

# **Agenda**

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

3701 Marconi Avenue, Suite 100  
Sacramento, CA 95821

Thursday, June 23, 2016  
4:00 p.m.

Public documents relating to any open session item listed on this agenda that are distributed to the Committee members 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 Committee concerning any item of interest. 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 Committee Chair will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at (916)679-3972. Requests must be made as early as possible and at least one-full business day before the start of the meeting.

### **Call to Order**

### **Roll Call**

### **Public Comment**

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

### **Consent Items**

The committee will be asked to approve all Consent Items at one time without discussion. Consent Items are expected to be routine and non-controversial. If any member of the Committee, 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 April 1, 2016 Facilities and Operations Committee Meeting  
*Recommendation: Approve subject minutes.*

### **Items for Discussion and Action**

2. Master Service Contracting Process For Main Replacement Program  
*Receive written staff report and direct staff as appropriate.*

- 3. Master Service Agreement For Main Replacements  
*Receive written staff report and direct staff as appropriate.*
- 4. Recommendation to Initiate Application by Sacramento Suburban Water District and Carmichael Water District to initiate LAFCo's Proceedings for Annexation/Detachment  
*Recommendation: Adopt subject resolution.*
- 5. Update On Forensic Analysis and Testing of Pipe  
*Receive written staff report and direct staff as appropriate.*
- 6. Board Packet Preparation Process And Schedule  
*Receive written staff report and direct staff as appropriate.*
- 7. 2736 Auburn Blvd. – Potential Lot Split  
*Receive written staff report and direct staff as appropriate.*
- 8. 2016 Compensation Study  
*Receive written staff report.*
- 9. Water System Master Plan Update  
*Receive written staff report.*

**Adjournment**

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**Upcoming Meetings:**

Monday, July 18, 2016, at 6:30 p.m., Regular Board Meeting  
Friday, July 22, 2016, at 3:00 p.m., Facilities & Operations Committee Meeting

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I certify that the foregoing agenda for the June 23, 2016, meeting of the Sacramento Suburban Water District Facilities and Operations Committee was posted by June 20, 2016, in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was made available to the public during normal business hours.

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

**Minutes**

Sacramento Suburban Water District  
**Facilities and Operations Committee**  
Friday, April 1, 2016

**Call to Order**

Director Locke called the meeting to order at 2:01 p.m.

**Roll Call**

Directors Present: Craig Locke and Neil Schild.

Directors Absent: None.

Staff Present: Assistant General Manager Dan York, Heather Hernandez-Fort, Dave Jones, John Valdes, Mitch Dion, David Espinoza and James Arenz.

**Public Present:** William Eubanks, Paul Selsky and Melanie Holton.

**Public Comment**

None.

**Consent Items**

- 1. Minutes of the February 12, 2016 Facilities and Operations Committee Meeting**  
Director Schild moved to approve Item 1; Director Locke seconded. The motion carried by unanimous vote.

AYES:	Schild and Locke.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

**Items for Discussion and Action**

- 2. 3305 Edison Avenue – Service Line Installation and Material Dispute**  
Assistant General Manager Dan York (AGM York) introduced the staff report noting that Jennifer Hagemann (Ms. Hagemann) was unable to attend the meeting.

Director Schild inquired when the service line was installed. AGM York stated that it was originally installed in 2013. Director Locke noted that there was a one year warranty which had expired.

Director Locke inquired if the contractor documented any attempts of contact with the owner. Staff replied that there were attempts to contact the property owner, and that the contractor did contact a person at the property who stated that they were the property manager.

Director Schild inquired about the District’s liability if this were to go to court. AGM York stated that the District has followed all procedures and regulations.

AGM York expressed that it is a state requirement for the backflow device to be installed and that Ms. Hagemann is responsible for installing it.

Director Locke commented that one option that could go before the Board is if the District installed the backflow device.

Director Locke stated that the contractor needed to make a field call at the time and that he supported the contractor's decision.

Director Schild expressed that he was not in favor of the customer's request.

The Committee recommended leaving the service line the way it was installed.

### **3. Water System Master Plan and 2015 Urban Water Management Plan Update**

AGM York introduced Melanie Holton (Ms. Holton) and Paul Selsky (Mr. Selsky) from Brown and Caldwell.

Ms. Holton presented the PowerPoint Presentation on the Water System Master Plan (WSMP) and 2015 Urban Water Management Plan (UWMP).

Director Locke requested to be notified of the second day notification from Brown and Caldwell.

Director Schild noted that he preferred that the focus be on the UWMP first, which is due by April 29, 2016, and then present the WSMP separately. He noted that this would allow customers a period of time to review and comment on the two separate draft documents. He also commented that combining the two documents is confusing.

AGM York suggested having separate items, one the WSMP and the other the UWMP. Director Schild supported that suggestion.

Director Schild commented that the buildout water demand graph did not give much credit to the money that was put into conservation efforts.

Ms. Holton introduced Mr. Selsky, who continued the presentation.

Mr. Selsky presented the water supply topics in the PowerPoint presentation.

Director Schild commented that decreasing the banked water would require an increase in the liability of water quality encroachment, thus leading to an increase in water treatment for the groundwater.

He further noted that the South Service Area could have the same issue noting that it would jeopardize water quality.

Director Locke suggested including an analysis on whether or not the District is using its allowance, further commenting that from a cost perspective, we should price at the higher amount.

Director Schild commented that saving water now is more challenging.

Director Schild inquired who gave B&C the criteria on the export options. Mr. Selsky commented that B&C wanted to present all options on use of system capacities.

Director Schild commented that the District is not a water supplier for export purposes.

Director Schild commented that the phrase “neighboring partner agencies” should be changed to purveyors utilizing the same groundwater basin as we are.

Mr. Selsky further presented additional opportunities to maximize the District’s facility use.

Director Schild commented that he was not very interested in some of the options.

Director Locke requested further clarification on the timeframe.

Ms. Holton explained that there was a 14 day public comment period. She stated that the document would be available two weeks prior to the May regular Board meeting. She further noted that public comments can be accepted up to the end of the May regular Board meeting, and that the Board could choose to adopt the document at the May regular Board meeting, or at the June regular Board meeting, in order to submit the approved document by the July deadline.

William Eubanks (Mr. Eubanks) commented.

John Valdes (Mr. Valdes) clarified that the previous Committee members had requested an update to water management alternatives.

Director Schild commented that the Board should take a look at what needs to be examined in the WSMP.

Director Locke commented that he supported the analysis presented by B&C and that he was interested in seeing the options.

AGM York suggested that the Board appoint a separate Committee just for the WSMP and UWMP.

Director Locke stated that the WSMP and UWMP were initiated by Board members on the former F&O Committee. He further expressed his support for the analysis.

**4. Drought Tolerant Garden - Fulton/El Camino Parks and Recreation District**

AGM York presented the staff report expressing that it would cost roughly \$60,000 to install the garden, and then the Fulton/El Camino Parks and Recreation District (FEPRD) would maintain it.

Discussion ensued regarding different types of landscape options.

Jim Arenz (Mr. Arenz) expressed that Eco Landscaping offered to draw the plans at no cost.

Director Schild inquired who would be responsible for the water. AGM York stated that the District provides the water initially, and then FEPRD will take it over.

Director Schild commented that he thought it was an excellent idea.

Director Lock also expressed his support further noting that the District should consider partnering with Gibbons Park on a drought tolerant garden project with them [Mission Oaks Recreation and Park District] as well.

Mr. Eubanks commented.

**5. McClellan Business Park Improvement Agreement Update**

AGM York presented the staff report.

Director Locke commented that perhaps staff should revisit the connection fees for analysis.

Director Locke expressed his disapproval for the improvements.

**6. Acquisition of Property at Bainbridge/Holmes Well (#59A) Site**

John Valdes (Mr. Valdes) presented the staff report.

Director Schild inquired if are they willing to accept the \$6,000. Mr. Valdes answered that they are.

The Committee recommended taking this item to the full Board with a recommendation of approval.

**7. New Website - Update**

AGM York presented the staff report.

Director Schild recommended bringing this item back to the Committee when it's complete.

**Adjournment**

Chair Locke adjourned the meeting at 3:36 p.m.

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





## Agenda Item: 2

**Date:** June 17, 2016

**Subject:** Master Service Contracting Process For Main Replacement Program

**Staff Contact:** Mitchell S. Dion, Technical Services Director

### **Recommended Committee Action:**

It is requested that the Facilities and Operations Committee receive the report and consider options for proceeding with another 3 year (renewable to 5 years in one year increments) Master Service Contract for the Main Replacement Program providing appropriate direction to prepare recommendation to the Board of Directors initiating a new Master Services Contract for the Main Replacement Program.

### **Discussion:**

Traditionally, a water agency achieves most of the projects in the Capital Improvement Program (CIP) through a design, bid, and build contracting process. This method is normally divided in each step from designer to bid; and then construction. The construction component is frequently divided between the installation of the mains and the conversion of the service laterals to the meter (or to foundation when no prior meter existed). The process is repeated for each specific project as delineated by an area (or sub-area) in our Main Replacement Program. Chartered as a County Water Agency in the Water Code, the Sacramento Suburban Water District has unique authorities available for contracting processes as is empowered with a degree of flexibility to achieve best values for the rate payers. Entering into multi-year, Master Service Contract (a hybrid of the design, bid, and build process) is one of those contracting tools.

