural Modifications and Well Destruction [COMPLETED]	Nicole Weideman	Incl. Above	\$2,260	\$1,050	The hydro pneumatic tank and remaining underground portion of the discharge line has been removed, as well as all concrete from the site. The destruction of the production well was completed in late 2013. A structural engineer (VE Solutions) was hired to analyze the bridge and make recommendations on any modifications that might be required. Final plans have been prepared by VE Solutions bids were received on October 9. During the permitting process it was discovered that the creek in front of the parcel was FEMA protected making the work unfeasible. It was decided that the location of the monitoring well will be moved to Well 32A instead. The low bidder was informed of the termination of the project.
SC14-009R1	Arbors PRV Station RTU and Electrical	David Espinoza	Incl. Above	\$0	\$0	SMUD application complete. According to Production, the panel is in our shop. Letter requesting an easement from the property owner was mailed on 3/25/14. Followed up with a phone call on 5/1/14, 6/26/14, 7/18/14 & 10/1/14 and property manager (Stephanie) has not come to a conclusion. Stephanie will follow up and meet with her group soon to start process. Her attorney's will eventually need to get involved. Waiting.
SC14-009T1	Well #N6, Palm - Waste Water Drain Project	David Espinoza	Incl. Above	\$0	\$0	Project placed on standby. Modified waste water drain system for pump station overboard has been designed by Area West. Project will replace existing waste drain system to connect into an existing County drainage system as per the District NPDES permit. Current system directly outfalls into a County creek which does not meet the guidelines of the District's NPDES permit. However, this may not be a viable well as the existing casing has been found to have holes in it.
SC14-009U1	Investigation/Rehab. - Ulysses/Mercury Well (#35) [COMPLETED]	Nicole Weideman / Doug Cater	Incl. Above	\$98,903	\$4,000	There is some encrustation on the well screens. Also, a significant amount of oil was pumped off the top of the water column. Wood Rodgers (WR) recommended test pumping to confirm the specific capacity of the well. Test pumping was completed by Eaton Pumps in late-March. WR has recommended that we change to a water lubed vertical turbine pump. WR has provided specifications for a new well pump and price quotes are currently being obtained. Loewen has demo'd the pump pedestal and has welded the base plate at 20" to make sure that it will measure 18" at all locations due to the sloping lot. Due to confining space around the pump, Loewen ground back part of the concrete slab that the desander sits on and realigning one leg of the desander to allow for more access area around the pump. The pump base has been poured and supplies have been received. Loewen has finished discharge piping installation and installation of custom tee to allow for pumping to waste for startup with the tank isolated. This well was placed on-line on 10/6/2014

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SC14-009V1	Investigation/Rehab. - River Walk/NETP East Well (#73) [COMPLETED]	John Valdes / Doug Cater	Incl. Above	\$26,312	\$0	No well rehabilitation was recommended by Wood Rodgers (WR) at this time. The repaired pump with new bearings and column pipe was reinstalled on March 13th by Eaton Pumps. Following disinfection, flushing and bacteriological testing, the well has been placed back into service. Therefore, the project is completed.
SC14-009W1	Investigation/Rehab. - Palm Well (#N6)	Nicole Weideman / Doug Cater	Incl. Above	\$0	\$0	The entire casing from the surface to a depth of 110' is riddled with holes. Wood Rodgers is working on the design for the modifications to rehab the well. The plan is install new 8" well casing in the well with an annular seal to 175'. The 14" casing will be perforated from 80'-120'. A gravel envelope will be installed from 175'-508' and a wire wrapped screen from 370'-490'. The work will be completed in 2015.
SC14-009X1	Investigation/Rehab. - Monument Well (#N26) [COMPLETED]	Nicole Weideman / Doug Cater	Incl. Above	\$87,347	\$0	Roadrunner Drilling has finished with the rehabilitation work and a TV scan confirmed that the work was effective. Prices were obtained for four different submersible pump/motor combinations. A decision was made to order the American Marsh pump with an 1,800 rpm Hitachi motor. The pump and material arrived on 5/26. Loewen has completed work. Engineering staff to send email to County to get well turned back on. Well is back online; project is complete.
		Subtotal	\$890,000	\$728,830	\$238,779	Total budget, spent to date and additional encumbered funds on SC14-009 projects.
SC14-013	Electrical Arc Flash Hazard Modifications at Various Well Sites	Nicole Weideman / Doug Cater	\$270,000	\$0	See Below	An electrical engineering consultant was previously hired to perform a hazard assessment of all of the District's electrical panels to determine what modifications are necessary for panels rated as Category 3 or higher. Approximately 18 panels remain that will require some sort of modification and/or corrective action. Based on work already performed, required modifications are expected to cost up to \$15,000 per well site. The highest priority modifications were completed in 2011 and 2012. The next set of highest priority modifications (at 7 well sites) will be performed in 2013. The District has contracted with Affinity Engineering to provide engineering services for this project with a contract amount of \$39,600. In addition, Rule 16 applications must be submitted to SMUD for 6 arc flash projects proposed for completion in 2014. A deposit of \$5,000 is required with each Rule 16 application.
SC14-013C1	Well #66, Eastern / Woodside Church - Purchase New Metered Service Panel [COMPLETED]	Doug Cater	Incl. Above	\$8,543	\$0	Project is completed as of 1/30/2014.
SC14-013D1	Well #N5, Hillsdale - Purchase New Metered Service Panel [COMPLETED]	Doug Cater	Incl. Above	\$9,600	\$0	Project is completed as of 1/30/2014.
SC14-013E1	ARC Flash Design Services	Nicole Weideman	Incl. Above	\$24,045	\$45,080	Continuation of project initiated in 2013 with Affinity Engineering. Affinity Engineering was hired to perform a hazard assessment of all of the District's electrical panels to determine what modifications are necessary for panels rated as Category 3 or higher. Approximately 17 panels remain that will require some sort of modification and/or corrective action. Based on work already performed, required modifications are expected to cost up to \$15,000 per well site. The highest priority modifications were completed in 2011 - 2013. The next set of highest priority modifications (at 14 well sites) will be performed in 2014. An amendment will be prepared for the work at the Marconi Office which will occur over 2014 and 2015.
SC14-013G1	Well #13, Calderwood/ Marconi - Electrical [COMPLETED]	John Valdes	Incl. Above	\$1,124	\$0	Prodigy Electric performed electrical work. Project is completed.
SC14-013H	McClellan 1A & 1B [COMPLETED]	Nicole Weideman	Incl. Above	\$17,816	\$1,000	ARC FLASH ~ A new service pedestal was purchased to mitigate arc flash hazards by adding another level of protection upstream of the motor control center. An encroachment permit was obtained through MBP for the work, and Prodigy completed the installation of the panel.
SC14-013I	Well #22, West Becerra [COMPLETED]	Nicole Weideman	Incl. Above	\$16,884	\$0	ARC FLASH ~ A new service pedestal was purchased to mitigate arc flash hazards by adding another level of protection upstream of the motor control center. Prodigy completed the installation of the panel.
SC14-013J1	Arc Flash Labeling Updates	Nicole Weideman	Incl. Above	\$0	\$0	The sites that have had corrective measures to date require updated arc flash hazard analysis and updated documentation and labeling. This will include 21 sites in 2014.
SC14-013J	Well #N15, Cabana Well [COMPLETED]	Nicole Weideman	Incl. Above	\$17,384	\$0	ARC FLASH ~ A new service pedestal was purchased to mitigate arc flash hazards by adding another level of protection upstream of the motor control center. Prodigy completed the installation of the panel.
SC14-013K	Wells #N33, #N29, # N24, #N23A, #N9, #60, #N22, #28	Nicole Weideman	Incl. Above	\$18,830	\$16,600	ARC FLASH ~ Control Panel Modifications to mitigate arc flash hazards by adding another level of protection upstream of the motor control center. Plan is to do N29 first to see how work goes, then do N23, N24 and N33 as those are all summer runners. N22, N9, 28 and 60 will follow. Contract has been signed by Tesco and District. Due to scheduling constraints with SMUD shutting down sites, this work is scheduled to be completed in January 2015.
SC14-013L	Wells #24 and #26	Nicole Weideman	Incl. Above	\$87,426	\$0	ARC FLASH ~ New service pedestals were purchased to mitigate arc flash hazards by adding another level of protection upstream of the motor control center. A contract with Prodigy was prepared for the installation of the panels prior to the end of the year, however due to design coordination with SMUD, this work will not be completed until early 2015.
SC14-013M	Marconi Office ArcFlash Improvements	Nicole Weideman	Incl. Above	\$503	\$4,160	ARC FLASH ~ Prodigy will be working with District Staff and Affinity Engineering in design and constructability coordination for arc flash work to be done at the Marconi Office. The construction phase of the work will occur in 2015. Affinity's costs are tracked under SC14-013E1.
SC14-013N	Walnut Office and Well 69 ArcFlash Improvements [COMPLETED]	Nicole Weideman	Incl. Above	\$7,399	\$2,796	ARC FLASH ~ New breakers were purchased to mitigate arc flash hazards by adding another level of protection upstream of the motor control center. The work was performed by Prodigy.
		Subtotal	\$270,000	\$209,554	\$69,636	Total budget, spent to date and additional encumbered funds on SC14-013 projects.
SC14-010	SCADA Remote Terminal Units (RTU's) / Communication Improvements / MCC Panel Replacement/Upgrades	See Below	\$100,000	See Below	See Below	A well site to be upgraded with new MCC panels and PLC's/RTU's in CY2014 is Well #2A (El Prado/Park Estates). Well sites to be upgraded with new PLC's/RTU's only are No. #N6 (Palm), #N8 (Field), and #N14 (Orange Grove). These sites were selected from staff's control center study and analysis.

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SC14-010A	SCADA Improvements and Modifications Recommended in SCADA Master Plan	John Valdes / Doug Cater	\$400,000	\$722	\$0	The SCADA Master Plan was completed in early-2012 under a contract with Westin Engineering. Included in the SCADA Master Plan report are recommended short-term and long-term SCADA improvements and modifications. Some of the recommended short term modifications were started in 2012/2013 but this work will extend into 2014. It is anticipated that short term modifications will now be completed in 2014. Also for 2014, as recommended in the SCADA Master Plan, six (6) well sites that do not currently have SCADA will be equipped with SCADA equipment at an estimated cost of \$50,000 per site.
SC14-010B	Installation and Configuration of SCADA Software on Servers [COMPLETED]	John Valdes / James Arenz	Incl. Above	\$36,599	\$0	Three new SCADA servers and updated SCADA software (Wonderware) was purchased in late-2013. A contract was entered into with Tesco Controls to configure and install the new servers. The contract amount is \$30,000. The new servers are now configured and in operation and this project is completed.
SC14-010C	Integration of Security Building Alarms Into SCADA [COMPLETED]	John Valdes / Dave Bruns	Incl. Above	\$6,026	\$0	Contract with Tesco to integrate new security building alarms into District's SCADA system for remote monitoring. Contract amount is \$6,026. This work has now been completed.
SC14-010D	SCADA Services at Well 31A Watt Elkhorn [COMPLETED]	Doug Cater	Incl. Above	\$7,323	\$0	Tesco performed services to configure and install new SCADA screens for Well 31A as well as PLC programming and update documentation for panel.
SC14-010E	New MCC Panels for Wells #68, N8, N14 and N25 [COMPLETED]	Nicole Weideman	Incl. Above	\$752	\$186,000	Panels ordered from Tesco for installation in 2015.
SC14-010F	SCADA RTU Panel Installation at Elevated Tank 769, 216, Capehart, and Wells 14, 37, 38, 39, 40, 43, 45, 46, and 76	Nicole Weideman	Incl. Above	\$62,179	\$88,683	Several SCADA Remote Terminal Unit (RTU) panels were pre-purchased from Tesco Controls at the end of 2013. These panels will be installed in 2014 at various well sites and other water system facilities. Prodigy has completed work at Capehart Tank and Elevated Tanks 216 and 769 as well as well sites 14, 37, 40, 43, 45, 46, and 76. The only remaining work at these sites is startup items, which will occur the first two weeks in January 2015. The work at Wells 38 and 39 are being removed from the contract given that they are Chrom6 sites.
SC14-010G	SCADA Alarm Management Plan	Doug Cater	Incl. Above	\$0	\$0	Per the SCADA Master Plan, a written management plan should be developed that applies the alarm purposes, priorities, and presentation defined in the SCADA JHM Standard. The alarm management plan would build upon the alarm presentation, call-out, and response procedures and develop processes to reduce nuisance alarms. Estimated project cost of \$45,000 per Master Plan. The Scope of work has been created and a meeting will be scheduled with Jeremy Pollett of Control Point Engineering.
		Subtotal	\$500,000	\$113,601	\$274,683	Total budget, spent to date and additional encumbered funds on SC14-010 projects.
SC14-011	Wellhead Treatment / Chemical Feed System Rehab. / Improvements	See Below	\$275,000	See Below	See Below	Project to cover costs associated with needing to install new and repair/replace existing wellhead treatment or chemical feed systems on an as-needed basis. One project planned for CY2014 is the installation of individual sample stations for each of the three River Walk/NETP wells (#72, 73 and 74) to allow grab samples to be taken and tested individually for fluoride concentration. In addition, additional wells in the South Service Area (SSA) require fluoridation in order to provide emergency dry year water supplies to the City of Sacramento. Three wells will be equipped with fluoridation in 2014 at an estimated cost of \$75,000 per well: Well #43 (Edison/Truax), #68R (Northrop/Dornajo), and #76 (Fulton/Fair Oaks).
SC14-011A	Fluoridation at Wells #43, 68, and 76	Nicole Weideman	Incl. Above	\$0	\$22,100	Three wells will be equipped with fluoridation in 2014 at an estimated cost of \$75,000 per well: Well #43 (Edison/Truax), #68R (Northrop/Dornajo), and #76 (Fulton/Fair Oaks). This work was completed by Prodigy, and the only remaining work at these sites is startup, which will occur the first two weeks in January 2015.
SC14-011B	Fluoride Sample Stations at Wells 72, 73, and 74 [COMPLETED]	Nicole Weideman	Incl. Above	\$143	\$11,200	The installation of individual sample stations for each of the three River Walk/NETP wells (#72, 73 and 74) to allow grab samples to be taken and tested individually for fluoride concentration. It was discovered that a sample station wasn't needed at Well 72 due to the ability to pull a sample at either end of the hydropneumatic tank. The sample stations at 73 and 74 were installed by Veerkamp.
SC14-011C	Chlorinator Units for Wells 37, 40, 41, 43, 45, 47	Nicole Weideman	Incl. Above	\$80,802	\$0	Chlorinator units (Accu-Tab) were purchased this year for installation in 2015. Units will be installed at Natural Gas engine sites as well as sites that have generators.
SC14-011D	Fluoride Equipment Installation	Nicole Weideman	Incl. Above	\$49,389	\$1	Fluoride scales were purchased for the purpose of monitoring the fluoride supply at each fluoridated well site. These scales were piloted at a few well sites to ensure their accuracy and dependability prior to this purchase. Scales to be installed in 2015.
		Subtotal	\$275,000	\$130,334	\$33,301	Total budget, spent to date and additional encumbered funds on SC14-011 projects.
SC14-012	Well Replacement	See Below	\$398,000	See Below	See Below	[Budget revised from \$698,000 to \$398,000 via budget transfer.] Recommended in 2009 Water System Master Plan capital needs analysis. An offer has been made to purchase property for a well site at the Charles Peck School. Funds are budgeted in 2014 for land acquisition, environmental review (CEQA), drilling a test hole, well design and drilling of the new production well at this site. In addition, costs are budgeted to acquire additional land for future replacement well sites within the District.
SC14-012A	Rutland Well	Nicole Weideman	Incl. Above	\$317,242	\$400,905	Notice to Proceed was issued to Roadrunner Drilling on December 8, 2014. The contracted completion date is February 6, 2015. Roadrunner Drilling has begun mobilization activities and construction of BMPs including the rock entrance to the site. Installation of the conductor casing is scheduled to begin on January 5, 2015. The contractor is confident that they will be able to complete the work by the contracted time of completion. The District's engineer, Wood Rodgers, should finalize the construction drawings for the pump station contract in January.
SC14-012B	Freeway (#N23) Well Drilling - Retention [COMPLETED]	John Valdes	Incl. Above	\$8,179	\$0	A small amount of retention (\$8,179) was still owed to the well drilling contractor (Zim Industries) from drilling the replacement well at the Freeway Well (#N23) site in 2012.
		Subtotal	\$398,000	\$325,421	\$400,905	Total budget, spent to date and additional encumbered funds on SC14-012 projects.
SC14-040	Engine Generator Compliance	John Valdes / Jim Arenz	\$30,000	\$0	\$0	[Budget revised from \$75,000 to \$30,000 via budget transfer.] Funds are included for a major engine overhaul and/or engine generator replacement (anticipate one engine overhaul in 2014).
DISTRIBUTION						

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SC14-018	Distribution Main Replacements	Dave Jones	\$11,200,000	\$1,191,213	\$0	Budget has been reduced by amount (\$800,000) used in 2013 to pre-purchase ductile iron pipe. This project assumes approximately 6 - 8 miles of mains to be replaced per year using service contract approach combined with District purchase of materials. Some contracted design and construction work from 2013 is anticipated to carryover into CY2014. Projects planned for construction in CY 2014 include completion of final paving for the North Country Club Estates Main Replacement Project and construction of Phase 1 of the Arden Oaks Main Replacement Project (22,000 liner feet of replacement water mains). Also includes hiring consultant(s) to design projects planned for construction in 2015/2016 and to assist with in-house design by providing surveying and mapping services.
SC14-018A	2015 Barcelona Waterline Replacement Project	Patrick Wilson	Incl. Above	\$1,289	\$0	This project will consist of the installation of approximately 6,500 feet of new water mains and approximately 150 new metered service connections. The project area is outlined by El Camino Avenue, Howe Avenue, Bell Street, and Cottage Way. Construction is anticipated in 2015, depending on budget availability. The design work for this project was completed in-house and plans and specifications are 90% complete. In addition, KASL Engineers has completed a control survey to support the design.
SC14-018A1	Arden Oaks Main Replacement Project - Design (Phase 1/2) and Construction (Phase 1) [COMPLETED]	Dave Jones	Incl. Above	\$8,281,220	\$74,104	This project consists of approx. 42,000 feet of water mains in an area bounded by Watt Avenue on the west, Eastern Avenue on the east, Arden Way on the south, and Del Paso Manor W.D. to the north. The project is completed with the exception of final paving that will be completed by the County of Sacramento (per a Paving Partnership Agreement with the District) in 2015. A Notice of Completion has been filed at the County Clerk Recorder's Office.
SC14-018B	2014 Belcot Road, El Camino Avenue, and Fulton Avenue R.O.W. Improvements	Patrick Wilson	\$2,700,000	\$3,023,284	\$2,983,376	The County has informed the District of an overlay project that will be done on Fulton Avenue and El Camino Avenue in 2015, which directly affect the District's next three main replacement projects, and thus the District will stub out mains prior to the overlay. M.A. Long Construction was the low bidder and has completed all working in Fulton Avenue, El Camino Avenue, Elyra Road, La Mesa, and Loma Vista. On Belcot Road Performance Piping is installing the mainline and Rawles Engineering is the service line contractor. Both are working closely to finish Belcot Road by the end of January 2015.
SC14-018B2	North Country Club Estates Main Repl. Project [COMPLETED]	Dave Jones	Incl. Above	\$3,342	\$1,747	This project is complete except for final paving work to be completed by the County of Sacramento in the summer of 2014 (per our Paving Partnership Agreement). This will relieve the District of any paving liabilities, claims and responsibilities.
SC14-018C	North Country Club Estates MRP - G5 Valve Boxes [COMPLETED]	Dave Jones	Incl. Above	\$196,744	\$1,695	This project raises and lowers valve boxes in the streets prior to the County's paving project this summer. All valve boxes have been lowered and raised by Veerkamp.
SC14-018C1	2015 Santa Anita Waterline Replacement Project Phase 2	Patrick Wilson	Incl. Above	\$30,531	\$35,948	The project will be outlined by Fulton Avenue, El Camino Avenue, Bell Street and Cottage Way. KASL Engineers has performed a control survey. The design was completed in-house and is 100% complete and ready for construction next year. Meter sheets are being signed, processed, and are approximately 70% complete.
SC14-018C2	3735 Stephen Way [COMPLETED]	Dave Jones	Incl. Above	\$3,725	\$0	An existing water service lines was found to be serving two adjoining properties. The line was severed to meet existing District standards. This project is completed.
SC14-018D	2015 Fair Oaks Estates Mainline Replacement	Patrick Wilson	Incl. Above	\$18,063	\$5,988	This project will replace a high leak prone portion of ODS mainline. The project area will consist of Fair Oaks Blvd., Estates Dr., Cortlandt Dr., Treehouse Ln., Columbia Dr., and Alton Ct. An aerial survey was prepared by Area West Engineers. The design has been completed in-house and is 100% complete and ready for construction next year.
SC14-018D1	Arden Oaks Main Repl. Project - Phase 2 Construction	Dave Jones	Incl. Above	\$23,827	\$0	This project consists of approx. 13,000 feet of replacement water mains. The project is completed with the exception of final paving that will be completed by the County of Sacramento (per a Paving Partnership Agreement with the District) in 2015. A Notice of Completion has been filed at the County Clerk Recorder's Office.
SC14-018E	North Country Club Estates - Phase 4	Dave Jones	Incl. Above	\$776,617	\$587,384	This is the final phase of the North Country Club Estates project. All new mainlines have been installed by the contractor (Veerkamp General Engineering). GM Construction still has 40 in-tract lines to complete with an estimated completion date of January 30, 2015. Final paving will be postponed until weather conditions
SC14-018F	Arden Oaks - Lower and Raise Valve Boxes	Dave Jones	Incl. Above	\$32,340	\$160	In conjunction with the paving partnership with the County of Sacramento, all recently installed valves were lowered 6-inches below grade in preparation for final paving (which will be performed by the County). Once final paving is completed and accepted in 2015, the District's contractor (Veerkamp) will raise the valve
		Subtotal	\$13,900,000	\$13,582,195	\$3,690,402	Total budget, spent to date and additional encumbered funds on SC14-018 projects.
SC14-019	Distribution Main Improvements / Extensions / Interties and Resolving Utility Conflicts	See Below	\$1,200,000	See Below	See Below	[Budget revised from \$750,000 to \$1,200,000 via budget transfer.] Includes various small main replacement projects to solve distribution system hydraulic issues and relocating District facilities due to grade conflicts with County of Sacramento improvements (storm drains, etc.).
SC14-019A	Miscellaneous Repair Issues	Patrick Wilson	Incl. Above	\$7,591	\$137,995	On-going repair of miscellaneous issues that arise out from various conflicts with County improvement projects, District facilities, developer projects and during main replacement projects.
SC14-019B	Miscellaneous Repairs at MCBP	Patrick Wilson	Incl. Above	\$0	\$0	On-going repair of miscellaneous issues that arise out from various issues at McClellan Business Park with District facilities, developer projects and during County improvement projects.
SC14-019C	Fulton/Kia Main Abandonment [COMPLETED]	Patrick Wilson	Incl. Above	\$19,113	\$0	Approx. 200' of ODS water main had to be removed from service as the result of a new McDonald's restaurant and a new 12-inch main being constructed. This work is completed.
SC14-019D	2700 Marconi Mainline Extension [COMPLETED]	David Espinoza	Incl. Above	\$64,420	\$0	The project is complete. The project extended an 8" distribution main that feeds the Walmart Neighborhood Market. The 8" main was extended and tie into the 16" main on Marconi Ave. Dolver was the contractor. There will be a CCO for added paving that the County required on the job. Have emailed Dolver several times insisting on receiving an invoice soon.
SC14-019E	2014 McClellan Meter Installations	David Espinoza	Incl. Above	\$121,950	\$15,152	The project is about 90% complete. The project will install meters and backflows to approximately 18 services/buildings at McClellan as well as abandon an existing main and install a new fire hydrant. Dolver is the contractor.
SC14-019F1	Edison Avenue Main Replacement	Patrick Wilson	Incl. Above	\$0	\$0	Main replacement project to install approximately 1,180 linear feet of new water main in the right-of-way, 38 new metered water services and 4 fire hydrants. [Project tabled due to budget constraints.]
SC14-019G	5049 Roberts Ave (MBP) Bldg. 263-C	Bob Ames	Incl. Above	\$17,960	\$0	160' of 10" CIP main replacement with 10" DIP due to 6,000 sq. ft. of asphalt being replaced over it due to a prior 10" CIP water main failure on June 6, 2014.
SC14-019H	2014 Date Avenue Main Extension	Patrick Wilson	Incl. Above	\$71,220	\$64,051	Allowing the District to abandon 670 LF of 6" MLS and use an existing 12" PVC. GM Construction has completed work on Date Avenue including all abandonments. The District is waiting on final billing for the project.

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SC14-019I	Antelope Don Julio ARV Replacement [COMPLETED]	Patrick Wilson	Incl. Above	\$13,482	\$0	Replace a damaged box for a 2" ARV for the 48" Conveyance Pipeline. Additionally, replace to the main a 2" ARV for a 12" PVC line in Antelope Road. GM has completed all work including installation of new copper line from the 12" PVC line in Antelope Road.
SC14-019J	48" Valve Inspection Mariposa Avenue [COMPLETED]	Patrick Wilson	Incl. Above	\$5,962	\$1	The 48" butterfly valve at Mariposa Avenue and Antelope Road will not close properly. Doug Veerkamp has been tasked with inspecting the valve to determine if something is blocking its closing, or if the valve itself need to be replaced.
SC14-019K	Miscellaneous Pipeline Maintenance	Patrick Wilson	Incl. Above	\$51,293	\$27,081	First task is to remove trees over the Conveyance Pipeline at Interstate 80 and Navion Drive. Second is to purchase CCARV's for the Conveyance Pipeline. Third task is to purchase a 48" MOV for the Conveyance pipeline at Navion Drive and Interstate 80 as it has been found to leak.
SC14-019L	Conveyance STA 39+20 Valve Replacement [COMPLETED]	Patrick Wilson	Incl. Above	\$95,473	\$0	After valve inspection was performed on 8/15/14 it was determined that the valve needed to be replaced. The valve, FCA, and necessary gaskets have arrived, and were installed by Veerkamp on 10/23/2014. The FCA that was ordered was not installed as the existing FCA was a restrained FCA, and thus was re-used with the new valve.
SC14-019M	Loehmann's Plaza Piping Upgrade	Patrick Wilson	Incl. Above	\$8,142	\$0	Loehmann's Plaza has been an issue since Cal-Am gave the rights to the area to Arcade W.D. The Distribution Dept. has asked to create a looped system to minimize the size of the shutdown (1 valve=48+ customers out of water). Area West Engineers have completed a survey of the area and design is approximately 50% complete. Talks have been held with the Sacramento County Water Agency (SCWA) in order to improve the intertie, and to discuss taking over their fire hydrant system within Loehmann's Plaza. SCWA staff agrees that it would be ideal to give SSWD the existing fire hydrant system, but has decided that they would prefer to maintain a looped water system with Loehmann's Plaza. The District has moved forward with designing around the existing SCWA system to loop the District's own system.
SC14-019N	2014 McKinney Way Main Extension	Patrick Wilson	Incl. Above	\$121,583	\$104,960	In preparation of the Rutland Well an 8" ACP backyard water main needs to be abandoned to make room for the new well building. Veerkamp was the low bidder and completed the installation of 11 new metered front yard services, 2 new fire hydrants, and 500-LF of 12" DIP. The construction work is completed with the exception of final paving and the District is waiting on final billing for the project.
SC14-19O	2014 Heatherdale Main Extension Project	Patrick Wilson	Incl. Above	\$387,212	\$72,544	Install approximately 1,485 linear feet of 8" DIP and 22 new metered water services, and 3 new fire hydrants. Rawles Engineering was the low bidder and is approximately 90% complete with the construction work.
		Subtotal	\$1,200,000	\$985,401	\$421,784	Total budget, spent to date and additional encumbered funds on SC14-019 projects.
SC14-020	McClellan Improvements	N/A	\$0	\$0	\$0	Improvements required per agreement with McClellan AFB. (Combined into project -019 above.)
SC14-022	Water Related Street Improvements (Lowering/Raising Valve Boxes)	See Below	\$150,000	See Below	See Below	This project includes lowering and raising existing water valve boxes before and after pavement grinding and overlay by the County of Sacramento and/or the City of Citrus Heights. Typically, the County of Sacramento and City of Citrus Heights have 2 to 4 projects a year and the District's cost projection is an annual average of their project impacts. This project also includes work identified by the District's Preventative Maintenance (PM) crew including raising valve boxes, etc.
SC14-022A	2014 Watt Ave. Waterline Relocation [COMPLETED]	Patrick Wilson	Incl. Above	\$86,274	\$0	The County's plans to rehabilitate storm drains on Watt Ave; the District was forced to relocate waterlines that were installed only 3 years prior. Water facilities in eight locations had to be relocated in order to provide adequate clearance for the new storm drain. The District is in immediate need of moving these utilities as to be the first utility in and to force any other utilities to move around the District. All work was completed on January 24, 2014, under a contract with GM Construction. However, financial closeout is pending. Additionally, the County has decided to place their Storm Drain Project on hold until fiscal year 2015. The County is assuming ownership of the existing temporary paving.
SC14-022B	Marconi Avenue Valve Raising [COMPLETED]	David Espinoza	Incl. Above	\$12,656	\$36,375	The project consisted of abandoning 8, lowering 20 and raising 42 valve boxes. This project was initiated by the County's 2014 AC Overlay project. Contract prepared with Martin Brothers Construction for \$45,905 on 6/24/14. Valve boxes were purchased for \$2,449.44. This project is now completed.
		Subtotal	\$150,000	\$98,930	\$36,375	Total budget, spent to date and additional encumbered funds on SC14-022 projects.
SC14-024	Meter Retrofit Program - District Funded	David Espinoza	\$2,100,000	\$1,960,358	\$179,494	[Budget revised from \$1,950,000 to \$2,100,000 via budget transfer.] District is on schedule to comply with AB 2572 requirement to install meters in California by 2025. Specific meter retrofit schedule is in accordance with updated Water Meter Retrofit Plan adopted in September 2004 and last updated in September 2007. In 2014, an estimated 1,321 meters will be replaced as part of the retrofit program. Flowline Construction started work on February 25, 2014. Flowline is currently wrapping up the 2014 project. They are approximately 98% complete with only 13 additional services still to be metered in late-December/early-January.
SC14-024A	Voluntary Meter Retrofit Program	Matt Underwood	\$90,000	\$84,731	\$14,600	[Budget revised from \$75,000 to \$90,000 via budget transfer.] Budget is provided to install new water meters as requested by customers through the District's voluntary meter program. Expenditures over the past five years have averaged approximately \$125,000/year. Additional meters will be installed based on customer requests. Customer requests to install new water meters have declined in CY2014. A large portion of this account (\$26,375) was spent on one project, installing six meters on an apartment complex.
SC14-024B	2013/14 CalifED Meter Retrofit Grant	David Espinoza	Incl. Above	\$5,115	\$0	Project fees in the amount of \$5,115.00 have been billed by RWA for project administration.
		Subtotal	\$2,190,000	\$2,050,204	\$194,094	Total budget, spent to date and additional encumbered funds on SC14-024 projects.
SC14-042	Meter Replacement and Repair	Matt Underwood	\$75,000	\$74,695	\$4,600	Recommended in 2009 Water System Master Plan capital needs analysis. This is the initiation of a planned program to repair and/or replace water meters that outlived their useful life (typically 15 years). In the Master Plan, an inventory of meters installed from pre-1990 through 2009 was used to project a meter replacement schedule. SSWD staff will test the meters first to assess performance and to determine if they are still within AWWA accuracy standards. In 2014, it is estimated that a total of approximately 185 existing water meters in sizes from 3/4 -inch to 2-inch will be replaced. The new water meters will be compatible with the new fixed network meter reading system. A P.O. has been issued to outsource replacing (88) 1.5" and 2" meters that have outlived their useful life. Project has been issued to contractor. An order has been placed for (29) 1.5" and (59) 2" meters and the meters have been delivered. The contractor will schedule to begin this project soon. This project will be complete before the end of CY2014.

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SC14-027	Distribution System Major Repairs	See Below	\$450,000	\$0	\$0	[Budget revised from \$350,000 to \$450,000 via budget transfer.] Consists of repair of major main breaks that require replacement of infrastructure.
SC14-027A	MBP Bldg. 251, WO #127442 [COMPLETED]	Bob Ames	Incl. Above	\$13,571	\$0	This was a failure on a 8" ACP coupling gasket which has occurred numerous times on this section of water main within MBP. The work was complete on January 27, 2014, by removing and section in a piece of DI pipe, utilizing flex couplings.
SC14-027B	4640 Orange Grove Ave., WO #127263 [COMPLETED]	Bob Ames	Incl. Above	\$6,813	\$0	Staff identified that both curb stops at this property were non operable, therefore they needed to be replaced. This scope of work entails bringing these services up to current District Standards. Completed on February 17, 2014.
SC14-027C	4145-Pasadena-WO #126960	Bob Ames	Incl. Above	\$5,975	\$0	This account number was deleted due to reallocation of the expense.
SC14-027D	2950 Northrop Ave., WO #122691 [COMPLETED]	Bob Ames	Incl. Above	\$24,840	\$0	This was an expense for repairing the roadway after a service lateral relocation. This repair required 27,000 sq. ft. of Type II slurry.
SC14-027E	2971 Calderwood Hydrant [COMPLETED]	Bob Ames	Incl. Above	\$8,000	\$0	This project removed and replaced an existing fire hydrant and reconfigured two existing water services. This project is completed.
SC14-027F	3840 Madison Ave., WO #129918 [COMPLETED]	Bob Ames	Incl. Above	\$5,046	\$0	Staff identified an isolation valve that was non-operable and in need of replacement in the road way. This work was completed on March 11, 2014.
SC14-027G	3230 Peacekeeper Bldg. #209, WO #129719 [COMPLETED]	Bob Ames	Incl. Above	\$14,501	\$0	Emergency repair initiated by Dolver Company which resulted in the need to replace a 10 X 8 "T" and 8" fire service isolation valve. The initial failure was a coupling gasket on an ACP coupling that is approximately 2' from this T. In order to mitigate this repair properly these appurtenances need to be replaced in order to tie back into the existing 10" ACP water main. A PO has been issued and is now being coordinated between MBP, Contractor and SSWD.
SC14-027H	7106 Antelope Road, WO #129810 [COMPLETED]	Bob Ames	Incl. Above	\$10,920	\$0	Staff located a leaking 2" CARV that is leaking up out of the valve box. District contractor to expose and identify materials required to perform this work. Work will be schedule upon issuance of PO. This work is still in the preliminary stage. Staff has identified numerous issues with the existing CARV's not being up to operational standards and is working towards coordinating night work for the mitigating of these issues. No date has been slated for repair of the original scope of work. Staff is currently working on obtaining a Cal Trans Encroachment Permit due to placement of TTC signs on exit ramps of I-80. Completed, backfilled and paved.
SC14-027I	Dudley Blvd. and Peacekeeper Way, WO# 130296 [COMPLETED]	Bob Ames	Incl. Above	\$25,560	\$0	This is the continuation of work associated with the leak at Dudley and Peacekeeper that Dolver Company repaired as an Emergency Call- Out. This valve is required to minimize the size and impact on District customers (night work). The mapping on the Base was inaccurate, additional work was necessary in order to complete this work.
SC14-027J	4111 & 4105 Walnut Ave, WO# 57555/57554 [COMPLETED]	Bob Ames	Incl. Above	\$7,600	\$0	2 street crossing laterals are failing and in need of replacement. This requires boring. These were part of the meter retrofit project yet were not completed. Service laterals will be to District Standards and meters will be installed during project. This was completed on 5/21.
SC14-027K	4435 Mulford, WO #131921 [COMPLETED]	Bob Ames	Incl. Above	\$7,475	\$0	Staff identified a Wharf FH that was non-operational/repairable. Staff assessed viability of installing a steamer and decided that the location would have to change approximately 30' to the south so that the supply main would be 6" in lieu of 4". The EA has been generated and waiting for issuance of PO and scheduling.
SC14-027L	Winona & Watt Avenue, WO# 131939 [COMPLETED]	Bob Ames	Incl. Above	\$114,915	\$0	Large water main break on 12" C-900 at the intersection. Required extensive main, and roadway replacements. Work was completed as an emergency using the services of GM Construction.
SC14 - 027M	Antelope Rd. & Garden Gate Drive, WO# 133082 [COMPLETED]	Bob Ames	Incl. Above	\$11,617	\$0	During the preparation for repair of a leaking 2" ARV isolation valve staff had to clean and confirm operation of each ARV. During such inspection a 2" isolation valve broke. This replacement will be included during the repair of the original 2" replacement. Staff is still coordinating with other purveyors this shutdown and repair. Working on obtaining a Cal Trans Encroachment Permit. Completed, backfilled and paved.
SC14 - 027N	MBP B269 WO# 133046 [COMPLETED]	Bob Ames	Incl. Above	\$12,328	\$0	Section of 10" cast iron pipe failed and required an emergency afterhours repair by Dolver. Work completed on 6/23/2014.
SC14-027O	MBP B269 WO #133046 [COMPLETED]	Bob Ames	Incl. Above	\$65,396	\$0	Reparing of damaged asphalt due to a 10" CIP failure on June 6, 2014. MBP Bldg #269 alley way. Additionally approximately 160 of water main was replaced.
SC14-027P	412 Dudley Blvd., WO# 134447 [COMPLETED]	Bob Ames	Incl. Above	\$14,814	\$0	Leak on a 10" cast iron water main at the subject address. 10/29/2014
SC14-027Q	4635 Antelope Road WO# 134127 [COMPLETED]	Bob Ames	Incl. Above	\$50,318	\$0	Emergency water main repair on a 12" C900 PVC pipe. Fortunately it did not cause much asphalt damage. This work includes asphalt restoration.
SC14-027R	5777 Madison Ave., WO# 134582 [COMPLETED]	Bob Ames	Incl. Above	\$2,640	\$0	New main line valve was installed to minimize shutdown to allow existing poly service lines to be replaced. Completed on 9/3/2014
SC14-027S	Well #13 MBP. WO# 137036 [COMPLETED]	Bob Ames	Incl. Above	\$13,061	\$0	MBP to destroy Well #13. Staff identified that the discharge piping is still connected to SSWD's distribution system and isolated at the present time by closed valves. This tie-in will be disconnected by removing a "T" and straight piping. During the abandonment, staff identified poor piping associated with the existing main and could not tie back into without replacing approximately 20' of water main. Contractor provided a change order for the additional work. Work is complete.
SC14-027T	4980 Watt Ave., WO# 137606 [COMPLETED]	Bob Ames	Incl. Above	\$18,786	\$0	Maggie Creek Canal was impacted by a 12" C-900 water main failure. The canal has a 5' x 20' horizontal void. DWR has provided reconstruction methods to be employed. GM completed the repair of the canal.... Water main design still needs to be configured and reissued to contractor. This part of the project is complete.
SC14-027U	5921 Hillsdale, WO# 138907 [COMPLETED]	Bob Ames	Incl. Above	\$7,121	\$0	Staff identified a 14" MLS water main that had a leak. Staff initiated repair and could not locate a piece of good pipe in order to accomplish this repair in whole. A contractor was brought in and exposed 18' and still could not locate a good piece of pipe. The decision was made to make temporary repairs installing approximately 16' of 14" DIP with 501 flex couplings. Engineering and Distribution will discuss more long term repair measures to be implemented.
		Subtotal	\$450,000	\$441,297	\$0	Total budget, spent to date and additional encumbered funds on SC14-027 projects.
SC14-038	Large Water Meter (> 3") Replacement Program	Matt Underwood	\$140,000	\$76,944	\$8,502	Consists of the replacement of old large (> 3") water meters that have outlived their useful life. Assumes an average of 5 large meters will be replaced each year. Meter installations will also be upgraded to allow for testing and ease of maintenance. For 2014, an additional \$50,000 has been included in the budget for the installation of meter by passes. This is an ongoing project and work is scheduled according to findings related to the Meter PM Program.