In summary, the key to the hybrid of the Master Service Contract provides for the use of an open competitive bid only once during life of the contract, which eliminates the time and cost of preparing plans/specification and bidding. The abbreviated method also produces cost avoidance in design and provides for numerous efficiencies. This contracting tool provides many of the advantages and flexibility of an in-house construction with lower cost and managed risk transfer.

The possible shortcomings are that the lack of competition in subsequent projects may not always have been the lowest for a specific piece of work in all bid climates. Additionally, the District may not get the most innovative or adaptive approaches for construction solutions. In short, the best contractor may not get the job and may be eliminated from work for a period of time. Finally, as the contractor and the District work closely together, the “culture of comfort” may become troublesome as a matter of perception or as a fact.



The advantages of the Master Service Contract methodology for contracting repetitive uniform tasks, such as Main Replacements, is a superior tool and shortcomings can be mitigated with vigilance, good policies and proper program execution.

**Background:**

The District has successfully completed 10 years of a Master Service Contract for the construction and installation of water mains and services for our Main Replacement Program. The process was selected in order to achieve predictability and stability for a core function of the District.

In 2005 the District placed a million dollar project out to bid, but due to the construction economy at the time, received no bids. The Engineering Department proposed placing a long term contract with multiple awards out to bid to entice contractors to submit bids knowing they would receive several task orders over a defined period of time. This became known as a Master Service Contract. The key elements of the contract were and have proven to be:

- Cost savings to the District between 10% and 20% when compared to competitive bid projects.
- Reduced District administrative costs associated with bidding and awarding contracts using traditional design-bid-build approach.
- Quality of work is of a higher standard due to the close working relationship with the Master Service Contractors.
- County Inspection costs are lower as County inspection time is reduced.
- Warranty issues were reduced and those that arose were resolved quickly and at little or no cost, including issues that appeared 5 or more years after the completion of a project.
- Only 2 significant customer's issues have occurred in servicing over 6,500 properties. One issue was resolved and one is pending. Minor issues have occurred, (less than 20), and have been resolved within 48 hours.
- Material costs are below market levels due to the buying power of the District and favorable negotiations.
- The contract can be cancelled without cause upon 10 days written notice by either the District or Contractor.

Under the Master Service Contract concept during the past 10 years, the District has competitively bid two long term contracts, awarded 36 main replacement task orders, installed over 410,000 feet (77.7 miles) of water mains, completed 6,900 backyard flat rate conversions to front yard meters, and installed over 850 new fire hydrants for a total cost of \$108,000,000, or an average of \$1.35 million per mile. Costs have escalated from \$1.1million per mile in 2006 to today's costs of \$1.6 million per mile. Costs are expected to increase at a modest rate over the next few years; however, there is a possibility of significant increases exceeding 20% should the County revise their trench restoration requirement.

Cost increases over the past decade are primarily due to 40% plus increases in prevailing wages, increased metal prices, increased medical & liability costs, and additional County regulations associated with trench restoration.

Initial contracts were awarded to GM Construction for service line work and Ahlstrom Construction for the main line installation. In the first 6 years there were no contractor requested change orders. GM Construction continues to be the Service Line contractor. Ahlstrom Construction left the construction business in 2012 due to health issues and retirement of their president. Under the Master Service Contract provisions, the next lowest bidder, Doug Veerkamp General Engineering, was awarded the next task order. Veerkamp completed the contract term and won the second Master Service Contract under a competitive bid. Veerkamp and GM Construction are currently in their 5<sup>th</sup> year of the Master Service Contract.

The main replacement projects (task orders), take from 2 to 3 years to complete from design to completion. Projects are mapped out on a 5 year look ahead based on a priority schedule noted in the District's Distribution Main Asset Management Plan as accepted by the Board of Directors, in August 2014.

The task orders have 3 core parts that the Master Service Contractors play a vital role; Design, Community Relationships, and Construction. Due to the lengthy time required to complete a project from concept to completion the Master Service Contractors participate in several aspects of the project. During design, the Master Service Contractors complete field constructability reviews offering their expertise associated with the construction of the project. The Master Service Contractor is also involved in the specific public outreach program designed for the project. The construction phase of the project has strict rules of conduct the contractors are required to follow. The Master Service Contractor's attitude and behavior have received very positive comments from our customers.

The use of the Master Service Contract approach facilitates a more reliable and precise planning of the main replacement task orders, allowing the District better interface with the County Department of Transportation (DOT) to review and coordinate our plans with the County's paving plans which leverages our funding and reduces construction inconvenience for our customers and the public in general, as paving is completed by DOT.

The District also formed paving partnerships with the County as a result of the implementation of the Master Service Contract. This is where the District provides the County our trench restoration funds identified in the bid schedules of the task order contracts for their use in repaving the entire streets within a task order site, relieving the District of any trench restoration warranty liabilities, and providing our customers with a better final paving solution.

The debriefing at or near the end of each task order is conducted to pursue continuous refinement as all parties participate to identify areas to be improved, implementing new approaches that were successful, modifying construction schedules to meet specific needs, and proposing concepts that might prove beneficial for regulatory partners.

The Master Service Contract continues to provide the District with good value for replacing its infrastructure. The Master Service Contract has few change orders for projects of large magnitude. Schedules are consistently met and budgets are rarely exceeded. The work product

is excellent. Public perception is very favorable. Strong regulatory relationships are excellent and without conflict.

Costs have been held to a favorable level, and when compared to traditional design-bid-build contracting the Master Service Contract approach, is the best value for the District.

**Fiscal Impact:**

There is no fiscal impact explicit with today's action. Over the course of each year, the cost avoidance and risk transfer by using the Multiple Year Master Service Agreement is a significant advantage to the customers.

**Strategic Plan Alignment:**

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

Facilities and Operations – 2.B. Monitor and improve the system efficiencies in operating and maintaining system infrastructure.

Facilities and Operations – 2.C. Develop cost effective strategies utilizing technology and available resource to optimize delivery of water and enhance service.

Customer Service – 3.D Provide customer and community relations by communicating, educating, and providing updates on District operations, water quality issues, water conservation, fiscal stability, environmental stewardship, sustainability of water resources and physical system assets.



## Agenda Item: 3

**Date:** June 23, 2016

**Subject:** Master Service Agreement For Main Replacements

**Staff Contact:** Mitchell S. Dion, Technical Services Director

**Recommended Committee Action:**

The Facilities and Operations Committee will receive a presentation and provide direction as appropriate related to the performance of the contractor of the current Master Service Contract for Main Replacements.

**Discussion:**

A presentation will be provided by Doug Veerkamp General Engineering, Inc. See (Exhibit 1).

**Fiscal Impact:**

None at this time.

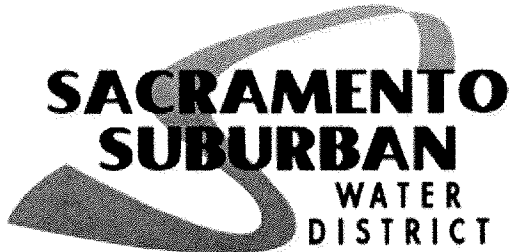
**Strategic Plan Alignment:**

Facilities and Operations - 2. B. Monitor and improve the system efficiencies in operating and maintaining system infrastructure.

Facilities and Operations – 2.C. Develop cost effective strategies utilizing technology and available resource to optimize delivery of water and enhance service.

Customer Service – 3.D. Provide customer and community relations by communicating, educating, and providing updates on District operations, water quality issues, water conservation, fiscal stability, environmental stewardship, sustainability of water resources and physical system assets.

Exhibit 1



*Master Service Contract Extension*

## Master Service Contract Extension

- Why Doug Veerkamp General Engineering, Inc.?
  - Completed Sacramento Suburban Water District Projects
  - Consistency
  - Avoid the unknowns of the market
  - Brief history of Doug Veerkamp General Engineering, Inc.

## Completed SSWD Projects

- Installed over 128,389 ft. of pipe since 2009, our first project with SSWD.
- Successfully completed 30 projects for a total of over \$19 million.
- Our SSWD project team has remained consistent for over 3 years with the same foreman since 2009.
- Our SSWD pipe installation crew has worked together for over 15 years and has completed all of our SSWD contracts.

## We Are Consistent

- Competitive Pricing
- Relationships
- Public Interaction
- Change Orders
- Quality
- Safety

## Competitive Pricing

- Consistent competitive bidding SSWD public projects.
- Within 0.4% of SSWD estimate for Drayton Heights.
- Only price increases for Prevailing Wage labor increases and material increases.

## Bid Results

- Since Arden Oaks in Dec 2013
  - Total DVGE Bids - \$9,969,381
  - Total Low Bids Excluding DVGE - \$10,559,525
  - Savings to District of \$590,143 or 6%

*\*see tab 1 for additional detail*

# Arden Oaks Unit Pricing

- Arden Oaks Bid

No.	ITEM	DVGE UNIT PRICE	2nd Place UNIT PRICE	% Diff
8	8-inch Pipe Installation – Minor Roads	\$ 63	\$ 85	35%
9	12-inch Pipe Installation – Minor Roads	\$ 71	\$ 94	32%
10	12-inch Pipe Installation – Major Roads	\$ 78	\$ 158	103%

*\*see tab 2 for detail*

7

# Price Increases

- Prevailing Wage Rates
  - Labor Group 1 – 6% increase since July 2013
  - Operator Group 3 – 3% increase since July 2013
- Material Increases
  - Utility Sand: 14%
  - Aggregate Base: 39%

*\*see tab 3 for detail*

8



# Unit Price Comparison

- Arden Oaks
  - Current Unit Pricing vs. 2<sup>nd</sup> Place

No.	ITEM	DVGE UNIT PRICE	2nd Place UNIT PRICE	% Diff
8	8-inch Pipe Installation – Minor Roads	\$ 70	\$ 85	21%
9	12-inch Pipe Installation – Minor Roads	\$ 79	\$ 94	19%
10	12-inch Pipe Installation – Major Roads	\$ 87	\$ 158	82%

9

# Potential Savings

- DVGE was low bidder by 26% on Arden Oaks
- Total Master Service Contracts (incl. Arden Oaks)
  - \$14,962,765
- Potential Savings to the District
  - \$3,890,319

10

# Relationships

- Trust, accountability and a true teamwork environment.
- Inspectors
  - SSWD and Sac County
  - Less inspection time equals less cost to the district.
- Project Managers and Engineers
  - Maintain positive working relationship with SSWD staff.
  - Work together to field design as issues arise.