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SC14-039	Fire Hydrant Replacement / Rehabilitation / Additions	See Below	\$150,000	See Below	See Below	[Budget revised from \$100,000 to \$150,000 via budget transfer.] The 2009 Water System Master Plan identified some areas with insufficient fire flow. This project will bring these areas into compliance with minimum District and fire district standards, especially in those areas where main replacement projects are not scheduled for several years.
SC14-039A	5001 Whitney - Hydrant, WO #125850 [COMPLETED]	Bob Ames	Incl. Above	\$272	\$0	This fire hydrant and isolation valve were non-operable nor repairable, therefore they were scheduled for replacement. Staff identified that a MLV was slipped directly to the tee which is part of the scope of work to be completed during the replacement. Therefore, a main line valve (MLV) was included in this project. This work was completed on January 9, 2014.
SC14-039B	2200 Eastern - Hydrant, WO #127031 [COMPLETED]	Bob Ames	Incl. Above	\$5,215	\$0	This fire hydrant was leaking and in need of repair. Staff identified that the hydrant did not have an isolation valve. Therefore, the fire hydrant and isolation valve were scheduled for replacement/upgrade to steamer/installation on January 16, 2014.
SC14-039C	434 Exter St. - Hydrant, WO #127479 [COMPLETED]	Bob Ames	Incl. Above	\$5,800	\$0	This fire hydrant has been deemed non-operable nor repairable and is scheduled for replacement by a District contractor. Complete on February 12, 2014.
SC14-039D	601 Munroe St. - Hydrant, WO #128072 [COMPLETED]	Bob Ames	Incl. Above	\$13,623	\$0	This fire hydrant has been deemed non-operable nor repairable and is scheduled for replacement by a District contractor. Change Order was required due to additional appurtenances needed to be installed. Completed, and paid in February 27, 2014.
SC14-039E	4145 Pasadena, WO #126960 [COMPLETED]	Bob Ames	Incl. Above	\$5,250	\$0	This fire hydrant has been deemed non-operable nor repairable and is scheduled for replacement by a District contractor. Fire hydrant was replaced on January 2, 2014.
SC14-039F	4700 Marconi Avenue, WO #129616 [COMPLETED]	Bob Ames	Incl. Above	\$5,100	\$0	Fire hydrant was hit by a vehicle and damaged beyond repair. Scheduled for replacement by District contractor. Completed, paid on February 27, 2014.
SC14-039G	4609 Auburn Blvd. [COMPLETED]	Bob Ames	Incl. Above	\$7,285	\$0	Staff identified a non-operable FH and isolation valve that was below grade. Additionally improvements have been made to the property frontage which places the FH inside a retaining wall and brick patio. Therefore during the replacement, the FH will be relocated more appropriately towards the sidewalk out of the brick patio and retaining wall. This work is being coordinated with the contractor and property owner at this time. Physical work was completed on March 26, 2014.
SC14-039H	4203 Industry Drive, WO #130059 [COMPLETED]	Bob Ames	Incl. Above	\$5,677	\$0	Staff identified a non-operable FH and an isolation valve that could not be located. It is presumed at this time that the isolation valve doesn't exist, hence the fire hydrant complete installation. FH replacement completed on 4/11/2014.
SC14-039I	1829 Mercury Way WO #124159 [COMPLETED]	Bob Ames	Incl. Above	\$6,900	\$0	FH is broken and non-repairable. Additional MLV to be installed during FH replacement due to minimal MLV in area. This additional valve will assist in minimizing number of customers impacted during future maintenance. Completed 5/25/2014
SC14-039J	3512 Ronk Way, WO #131518 [COMPLETED]	Bob Ames	Incl. Above	\$5,600	\$0	FH isolation valve determined to be inoperable and in need of replacement. This is a wharf hydrant and will be brought up to District specs. during the isolation valve replacement. Physical work completed, waiting on billing from GM.
SC14-039K	Santa Paula Ct. & Marconi Avenue WO#133244 [COMPLETED]	Bob Ames	Incl. Above	\$6,627	\$0	Staff identified a FH that is non-operable nor repairable as well as a 6" MLV in close proximity. Therefore, these are being scheduled for replacement. Physical work completed.
SC14-039L	5111 Tonya Way, WO# 133423 [COMPLETED]	Bob Ames	Incl. Above	\$6,555	\$0	Staff identified a FH that is non-operable nor repairable and in need of replacement.
SC14-039M	6001 Helva Lane WO# 133614 [COMPLETED]	Bob Ames	Incl. Above	\$6,996	\$0	Staff identified a FH that is non-operable nor repairable and in need of replacement.
SC14-039N	2121 Edison Ave. WO# 135591 [COMPLETED]	Bob Ames	Incl. Above	\$5,869	\$0	Staff identified a FH that is non-operable nor repairable and in need of replacement. Waiting on fence work to be completed. This project is 100% complete.
SC14-039O	5842 Palm Avenue WO# 135920 [COMPLETED]	Bob Ames	Incl. Above	\$3,940	\$0	Staff identified a FH that is non-operable nor repairable and in need of replacement, this is a bury replacement only. Completed on 9/10/2014.
SC14-039P	5017 Harrison Street WO# 135760 [COMPLETED]	Bob Ames	Incl. Above	\$3,900	\$0	Staff identified a FH that is non-operable nor repairable and in need of replacement, this is a bury replacement only. Completed on 9/22/2014
SC14-039Q	5421 Winding Way WO# 136016 [COMPLETED]	Bob Ames	Incl. Above	\$3,916	\$0	Fire hydrant was hit by a vehicle and damaged beyond repair. Additionally, 2 services will probably need to be replaced. Scope of Work changed to just include the bury of the FH. Completed on 9/25/2014
SC14-039R	5777 Madison Ave. WO# 134582 [COMPLETED]	Bob Ames	Incl. Above	\$2,640	\$0	Installation of a new 6" valve out of the roadway of Madison and Hackberry in order to have a better ability to shutdown in an emergency situation as well as raised 3 irons during the same traffic control plan. Completed on 9/3/2014.
SC14-039S	2136 Surrey Road. WO# 136560 [COMPLETED]	Bob Ames	Incl. Above	\$5,800	\$0	PM staff identified a FH isolation valve that was non-operational nor repairable on a wharf FH. This entire FH assembly will be upgraded to a steamer as part of the Scope of Work. Work completed on 12/2/2014.
SC14-039T	2105 Surrey Rd. WO# 136872 [COMPLETED]	Bob Ames	Incl. Above	\$11,014	\$0	Fire hydrant with an inoperable isolation valve. Valve to a wharf hydrant that needs to be replaced. Scope of work will be to upgrade the hydrant to a steamer. Additional work required due to location of existing tee and isolation valve. Completed on 11/25/2014
		Subtotal	\$150,000	\$117,979	\$0	Total budget, spent to date and additional encumbered funds on SC14-039 projects.

STORAGE & DISTRIBUTION

SC14-034	Corrosion Control and Reservoir and Tank Painting/Coating, Upgrades and Improvements	See Below	\$50,000	See Below	See Below	[Budget revised from \$150,000 to \$50,000 via budget transfer.] Transmission mains, storage and hydropneumatic tanks, and corrosion control facilities are on a scheduled maintenance program for inspection, testing, and recoating as necessary. For 2014, planned work includes ground storage tank inspections, cleaning and spot painting and repairs at the Antelope and Watt/Elkhorn Reservoirs and painting at miscellaneous well sites, including coating of hydropneumatic tanks. Coating work will be performed as necessary based on inspection results. Also included are structural engineering inspections and analysis of the District's three elevated water tanks.
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SC14-034A	Corrosion Control - CMLC Water Mains	Patrick Wilson	Incl. Above	\$17,550	\$6,942	This project will be the overall study and feasibility of implementing corrosion control across the District with the main focus on Transmission Pipelines. The first project will be for the Conveyance Pipeline from C-Bar-C Park to Walerga Road. The pipeline has had continuity testing and is proven to be an excellent candidate for Cathodic Protection. The District has selected 5 rectifier locations and JDH Corrosion is moving forward with a CP design and is approximately 90% complete. JDH and the District are moving forward with the design of the CP system for the Conveyance Pipeline, and are working with property owners to acquire power easements from SMUD facilities to District facilities. JDH is also contacting Sacramento County to get well drilling permits for the work. Additionally, design has started for 36" Walerga Pipeline and three rectifier locations have been selected. The test stations for the Walerga are not easily accessible and will be moved to the bike lanes where possible as part of this project. The District has also reviewed the Antelope North Road T-Main and verified that it is electrically continuous. Rectifier locations have not been selected yet as there are some issues with obtaining power on Antelope North Road. JDH Corrosion will be working with SMUD to determine rectifier locations. The District has decided to review the Mission T-Main to verify if it is electrically continuous. Continuity testing has been completed on Mission Pipeline and confirmed that it is a potential candidate for cathodic protection. The District is also examining the Bell Street T-Main and completed continuity testing. Additionally, Bell Street is another candidate for cathodic protection. Once JDH Corrosion has completed the design and acquired all the permits for the Conveyance Pipeline and Walerga Road; they will begin design on Antelope North Road, Mission, and Bell Street T-Mains.
SC14-034B	Inspection/Cleaning of Elevated Tanks 219 and 769 and Hydropneumatic Tank at Well #64 [COMPLETED]	Doug Cater	Incl. Above	\$10,350	\$0	AquaTech inspected the Elevated tanks 216 and 769 for routine corrosion inspection. While they were there for inspection, the tanks were cleaned. They also cleaned the hydropneumatic tank at Well #64 in anticipation for putting the well back online.
SC14-034C	Hydraulic Improvements at Elevated Tanks 216, 769, and Capehart	Nicole Weideman	Incl. Above	\$9,686	\$28,452	Affinity Engineering is designing hydraulic improvements for the Elevated Tanks 216, 769, and Capehart to make them in compliance with DDW inspection requirements. Kirby Pumps and Prodigy Electric will be performing the work. Work is scheduled to start in January 2015.
SC14-034D	Antelope Reservoir Flow Meter Replacement	Nicole Weideman	Incl. Above	\$0	\$0	The flow meter at the Antelope Reservoir is not working properly and needs to be replaced. Due to backorder constraints and lead time, the flow meter will be purchased in early 2015 and the design work and construction will occur in 2015.
		Subtotal	\$50,000	\$37,586	\$35,394	Total budget, spent to date and additional encumbered funds on SC14-034 projects.
SPECIAL PROJECTS						
SC14-035	Professional/ Special Services	See Below	\$150,000	See Below	See Below	[Budget revised from \$200,000 to \$150,000 via budget transfer.] Includes potential professional services for CEQA Work, Preliminary Design, Special Studies, Hydraulic Modeling, Surveying, etc.
SC14-035A	Easement Valuation Services [COMPLETED]	John Valdes	Incl. Above	\$1,795	\$705	To meet GASB 51 requirements, Overland, Pacific & Cutler was hired to place a value on easements obtained by the District in 2013. The total not to exceed contract amount was \$2,500. The project is completed.
SC14-035B	Hydraulic Modeling Engineering Services	John Valdes	Incl. Above	\$36,890	\$4,133	A contract in the amount of \$43,021 has been entered into with Brown and Caldwell (B&C) for hydraulic modeling engineering services. This work includes updating the District's hydraulic model, preparing model administration criteria, and providing training. The training work has been completed. B&C has also prepared a Tech. Memo providing the results of hydraulic modeling related to a possible water transfer with the City of Sacramento.
SC14-035C	Drought Related Engineering Services [COMPLETED]	John Valdes	Incl. Above	\$7,789	\$0	Domenichelli & Associates (D&A) Provided engineering assistance related to the drought and the need for electrical power at the Antelope PRV Station site to install temporary pumps to pump water upstream to SJWD. SJWD will pay all costs associated with this work.
SC14-035D	4285 Alton Court Surveying [COMPLETED]	Dave Jones	Incl. Above	\$0	\$1,250	Determining location of existing facilities and waterline on Alton Court. It was determined that the pipeline was under an existing garage structure. Waterline will be abandoned in 2015 Fair Oaks Estates Mainline Project.
SC14-035D2	T&C South Main Replacement Easement	Dave Jones	Incl. Above	\$2,530	\$0	The District is trying to obtain an easement from a family trust to install a new water main. This project is underway.
SC14-035E1	Pre-Design of Antelope Pump Back Project [COMPLETED]	John Valdes	Incl. Above	\$0	\$0	The District has contracted with Domenichelli & Assoc. (D&A) for pre-design of the Antelope Pump Back project. The contract amount through pre-design is \$31,996. The pre-design work is completed and a final report has been submitted. Final design work is included under Project # SC14-043 (below).
SC14-035F	Well Site Investigation - Surveying Services	Nicole Weideman	Incl. Above	\$3,051	\$989	Investigation of existing District property as well as potential new properties, including easements, title deeds, etc.
SC14-035G	Elevated Water Tank Analysis	John Valdes/Nicole Weideman	Incl. Above	\$17,466	\$36,419	Based on a CDPH inspection, three of the District's elevated water storage tanks have operational issues and common inlet/outlet designs that may pose water age problems. According to CDPH, "All new reservoirs must have a separate Inlet and outlet. Since these are existing tanks, SSWD should submit an operational plan that shows how the water in the tanks will be routinely cycled to minimize water stagnation." New booster pumps are proposed to allow the water in the tanks to be cycled in/out on a daily basis. Affinity Engineering has completed design for the three tanks and construction will take place in January 2015.
SC14-035H	Auburn Corp. Yard Property Line Adjustment	Dave Jones	Incl. Above	\$14,204	\$19,386	A task order has been approved with Area West Engineering in the amount of \$38,000.
SC14-035H2	McClellan Remediated Water Evaluation [COMPLETED]	John Valdes	Incl. Above	\$1,948	\$3,053	SSWD has contracted with Tully & Young to study the possibilities of the uses of the existing remediated water produced by the Air Force at McClellan Business Park. Tully & Young is the lead firm with Kennedy-Jenks assisting in the work. Consultant fee is \$40,000.00. Work completed to date includes, but not limited to, meetings with District staff, Air Force, McClellan Park, neighboring agencies and potential users downstream of the Park. The draft report was submitted in late March. Discussions followed and recommendations were provided by staff to Tully & Young to complete the report. Tully & Young attended the F&O Committee Meeting in August where they presented recommendations to the Committee. The report is now finalized and this project is completed.
SC14-035J	Review of District Regulations and Improvement Standards	David Espinoza/Patrick Wilson	Incl. Above	\$0	\$25,000	The District has hired Coleman Engineering to review the District's Regulations Governing Water Service and Improvement Standards and Technical Specifications. The goal is to have an independent consultant take a fresh look at the District's regulations and standards and to make sure they align with others in the water industry. The contract with Coleman Engineering is dated November 19, 2014, in the amount of \$25,000. The work is underway and will be completed by February 2015.
SC14-035K	Preparation of Prop. 84 Drought Grant Application for Enterprise Intertie Improvements Project	John Valdes	Incl. Above	\$5,000	\$0	The District agreed to pay RWA to prepare and submit a Regional Prop. 84 drought grant application. The District's cost share for the Enterprise Intertie Improvements project is \$5,000.
		Subtotal	\$150,000	\$90,673	\$90,935	Total budget, spent to date and additional encumbered funds on SC14-035 projects.