17

# Public Interaction

- Positive feedback from letters
- Positive feedback from DVGE website
- Positive feedback from phone calls

18

Greetings,

I have been observing your daily operation north of Arden and West of Eastern Avenue. I no longer work so I get to watch. What a privilege!

Background on me. I am retired from the Air Force with responsibilities for men, machinery, and material including support to aircraft and missiles. Accustomed to heavy equipment and precision performance I have been thrilled to see the technical precision and polite speed of your team. The dance of the trencher, the truckers removing the dirt, the crews laying the pipe, the immediate replacement of the dirt and other materials to refill the trench and the efficient roller and laying the asphalt was as eye watering as the military guards at the Tomb of the Unknown Soldiers.

I should say that I live at an intersection so this was all going on in four directions AND there was no inconvenience to the homeowners.

Hats off to Jon Teie, working supervisor/foreman, who has been informative and totally reassuring that there would be no inconvenience. What a delight.

I have tried to let the workers know with a smile or friendly wave how much I respect their professionalism. Please pass this along to everyone, the heavy equipment operators to the men who dig with shovels and put out and collect the road signs.

Doris Walters  
1817 Rolling Hills Rd  
Sacramento, CA 95864

Sent from my iPad

Date: August 7, 2014

To whom it may concern

My name is Alyce M. Campos a Senior Construction Inspector for Sacramento County. I have had the opportunity for the last 4 years on several projects to work with Doug Veerkamp. The work involved coordination with many agencies and public safety in the work zone, during the installation of water mains throughout Sacramento County on minor and major roads. I found all the foremen and crew to be very professional and consciences of all duties to make for a safe and easy to follow work zone. I found all the crew workers personalities easy to get along with and their communication skills were outstanding. I highly recommend Doug Veerkamp for any construction projects.



Alyce M. Campos  
Senior Construction Inspector  
Construction Management & Inspection Division

-----Original Message-----

**From:** Anne Bayless [mailto:[annebayless@gmail.com](mailto:annebayless@gmail.com)]

**Sent:** Thursday, August 7, 2014 07:12 PM

**To:** [info@dougveerkamp.com](mailto:info@dougveerkamp.com)

**Subject:** Arden Oaks Neighborhood

Hi, As a resident of Arden Oaks I just wanted to let you know how much we appreciate your workers. All of them are so courteous and professional. The streets are kept clean and the workers go out of the way to make sure we can all get back and forth if we need to. I know some neighbors are unhappy with the disruption but your company is really doing a great job!! Anne Bayless Winding Creek Road

Dave Jones  
Project Manager  
Sacramento Suburban Water District  
3701 Marconi Avenue, Suite 100  
Sacramento, California 95821-5346

Re: Arden Oaks Main Replacement Project

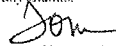
Dear Dave:

I am writing on behalf of the Arden Oaks Neighborhood Association ("AONA") and to express our sincere appreciation for all of your hard work and all of the others at Sacramento Suburban Water District ("Sac Suburban") on the recently completed Arden Oaks Main Replacement Project. These types of projects inherently cause significant disruption to a neighborhood, like Arden Oaks, but we found that based on all of the planning and outreach done by Sac Suburban prior to initiating the project and the continuing outreach during the construction process resulted in significantly less disruption than we anticipated. We know that such an outcome does not come about by accident and, for that, we thank you.

You and the others at Sac Suburban have been a pleasure to work with and have continually had a "can do" attitude when it came to addressing the inevitable issues that arose during the project. We have also heard from a number of neighbors who similarly expressed to us their positive experiences working with both the contractor and the staff from Sac Suburban. The disruption to the neighborhood was kept to a minimum, the streets were as well maintained as could be expected during the process and the overall positive attitude of those working on the project all combined to make this a very successful project in our opinion.

Thanks again for keeping the lines of communication open and honest and for working with me and the Arden Oaks Neighborhood Association on this project.

Many thanks,

  
Thomas Harvey, President  
Arden Oaks Neighborhood Association  
Board of Directors

-----Original Message-----

**From:** Steve Hoover [mailto:shoover119@msn.com]  
**Sent:** Thursday, March 26, 2015 02:36 PM  
**To:** [info@dougveerkamp.com](mailto:info@dougveerkamp.com)  
**Subject:** Fabulous Crew

Dear Service Representative,

My wife and I live in the Santa Anita portion of the Sacramento Suburban Water District, and are currently having our water mains replaced, relocated, and having water meters installed.

This project is amazingly fabulous; each crew member from supervisors to various operators are the epitome of courtesy, diligence, gracious kindness, and all possess enormous patience.

We are grateful that your company is handling this project; not only do we not have any complaint whatever we feel that your company and crews should be somehow acknowledged for exemplary work ethic, fastidious work practices, infinite courtesy and patience, and enormous integrity. Somehow you have managed to employ only those who not only are skilled, but are remarkable people as well.

With great respect indeed,  
Stephen R. Hoover  
2380 Lloyd Lane  
Sacramento, Ca 95825  
916-265-3350

p.s. If you ever need a customer review for any reason, please do not hesitate to contact us!!

17

Sacramento Suburban Water Co.

Dear Mr. York,

My name is Gordon C. Gervin. I live, with my wife, Jean, at 2321 Cortez Lane, where we have resided for 56 years. Our neighborhood is in the process of receiving water meters and a new water service and there is more activity here than I can ever remember. I would like to congratulate and thank you for selecting the people you have performing this work. They are the most skilled, pleasant and accommodating people I have met in a very long time. They bend over backwards to keep from inconveniencing us any more than what is absolutely necessary and they are friendly and cordial at all times.

It is amazing to watch the skill of the equipment operators. They maneuver those huge pieces of equipment so delicately that I believe they could pick my pocket with one of those shovels without me knowing it. We are also amazed at how nicely they clean up every single afternoon.

Richard Ingraham, Ben Borba, the Foreman, and Scott Ahlstrom, the Inspector, have been particularly gracious to us. I wish I knew the names of all of the workmen because I would like to thank each one of them.

Sincerely

**Gordon and Jean Gervin**

18

Dear Mr. Jones:

I would like to take a moment to comment positively on the water main project that has been going on in our neighborhood for the past several months. During this period of time, SSWD contractors and Douglas Veerkamp Engineering have been an active presence. What could have been an exasperating experience has actually turned out to be a positive reflection on project leadership and concern for the community. The Veerkamp employees not only maintained a high work ethic but they also demonstrated how well people can work together when approached with the right attitude. At all times, the employees were polite, addressing needs and concerns regarding the project and accommodating citizens when it came to ensuring ingress and egress to individual properties. I have personally experienced their going "the extra mile" during the completion of this project. For example, when I expressed concern that I didn't want to damage my water meter by personally removing a precariously close plant, SSWD contractor Scott Alstrom and Douglas Veerkamp Supervisor Ben Borba assessed the situation and saw that it was done.

## Change Orders

- All change orders have been based on valid scope increases.
- Change orders are quickly negotiated and agreed upon with SSWD.
- We do not nickel and dime –
  - We look to improve processes to avoid additional costs to the district.
  - Example: When we came across hardpan that was "undiggable", we purchased ripper attachments for our machines instead of pursuing additional compensation for unforeseen subsurface conditions.

# Quality

- Maintain the same crew for all SSWD work
- Minimal issues with repairs or warranty work
- If there is a problem, we fix it.

23

# Safety

- Revised Traffic Control Plans
  - Improved public safety
  - Improved safety of SSWD and DVGE employees
- OSHA
  - Spotless record
  - Full investigation revealed no deficiencies when our employees were struck by drunk driver.
- USA
  - Continually working with local agencies to improve locating services.

24



# Market Unknowns

- Others bid results have been inconsistent.
- Quality of work
- Public Interaction

25

# Market Unknowns

- Change Orders
- Loss of Efficiency – Turnover
- Costs of Bid Process

26



## Doug Veerkamp General Engineering, Inc.

- In business for over 33 years.
- Doug Veerkamp has built a business founded on integrity.
  - It is evidenced throughout the company from project managers to foreman, laborers and operators.

25

## Doug Veerkamp General Engineering, Inc.

- Financially stable
- In good standing with subcontractors and suppliers
- We stand by our work and have been recognized by the industry.

26

## Awards and Recognition

- American Public Works Association – Sacramento Chapter
  - 2014 Project of the Year – Ray Lawyer Dr/US 50 Interchange
- Sacramento Municipal Utility District
  - 2009 Power Player Award – Excellence in Contract Performance
- California State Senate
  - 1997 Certificate of Recognition - Completing Highway 50 Repairs ahead of schedule.
- Caltrans
  - 1997 Certificate of Recognition – Outstanding contribution during flood emergency.