Last Updated: December 30, 2014

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SC14-044	Capital Improvements to CTP (Per Contract Agreement with SJWD)		\$7,000	\$0	\$0	District's cost share (owed to San Juan Water District) for Cooperative Transmission Pipeline (CTP) Corrosion Testing for 2014.
CONJUNCTIVE USE						
SC14-041	Permitting for Operation of Aquifer Storage and Recovery (ASR) Wells	John Valdes	\$0	\$0	\$0	[Budget revised from \$90,000 to \$0 via budget transfer.] The District owns and operates six wells that were designed to be used for Aquifer Storage and Recovery (ASR). Permits to operate these wells for ASR must be obtained from the State Water Resources Control Board (SWRCB) and/or Central Valley Regional Water Quality Control Board (CVRWQCB). Budgeted funds include the estimated cost for validating and running a groundwater model to support environmental review, scoping for environmental review, and preparation of an Initial Study/Mitigated Negative Declaration.
SC14-043	Antelope Pump Back Project	John Valdes / Nicole Weideman	\$100,000	\$24,334	\$875	Notice to Proceed for construction was issued to W.M. Lyles on December 10, 2014. A pre-construction meeting with W.M. Lyles was held on December 15, 2014. Because this project is partially grant funded, the District's labor compliance consultant, DCM Group, also attended this meeting. W.M. Lyles is putting together final cost estimates for possible Value Engineering measures that were proposed to realize potential cost savings. These items include, but are not limited to, eliminating the permanent standby generator, changing two flow meters from mag meters in large concrete vaults to direct bury mag meters, and changing manufacturers for the two variable frequency drives (VFD) for the larger pump back pumps. The current schedule shows that the pump station will be substantially completed and operational by August 5, 2015.
Totals			\$20,955,000	\$19,092,729	\$5,591,537	



Agenda Item: 11

Date: December 29, 2014

Subject: Award of Construction Contract for 2015 Meter Retrofit Project

Staff Contact: David Espinoza, Associate Engineer

The 2015 Meter Retrofit Project will retrofit approximately 981 services with approximately 1,227 meters. Exhibit 1 shows the areas to be retrofitted with water meters in 2015. The seven areas are located in the North and South Service Areas within three voting divisions. Areas 13B, 13C and 16B are in Division 3, areas 25B and 31D are in Division 4, and areas 67B and 81 are in Division 5 of the District's voting divisions.

Under the 2015 project, the District will not be performing retrofits on any backyard water services. However, unlike the 2014 Project, the 2015 Project will be partially funded by a United States Bureau of Reclamation (USBR) Cal Fed meter acceleration grant in the amount of \$188,000.

The scope of work requires excavation of the existing District shut off valve, removal and replacement of the shut off valve with a meter setter and meter, setting of a new meter box, flushing the water service, reconnection to the existing customer side service line and replacement of landscaping or hardscape as required. The District will furnish the contractor a water meter, meter box with lid, meter setter and miscellaneous parts such as anodes and meter adaptors. The Contractor will provide labor, equipment, miscellaneous materials including restoration of existing landscape and hardscape as necessary to complete each retrofit. The location of each existing water service will be initially located and marked by District personnel based on District records. Additional hourly costs are included to provide for unforeseen events such as additional locating services, concrete replacement greater than the limits in the bid, relocation cost for existing services due to hardscape or other utility conflicts affecting the placement of the water meter and placement of new in-tract (customer side service line) associated with water service replacements.

In December, District staff provided bid packages to five contractors. Four of the five contractors responded, providing sealed bid proposals for the 2015 Meter Retrofit Project. The proposals range from \$1,418,275 to \$1,979,700. The apparent low bid is from Flowline Contractors, Inc. (See Exhibit 2). Flowline was the District's meter retrofit contractor in 2014. The proposals included labor, equipment and miscellaneous materials to excavate and retrofit existing water services with new meters in 2015. Staff's estimate of probable construction cost was \$1,287,000. Two likely reasons that the low bid is above the engineer's estimate are the

Award of Construction Contract for 2015 Meter Retrofit Project

December 29, 2014

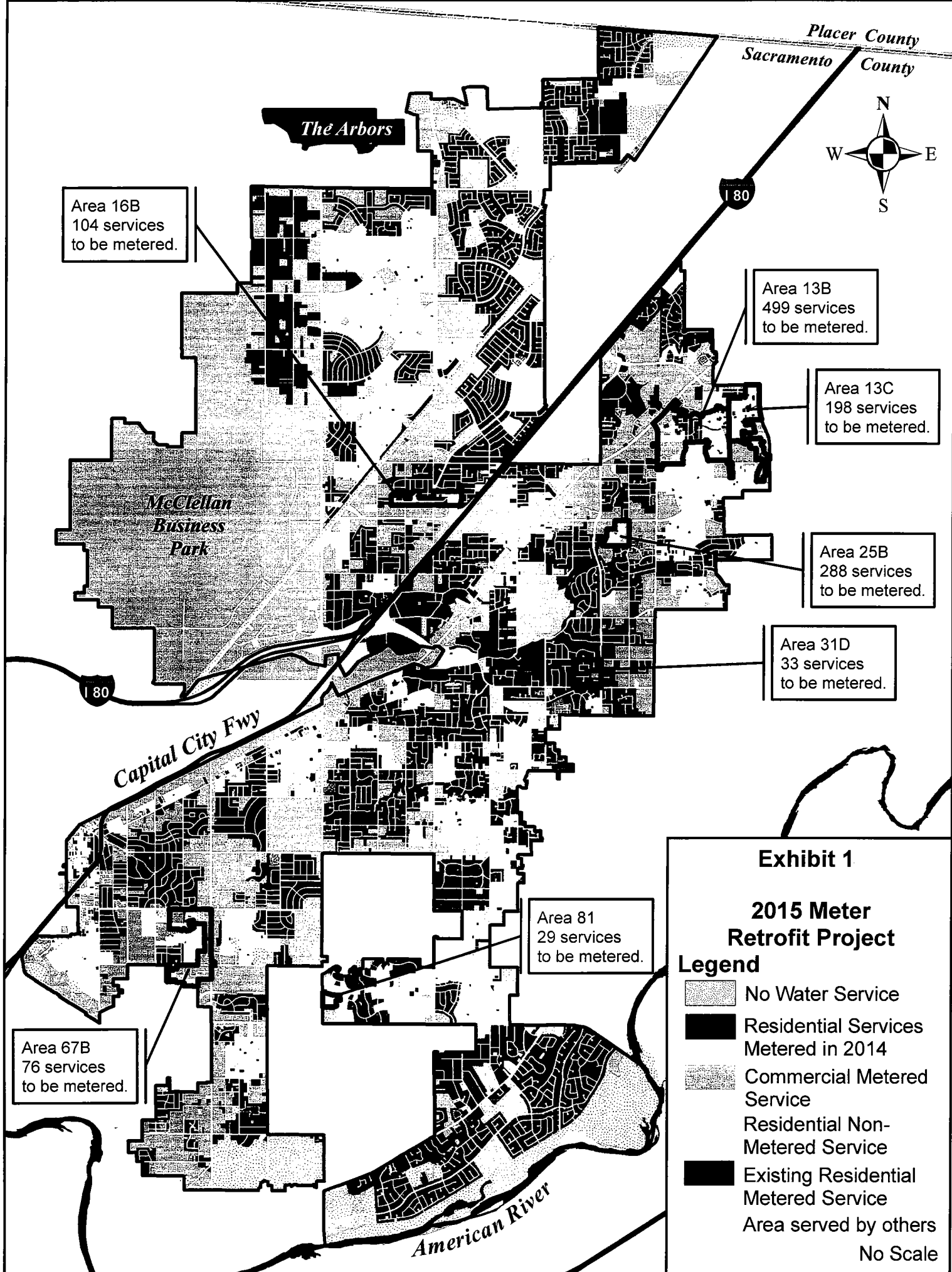
Page 2 of 2

grant funding, and the required extra accounting and labor compliance paperwork required by the contractor, and the tighter schedule (the work must be completed by September 30, 2015, in accordance with the grant conditions). Note that the cost for the meter, meter setter, meter box, meter adaptors and anodes were not included in the bid proposals as the District furnishes these items.

Staff has reviewed the bid results and awarded this project to Flowline Contractors, Inc. As stated above, Flowline Contractors has already successfully completed meter retrofits for the District. In addition, they have performed meter retrofits for other water purveyors including the City of Sacramento and Carmichael Water District. Flowline Contractors is knowledgeable of the District's specifications and requirements and has a track record of efficiently providing a good work product. Staff is pleased with the quality of their work on past projects.

As part of the contract documents the Contractor will be required to provide notification by personal contact, door hangers or both to each homeowner prior to work at each home. District staff will also notify each homeowner by mail two weeks in advance of the pending work within their work area. The Contractor's notification will be performed at least 48 hours in advance of any work.

This project is budgeted under the 2015 Capital Improvement Program, Projects #SC14-024A – Meter Retrofit Program and #SC14-024B – Meter Retrofit Program USBR Cal Fed Grant Funded. The District's total approved CIP budget for this project is \$1,613,000.



Area 16B
104 services
to be metered.

Area 13B
499 services
to be metered.

Area 13C
198 services
to be metered.

Area 25B
288 services
to be metered.

Area 31D
33 services
to be metered.

Area 81
29 services
to be metered.

Area 67B
76 services
to be metered.

Exhibit 1

2015 Meter Retrofit Project

Legend

- No Water Service
- Residential Services Metered in 2014
- Commercial Metered Service
- Residential Non-Metered Service
- Existing Residential Metered Service
- Area served by others

No Scale

Exhibit 2

Bid Opening - 2015 Meter Retrofit Project

December 11, 2014 @ 2:00 PM

Contractor	Proposal	Addendum Acknowledgement	Bid Bond
Flowline Contractors	\$1,418,275.00	Yes	Yes
GM Construction	\$1,605,449.00	Yes	Yes
Lund Construction	\$1,979,700.00	Yes	Yes
Performance Piping	No Bid	N/A	N/A
Rawles Engineering	\$ 1,768,500.00	Yes	Yes
Engineers Opinion of Most Probable Cost	\$ 1,287,000.00		



Agenda Item: 12

Date: December 29, 2014

Subject: Proposition 84 Drought Grant for Enterprise Intertie Improvements

Staff Contact: John E. Valdes, Engineering Manager

In July 2014, the Regional Water Authority (RWA) applied for \$9,765,000 in grant funding from a Proposition 84 Drought Grant Implementation Program as administered by the Department of Water Resources (DWR). The District had two projects included in the grant application: the Antelope Pump Back Booster Pump Station Project (a joint project with San Juan Water District) and the Enterprise Intertie Improvements.

In November 2014, DWR released their funding recommendations and RWA was recommended for full funding. As part of this grant, the District will receive \$710,625 in additional grant funding for the Antelope Pump Back Booster Pump Station Project and \$118,125 in grant funding for the Enterprise Intertie Improvements.

At the December 2014 Board Meeting, the Board asked for additional information on the Enterprise Intertie Improvements including what portion of the total project cost will be paid by the District versus the amount that is being grant funded.

An existing intertie (service connection) already exists between the District and the City of Sacramento (City) at the District's Enterprise Reservoir site. However, this intertie was designed only for SSWD to take delivery of treated surface water from the City. The intertie was never intended to allow the District to supply the City with water. However, by reversing an existing check valve, and manually modulating the flow via a 24" butterfly valve, District staff discovered it was possible to deliver water to the City at this existing intertie. Actual flow tests and a hydraulic modeling analysis have been performed to confirm this. From the flow tests, it was determined that a peak instantaneous supply of 20.0 million gallons per day (mgd) or 13,900 gallons per minute (gpm) can be delivered to the City at this intertie. Likewise, over a 90-day summer period, modeling has shown that an estimated 5,850 acre-feet (AF) of water could be delivered to the City through the intertie. Note also that the District has already delivered emergency water supplies to the City at this location in both 2013 and 2014.

Although water can be delivered with the current situation (with the existing check valve reversed and manually modulating flow via a 24" butterfly valve), there is no way to remotely remove a control the flow of water or system pressures, leaving both systems at risk. In order to

safely control the flow of water through this intertie to ensure adequate pressure is maintained in both systems, additional above-ground piping, isolation valves, a flow control valve, instrumentation and controls, and Supervisory Control and Data Acquisition (SCADA) integration and programming are needed to make this a permanent, automated intertie. The estimated total cost of this project is \$178,700. As indicated above, grant funding will pay for \$118,125 or 66% of the estimated total cost. Therefore, the District would be obligated to pay the remaining amount or \$60,575.

One advantage to a reversed intertie that would allow emergency groundwater to be delivered to the City is that the City would "credit" the District with an equal amount of more expensive surface water which the District must now purchase for over \$300 per acre-foot. And, while the District is taking credited surface water from the City, the District's wells are being rested and therefore, in-lieu groundwater recharge is being achieved. Automation of this intertie will also facilitate potential future multi party groundwater substitution water transfers in cooperation with the City of Sacramento.



Agenda Item: 13

Date: December 30, 2014

Subject: City of Sacramento Emergency Water Delivery

Staff Contact: Jim Arenz, Operations Manager

On Sunday, December 14, 2014, staff received a request from a neighboring water purveyor, the City of Sacramento (City), requesting Emergency Water delivery through the District's Enterprise/Northrop Intertie to provide fluoridated groundwater to a portion of their district. This request was prompted by a shut down of the City's Sacramento River Water Treatment Plant (WTP) caused by excessively high turbidity levels in the Sacramento River from run-off of the recent storm activity. The City's Fairbairn WTP was off-line for normal seasonal maintenance and could not be placed back into service rapidly enough to meet demands.

In less than 3 hours from the original call at 7:45 p.m., District staff had responded to the Enterprise/Northrop Intertie to manually open the bypass valve and begin delivery of water to the City. By 11:00 p.m. the District was delivering nearly 15,000 gpm of fluoridated groundwater to the City. During the 37 hour period the intertie was open, ending December 16, 2014 at 11:00 a.m., 33.9 MG (104.1 AF) of fluoridated groundwater from the District's South Service Area (SSA) was provided to the City. Water was delivered at an average rate of nearly 15,200 gallons per minute (gpm) with a maximum flow of 17,525 gpm.

This event provided additional evidence that the District is capable of supplying groundwater deliveries to the City, for emergency purposes, whenever excess capacity is available. However, the District's ability to provide the volume of excess capacity delivered from the SSA wells during this event was only possible because of decreased seasonal demands. The amount of excess capacity available for emergency delivery during the summer demand season would be a greatly diminished amount.



Agenda Item: 14

Date: December 29, 2014

Subject: Preventive Maintenance Annual Report

Staff Contact: Jim Arenz, Operations Manager

The District has experienced continued success with the Preventive Maintenance Program (PM Program). The effectiveness of the program is reflected in the greatly improved reliability of the District's many valves and fire hydrants since the implementation of this program.

In 2014, staff focused the efforts of the PM Program in the four areas as listed below:

1. Inspection and exercising of distribution system assets identified as being in high traffic areas.
2. Inspection and exercising of mainline valves in advance of scheduled mainline shutdowns.
3. Fire hydrant and fire hydrant isolation valve inspections and exercising.
4. Inspection and identifying distribution system assets for the County's overlay project on Marconi Avenue.

Staff has provided a District map illustrating the number of valves, fire hydrants, and fire hydrant isolation valves that have been inspected in a particular region (see Exhibit 1).

Inspections, Exercising and Findings of Mainline Valves

898 mainline valves were inspected with 718 of these being exercised. There were 394 significant findings. Categorized below are the findings encountered by staff:

- 7 mainline valves were identified as being broken.
- 11 mainline valves were identified in the closed position.
- 12 mainline valves could not be located.
- 39 mainline valve boxes were buried below grade.
- 1 mainline valve box was overlaid by asphalt.
- 159 mainline valves were located in high traffic areas.
- 163 mainline valve boxes were identified as full of debris.
- 1 mainline valve could not be accessed.
- 1 isolation valve could not be operated as the valve key could not be placed on the operating nut.

Findings corrected by the PM crew during inspection:

- All 11 mainline valves found in the closed position were exercised and left open.
- All 39 mainline valve boxes discovered buried were raised to grade and the valves exercised.
- All 163 mainline valve boxes identified as full of debris were thoroughly cleaned and the valves exercised.

Findings for which individual Work Orders were created and each of the findings subsequently corrected:

- 7 mainline valves were identified as broken.
- 1 mainline valve box overlaid by asphalt.
- 1 mainline valve could not be accessed.
- 1 isolation valve could not be operated as the valve key could not be placed on the operating nut.

Findings recorded as unable to locate or located in high traffic areas in GIS data base:

- 159 mainline valves were located in high traffic areas.
- 12 mainline valves could not be located.

In addition to the above, the PM Program identified numerous valves throughout the District's Service Area that are not being inspected or exercised during the normal PM Program valve exercising phase. The subject valves are located in high traffic areas such as major intersections or high volume traffic lanes that require full Temporary Traffic Control. To date, the PM Program has exercised 37 of these valves.

Inspections, Exercising and Findings of Fire Hydrants and Fire Hydrant Isolation Valves

Fire Hydrants

1,255 fire hydrants were inspected with 150 significant findings. Categorized below are the findings encountered by staff:

- 9 fire hydrants were deemed non-operational.
- 13 fire hydrants were very difficult to operate.
- 4 fire hydrants were deemed leaking.
- 4 fire hydrants were non-accessible due to access issues.
- 15 fire hydrant caps were missing.
- 25 fire hydrants were non-visible due to overgrown vegetation.
- 5 fire hydrants were deemed too low to grade to be functionally operational.
- 73 fire hydrants were found in need of paint.
- 1 fire hydrant had a damaged nozzle.

- 1 fire hydrant had a damaged operating nut.

Findings corrected by the PM crew during inspection:

- 15 fire hydrant caps were replaced.
- 73 fire hydrants were painted.

Findings for which Individual Work Orders were created and each of the findings subsequently corrected:

- 9 fire hydrants deemed non-operational.
- 13 fire hydrants very difficult to operate.
- 4 fire hydrants deemed leaking.
- 5 hydrants deemed too low to grade to be functionally operational.
- 25 fire hydrants non-visible due to overgrown vegetation.
- 4 fire hydrants non-accessible due to access issues.
- 1 fire hydrant with a damaged nozzle.
- 1 fire hydrant with a damaged operating nut.

Fire Hydrant Isolation Valves

1,202 fire hydrant isolation valves were inspected with 975 of these being exercised. There were 533 significant findings. Categorized below are the findings encountered by staff:

- 16 isolation valves were identified as broken.
- 20 isolation valves were identified as closed.
- 38 isolation valves could not be located.
- 75 isolation valve boxes were buried.
- 14 isolation valves overlaid by asphalt.
- 3 isolation valves could not be operated as the valve key could not be placed on the operating nut.
- 4 isolation valves were non-accessible due to access issues.
- 159 isolation valves were located in high traffic areas.
- 204 isolation valve boxes were identified as full of debris.

Findings corrected by the PM crew during inspection:

- All 20 isolation valves found in the closed position were exercised and left open.
- All 75 isolation valve boxes discovered buried were raised to grade and the valves exercised.
- All 204 isolation valve boxes identified as full of debris were thoroughly cleaned and the valves exercised.

Findings for which individual Work Orders were created and each of the findings subsequently corrected:

- 16 isolation valves were identified as broken.
- 14 isolation valves were overlaid by asphalt.
- 3 isolation valves could not be operated as the valve key could not be placed on the operating nut.
- 38 hydrant isolation valves could not be located.
- 4 isolation valves were non-accessible due to access issues.

Findings recorded as non-locatable or in high traffic areas in GIS data base:

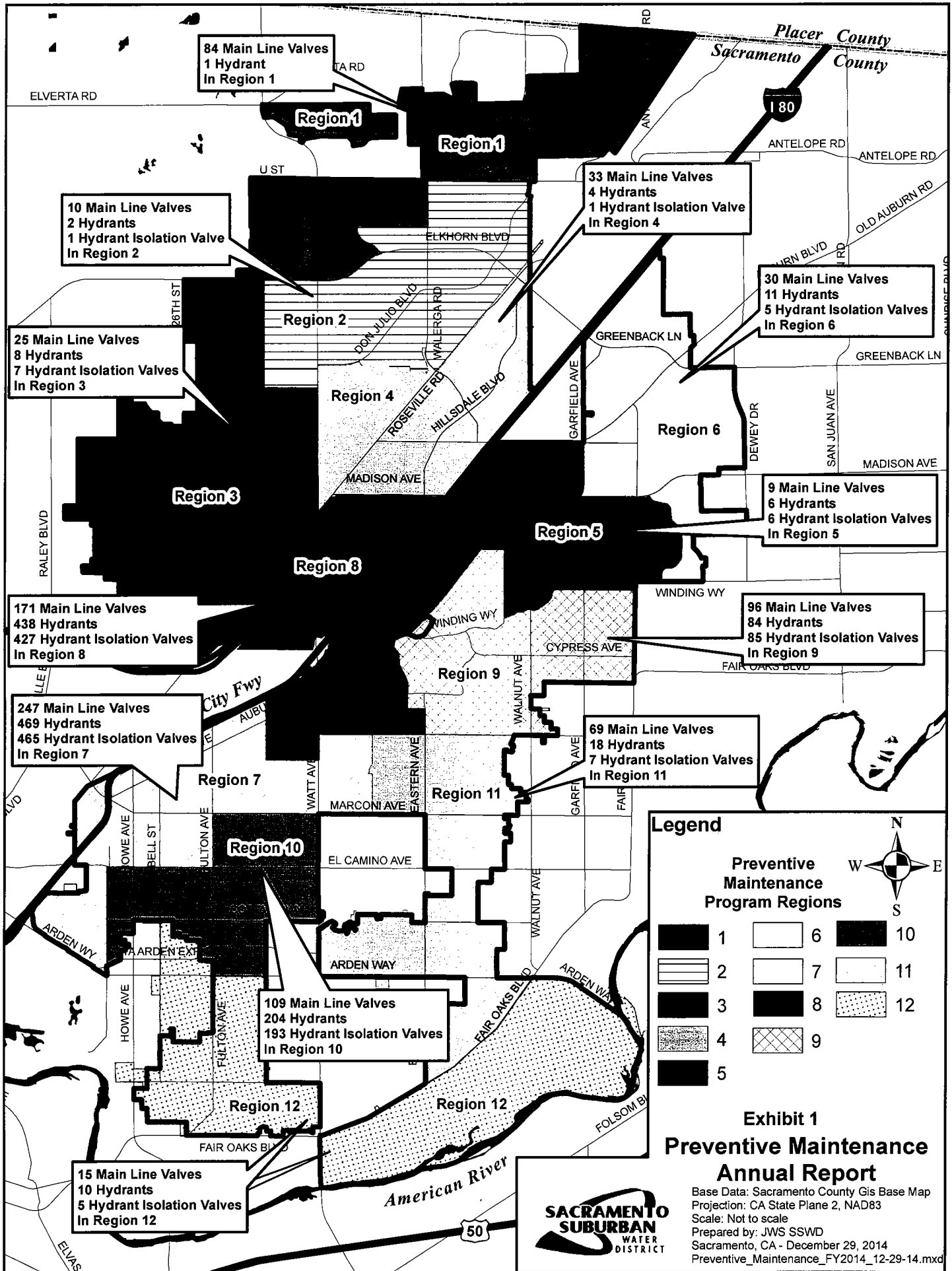
- 159 hydrant isolation valves were located in high traffic areas.

PM Program Peripheral Duties

Peripheral duties also performed by the PM Program staff:

1. Assisting with scheduled shutdowns by performing trial shutdowns and noticing District customers of pending water outages.
2. Assisting with Capital Improvement Program projects by confirming valves are accessible and operating properly.
3. Assisting with Water Quality issues by identifying valves suspected of unusual or faulty operation possibly creating dead-end, stagnate water conditions, then confirming the suspect valve's operational position. This work often results in performing trial shutdowns.
4. Assisting with distribution system flushing and bacteriological water sampling as a result of new construction on the distribution system.

The District continues to experience great success with its PM Program and finds additional benefits in the effectiveness of daily operations associated with the program.



Legend

Preventive Maintenance Program Regions

1	6	10
2	7	11
3	8	12
4	9	
5		

Exhibit 1
Preventive Maintenance Annual Report

Base Data: Sacramento County Gis Base Map
 Projection: CA State Plane 2, NAD83
 Scale: Not to scale
 Prepared by: JWS SSWD
 Sacramento, CA - December 29, 2014
 Preventive_Maintenance_FY2014_12-29-14.mxd





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Agenda Item: 15

Date: December 30, 2014

Subject: Rio Linda/Elverta Community Water District Interconnection Update

Staff Contact: Jim Arenz, Operations Manager

As reported in the November 2014 Water Operations and Exception Board Report and Agenda Item 23 of the December 2014 monthly Board meeting, staff noted a usage of 3.565 Million Gallons at the Rio Linda/Elverta Community Water District (RLECWD) intertie (see Exhibit 1). The December Report identified two operational issues that lead to the undetected usage during 2014. It was also noted in the December report that Sacramento Suburban Water District (SSWD) waived the billing for the water delivered to RLECWD. This prompted Director Gayle to request an explanation for this action. The explanation is as follows:

The water delivered to RLECWD was done so anomalously as a result of operational issues with the equipment at the site. As per Article III, Requests for Assistance, in the Mutual Aide and Assistance Agreement between RLECWD and SSWD, executed April 29, 2013, each entity must request mutual aide or assistance either orally or in writing. An excerpt from this agreement can be seen in Exhibit 2. RLECWD staff did not request mutual aide in the form of emergency water at the subject interconnection at any time during 2014. As a result, SSWD staff could not charge RLECWD for the water they had received in error. However, based on the District's wholesale water rate of \$1.01 / CCF, the water delivered (3.365 MG or 4,829.06 CCF) would have been valued at \$4877.35, had it been requested instead of being delivered as a result of operation and equipment malfunctions.



Rio Linda / Elverta
Community Water
District

Sacramento
Suburban Water
District

Interconnection
With Rio Linda /
Elverta Community
Water District

12"
WATER
MAIN

12" VALVES

8" VALVE
(SHUT)

8" METER

8" VALVE
(SHUT)

8" ACP
MAIN

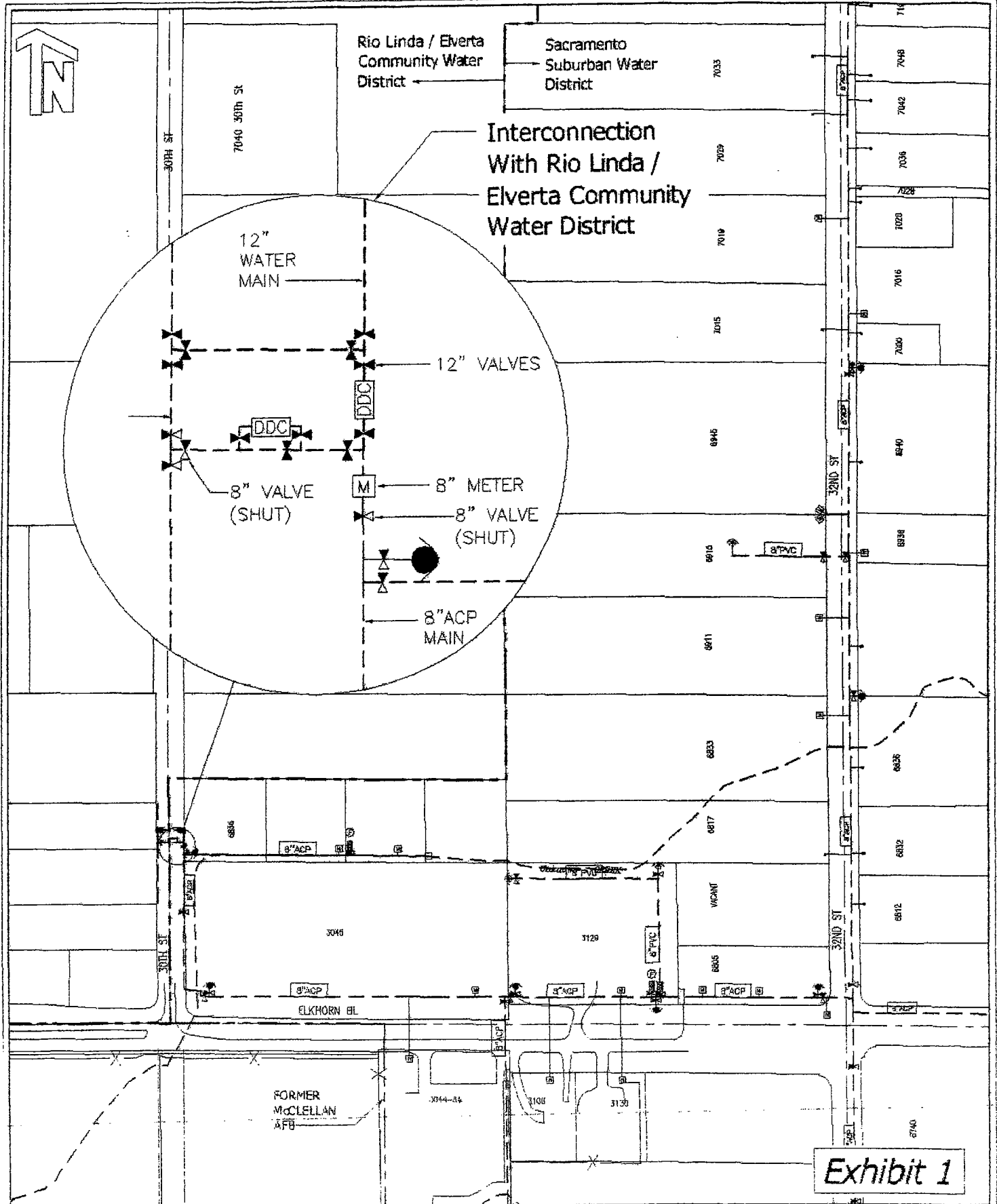


Exhibit 1

Sacramento Suburban Water Dist
 3701 Marston Ave Suite 100
 Sacramento, CA 95821-5340
 PH. (916) 972-7171 FAX. (916) 972-7639

DWG NAME:	Location Map for 30th & Elkhorn		
SCALE:	Not to Scale		
DATE:	04.08.2008	OF NAME:	30th_elkhorn_int

Exhibit 2

K. Emergency conditions and indicators including “system pressures” and “outside temperature” are defined in Exhibit 3.

L. A “resource inventory” including equipment, supplies, and personnel for each Member, is defined in Exhibit 4.

M. “Agreement” means the Mutual Aid and Assistance Agreement between the Sacramento Suburban Water District and the Rio Linda/Elverta Community Water District.

ARTICLE III. REQUESTS FOR ASSISTANCE

In the event of an Emergency, a Member’s Authorized Official may request mutual aid and assistance from a participating Member. Requests for assistance can be made orally or in writing. When made orally, the request for personnel, equipment, and supplies shall be prepared in writing as soon as practicable. Requests for assistance shall be directed to the Authorized Official of the participating Member or the first available contact person as described in Exhibit 3 of this Agreement. Specific protocols for requesting aid shall be provided in the required procedures described below. In the event that a Member becomes a Requesting Member, the following procedure shall be followed:

The Requesting Member shall contact the Authorized Official Responding Member and provide them with the following information:

1. A general description of the damage sustained, if relevant;
2. The part of the water system for which assistance is needed;
3. The amount and type of personnel, equipment, materials and supplies needed and a reasonable estimate of the length of time they will be needed;
4. The present weather conditions and the forecast for the next twenty-four hours;
5. A specific time and place for a representative of the Requesting Member to meet the personnel/equipment of the Responding Member; and
6. The identification of work conditions and special constraints such as availability of fuel supplies, lodging/meal support, medical facilities, security, communications, etc.

The Requesting Member shall have the responsibility of providing communications between the personnel of the Responding Member and the Requesting Member.



Agenda Item: 16

Date: January 5, 2015

Subject: Status of Phase 2A Reorganization Study

Staff Contact: Daniel A. Bills, Finance Director

Discussion:

There were two meetings held in December regarding the potential consolidation with San Juan Water District (SJWD.) The first was a Joint Board Meeting on December 16 and the second was a 2x2 Water Management Ad Hoc Committee Meeting on December 18. The following items were discussed at each meeting with further details provided in the attached draft meeting minutes and notes. Staff requests director comments on the draft minutes and notes.

Joint Board Meeting:

1. Approved Minutes of the April 28, 2014 Meeting
2. Reviewed Current Draft of Phase 2A Report
3. Received Public Information Firm Update - MMS Strategies
4. Discussed Upcoming Tasks & Meetings

2x2 Water Management Ad Hoc Committee Meeting:

1. Approved Meeting Notes of the November 20, 2014 Committee Meeting
2. Discussed Follow-up Items from Joint Board Meeting
3. Approved MMS Strategies Phone Survey Task Order
4. Discussed Upcoming Tasks & Meetings

Current tasks of staff and Mr. O'Farrell (Consolidation Consultant) include:

1. Individual meetings with Stakeholders
2. Continued Data Gathering and Phase 1 Validation
3. Working on open areas of the Phase 2A Report

Joint Board of Directors' Meeting Minutes

San Juan Water District (SJWD) and
Sacramento Suburban Water District (SSWD)

December 16, 2014 – 6:30 p.m.

BOARD OF DIRECTORS

Neil Schild	SSWD President (Chair)
Kevin Thomas	SSWD Vice President
Frederick Gayle	SSWD Director
Craig Locke	SSWD Director
Robert Wichert	SSWD Director (absent)
Ted Costa	SJWD President (Chair)
Pam Tobin	SJWD Vice President
Ken Miller	SJWD Director
Dan Rich	SJWD Director
Bob Walters	SJWD Director

MANAGEMENT AND STAFF

Robert Roscoe	SSWD General Manager
Dan York	SSWD Assistant General Manager
Christine Bosley	SSWD Executive Assistant
Shauna Lorance	SJWD General Manager
Keith Durkin	SJWD Assistant General Manager
Teri Hart	SJWD Board Secretary/Administrative Assistant

OTHER ATTENDEES

Al Dains	Citrus Heights Water District (CHWD) Director
Caryl Sheehan	CHWD Director
Bob Churchill	CHWD General Manager
John O'Farrell	Consultant
Michelle Smira-Brattmiller	Consultant
Debra Sedwick	Del Paso Manor Water District General Manager
Tom Gray	Fair Oaks Water District General Manager
Mike Schaefer	Orange Vale Water Company Director
Brenda Davis	SSWD Customer
William Eubanks	SSWD Customer
James Stalder	SSWD Customer
Avery Wiseman	SSWD Customer
Jim Arenz	SSWD Employee
Dan Bills	SSWD Employee
Lynn Yost	SSWD Employee
Greg Young	Tully & Young

AGENDA ITEMS

- I. Call to Order and Roll Call – San Juan Water District**
- II. Call to Order and Roll Call – Sacramento Suburban Water District**
- III. Announcements**
- IV. Public Comment**
- V. Items for Discussion and Action – Joint Board**
- VI. Adjourn - San Juan Water District**
- VII. Adjourn – Sacramento Suburban Water District**

I. CALL TO ORDER AND ROLL CALL – SAN JUAN WATER DISTRICT

SJWD Chair Costa called the meeting to order at 6:33 pm and declared a quorum with five Directors present.

II. CALL TO ORDER AND ROLL CALL – SACRAMENTO SUBURBAN WATER DISTRICT

SSWD Chair Schild called the meeting to order at 6:34 pm and declared a quorum with four Directors present (Director Wichert absent).

III. ANNOUNCEMENTS

There were no announcements.

IV. PUBLIC COMMENT

Mr. William Eubanks addressed the Joint Board regarding the Sacramento Bee article on SJWD. He commented that the article showed SJWD in the top 5% for compensation and that the general manager's salary was listed at over \$200,000. He voiced concern over high salaries at SJWD and the statements made that there will be no layoffs due to a merger. Ms. Lorange commented that the salary information was incorrect. Mr. Eubanks voiced concern that there would be large pay raises for SSWD employees should the merger happen.

V. ITEMS FOR DISCUSSION AND ACTION – JOINT BOARD

1. Minutes of the April 28, 2014 Joint Board Meeting

Director Thomas moved to approve the minutes of the April 28, 2014, Joint Board meeting by SSWD. Director Gayle seconded the motion and it carried with 3 Aye votes, 1 Abstain vote (Locke) and 1 absent (Wichert).

Director Walters moved to approve the minutes of the April 28, 2014, Joint Board meeting by SJWD. Director Tobin seconded the motion and it carried with 4 Aye votes and 1 Abstain vote (Rich).

Director Miller voiced concern that if there were any requests for changes on the minutes then discussion should be made available before the first vote so that any changes can be recognized by each Board.

2. Review Draft Phase 2A Report

Mr. Rob Roscoe conducted a brief presentation which included background information, overview of the districts' boundaries, Phase 1 analysis and recommendation, and progress since the last Joint Board meeting in April 2014. A copy of the presentation will be attached to the meeting minutes.

Mr. Roscoe referred the Joint Board to the rough draft of the Phase 2A report which was in the board packet. He commented that normally the rough draft is not provided and further along the process a public draft would be provided; however, the committee is determined to make sure that the public is aware of each step of the process.

Mr. John O'Farrell conducted a presentation on the Phase 2A study which included an introduction, setting, perceived benefits of the reorganization, preliminary findings, preliminary conclusions, and preliminary recommendations. In addition, he reviewed the perceived benefits of the merger, phases of review, communication and outreach, current district structures, governmental restructuring, model reorganized district, governance and directors, organizational charts, financial picture, effect on customers, external affairs, lessons learned from the 2012 merger of the Arcade and Northridge Water Districts, and Phase 2B. A copy of the presentation will be attached to the meeting minutes.

Mr. O'Farrell explained that if the districts come together then financials, debt, and water rates will be kept separate for quite some time. SSWD Chair Schild suggested that the organization charts be revised to show "Public" above the Boards.

Mr. O'Farrell informed the Joint Board that there will be certain terms that LAFCo would incorporate into the resolution that could not be changed by the future board such as the number of directors; however, the intent is to minimize restrictions on what the future board may or may not decide what to do, unlike what happened in the AWD/NWD merger.

Mr. O'Farrell reviewed the schedule which was posted on the wall of the SSWD boardroom. A copy of the schedule will be attached to the meeting minutes. SSWD Chair Schild voiced concern that the schedule does not contain a place for obtaining public comments from the district rate payers. Mr. O'Farrell responded that it is covered under SJWD/SSWD Boards Provide Directions and Resolutions. SJWD Chair Costa suggested that the Joint Board consider using the City of Citrus Heights' council chambers, which is equipped with video broadcasting, and then tape the meetings and broadcast them. Ms. Lorange explained that MMS Strategies would be providing more information on public outreach.