27

## Why extend the Master Service Contract?

- Potential Savings of \$3,890,319
- Proven track record
- Consistency with pricing, relationships, quality and safety
- Avoid market unknowns
- Stability proven by over 30 years in business

28



*Looking to continue our partnership for years to come.*



## Agenda Item: 4

**Date:** June 17, 2016

**Subject:** Recommendation to Initiate Application by Sacramento Suburban Water District and Carmichael Water District to Initiate LAFCo's Proceedings for Annexation/Detachment

**Staff Contact:** Mitchell S. Dion, Technical Services Director

### **Recommended Committee Action:**

Review the issues and provide direction to prepare appropriate materials to initiate annexation process for consideration by the Board of Directors regarding Sacramento Suburban Water District (District) and Carmichael Water District (CWD) request to Sacramento County Local Agency Formation Commission (LAFCo) proceedings for annexation of 4946-48, 5000, 5008, 5016, 5024, 5032 Whitney Avenue, 5400-04, 5412 Gibbons Drive and 3471 Walnut Avenue and detachment of 5148 Whitney Avenue.

### **Discussion:**

Historically, properties along the edges of the District have sometimes been served by neighboring agencies. Frequently, these were done when District infrastructure was too far or inadequate to feasibly serve the needs of a property. The objective being to serve the property and resolve the District balances once the infrastructure was developed. Too often, the incongruences of the District boundaries and service agreements become overlooked, or are not easily resolved. Having defined District boundaries is important for a number of reasons and the District and CWD have been in discussions to resolve a number of these legacy property issues. The District has a number of these boundary disparities (Exhibit 1) shared by all adjacent districts which can be resolved when opportunity present themselves (approximately 50 properties are currently identified).

The District is initiating proceedings to annex nine properties into SSWD (Exhibit 2), and detach one property into CWD (Exhibit 3). The former Northridge Water District made an arrangement with CWD to provide water service to properties within CWD, where CWD did not have the infrastructure. Based upon the build out in these areas CWD does not intend to bring additional infrastructure to serve these properties within their District boundaries, and at this time, reorganization proves to be cost effective.

The District is providing service to eight properties within CWD. CWD is metering, billing, and corresponding with these customers, and paying the District a flat water rate for each service. These eight customers do not receive water quality reports, benefit from public outreach or

Recommendation to Initiate Application by Sacramento Suburban Water District and Carmichael Water District to Initiate LAFCo's Proceedings for Annexation/Detachment

June 17, 2016

Page 2 of 2

conservation rebates, are not invited to public meetings, and they have no voting rights within the district serving them. The ninth property, 3471 Walnut Avenue, is a vacant lot adjacent to these eight properties. The District intends to annex this property to maintain a reasonable boundary.

CWD is providing water to the property of 5148 Whitney Avenue, which is within the boundary of the District. This proposal includes detaching this property to CWD to maintain a reasonable boundary.

SSWD and CWD have been in discussion regarding these services and come to an agreement, pending approval of each Board of Directors. CWD supports the annexation/detachment, and the districts have prepared a joint Application for Annexation for the LAFCo (Exhibit 4) which will be presented for adoption by each Board (tentatively planned for July 2016). LAFCo are organized by the State for each County to ensure the orderly formation and alignment of local governmental agencies and has the duty to review and approve boundary adjustments as proposed.

Customer outreach is an important aspect of the annexation/detachment process. The District and CWD intend on jointly reaching out to the properties affected by the annexation/detachment application, upon board approval of the resolutions. LAFCo will also initiate community outreach to all residents within a 500 foot radius of the properties.

As an alternative, no action could be taken at this time and the misalignment of benefiting properties and rates would continue or the District could stop serving water to customers outside of our boundaries forcing CWD and these customers to install supporting infrastructure.

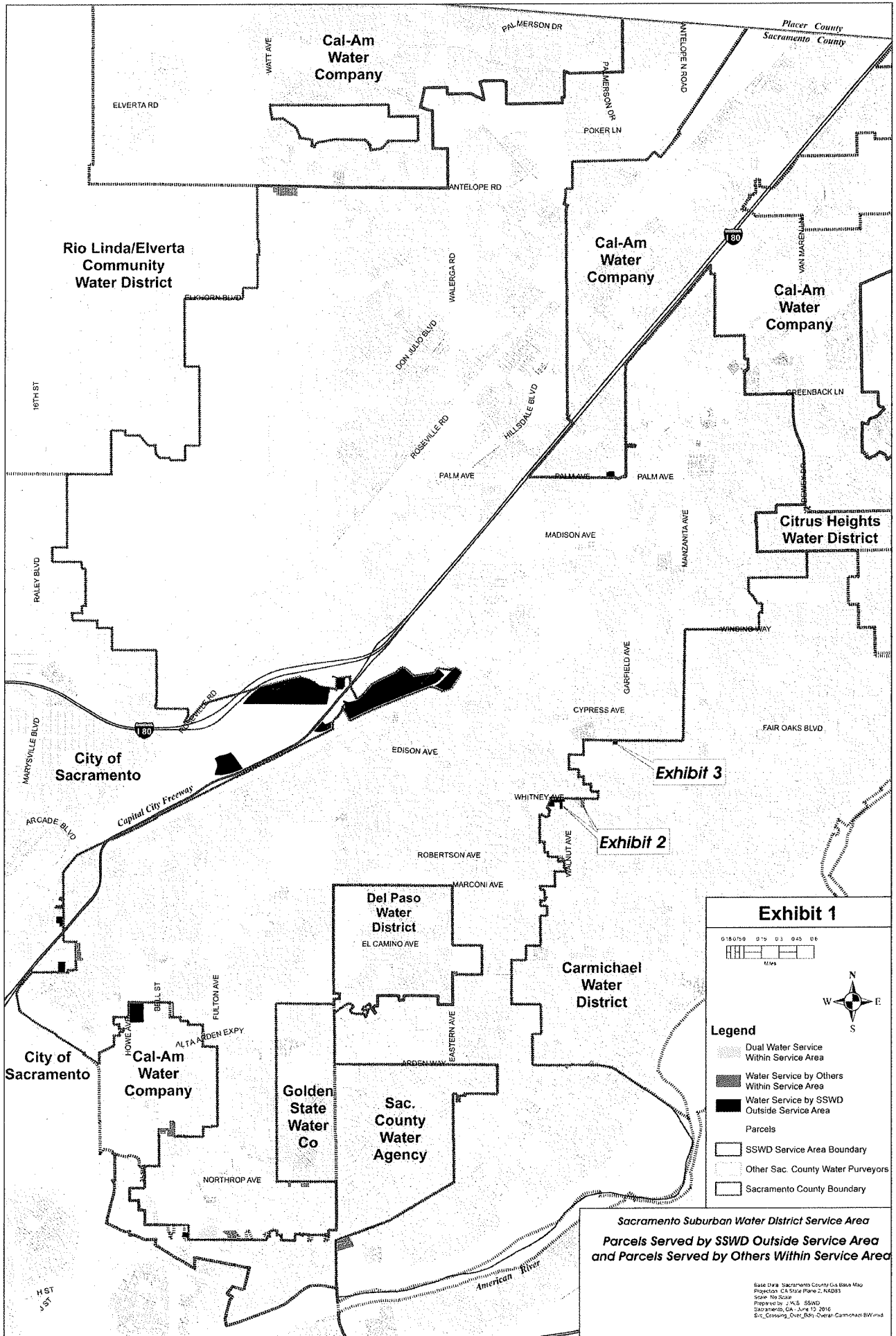
**Fiscal Impact:**

The District will be converting eight services from a flat water rate to a metered water rate. Dependent upon water usage, the revenues collected may be higher or lower through a metered rate versus a flat rate fee. The fee for LAFCo to process the application is \$2,500. The cost of a metes and bounds legal description of the properties affected is approximately \$2,000.

**Strategic Plan Alignment:**

Water Supply – 1.B Provide for the long-term water supply needs of the customers through prudent planning that will ensure capacity to serve system demands.

Customer Service – 3.D Provide customer and community relations by communicating, educating, and providing updates on District operations, water quality issues, water conservation, fiscal stability, environmental stewardship, sustainability of water resources and physical system assets.