In response to Director Walters' question, Mr. O'Farrell explained that the board members should go through the entire report and provide the executive team with their comments, concerns and questions by the second week of January. Then those responses will be incorporated into the report and then the report would be released for a 30-day public review and comment period. In addition, the report would then be reviewed in February by the Joint Boards.

Mr. O'Farrell commented that issues such as this sadly do not generate a lot of public interest and everything will be done to make sure that the public is aware. SSWD Chair Schild commented that allowing enough time for public comment is important.

In response to Director Walters' comment, Mr. O'Farrell responded that the proposed new district will span over a large area and board meetings might need to be relocated to a more central location.

Director Miller inquired how the merger/consolidation is going to impact the water contracts that were originally made for a specific purpose and a specific location, and would they be in jeopardy of being reopened. In addition, he voiced concern regarding the allocation of directors within the new proposed wholesale boundaries. Mr. O'Farrell commented that the water rights issue could be addressed in the LAFCo resolution where it could be stated to preserve the financial benefit and reliability of the water rights to the area which currently receive them. Ms. Lorange explained that the directors would be voted in from various divisions not from the wholesale customer agencies' boards.

In response to Director Miller's request, Ms. Lorange explained that the current CVP water contracts with USBR provide SJWD a service area which is the current wholesale service area boundaries. The CVP place of use does include SSWD, but the service area in the contract does not. Therefore, in order to expand the CVP contract, since doubling in size, there would need to be an environmental document to show that additional water supply is being used. She explained that one of the benefits of the pre-1914 water rights is that there is no set place of use. Therefore, if the boundaries were expanded then you could use pre-1914 water rights then pull those rights back during dry years. If more CVP water was used within the existing CVP service area then when CVP water is cut back, the allocation would be based on a higher number thus allocating more CVP water. Ms. Lorange suggested that a written legal opinion be obtained prior to pursuing this. In response to Director Gayle's comment, Mr. Roscoe explained that the CVP contract would not change under the merger.

In response to Director Locke's question, Ms. Lorange explained that during wet years SJWD treats surface water for SSWD which helps maintain the groundwater basin which in turn is then used during dry years. In addition, some of the water could be used to generate revenue and offset future costs.

Mr. Roscoe explained that SSWD currently has a conjunctive use plan in place in the north service area and one in the south service area. Mr. Roscoe explained that water is received from PCWA for their north service area; however, PCWA can recall the water anytime that they need the water in Placer County, which makes it not a long-term reliable surface water source. In addition, SSWD receives water from the City of Sacramento for the south service area; however, the water is only available to SSWD when the river is above a particular flow value that was set by Judge Hodge in the 1980s (referred to as the Hodge Flows), and that recent operations at Folsom Reservoir mean the Hodge Flows are met less often. Mr. Roscoe explained that access to surface water for the conjunctive use plans to keep the groundwater basin stable is questionable. Mr. Roscoe commented that the basic concept is to combine the water supply portfolios of both districts, which will provide opportunities for increased water supply reliability for both districts.

In response to Director Locke's comments and questions, Ms. Lorance responded that she and Mr. Roscoe would be happy to meet with Director Locke to answer in depth any questions that he might have as a new director.

Mr. Bob Churchill addressed the Joint Boards and expressed appreciation that the presentation showed some assurances and is looking forward to seeing how the finances may be combined for the benefit of everyone. In addition, he voiced concern that the comment period listed on Agenda Item 4 with a date of January 5th does not allow enough time for the wholesale customer agencies to respond. Mr. O'Farrell explained that the January 5th date is for comments from the board members.

Ms. Brenda Davis addressed the Joint Boards with a list of questions which are summarized below:

1. Didn't see reference to an environmental analysis under CEQA or NEPA and wanted to know if that was already dealt with. What is the plan for environmental compliance?
2. Legal analysis regarding the water rights was mentioned; however, there is no underlying support on the consultant's recommendation to not select option 1 or 2. She suggested that the information be provided in a spreadsheet so that the public can look at what statutes and contracts are in place or apply, with the advantages and disadvantages listed.
3. What is the existing water use and what would it look like with or without consolidation and what it would look like over a set planning horizon?
4. How will the new groundwater laws affect the merger and has it been evaluated?
5. Contaminated groundwater plume – how fast is it spreading and how will the merger affect the plume?
6. Infrastructure repairs, liability and indemnification – who is responsible should be in the analysis.
7. How will the customers (stakeholders) be integrated into the process so that they know that their concerns are being handled?

Mr. Avery Wiseman addressed the Joint Board and would like to know the actual benefit and financial benefit to a SSWD customer. He commented that he doubts combining the districts will give a much stronger voice on external affairs. In addition, he voiced concern regarding the merging of debt and is concerned that SSWD rate payers will have to cover SJWD's debt. He commented that SSWD has had a history of tremendous rate increases. Furthermore, he believed that there have been no public discussions regarding a merger.

Mr. Eubanks addressed the Joint Boards and voiced concern that until there is legislative action the new board would be limited to 5 directors. Mr. O'Farrell explained that there would be a transition from the 10 directors down to whatever the current law states. Mr. O'Farrell confirmed that the newly constituted board could change anything as long as it is not embedded in the LAFCo resolution.

3. Public Information Firm Update – MMS Strategies

Ms. Michelle Smira-Brattmiller conducted a presentation, which will be attached to the meeting minutes. She reviewed the progress to date, the message that is being presented, the fact sheet and FAQs, meetings held to date and those that are scheduled with stakeholders, and recurring comments received from stakeholder meetings.

SSWD Chair Schild voiced concern regarding the information listed in the fact sheet and FAQs which were presented to the stakeholders. He commented that the items need to be written with help from rate payers. Ms. Smira-Brattmiller commented that she would be open to re-writing the document.

Ms. Smira-Brattmiller informed the Joint Board that MMS Strategies would like to conduct supplemental polling of the Sacramento Suburban and San Juan Water District customers. They would like to do a 500-600 sampling of the combined customer base to obtain their comments and feedback in order to address broader questions. She mentioned that the 2x2 committee discussed developing a letter to the rate payers which has a substantial cost; however, in order to complete that task diligently, it is important to get initial feedback from customers and the correct messaging in the letter.

Ms. Smira-Brattmiller informed the Joint Board that, in addition to the survey and letter, public workshops will be scheduled. She commented that Citrus Heights has offered their chamber room for the workshops. Furthermore, meetings with the elected officials will continue as well as with other groups, such as Granite Bay MAC.

Ms. Smira-Brattmiller informed the Joint Board that MMS Strategies plans to get the information to the 2x2 committee in February after they have analyzed the results.

In response to Director Walters' question, Ms. Smira-Brattmiller responded that focus groups are not encompassed in the current scope of work; however, they will be talking with customers to get their sentiments on the topic. In response to SSWD Chair Schild's question, Ms. Smira-Brattmiller responded that the questions for the telephone survey have not been drafted yet and they can be provided to the board members in advance.

In response to Director Walter's and Director Gayle's comments, Ms. Smira-Brattmiller explained that the elected officials listed in her presentation serve constituents which receive water from either SSWD or SJWD and it is important that the elected official is aware of the proposed merger in case they are questioned by their constituents.

In response to Director Locke's comment, Ms. Smira-Brattmiller explained that SSWD bills monthly and SJWD bills bi-monthly, so doing a billing insert will take longer to get the message out; however, a bigger concern with doing a billing insert is that SJWD only sends bills out to their retail customers so the SJWD wholesale area would not get the billing insert. Ms. Lorange explained that there were different views on doing a direct mailer vs. the billing insert so the committee will be working on this.

In response to Director Rich's comment, Ms. Smira-Brattmiller commented that she has contacted the North State Building Industry Association and she plans to attend one of the Placer County committee meetings. Director Rich mentioned that connection fees are very different between the two agencies and this should be addressed.

Mr. Roscoe commented that the Joint Board delegated to the 2x2 committee the authority to spend up to \$100,000. He explained that some of the budget has been used to obtain the services of Mr. O'Farrell and MMS Strategies, leaving some of the budget still available. Mr. Roscoe commented that it has been discussed to increase the outreach to the customer bases to make sure that their voice is heard. In doing so, the telephone survey will take a significant amount of the budget which is still available and he would like the Joint Board to agree with this direction. There were no objections for staff to work with the 2x2 committee regarding implementing the telephone survey.

Mr. Churchill addressed the Joint Board and commented that, at the November 2x2 Committee meeting, the committee agreed to send the fact sheet out to the wholesale customer agencies to review. Ms. Lorange commented that it will be sent out, but she believed that it was in the packet.

Mr. Tom Gray addressed the Joint Board and commented that FOWD would like to review the fact sheet and FAQs and, upon agreement of content, would be more than willing to add the information as a billing insert in their billings.

4. Discuss Upcoming Tasks, Schedule and Meetings

SSWD Chair Schild commented that there are still some items missing in the draft report. Mr. O'Farrell explained that the missing pieces are in the process of being put together and will be in the next draft report in January. These items regard budget and finance, planned changes that need to happen if the districts do not merge, and some other items.

In response to Director Rich's comment on validating the perceived benefits within the report, Mr. O'Farrell explained that there is extensive discussion in the report regarding water rights. Ms. Lorance explained that SJWD legal counsel had provided a binder of legal opinions on SJWD's water rights which was later provided to Mr. O'Farrell to include in the report; however, since both districts are represented by the same legal firm, it was decided previously that each district would contract with different attorneys at the appropriate time to provide legal opinions.

Director Rich commented that if the Phase 2A report is to validate the perceived benefits then he suggested that the legal opinions go into the report along with the lessons learned and the asset management information. Mr. Roscoe commented that the concern regarding the asset issues are answered in that there would be a requirement to keep the rates separate until future action by the new board. Mr. Roscoe explained that somewhere in the future, as the reserves and debts of both districts are resolved separately, then the future board can determine if and when to merge the rates.

Mr. O'Farrell commented that initially the Joint Boards started with just a Phase 2 process which would take the process all the way to the LAFCo; however, the Joint Boards wisely changed the process to a Phase 2A and Phase 2B. He explained that as the process continues it is morphing into Phase 2B. Ms. Lorance commented that the budget will need to be adjusted since the scope of work will be expanded.

In response to Director Miller's question, Mr. Roscoe responded that, with rates staying separate and keeping separate books, the reserves will stay with each district and remain separate. Mr. Roscoe added that the LAFCo conditions regarding reserves will need to be carefully framed to provide those assurances.

Director Costa commented that it might be time for legal counsel to start coming to the meetings. Ms. Lorance suggested that this be discussed under Other Matters at the 2x2 committee meeting on December 18, 2014.

VI. ADJOURN - SAN JUAN WATER DISTRICT

President Costa adjourned the SJWD meeting at 9:05 p.m.

VII. ADJOURN – SACRAMENTO SUBURBAN WATER DISTRICT

President Schild adjourned the SSWD meeting at 9:05 p.m.

ROBERT WALTERS, President
Board of Directors
San Juan Water District

ATTEST:

TERI HART
Board Secretary

DRAFT

2x2 Water Management Ad Hoc Committee

Sacramento Suburban Water District

Thursday, December 18, 2014

10:30 a.m.

Committee Members: Ted Costa, San Juan Water District (SJWD) Director, Chair
Neil Schild, Sacramento Suburban Water District (SSWD) Director
Bob Walters, SJWD Director
Kevin Thomas, SSWD Director

District Staff: Rob Roscoe, SSWD General Manager
Shauna Lorange, SJWD General Manager
Dan York, SSWD Assistant General Manager
Christine Bosley, SSWD Executive Assistant

Members of the Public: Michelle Smira-Brattmiller, Committee Consultant, MMS Strategies
Dan Bills, SSWD Finance Director
Dave Simpson, Orange Vale Water Company (OVJWC)
Bob Churchill, Citrus Heights Water District (CHWD)
Al Dains, CHWD
Judy Albietz, CHWD
Debra Sedwick, Del Paso Manor Water District (DPMWD)
Greg Young, Tully & Young
William Eubanks, SSWD Ratepayer

Call to Order

Chair Costa called the meeting to order at 10:30 a.m. It was noted that Bob Wichert, new SSWD Committee member, was absent; Kevin Thomas was present and served as alternate.

Public Comment

None.

Items for Discussion and Action

1. Approve Minutes of November 20, 2014 Committee Meeting

Bob Walters moved to approve the November 20, 2014 Committee Notes; Kevin Thomas seconded. The motion passed unanimously.

2. Discuss Follow-up Items from Joint Board Meeting

Neil Schild stated he had a number of comments for Committee consultant John O'Farrell regarding the draft report and requested staff set up an appointment. Dan Bills will schedule the appointment.

William Eubanks commented that his concern is that ratepayers be kept informed. Mr. Eubanks stated that SSWD has very open process and he is concerned with the creation of too large of an organization, with its additional bureaucracy, and the potential to lose touch with customers. Mr. Eubanks feels that Chair Costa's idea to meet at Citrus Heights Council

Chambers and then broadcast the meeting was an excellent idea. He suggests focusing on water supply reliability issues and also using a professional moderator with the two general managers answering questions. Mr. Eubanks feels that by taking this extra step it couldn't be said later that the public wasn't notified.

Mr. Eubanks is also concerned with the legislation that must be passed in order to provide a more representative Board.

Director Schild agrees with Mr. Eubanks' comments regarding a meeting at Citrus Heights Council Chambers.

Shauna Lorance commented that one of the follow-up items from the joint Board meeting was the question of legal representation at the joint Board and Committee meetings. Chair Costa commented that he wants legal counsel to ensure that the procedure of outreach and transparency is done correctly. Director Walters stated that he doesn't see a compelling reason to have an attorney at every meeting and suggested having legal counsel review the process and provide an analysis. There was discussion regarding whether each agency would hire outside legal counsel or if the Committee would hire its own legal counsel. After deliberation, it was decided that, until each District has its own outside legal counsel, Bartkiewicz, Kronick, and Shanahan (BKS) would be asked to review the Committee's outreach efforts and render an opinion.

3. Approve MMS Strategies Phone Survey Task Order

Michelle Smira-Brattmiller of MMS Strategies stated they will provide a coordinated outreach plan prior to the next Committee meeting for Committee members' review. Regarding larger facilities for outreach efforts, MMS Strategies has also received offers from the cities of Roseville and Folsom, and they will continue to look at other options as well. She went on to say that Supervisor Susan Peter's office has offered her "Coffee Meetings" as a potential venue and there was discussion of contacting schools, the Sacramento Sheriff's Department community meetings and using the Fair Oaks Water District building as other potential outreach avenues.

There was also discussion on the telephone surveys which included:

- How they would be conducted
- Types of questions
- Number of people surveyed/Margins of error
- How areas of ratepayers are identified
- Days of week and hours of day surveys will be conducted

Once the raw data of the surveys has been collected, a final report will be generated and presented to the Committee in February. Both Districts will have links on their websites to a common website which will provide the outreach information to maintain consistency.

It is expected that the survey will include 500 – 600 participants with an expected margin of error rate of approximately 4-5%. Chair Costa stated he would like a copy of the raw data. Ms. Smira-Brattmiller replied she would forward the data to him once she receives it.

Director Thomas questioned whether emails would be sent to ratepayers as well. Ms. Smira-Brattmiller indicated emails would be sent but not in the form of a poll, rather they would be used as an additional means to gather other questions ratepayers may have. A mailer might also be sent which will provide information on upcoming events and to direct ratepayers to the two district websites to gain more information. The logistics and costs of a direct mail piece were discussed.

Director Walters stated his concern that survey questions not be leading. Ms. Smira-Brattmiller assured him they would not be leading as they are not intended to illicit a certain response. Some ideas on questions were discussed along with examples of how questions might be posed. Chair Costa confirmed again that the survey would include no less than 300 people polled.

Debra Sedwick questioned whether neighboring district's customers would be contacted for the survey, causing confusion for those neighboring district's ratepayers. Ms. Smira-Brattmiller explained that the survey will be conducted based on address and other district's customers would not be contacted for the survey. Ms. Lorance commented that it might be a good idea to contact neighboring districts and let them know of the survey in case customers in those districts hear about it.

Director Schild stated his concern that the contract for the survey company did not detail the particulars of the survey. Ms. Lorance explained the first order of business was to hire the firm that will conduct the survey and then the questions would be developed. Ms. Lorance asked whether the Committee would be comfortable with staff approving those questions before they go out. Ms. Lorance did confirm that Committee members will receive the questions in advance of the survey along with the date the survey will start.

Director Walters made a motion to grant staff the authority to sign the work order after amending the contract to reflect the minimum number of phone calls required and areas to be covered. Staff is to then provide the questions to the Committee members at least 24 hours in advance of the survey, as well as the date the survey will start. Director Thomas seconded.

Chair Costa then called for public comment.

Bob Churchill posed a question with regard to the validity of the survey results as there are three areas to consider – SSWD, SJWD Retail and SJWD Wholesale - with two-thirds of the population residing in the SJWD Wholesale area boundary. He believes the questions would have to be different for the different areas. Mr. Churchill also stated the questions in the survey need to be summarized by the wholesale agencies' boundaries so the agencies are able to pick out the questions relevant to their district.

Al Dains questioned if there had been outreach to the Chamber of Commerce. Ms. Smira-Brattmiller replied that she had been in touch with them and will be meeting with them again. Ms. Smira-Brattmiller stated she has also spoken with Sac Metro Chamber and has media requests with Fair Oaks, Folsom and Roseville.

The motion carried by unanimous vote.

4. Discuss Upcoming Tasks & Meetings

Ms. Lorange stated there will be a slight delay in completing the final report, therefore, it will not be completed by January. However, a formal outreach schedule will be prepared with additional review time as requested.

Chair Costa commented that, if a televised outreach event does take place, the Boards should take note of Mr. Eubanks' previous comments and have both full Boards meet prior to the event to determine a procedure on how the event is to be conducted. Ms. Lorange stated she would ensure it is added to the public information plan which will be brought back before the Committee.

Chair Costa made a comment with regard to the low amount budgeted for the consultant, John O'Farrell, and the great deal of work he has done. Ms. Lorange stated this had been discussed with regard to where the Phase 2A study ends and the Phase 2B study will begin and that this topic may need to come before the Committee.

Director Walters asked if timelines could be added to the chart that had been presented. Ms. Lorange replied they could be added; however, they would be estimations only.

Chair Costa called for final comments; there were none.

Adjournment

Chair Costa adjourned the meeting at 11:42 a.m.