**Exhibit 1**

0 0.10 0.20 0.3 0.45 0.6  
 Miles

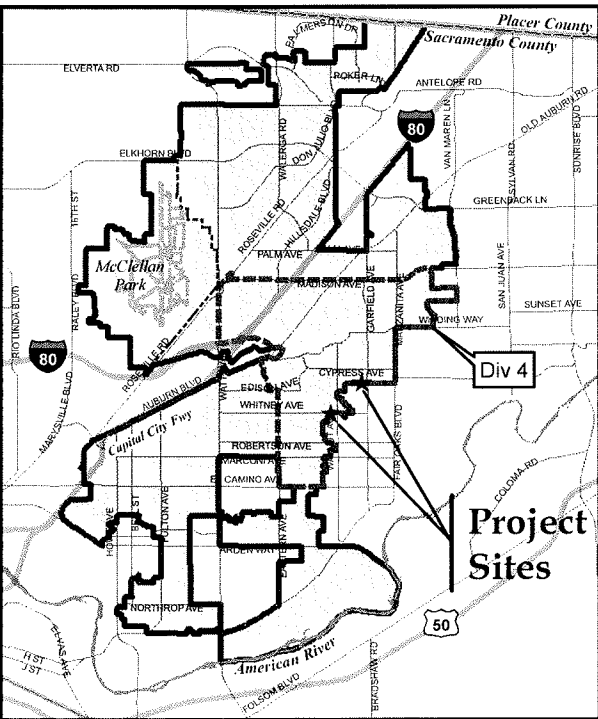
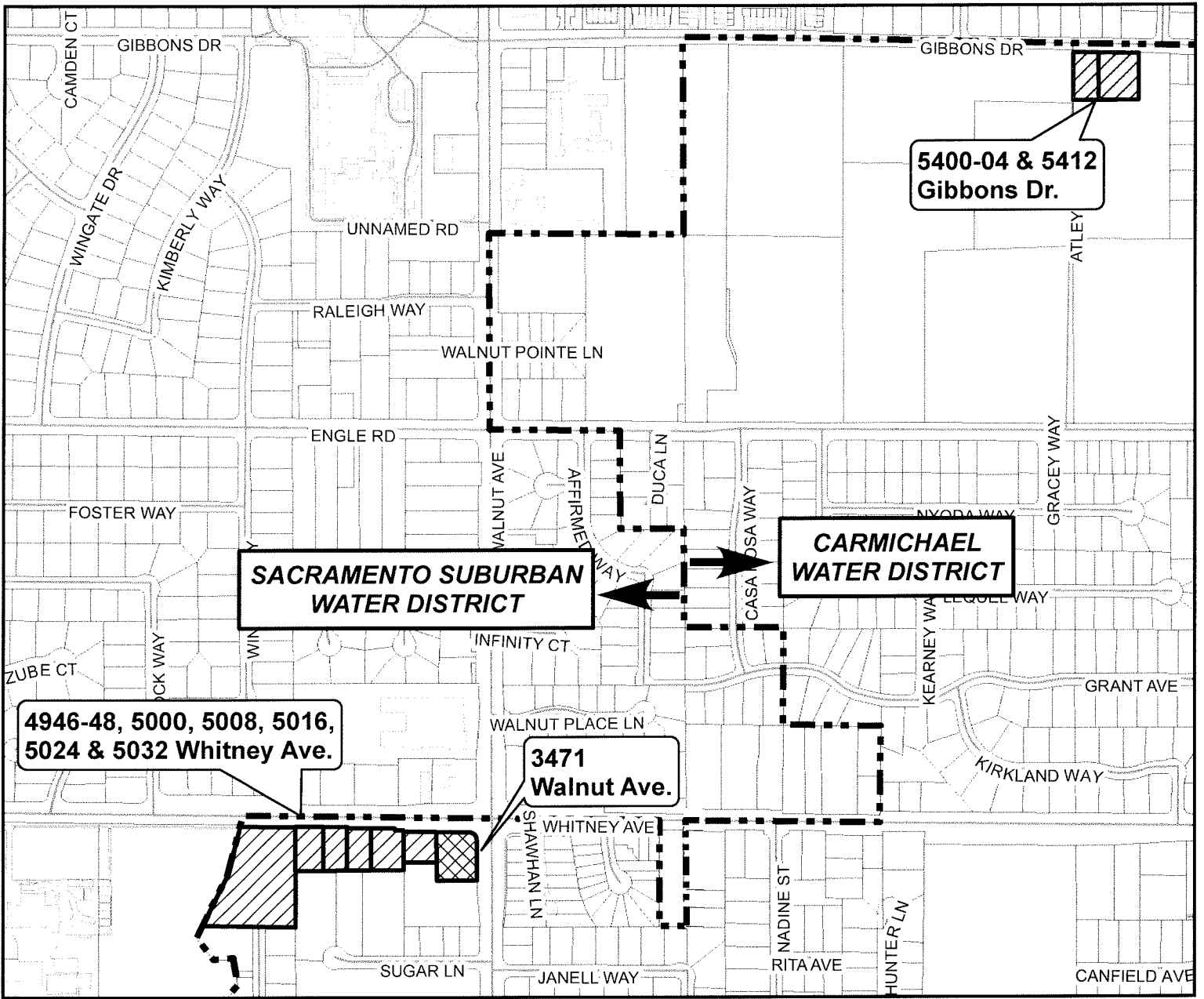
N  
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**Legend**

- Dual Water Service Within Service Area
- Water Service by Others Within Service Area
- Water Service by SSWD Outside Service Area
- Parcels
- SSWD Service Area Boundary
- Other Sac. County Water Purveyors
- Sacramento County Boundary

**Sacramento Suburban Water District Service Area  
 Parcels Served by SSWD Outside Service Area  
 and Parcels Served by Others Within Service Area**

Base Data: Sacramento County GIS Base Map  
 Projection: GCS StatePlane 2 - NAD83  
 Scale: No Scale  
 Prepared by: J.M.S. SSWD  
 Sacramento, CA - June 13, 2016  
 File: Crossing\_Over\_Rdy\_Overse\_Carmichael\_Bldg.mxd



MAP NOT TO SCALE

Portion of Sacramento Suburban Water District



**EXHIBIT 2**

**NOT FOR RECORDING**

**MAP OF PROPERTIES TO BE ANNEXED INTO SACRAMENTO SUBURBAN WATER DISTRICT**

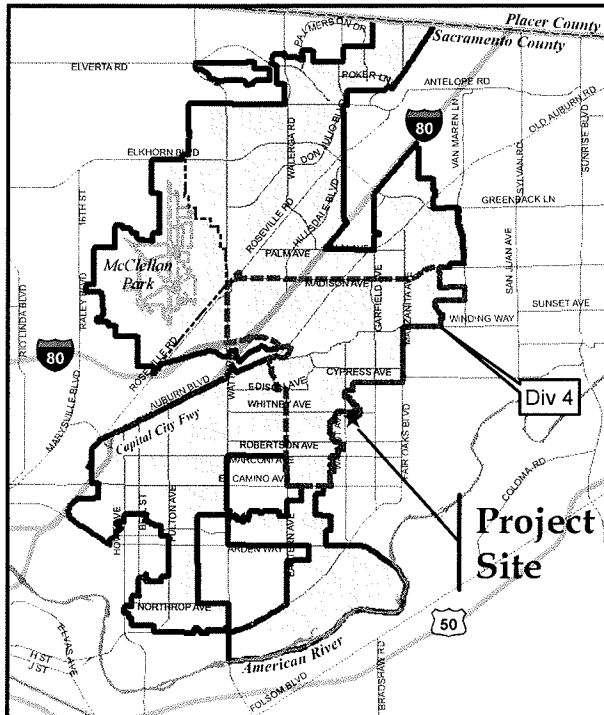
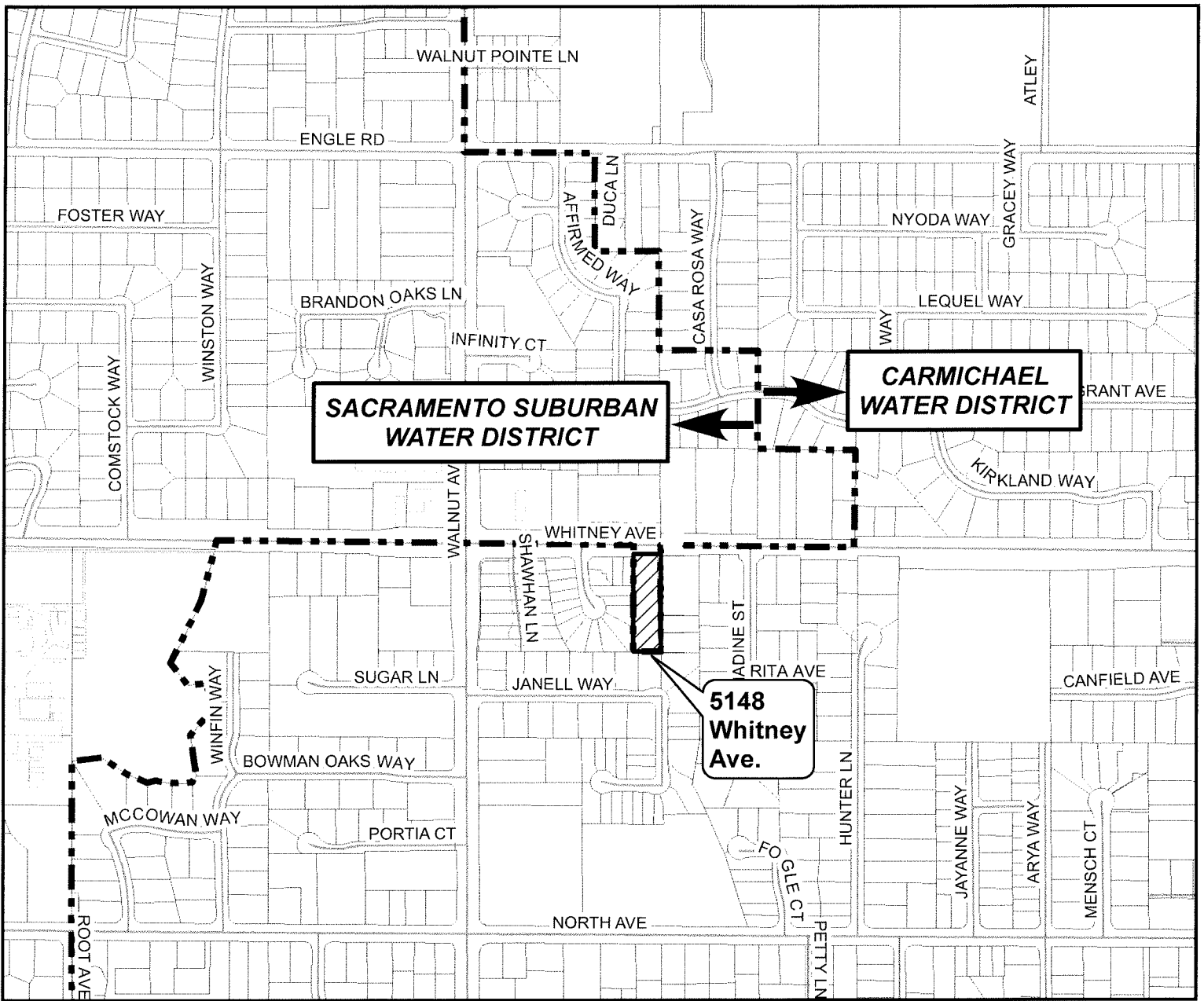
**4946-48, 5000, 5008, 5016, 5024 & 5032 WHITNEY AVE.,  
5400-04 & 5412 GIBBONS DR.,  
3471 WALNUT AVE.**