Robert S. Roscoe
General Manager/Secretary
Sacramento Suburban Water District



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Agenda Item: 17

Date: December 31, 2014

Subject: Legislative and Regulatory Update

Staff Contact: Dan York, Assistant General Manager

RWA Government Affairs Committee

The RWA Government Affairs Committee met on December 11, 2014 to develop RWA's legislative and regulatory work plan for 2015. An updated version of the table of legislative and regulatory issues for 2015 has been generated, attached as Exhibit 1. The goal of this document is to define the RWA role on issues, prioritize work, and identify key individuals who will be responsible. RWA intends to start the contract with Fernandez Government Solutions January 1, 2015. The following agencies have approved the agreement and are participating in the program:

Carmichael Water District
City of Folsom
City of Lincoln
City of Roseville
City of Sacramento
Del Paso Manor Water District
Placer County Water Agency
Sacramento County Water Agency
Sacramento Suburban Water District
San Juan Water District

To date, this is the group who were funding the 2014 lobbying effort with the addition of the County of Sacramento, the city of Lincoln and Del Paso Manor Water District

The participants recognize the value of well-developed relationships with members of the state legislature and administration, active engagement on legislative and regulatory matters, development of a broad base of support, and the role of RWA as a regional representative to advance the region's interests in the water supplies, economic vitality, and environmental sustainability.

State

Recent snow storms have bolstered Sierra snowpack to levels higher than 2013, but statewide snow water equivalent remains well below average for this date. Those are the findings of the winter of 2014-15's first manual snow survey of the Sierra snowpack conducted on December 30, 2014 by the Department of Water Resources (DWR).

The water levels in state and federal reservoirs have experienced inflow rates which have increased the storage levels of both the state and federal water projects. Lake Shasta is at 41% of total capacity and 66% of historical average capacity; Oroville Reservoir is at 38% of total capacity and 62% of historical average capacity; Folsom Lake is at 44% of capacity and 90% of its historical average capacity for this time of year.

Signed into existing law in 2014, the Sustainable Groundwater Management Act, requires all groundwater basins designated as high- or medium-priority basins by DWR, that are designated as basins subject to critical conditions of overdraft, to be managed under a groundwater sustainability plan, or coordinated groundwater sustainability plans by January 31, 2020. It also requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022. The act authorizes the State Water Resources Control Board (Board) to designate a basin as a probationary basin if the Board makes a certain determination and to develop an interim plan for the probationary basin.

Senator Pavley introduced a new bill, SB-13, in December 2014. This bill would provide a local agency or groundwater sustainability agency 90 or 180 days, as prescribed, to remedy certain deficiencies that caused the Board to designate the basin as a probationary basin. This bill would authorize the Board to develop an interim plan for certain probationary basins one year after the designation of the basin as a probationary basin. If the Board determines that all or part of a basin or sub-basin is not being monitored, the bill would require a determination whether there is sufficient interest in establishing a groundwater sustainability plan.

Assembly Speaker Toni Atkins, D-San Diego, announced her Assembly leadership team on December 3, 2014 and appointed committee chairs for the 2015-16 Regular Legislative Session. Attached as Exhibit 2 is a list of committee appointments for the 2015-16 Regular Session of particular interest to SSWD.

Federal

Congress wrapped up its 113th session passing several water-related bills of interest. These bills are awaiting President Obama's signature to become laws.

S. 1353, the Cybersecurity Act of 2014 (Rockefeller IV) - Will institute voluntary, industry-led guidelines and best practices for cybersecurity for critical infrastructures, including water.

H.R. 2901, the Senator Paul Simon Water for the World Act (Blumenauer) - Will increase the emphasis on water, sanitation and hygiene-related assistance provided by the U.S. Agency for International Development.

H.R. 4007, the Protecting and Security Chemical Facilities from Terrorist Attacks Act (Meehan) - Reauthorizes the existing CFATS program through 2017 and continues a specific exemption for water utilities. Note that the bill mandates a study of vulnerabilities in the program, which in committee discussions was understood to be the water sector. However, the final bill language says the study is for “covered” facilities, which would seem to exempt again the water sector.

In addition, the Senate passed S. 2785, the Safe and Secure Drinking Water Protection Act, which would mandate that EPA establish a health advisory on microcystins. However, the House did not consider the bill, and EPA is already in the process of establishing such an advisory.

Federal Bills of Interest (113th Congress)

- a. **HR 5781 California Emergency Drought Relief Act of 2014** – This bill was recently introduced in the House of Representatives following failure of a Senate compromise bill, pushed by Senator Feinstein, to gain sufficient support. Several Republican Congressmen Valadao, Nunes, McCarthy, McClintock, Calvert, and La Malfa were joined by central valley Democrat Costa in sponsoring the bill. HR 5781 passed the House but is not expected to pass the Senate this term. Adding bill language to a must-pass omnibus spending bill is being considered.
- b. **HR 1837 – San Joaquin Valley Water Reliability Act (Nunes)** – To address certain water-related concerns on the San Joaquin River, and for other purposes.
- c. **HR 4345 – Domestic Fuels Protection Act of 2012 (Shimkus)** – A bill to provide liability protection for claims on the design, manufacture, sale, offer for sale, introduction into commerce, or use of certain fuels and fuel additives, and for other purposes.
- d. **HR 6484 – SAFE Levee Act (Garamendi)** – To amend the Calfed Bay-Delta Authorization Act to authorize the secretary of the Interior to provide assistance to non-Federal interests for levee stability improvements located within the Sacramento-San Joaquin Delta related to Bureau of Reclamation Central Valley Project water deliveries, and for other purposes.

Project			RWA Role	Partners	Desired Outcomes	Deliverable	Actions
Sustainable GW Management	Cleanup Legislation		Regional lead	SGA, SCGA, ACWA	Reduce administrative and financial burden on RWA members' GW management activities.	Language for cleanup of "same methodologies." Coordinate with Sac County on language for <i>de minimis</i> pumpers. Evaluate other cleanup language.	Submit language to ACWA. Attend State Leg Planning meeting. Set up meeting with Tim Quinn.
	Streamline adjudication legislation		Regional lead	ACWA	Track for possible benefit to region.	Ongoing analysis of language.	
	Expedited recharge legislation		Regional lead	ACWA, CWF	Streamline ability to transfer water around region.		Meet with CWF
	Regulations/Guidance		Regional lead	ACWA, SGA, SCGA, WPGA	Create workable path to compliance for Sacramento and Placer County GW management that is consistent with existing efforts.	Identify needs on basin redefinition, coordination agreements, multiple agency basins, etc.	Meet with DWR (Gutierrez, Scruggs, Bardini, Macauley, etc) Propose steering committee for DWR. regulation development. Meet with Martha Guzman. Lead ACWA GW Committee work group.
Water Bond Implementation	Budget Appropriations		Regional lead	RWA Members	Fund programs to promote projects and programs of RWA members.	Correlate bond chapters to RWA member needs. Identify appropriate	Lead ACWA workgroup on Conservation funding (Peifer).

DRAFT - RWA Government Affairs Program – 2014-15 Work Plan

					administrative agencies.	Participate in ACWA workgroup on IRWM.
	Regulations/Guidance	Regional lead	RWA Members, ACWA	Promote the interests of RWA members and region. Reduce the costs of securing grants.	Correlate bond chapters to RWA member needs.	Comment on development of grant programs.
2015 Legislature	Regional Priorities	Regional lead	RWA Members	Promote legislation that supports RWA members' interests.	2015 Legislative and Regulatory Policy Principles	Monthly meeting of steering committee.
	Outreach	Regional lead	RWA Members	Inform and educate staff and members representing RWA four-county region as well as water committee staff and members	Sacramento Region water briefing materials	Identify and hire staff resources. Post-election strategy meeting.
	Tracking/Bill Analysis	Regional lead	RWA members, ACWA	Track water related bills of interest to members and public agency bills relevant to RWA.	Weekly summary report distributed to RWA members.	Begin bill tracking and analysis in January 2015.
	Lobbying	Regional lead	Sac City, Sac County, NCWA, ACWA	Maintain a presence at the Capitol to influence the outcome of legislation.	Create subscription program to fund lobbyist contract.	Monthly meeting of subscription program participants. Weekly call/meeting with lobbyist and counsel. Periodic coordination meeting of lobbyists.
SWRCB Drought	Water Conservation	Regional lead	RWA			

DRAFT - RWA Government Affairs Program – 2014-15 Work Plan

Emergency Actions	Regulation Development		Members			
	Water Use Reporting	Coordination, Data QA, Outreach	Data coordinated through RWA	Ensure timely and accurate reporting to SWRCB	Monthly summary of water use reporting and media outreach where appropriate.	Continue monthly collection of water use data from RWA member agencies and analysis of savings.
	Curtailments	Coordination	Individual RWA members			
	Urgency Changes	Coordination	RWA members, Water Forum	Monitor actions		
Bay-Delta Conservation Plan	BDCP Recirculated EIR	Coordination and information	Sac Valley Water Users, NCWA	Regional coordination on BDCP positions and comments		
Bay Delta Water Quality Control Plan	Phase 2	Coordination and information	Water Forum on LAR Flows. Sac Valley Water Users	Delta and tributary flow requirements that provide for reliable surface water supplies.		
Delta Plan	Implementation	Coordination and information	Sacramento County, City of Sacramento, West Sacramento			
2015 Urban Water Management Plans	UWMP Submittal	Coordination. Regional GPCD reporting.	RWA members	Ensure compliance with content and deadline of UWMP submittal. Maintain grant	Create regional baseline and target for 20x2020 compliance. Create template for UWMP to include	Collect data from RWA members to calculate regional baseline gpcd and 2015, 2020 targets.

DRAFT - RWA Government Affairs Program – 2014-15 Work Plan

					eligibility.	regional compliance.	
Hexavalent Chromium MCL	Implementation	Coordination and information	Affected RWA members, ACWA		Ensure adequate compliance period		
	Funding	Coordination and support of grant funding	Affected RWA members		Cost share funding for treatment facilities.		

EXHIBIT 2

Agriculture

Assemblymember Henry T. Perea, Chair
Assemblymember James Gallagher, Vice Chair
Assemblymember Jim Cooper
Assemblymember Bill Dodd
Assemblymember Susan Talamantes Eggman
Assemblymember Shannon L. Grove
Assemblymember Jacqui Irwin
Assemblymember Devon J. Mathis
Assemblymember Bill Quirk
Assemblymember Rudy Salas, Jr.

Appropriations

Assemblymember Jimmy Gomez, Chair
Assemblymember Frank Bigelow, Vice Chair
Assemblymember Susan A. Bonilla
Assemblymember Rob Banta
Assemblymember Ian C. Calderon
Assemblymember Ling Ling Chang
Assemblymember Tom Daly
Assemblymember Susan Talamantes Eggman
Assemblymember James Gallagher
Assemblymember Eduardo Garcia
Assemblymember Chris R. Holden
Assemblymember Brian W. Jones
Assemblymember Bill Quirk
Assemblymember Anthony Rendon
Assemblymember Donald P. Wagner
Assemblymember Shirley N. Weber
Assemblymember Jim Wood

Budget Subcommittee No. 3 on Resources and Transportation

Assemblymember Richard Bloom, Chair
Assemblymember Richard S. Gordon
Assemblymember Jay Obernolte
Assemblymember Jim Patterson
Assemblymember Das Williams

Environmental Safety and Toxic Materials

Assemblymember Luis A. Alejo, Chair
Assemblymember Brian Dahle, Vice Chair
Assemblymember James Gallagher
Assemblymember Lorena S. Gonzalez
Assemblymember Adam C. Gray
Assemblymember Kevin McCarty
Assemblymember Philip Y. Ting

Local Government

Assemblymember Brian Maienschein, Chair
Assemblymember Lorena S. Gonzalez, Vice Chair
Assemblymember Luis A. Alejo
Assemblymember David Chiu
Assemblymember Ken Cooley
Assemblymember Richard S. Gordon
Assemblymember Chris R. Holden
Assemblymember Eric Linder
Assemblymember Marie Waldron

EXHIBIT 2

Natural Resources

Assemblymember Das Williams, Chair
Assemblymember Brian Dahle, Vice Chair
Assemblymember Cristina Garcia
Assemblymember David Hadley
Assemblymember Matthew Harper
Assemblymember Kevin McCarty
Assemblymember Anthony Rendon
Assemblymember Mark Stone
Assemblymember Jim Wood

Utilities and Commerce

Assemblymember Anthony Rendon, Chair
Assemblymember Jim Patterson, Vice Chair
Assemblymember Katcho Achadjian
Assemblymember Susan A. Bonilla
Assemblymember Autumn R. Burke
Assemblymember Brian Dahle
Assemblymember Susan Talamantes Eggman
Assemblymember Cristina Garcia
Assemblymember David Hadley
Assemblymember Roger Hernandez
Assemblymember Jay Obernolte
Assemblymember Bill Quirk
Assemblymember Miguel Santiago
Assemblymember Philip Y. Ting
Assemblymember Das Williams

Water, Parks and Wildlife

Assemblymember Marc Levine, Chair
Assemblymember Frank Bigelow, Vice Chair
Assemblymember Brian Dahle
Assemblymember Bill Dodd
Assemblymember Beth Gaines
Assemblymember Cristina Garcia
Assemblymember Jimmy Gomez
Assemblymember Adam C. Gray
Assemblymember Matthew Harper
Assemblymember Patty Lopez
Assemblymember Devon J. Mathis
Assemblymember Jose Medina
Assemblymember Anthony Rendon
Assemblymember Sebastian Ridley-Thomas
Assemblymember Das Williams

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**REGIONAL WATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS**

Thursday, January 8, 2015; 9:00 a.m.

5620 Birdcage Street, Suite 110
Citrus Heights, CA 95610
(916) 967-7692

AGENDA

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. 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 Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

1. **CALL TO ORDER AND ROLL CALL**
2. **PUBLIC COMMENT**
3. **CONSENT CALENDAR**
 - a. Minutes of the November 13, 2014 full board meeting.
 - b. Action: Adopt proposed RWA Board Meeting Schedule for 2015.
Action: Approve Consent Calendar Item.
4. **EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS**
 - a. Information: Final minutes of the October 22, 2014 Executive Committee meeting and draft minutes from the December 10, 2014 Executive Committee meeting.
 - b. Action: Accept the 2014 RWA financial audit report.
 - c. Action: Approve RWA membership for Yuba City.
 - d. Action: Approve Affiliate applications of the following entities:
Sacramento Golf Industry Water Conservation Task Force, HDR, Inc.,
RMC Water and Environment, UC Cooperative Extension and
Cosumnes CSD.
 - e. Action: Approve 2015 Legislative and Regulatory Policy Principles.
5. **ELECT 2015 RWA EXECUTIVE COMMITTEE**
Action: Elect the Executive Committee of the RWA Board of Directors.
6. **ELECT 2015 RWA CHAIR AND VICE-CHAIR**
Action: Elect Chair and Vice-Chair of the RWA Executive Committee and RWA Board of Directors.
7. **EXECUTIVE DIRECTOR'S REPORT**
 - a. Groundwater Management Update
 - b. Government Affairs Update

- c. Water Efficiency Program Update**
- d. Grants Update**
- e. RWA Awards**
- f. Powerhouse Science Center Update**
- g. Financial Reports**

8. CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(C) AND 54956.9(D) – UPDATE ON CALPERS CONTINUED OBLIGATION TO PROVIDE PENSION BENEFITS TO RWA EMPLOYEES

9. DIRECTORS' COMMENTS

10. ADJOURNMENT

Upcoming meetings:

Next Executive Committee Meeting – Wednesday, January 28, 2015, and Wednesday, February 25, 2015, 8:30 a.m. at the RWA office.

Next RWA Board of Directors' Meeting – Thursday, March 12, 2015, 9:00 a.m., at the RWA Office.



**NOTE
LOCATION**

WATER FORUM SUCCESSOR EFFORT

Thursday, January 8, 2015

5:30 PM – 8:30 PM

Clunie Community Center

**** ALHAMBRA ROOM ****

601 Alhambra Blvd.

Sacramento, CA 95816

Agenda

5:30 DINNER

5:45 INTRODUCTIONS

6:00 DISCLOSURES/ REPORT BACKS / ANNOUNCEMENTS

6:15 PRESENTATION

Water Education Curriculum at Soil Born Farms
- Guy Galante, Soil Born Farms

6:45 PRESENTATION

Latest Technical Output: Carryover Storage Alternative
- Tom Gohring, Water Forum

7:15 UPDATES

Flow Standard – Tom Gohring
Habitat Management – Tom Gohring
Water Conservation – Mark Roberson
Water Supply & River Conditions – Tom Gohring
Folsom Dam Water Control Manual – Tom Gohring
Lower American River Task Force – Tom Gohring

8:30 ADJOURN

Clunie Community Center: located in McKinley Park in East Sacramento, just a few blocks from the Water Forum office. Entrance is near the corner of F Street on Alhambra Blvd. through the McKinley Library main lobby, up a flight of stairs or elevator. Just follow the Water Forum sign.

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From: Greg Bundesen
Sent: Thursday, December 18, 2014 9:26 AM
To: @comcast.net
Cc: Annette O'Leary; James Arenz
Subject: RE: Incentive

Ms.

Thank you for writing into the District with your questions regarding our Water Conservation program. First, I would like to thank you for taking the current drought situation seriously and taking a proactive approach in reducing your water use. I would be interested in hearing about what types of water conservation activities you used to reduce your water use. I would like to thank you for suggesting a recognition program for customers who have significantly reduced their water use. I will bring this suggestion to our Community Outreach Committee.

In regards to your questions about fines, Sacramento Suburban Water District implements an educational program more than a program backed by financial assessments. We did not have to issue any fines in 2014 because we were able to work with customers and correct the water waste issues they were experiencing. The District's customers have responded very well to our educational outreach efforts, as the District has reduced its overall water use by 18% in 2014 when compared to 2013.

In regards to your comments about tracking water use through the customers water meter, the District is not yet fully metered. We are about 75% metered and should be fully metered by 2023. Without the ability track the water use for all of our customers, the District has not entertained the idea of a mandatory 20% reduction (mandatory reductions could be tracked through the water meter and higher rates could be implemented for not reducing by 20%). Once the District is fully metered such a program will be feasible and considered.

Again, I would like to thank you for writing in with your suggestions and your efforts to conserve water in your home. If you have any further questions or comments, please feel free to contact me.

Regards,

Greg Bundesen
Sacramento Suburban Water District
Water Conservation Supervisor
916-679-2890

From: @comcast.net [
Sent: Monday, December 15, 2014 3:42 PM
To: feedback
Subject: incentive

I've been practicing water conservation for the last year. This period alone I've used about 9000 gallons less than the previous year. The savings on my bill is just 1 or 2 dollars. I've tried to promote water saving to friends, family and neighbors but for the most part, they are unwilling to change instilled habits...less toilet flushing, fewer showers, lawn watering etc.