**(Voting Division 4)**



Base Data: Sacramento County Gis Base Map  
Projection: CA State Plane 2, NAD83  
Scale: No Scale  
Prepared by: DAV, SSWD  
Sacramento, CA - June 2016  
Resolutions\_Whitney.mxd

THIS MAP SHOWS THE LOCATION OF THE PUE AND IS NOT PART OF EASEMENT DOCUMENTS



MAP NOT TO SCALE

Portion of Sacramento Suburban Water District



**EXHIBIT 3**

**NOT FOR RECORDING**

**MAP OF PROPERTY TO  
BE DETACHED FROM  
SACRAMENTO SUBURBAN WATER DISTRICT  
5148 WHITNEY AVENUE**

**(Voting Division 4)**



Base Data: Sacramento County Gis Base Map  
Projection: CA State Plane 2, NAD83  
Scale: No Scale  
Prepared by: DAV, SSWD  
Sacramento, CA - June 2016  
Resolutions\_Whitney\_5148.mxd

THIS MAP SHOWS THE LOCATION OF THE PUE AND IS NOT PART OF EASEMENT DOCUMENTS



**RESOLUTION NO. 16-XX****RESOLUTION 16-XX APPLICATION BY SACRAMENTO SUBURBAN WATER DISTRICT AND CARMICHAEL WATER DISTRICT REQUESTING THAT SACRAMENTO COUNTY LOCAL AGENCY FORMATION COMMISSION INITIATE PROCEEDINGS FOR ANNEXATION OF 4946-48, 5000, 5008, 5016, 5024, 5032 WHITNEY AVENUE, 5400-04, 5412 GIBBONS DRIVE AND 3471 WALNUT AVENUE AND DETACHMENT OF 5148 WHITNEY AVENUE**

WHEREAS, the Sacramento Suburban Water District (SSWD) desires to initiate proceedings pursuant to the Cortese-Knox-Herzberg Local Government Reorganization Act of 2000, commencing with Section 56000 of the California Government Code, for the annexation of nine parcels of land contiguous to the SSWD, and the detachment of one parcel of land contiguous to Carmichael Water District (CWD);

WHEREAS, the territories proposed to be annexed are receiving water service from SSWD; and

WHEREAS, the territories proposed to be annexed are in the service area of CWD and therefore are not within SSWD's sphere of influence; and

WHEREAS, the territory proposed to be detached is receiving water service from CWD; and

WHEREAS, the territory proposed to be detached is in the service area of SSWD and therefore is not within CWD's sphere of influence; and

WHEREAS, a description of the boundaries of the territories sought to be annexed are set forth in Exhibit A attached hereto and incorporated as part of this resolution by this reference; and

WHEREAS, a description of the boundaries of the territory sought to be detached is set forth in Exhibit A attached hereto and incorporated as part of this resolution by this reference; and

WHEREAS, notice of SSWD Board of Directors' intent to adopt this resolution of application has been given to each interested party and agency; and

WHEREAS, SSWD requests that Sacramento LAFCo approve the proposed annexation/detachment because having all facilities and properties owned, served and maintained by their respective districts within district boundaries will ensure the security and efficient operation of facilities.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sacramento Suburban Water District as follows:

1. This Resolution of Application is hereby adopted and approved by the Board of Directors of the Sacramento Suburban Water District. The Local Agency Formation Commission of Sacramento County is hereby requested to take proceedings for the annexation of the territories described in Exhibit A and the detachment of the territory described in Exhibit B according to the terms and conditions stated above and in the manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

2. The Board of Directors finds that the annexation/detachment will benefit SSWD ratepayers by ensuring that SSWD facilities are contained within SSWD boundaries and CWD facilities are contained within CWD boundaries, which will provide maximum security for the facilities and promote maximum efficiency in operations. In addition, the Board of Directors finds that the annexation/detachment will not cause any harm to any neighboring agency because these parcels are already served water by either SSWD or CWD.

3. The General Manager and Staff are directed to cooperate with Sacramento LAFCo and to take all actions and prepare and execute all documents necessary to ensure that the described annexation/detachment are duly and timely completed.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on this 20<sup>th</sup> day of June 2016 by the following vote:

AYES:  
NOES:  
ABSENT:

By: \_\_\_\_\_  
Kevin M. Thomas  
President, Board of Directors  
Sacramento Suburban Water District

\*\*\*\*\*

I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the Board of Directors of Sacramento Suburban Water District at a regular meeting hereof held on the 20<sup>th</sup> day of June 2016.

(SEAL)

By: \_\_\_\_\_  
Robert S. Roscoe  
General Manager/Secretary  
Sacramento Suburban Water District



## Agenda Item: 5

**Date:** June 17, 2016

**Subject:** Update on Forensic Analysis and Testing of Pipe

**Staff Contact:** Mitchell S. Dion, Technical Services Director  
John E. Valdes, Engineering Manager

### **Recommended Committee Action:**

Receive report regarding the forensic analysis and testing of failed water main pipe.

### **Background:**

Historically, the District has conducted testing of existing water mains to plan for replacements or when failures occurred in a manner that provoked additional questions. Recent efforts have focused on asbestos cement (AC) water mains.

The District currently has approximately 350 miles of AC pipe in service. Over time, AC pipe experiences degradation as the result of calcium leaching due to conveyed water and/or leaching due to groundwater. The loss of calcium leads to a reduction in effective cross-section, resulting in pipe softening and loss of mechanical strength. In light of these risks, an AC pipe condition assessment is essential to determine the remaining useful service life of the pipe and to develop a managed, proactive replacement plan for the distribution system. Two specific examples of testing AC pipe are described below.

### **Acoustic Testing of Asbestos Cement (AC) Water Mains**

In 2012, the District contracted with Echologics, Inc. to perform leak detection and condition assessment testing on a small portion of the District's AC pipe. Echologics uses a patented and non-intrusive acoustic method for testing pipe and performing condition assessments. Basically, this method measures how quickly low-frequency acoustic signals are transmitted along sections of pipe. Echologics utilizes the theoretical relationship between the propagation velocities of acoustic signals to calculate the effective thickness of the wall of the pipe. A key aspect of their technology is a large bank of calibration data that they have accumulated which allows them to accurately calculate the average wall thickness of pipe during their condition assessment process.

For this project, nearly two miles of AC pipe were identified for testing and condition assessment. Most of this was the oldest AC pipe in the District, installed in the late-1950's in yard easements. A smaller amount of newer AC pipe that was installed in the late 1970's/early-1980's was also tested to provide a contrast. The pipes tested were mostly 6-inch and 8-inch in diameter.

Echologics completed field testing on these two separate sections of AC pipe in August 2012. A total of 28 separate sections or intervals of pipe were tested by Echologics in the two areas described above. A final report was prepared by Echologics which incorporated their findings. Their report included findings indicating the locations of any leaks identified along with the average remaining structural wall thickness for an AC pipe over each test interval.

As indicated in Echologic's final report, of the 28 separate sections of AC pipe that were tested, 18 had wall thickness losses greater than 30% of the assumed nominal value. This pipe is considered by Echologics to be in poor condition. As might be expected due to age, 15 of these 18 sections are located in the older (late 1950's) Swanston Estates neighborhood. Eight of the 28 sections had wall thickness losses between 5% and 30% of the assumed nominal value and this pipe is considered to be in moderate condition. The final two sections of pipe had wall thickness losses between 0% and 5% of the assumed nominal value and this pipe is considered to be in good condition.

### **Testing of Sections of Exhumed Asbestos Cement (AC) Water Mains**

In late-2013, the District sent five exhumed sections of AC pipe to JDH Corrosion Consultants, Inc. for various analyses. These sections of pipe were taken immediately upstream/downstream of leaks and/or pipe failures within the District's system. The District also sent JDH samples of the soil from the locations where the pipe samples were removed. The testing performed by JDH included chemical testing, phenolphthalein (dye) testing, and crush testing. JDH prepared a final report dated February 5, 2014, titled "Asbestos Cement Pipe Integrity Evaluation Report." A copy of the conclusions and recommendations of JDH's report are attached as Exhibit 1.

### **Discussion:**

Over the past decade, the District has had a handful of catastrophic PVC pipe failures. The most recent PVC main break occurred in February 2016 on Madison Avenue. In this case, the water main that failed was a 6 foot long section of 12-inch C-900 PVC pipe. The amount of water discharged was estimated at 550,000 gallons over a 60 minute period. The repair to the water main was accomplished by replacing the entire length of failed C-900 water main as well as an existing 12-inch mainline valve and a 2-inch water service line that was also in the affected area. The total cost for the repair of the water main and the parking lot was approximately \$70,000.

The Board of Directors has directed staff to begin conducting forensic analysis on failed water mains. Staff has made arrangements for a material testing company in Georgia, however, Director Wichert suggested Anamet, Inc. out of Hayward, CA. Anamet confirmed that they can perform the necessary forensic analysis and testing.

Anamet has provided the District with a detailed scope of work and cost estimate for the recommended analysis and testing. It is estimated that the cost of this analysis will be less than \$5,000. The F&O Committee and the Board of Directors will be provided updates on this item.

**Fiscal Impact:**

The costs associated with catastrophic main failures are significant. The most recent PVC pipe failure that occurred resulted in repair costs of approximately \$70,000. It is estimated that the cost to perform forensic analysis and testing on the failed section of PVC pipe will be less than \$5,000.

**Strategic Plan Alignment:**

Facilities and Operations – 2.D. Manage assets by implementing, preventive and predictive maintenance and analysis programs on District assets to extend their life and reduce service interruptions.

**Asbestos-Cement Pipe Integrity Evaluation  
Sacramento Suburban Water District**

loss of calcium and the percent of wall loss and the crush strength results per Table 3, however, this data set is much too small to see meaningful correlations based on our experience in testing and analyzing AC pipe testing data.

---

## Conclusions and Recommendations

1. The data from the five AC pipe samples tested indicates relatively low overall calcium content in the samples tested and relatively low crush strength tests as well. The percentage of loss of strength based on phenolphthalein stain results also indicates significant loss of calcium.
2. Comparing this data set with other water districts indicates that these samples in general have a low calcium content and structural strength overall even though 3 of four samples tested met the minimum crush strength requirements for new 150 lb. class pipe. Our experience with AC pipe indicates that pipe sample oftentimes have crush test results much greater than the minimum as specified in ASTM C-296.
3. Even with loss of calcium and relatively low crush strength results it does not mean that this pipe is destined to failure in the near future. It takes internal and external forces acting on the pipe to overstress the pipe to cause failure. Therefore, in the absence of any excessive forces on the pipe it will continue to perform as designed. However, if excessive forces caused by tree roots, soil creep, water hammers, etc. are introduced onto the pipeline, it needs to be understood that these pipes have less ability to resist these forces today than they did 57 years ago when they were originally installed.
4. The test results for pipe Sample SS1 seems to correlate well with the test results from Echologics for Section 10. However sample SS2 is not the correct size pipe to match up with the Echologics data for Section 20.
5. We recommend a more comprehensive testing program in order to better understand the risk of failure for SSWD AC water mains. We recommend testing pipes that fail in order to better correlate failure with pipe properties. We recommend that SSWD collect a three foot piece of pipe without cracks or spalls evident for testing from each failure site along with the actual pipe piece that failed. The suite of tests that we ran on these five pipe samples should also be performed on all future pipe samples collected.

---

## Limitations

*The conclusions and recommendations contained in this report are based on the information and assumptions referenced herein. All services provided herein were performed by persons who are experienced and skilled in providing these types of services and in accordance with the standards of workmanship in this profession. No other warranties expressed or implied are provided.*

We appreciate the opportunity to be of service to **Sacramento Suburban Water District**, on this project and trust that you find the analysis and recommendations contained herein satisfactory.



## Agenda Item: 6

**Date:** June 15, 2016

**Subject:** Board Packet Preparation Process And Schedule

**Staff Contact:** Daniel A. Bills, Finance Director

**Recommended Committee Action:**

Staff recommends discussing Options 1-4 and provide direction as appropriate.

**Discussion:**

The District's process for producing materials for the monthly regularly scheduled Board meetings has been in place since 2004. This process produces hardcopy packets for Board review 1 to 2 business days prior to the scheduled Board meeting. At the March Board meeting, staff was asked to review the production schedule and recommend alternatives that would allow for director review, in essence, 3 to 4 business days ahead of the Board meeting date.

Current Process

The Board packet review and assembly process starts two weeks prior to the Board meeting date. (Note: The schedules that follow presume Board meetings on the third Monday of a month.) During the first week, staff turns in reports with review performed by the General Manager beginning towards the end of the week and most often occurring over the weekend. Typically the last staff report received for review by the General Manager is the Financial Report. The Financial Report cannot be completed nor analysis provided until all information is received from the billing system, accounts payable, inventory and capital project systems, and bank account and investment data are received from outside entities. This takes a minimum of five business days plus an additional day to reconcile and perform analytical reviews. The Agenda is also prepared during the first week by the General Manager with distribution to the Board President and Legal Counsel occurring on Friday of the first week. Board President and Legal Counsel comments are requested by the following Tuesday.

Beginning the second week, one week prior to the Board meeting, General Manager review comments on individual staff reports are reviewed by the staff who prepared the report with a response and re-review, if necessary, by the General Manager and all other edits made by the Executive Assistant. Once complete, the entire Packet is then copied on Wednesday with Distribution occurring on Thursday. As two directors have requested their Packets be mailed, receipt for them does not occur until Friday, one business day prior to the Board meeting.

The current process typically produces a Packet to Directors in 12 calendar days. See current process timeline and tasks below:

Board Packet Preparation Process And Schedule

June 15, 2016

Page 2 of 6

Current Production Process:

Sun	Monday	Tuesday	Wednesday	Thursday	Friday	Sat
	<b>1</b> Staff Reports Received	<b>2</b> Staff Reports Received	<b>3</b> Staff Reports Received/ GM Reveiw	<b>4</b> Staff Reports Received/ GM Review	<b>5</b> Staff Reports Received/ GM Review  ----- Draft Agenda out	<b>6</b> GM Review
<b>7</b> GM Review	<b>8</b> Edits Made	<b>9</b> Edits Made	<b>10</b> Board Packet Assembly and Copying	<b>11</b> Board Packet Assembly and Copying/Post to Website	<b>12</b> Delivery of Packets to Directors  ----- Directors Review	<b>13</b> Directors Review
<b>14</b> Directors Review	<b>15</b> <b>Board Meeting</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>
<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>26</b>	<b>27</b>
<b>28</b>	<b>29</b>	<b>30</b>				

Several options are available to make the current process more efficient and more timely for Director receipt and review of the Packet. Such options are:

Option 1: Separate the current Board Packet into two separate packets, one for Directors information and the other for the Board meeting. Much of the information in the current Board Packet is categorized as “Information Items.” Most of these items, along with other materials, can be separated out from the Board Packet and delivered to Directors as monthly information/updates on the first day of each month. As these items are information only, action and discussion are not required. However, should a Director wish to discuss an Information Item that is part of this 1<sup>st</sup> of the Month Packet, the Director may contact the Executive Assistant requesting the Board President consider agendizing the topic for the upcoming meeting. This process reduces the Board Packet size which reduces review and assembly time, thus allowing for a more expedient preparation process.



Board Packet Preparation Process And Schedule

June 15, 2016

Page 3 of 6

Option 1 Timeline:

Sun	Monday	Tuesday	Wednesday	Thursday	Friday	Sat
	<b>1</b> Information Packet Distributed <hr/> Staff Reports Received	<b>2</b> Staff Reports Received	<b>3</b> Staff Reports Received/ GM Review	<b>4</b> Staff Reports Received/ GM Review	<b>5</b> Staff Reports Received/ GM Review <hr/> Draft Agenda out	<b>6</b>
<b>7</b>	<b>8</b> Edits Made	<b>9</b> Edits Made	<b>10</b> Board Packet Assembly and Copying	<b>11</b> Board Packet Assembly and Copying/Post to Website	<b>12</b> Delivery of Packets to Directors ----- Directors Review	<b>13</b>
<b>14</b>	<b>15</b> <b>Board Meeting</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>
<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>26</b>	<b>27</b>
<b>28</b>	<b>29</b>	<b>30</b>				

Board Packet Preparation Process And Schedule

June 15, 2016

Page 4 of 6

Option 2: expands on Option 1, by eliminating manual copying and distribution to an electronic downloading of the Board Meeting Packet into District provided Tablets. This process will save the District roughly \$400 per month in copying and mailing costs and allow for receipt 2 to 3 days prior to the current process. The cost of each Tablet is roughly \$800; a total of \$4,000 for all 5 directors. The Tablets should last 5 years. With copying and mailing costs saving of \$4,800 per annum, the District should recover its investment in less than one year.

Option 2 Timeline:

Sun	Monday	Tuesday	Wednesday	Thursday	Friday	Sat
	<b>1</b> Information Packet Distributed <hr/> Staff Reports Received	<b>2</b> Staff Reports Received	<b>3</b> Staff Reports Received/ GM Review	<b>4</b> Staff Reports Received/ GM Review	<b>5</b> Staff Reports Received/ GM Review <hr/> Draft Agenda out	<b>6</b>
<b>7</b>	<b>8</b> Edits Made	<b>9</b> Edits Made	<b>10</b> Board Packet Assembly and Posting <hr/> Directors Review	<b>11</b> Director Review	<b>12</b> Director Review	<b>13</b>
<b>14</b>	<b>15</b> <b>Board Meeting</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>
<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>26</b>	<b>27</b>
<b>28</b>	<b>29</b>	<b>30</b>				

Board Packet Preparation Process And Schedule

June 15, 2016

Page 5 of 6

Option 3: expands on Option 2, by having the Financial Report produced one month later than the current process. As indicated above, the Financial Report is typically the last report produced. Having the Financial Report available in the month following is acceptable under the Water Code and is preferred at certain times of the year, such as year end.