Now that we have rain, there is little chance that anyone will make much of an effort to change and because there is no real savings on a monthly bill, they won't see the necessity to change their routines. Has SSWD entertained the idea of some type of reward incentive? Maybe a winner every 3mos, or 6 mos or even 1 a year? The winner could receive some kind of prize and photo etc in the SSWD flier. I own and operate a dump truck and do a lot of work in wealthier neighborhoods. One of the things I noticed over the last year was that those of us in the less wealthy neighborhoods had a lot of dead yards. The higher end neighborhoods with much more property stayed wet and green. Were water fines ever instituted? If so, were they strict enough to impress people with enough income to pay or just those of us with dead yards. It seems to me that fines would only be effective if they address each rule breaker at their level. SSWD is able to keep track of water usage for each household so I assume you are able to see the abuses clearly as well as the people who are trying to conserve.

Thank you in advance for viewing my suggestions. I will continue my effort simply because it feels good to imagine I can make a difference somehow.

Linda K



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Agenda Item: 21

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California needs more big storms to beat drought

BY MATT WEISER
MWEISER@SACBEE.COM
12/14/2014 3:08 PM



Below the Guy West Bridge at California State University, Sacramento, storm drains empty out into the American River on Thursday. Andrew Seng aseng@sacbee.com

Despite the heavy storm that hit California last week – complete with flooded creeks and mudslides, closed highways and downed trees – it will take a lot more of the same to end the drought. In fact, experts say it may take five or six more storms like it to consider the drought over.

One reason is that, as wet as the storm seemed on Thursday and Friday, it was not so stormy everywhere. California's water supplies are largely reliant on mountain snowpack, and this was a warm "Pineapple Express" storm. The state's reservoirs had capacity to collect nearly all the rainfall runoff that flowed in. But the storm did not deliver a great deal of snow to the Sierra Nevada, which provides the snowmelt that California relies on in summer and fall.

The state needs a lot more storms – and cold ones – to assure there's enough snowmelt to meet water demand next summer.

"It would take five or six more storms to do that," said Alan Haynes, coordination hydrologist at the California-Nevada River Forecast Center, a branch of the National Weather Service in Sacramento. "But if we have a year like last year, and we only get one or two, it's not so good."

Others are concerned the wet spell will cause Californians to slack off on water conservation. That trend already is occurring, according to data gathered by the State Water Resources Control Board. State residents reduced their water use 6.7 percent in October compared with the year before, the most recent month for which data are available. That compares to reductions of 11.6 percent in August and 10.3 percent in September.

"This was a big storm, but it will not have a big impact on the drought, except perhaps on people's conservation consciousness, which is a concern," said Tim Quinn, executive director of the Association of California Water Agencies, whose members serve 90 percent of the state's water providers. "I'm guessing they will overreact and lighten up on their conservation."

One critical measure of state water supply is snowpack in the northern Sierra-Cascade region. It is crucial because the region holds the state's two largest reservoirs – Shasta and Oroville – and it drains into the Sacramento River, the state's largest supply of freshwater runoff.

Those reservoirs captured a lot of runoff in the storm. But they were so low after three years of drought that it made little difference. Even after the storm, their water levels are well below historical averages.

Shasta increased from 26 percent full on Wednesday to 30 percent on Friday. Oroville increased from 29 percent before the storm to 31 percent on Friday. In the Sacramento metro area, Folsom Reservoir reached 36 percent of capacity on Friday, up from 33 percent on Wednesday.

They will keep collecting water as runoff from the storm continues, but it won't be enough to fill the reservoirs.

"For this part of December, we're ahead for the season. So we're making up some ground there. Water is pouring into the reservoirs," Haynes said. "But at Shasta, it only refilled the reservoir back up to what it was in September. They still have lots and lots of space to fill."

The snowpack also remains in a deficit situation. Although some of the Sierra's high peaks got 3 feet of snow or more this week, lower elevations got relatively little, and it was merely the first significant snowstorm of the season.

On Friday, the northern Sierra snowpack stood at 35 percent of normal for the date, up from 23 percent on Wednesday. Statewide, the snowpack on Friday was 40 percent of normal for the date, compared to 28 percent Wednesday.

Maury Roos, chief hydrologist at the California Department of Water Resources, noted that one of the things that has made the drought so severe is that December 2013 went almost entirely without storms across the whole state. At least this year, he said, December is feeling more like normal.

"It's obviously a better year than last year – much better," Roos said. "We're getting storm systems that are breaking through in some fashion."

There have been bright spots, especially in some coastal communities that rely entirely on local water supplies. Some received substantial rainfall from recent storms, which has helped ease the hardship of drought.

In Santa Cruz, recent storms allowed the city to end what had been perhaps the strictest mandatory water rationing in the state and switch to voluntary rationing. The city relies on two sources of water: flows from local streams and springs, and water stored in a local reservoir, Loch Lomond.

The storms restored stream flows, allowing Santa Cruz to stop drawing water from the reservoir.

"Now, we're still a long, long way from being out of drought," said Eileen Cross, a spokeswoman for the Santa Cruz Water Department. "But it's done a lot for us to be able to leave our reservoir alone so it can recharge."

There is further sign of hope on the horizon. Additional storms are in the forecast for the week ahead. None is as big as Thursday's storm, but they are expected to be colder and may add to the mountain snowpack.

"I can't assure anyone at this point that we're going to have enough to say it's over," Roos said. "But I'm personally kind of optimistic."

Call The Bee's Matt Weiser at (916) 321-1264. Follow him on Twitter [@matt_weiser](https://twitter.com/matt_weiser).

<http://www.sacbee.com/news/state/california/water-and-drought/article4472349.html>

State Board Appoints Michael George as New Delta Watermaster
Submitted by Emily Allshouse on Tue, 12/16/2014



The State Water Resources Control Board announced yesterday that it has appointed Michael George to serve as the new Delta Watermaster. George, who is only the second Watermaster to be appointed since the position's inception in 2009, will replace outgoing Delta Watermaster Craig Wilson and serve a four-year term.

The Delta Watermaster is responsible for the day-to-day administration of water rights within the legal boundaries of the Delta as well as working with the State Board on strategic initiatives to improve the operation of the water rights system within the Delta.

George has more than 20 years of water industry experience as an attorney representing and working with a number of different sectors of water users over the course of his career. He has expertise in water resource law and finance. He has held leadership positions with several private water companies, and most recently served as the managing director for Wedbush Securities in San Francisco.

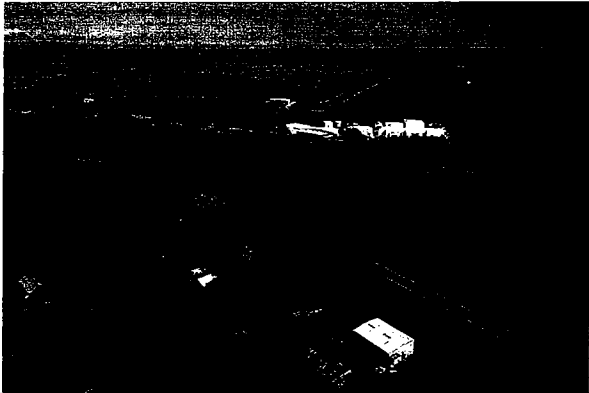
“We applaud the State Board for selecting Michael George as the next Delta Watermaster. He is an innovative, out-of-the-box thinker with a varied background that will serve him well in this position,” said ACWA Executive Director Timothy Quinn. “We look forward to seeing Michael bring some fresh ideas and innovation in how we approach the complex challenges in the Delta and develop and collaborate on long-term solutions.”

George will begin his term as Delta Watermaster on Jan. 5, 2015.

The State Board's full press release on the appointment is available [here](#).

<http://www.acwa.com/news/water-news/state-board-appoints-michael-george-new-delta-watermaster>

Pumps dropped from Delta water tunnel plan
Switch to gravity intakes meant to ease local concerns
BY MATT WEISER
MWEISER@SACBEE.COM
12/18/2014 3:59 PM



The intakes of the proposed tunnels meant to send water to the southern part of the state from the Sacramento-San Joaquin Delta have undergone major design changes, eliminating pumps in favor of gravity to initiate the process. Randall Benton Sacramento Bee file

The massive water diversion tunnels proposed in the Sacramento-San Joaquin Delta have undergone another major design change aimed at appeasing local residents: The three intakes planned on the Sacramento River will no longer require pumps.

The project, known as the Bay Delta Conservation Plan, has been in the works for eight years and is estimated to cost \$25 billion. It calls for a pair of giant tunnels, 40 feet in diameter, that would draw water out of the Sacramento River and route it 30 miles away to existing state and federal diversion canals near Tracy. The goal is to improve reliability of water supplies drawn from the estuary while also restoring its natural environment.

Instead of giant electric pumps, the plan now calls for water to enter the three huge intakes by gravity flow. This, in turn, means most tall buildings can be eliminated at each intake. And there will be no need for permanent new high-voltage power lines. New power lines are still required to serve the tunneling machines, but these would be considered temporary: They would be removed after the 10-year construction period.

The project still includes massive water pumps, but they would now be at the project's southern end, at Clifton Court Forebay, an existing reservoir near Tracy. They would move water from the new tunnel outlets to existing canals that distribute water across the state.

"There were a lot of concerns about the industrial look of the pumping plants," said Chuck Gardner, program manager of the Bay Delta Conservation Plan. "We're going to continue to look at ways to reduce impacts to Delta communities."

The Delta is the largest single source of freshwater in California, serving about 25 million people and 3 million acres of farmland. That water is now exported from two huge pump and canal systems in the south Delta, near Tracy, and operated by state and federal agencies.

Demand for the Delta's water has contributed to a sharp ecological decline in the estuary, with numerous native fish species at the edge of extinction, including Delta smelt, longfin smelt and several species of salmon.

Officials at the California Department of Water Resources, which is leading the tunnel project, say the goal is to restore a more natural pattern of water flows in the Delta, which is expected to help native fish species. The current pumping arrangement reverses flows in the estuary at times, because water is drawn south when the existing diversion pumps are operating. This alters the aquatic habitat and confuses fish.

The plan also calls for thousands of acres of habitat restoration, largely by breaching levees in the Delta to restore tidal action on some islands.

The tunnel project would place the three intakes much farther upstream on the Sacramento River, capturing water as it flows by naturally.

But there are a host of potentially harmful side effects. The giant intakes also have the potential to reverse flows when runoff in the Sacramento River is low. This could alter water quality in the north Delta as well as downstream. The intakes will be equipped with modern fish screens, but could still suck in larval fish and potentially create other problems for adult fish in the vicinity.

The U.S. Environmental Protection Agency warned the state earlier this year that it needs to do more work to analyze these potential effects.

Local residents seem to be underwhelmed by the latest design changes. Osha Meserve, an attorney who represents a number of Delta property owners, noted the intake sites will still be very large: about 80 acres each, consisting of fill dirt to raise the entire site 10 feet or more above surrounding farmland.

Also, Meserve said, the absence of pumps at the intakes does not change the potentially harmful water quality and other environmental effects that could occur once the new diversions begin operating. The same amount of water – a maximum of 9,000 cubic feet per second – would still be diverted with or without pumps. And each intake will still span about a quarter-mile along the riverfront, a potentially dramatic change in the area's rural scenery.

"I think a slight improvement in aesthetics is a very nominal change from our perspective," Meserve said. "Fundamentally, it doesn't really change any of the things that we have the most concerns about."

Another new design change involves Staten Island, a large tract west of Lodi owned by The Nature Conservancy. The island is important winter habitat for sandhill cranes, an endangered migratory bird.

In a previous change meant to appease communities along the Sacramento River, officials moved the tunnel route east and placed a long segment directly under Staten Island. Soil excavated from the tunnel would have been disposed on the island surface. A number of tunnel entrances, shafts and construction staging areas were proposed on the island as well, prompting concern from conservation groups working to protect the cranes.

Now, the plan calls for moving all the soil excavated from Staten Island to locations to the north and south: Glanville Tract, along Twin Cities Road, and Bouldin Island off Highway 12. The number of tunnel shafts and construction areas on Staten Island also would be reduced.

“We are pleased to see the department is taking measures to reduce the habitat impacts at Staten,” said Jay Ziegler, director of policy and external affairs at The Nature Conservancy. “But I think we also want to be sure that construction and operational changes overall improve habitat values across the Delta.”

Another concern is financing. The major water contractors that stand to benefit from the project – including the Metropolitan Water District of Southern California and Westlands Water District in the San Joaquin Valley – have already put up \$240 million for the planning so far. Only about \$15.8 million of that remains, and there is a lot of work left to do.

The state earlier this year released a draft environmental impact study on the tunnel project. But in August, it delayed that document for further analysis, including more study of air quality and traffic during construction, and to address the concerns raised by the EPA. A revised draft is expected next year that will also consider the changes proposed at the intakes and on Staten Island.

Gardner said there’s enough money left to complete the environmental study, partly because work is being shifted away from engineering and design and onto the planning document instead.

“Our directive is that the (water) contractors are not putting more money into the planning process,” Gardner said. “So we need to finish it with the money we have left.”

Assuming the environmental impact study is approved, an estimated \$1.2 billion is then needed to finish engineering and design. This cost, along with billions more for construction, would be funded by higher water rates paid by Californians who would benefit from the project, including ratepayers in the Bay Area and Southern California, and farmers in the San Joaquin Valley.

Call The Bee’s Matt Weiser at (916) 321-1264. Follow him on Twitter [@matt_weiser](#)

<http://www.sacbee.com/news/local/environment/article4644687.html>

Sierra snow pack encouraging, but more storms needed to keep it deep

BY MARISSA LANG

MLANG@SACBEE.COM

12/21/2014 1:09 PM



Snow is cleared from Donner Pass Road in Soda Springs, Calif., during one of a series of December storms that gave the region a hefty early snow pack. Rich Pedroncelli Associated Press

For the first time in years, snowfall in the Sierras has left California's annual average in its dust.

Buoyed by big December storms, the snow pack is about 150 percent of where it usually is at this time in the year, according to the California Department of Water Resources. And more may be on the way, weather forecasters said.

What could make for a wet Christmas Eve in the Sacramento Valley might also bring precipitation to the mountains – a trend National Weather Service experts said Sunday must continue to have an impact on the drought and snow pack, which has dwindled annually during the historic dry spell of recent years.

Last time the snow was at or above its current level was 2012, forecaster Cindy Matthews said. That year, December rains left behind a significant amount of snow, but it didn't take long for winter to dry up. The rain stopped, and so did the snow.

“Once January came, the rain cut off and we quickly moved back below normal,” Matthews said. “So, we really want to see this level of snowfall continue into 2015, or we could have a repeat of that.”

Ski resort reports on Sunday showed summit depths of up to 45 inches, at Squaw Valley Ski Resort, and temperatures in the low to mid-30s at most Northern California resorts.

Meanwhile, temperatures in the Sacramento area were expected to remain unseasonably warm through Christmas. The Weather Service predicted a holiday filled with sun and highs in the mid-60s. Overnight lows will dip into the 40s – about 10 degrees warmer than usual.

The week was expected to open with fog cloaking the early mornings and evenings, but little chance of rain until Wednesday. Even then, forecasters said, it's unlikely Sacramento will see much more than a drizzle.

<http://www.sacbee.com/news/local/article4768176.html>

AWWA – Partnership for Safe Water

Sacramento Suburban Water District embraces technology and a network of passionate people to provide safe and plentiful drinking water

December 19, 2014

Contributed by Sheena Graham - WaterTrax

The Sacramento Suburban Water District (SSWD) strives to be a leader in innovative methods of optimizing their water system operations. They have implemented and piloted several programs since the water district's creation in 2002. Dan York, Assistant General Manager states that they "are typically the first to try things out in our region, always running thorough pilot programs while other water districts wait for our findings." The water district enjoys being a leader in the industry. To that end, they were eager to participate in AWWA's quality programs in the mid-2000s, which included AWWA's benchmarking surveys and the QualServe utility assessment and optimization program. Although AWWA's QualServe program has since been discontinued, the philosophy of continuous improvement and utility optimization continues in the Partnership for Safe Water.

The SSWD believes that one of the main benefits of AWWA's quality programs is the network of dedicated water quality professionals that it creates. "We wanted to continue to demonstrate to our customers," states Dan York, "that we are committed to delivering the highest quality of water and customer service." Since committing to participating in AWWA's quality programs, SSWD has submitted data through benchmarking surveys and taken advantage of the network of knowledge that exists in the membership. "There is a lot of communication with other districts" explains Mr. York. "We are able to share our experiences and get ideas from other members. Communication is huge in this industry."

In addition to their participation in AWWA programs, SSWD has taken on several other initiatives to optimize their water system. Their water system is made up of 85 groundwater wells and three 5 million gallon reservoirs serving 170,000 customers through 735 miles of distribution and transmission pipelines. They have established a conjunctive use program which utilizes water during wet years from surface water, which includes Folsom Lake and the American River during the wet years and ground water wells during their dry years. This enables them to provide 100% peak water capacity to customers at all times. In order to keep this network running, they are always looking for ways to optimize this system. This has included the establishment of nine asset management plans which incorporate everything from their distribution & transmission system, to their ground water facility, to

the reservoir booster pump stations and their SCADA system master plan. This planning process has helped them to figure out what they need to do for long term replacement programs, security, how to ensure they are not losing water through leaky pipes and help with budgeting. The district has an aggressive water main replacement plan which spends on average, \$9,000,000 per year on replacing leaky or old pipe infrastructure. “This is unprecedented in our region,” explains Mr. York.

In addition to their fixed network of pipes, SSWD has been updating their system to be smarter. By choosing to upgrade their infrastructure to smarter technology, utilities are hoping to have quicker identification of problems and a more thorough and real-time understanding of their water system. SSWD have embraced technology by installing smart meters, implementing an Automatic Meter Reading (AMR) system consisting of both drive by and fixed network and a utilizing SCADA to monitor their 85 wells. All of their fleet vehicles are equipped with laptops which are connected to their work order system, allowing them to access work orders while on the road. Work orders can be issued directly to a person based on their location, improving efficiency in dealing with issues as they arise. For their water quality data, they use WaterTrax Data Management.

Collecting representative samples and obtaining accurate data is key to making the data-driven decisions that are at the heart of the Partnership for Safe Water program. Many utilities choose to utilize data management software to help organize this important component of optimization. For example, WaterTrax helps SSWD monitor their 85 ground water wells, housing data from over 2200 annual samples collected and analyzed by their labs. They utilize the built-in Sampling Planner tool in WaterTrax to help them keep track of this intense sampling schedule. Prior to finding WaterTrax, SSWD was looking for something more efficient that would let them know if they were over the detection limit. “We wanted some kind of alarms,” explains Dan. “At that time, we wanted the data automatically placed into a database from a laboratory which would notify us if we were exceeding an MCL, and would alert us of the detection limit on constituent. That is exactly what WaterTrax provided us.” Since implementing WaterTrax as their water quality data management system, SSWD has reported huge amounts of time savings in terms of labor costs when it comes to data entry, data reviewing and reporting for Consumer Confidence reports, water quality reports and trending – and has set the stage for collecting data critical to allowing this progressive utility to continue to optimize.