Option 3 Timeline:

Sun	Monday	Tuesday	Wednesday	Thursday	Friday	Sat
	<b>1</b> Information Packet Distributed <hr/> Staff Reports Received	<b>2</b> Staff Reports Received	<b>3</b> Staff Reports Received/ GM Review	<b>4</b> Staff Reports Received/ GM Review	<b>5</b> Edits Made <hr/> Draft Agenda out	<b>6</b>
<b>7</b>	<b>8</b> Edits Made	<b>9</b> Board Packet Assembly and Posting <hr/> Directors Review	<b>10</b> Director Review	<b>11</b> Director Review	<b>12</b>	<b>13</b>
<b>14</b>	<b>15</b> <b>Board Meeting</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>
<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>26</b>	<b>27</b>
<b>28</b>	<b>29</b>	<b>30</b>				

Board Packet Preparation Process And Schedule

June 15, 2016

Page 6 of 6

Option 4: combines the current process and Option 2. Although volume and assembly inefficiencies would remain, it is viable to simply add downloading the current Board Packet to a Tablet in order to create additional director review time during the work week. Board materials would be available on Wednesday evening before the Board meeting for download, but there would be a lot of material to download.

Option 4 Timeline:

Sun	Monday	Tuesday	Wednesday	Thursday	Friday	Sat
	<b>1</b> Staff Reports Received	<b>2</b> Staff Reports Received	<b>3</b> Staff Reports Received/ GM Review	<b>4</b> Staff Reports Received/ GM Review	<b>5</b> Staff Reports Received/ GM Review <hr/> Draft Agenda out	<b>6</b> GM Review
<b>7</b> GM Review	<b>8</b> Edits Made	<b>9</b> Edits Made	<b>10</b> Board Packet Assembly and Posting <hr/> Directors Review	<b>11</b> Directors Review	<b>12</b> Directors Review	<b>13</b>
<b>14</b>	<b>15</b> <b>Board Meeting</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>
<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>26</b>	<b>27</b>
<b>28</b>	<b>29</b>	<b>30</b>				



## Agenda Item: 7

**Date:** June 17, 2016

**Subject:** 2736 Auburn Blvd. – Potential Lot Split

**Staff Contact:** Mitchell S. Dion, Technical Services Director  
John E. Valdes, Engineering Manager  
Dave Jones, Associate Engineer

### **Recommended Committee Action:**

Receive report from staff on the possibility of performing a lot split at the District's property located at 2736 Auburn Blvd. in order to potentially sell a portion of the property to the current lessee.

### **Background:**

At the June 16, 2014 Board Meeting, the Board of Directors directed the General Manager to research and prepare options to re-adjust property lines at the District's Auburn Yard facility located at 2736 Auburn Blvd. The purpose behind the request was to investigate surplus portions of the property not being used for District purposes and now under lease with Skip's Music.

At the May 2016 regular Board meeting staff was directed to re-initiate discussions regarding the possibility of a potential lot split at the subject location. In addition, the lessee also requested discussion to resume as he lost his staff parking that was previously being leased from one of the local dealerships.

### **Discussion:**

Staff investigated various options related to a potential lot split at 2736 Auburn Blvd. Area West Engineers was retained to assist in this effort. Various updates and reports were presented to the Facilities and Operations Committee at their meetings in August 2014 and January 2015. Reports were also presented to the full Board of Directors at their regular meetings in January 2015 and April 2015. A copy of the final staff report that was presented to the Board of Directors in April 2015 is attached (see Exhibit 1). Due to the District's continued use and need for the wells and corporation yard, and how the sale of the current leased properties could adversely impact operational activities and security of the property, staff recommended continuing to operate with the status quo. In addition, the lot line adjustment process alone could cost upwards of \$50,000, and require unknown time allotments for permits, etc. Additional costs may be recognized for the creation of new easements and modifications or new design and construction for utility lines. Also any changes to the parcel line may trigger required code upgrades to existing facilities. There are no funds currently available in the CY2016 Budget to

conduct this particular task. If the Committee prefers to conduct the lot split analysis, staff would need to fund this out of the CY2017 Budget.

**Fiscal Impact:**

The lot split analysis is approximately \$50,000. Unknown at this time are costs associated for permits, creation of new easements, and modifications or new design and construction for utility lines. If the property was split and the portion not used for District facilities sold to Skip's Music, there would be revenue received by the District. The amount of possible revenue has not yet been determined. However, there would be a corresponding loss of the current monthly lease amount of \$5,500 per month.

**Strategic Plan Alignment:**

Finance – 4.A. Monitor District operations through internal control procedures, documentation and other processes necessary to ensure effective financial performance.



## Agenda Item: 28

**Date:** April 7, 2015

**Subject:** 2736 Auburn Boulevard – Appraisal of District Property Update

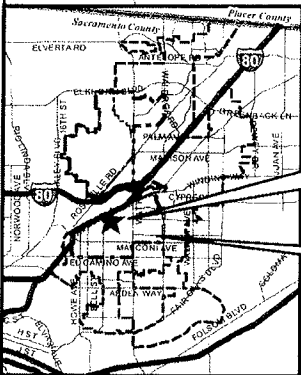
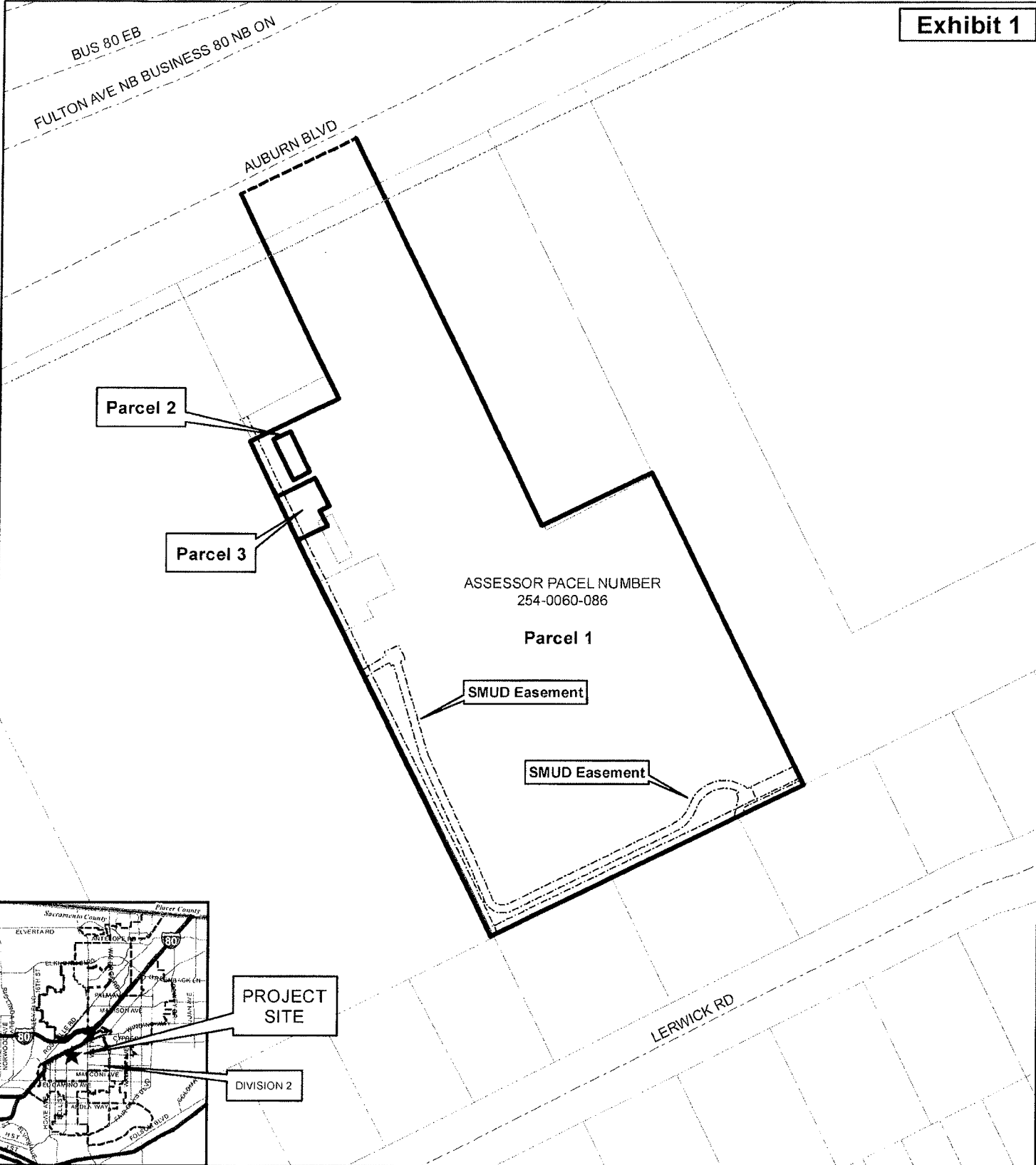
**Staff Contact:** Dave Jones, Associate Engineer

In July 2014, the Board of Directors requested staff research and prepare options associated with the potential surplus of District property at 2736 Auburn Boulevard. The current property owned by the District consists of one large parcel with two smaller parcels along the west side of the property (see Exhibit 1). The large parcel contains the old Arcade Water District office, warehouse, corporation yard, and two wells. The two smaller parcels are currently occupied by portions of the existing cell tower and associated appurtenances, and portions of one of the District's wells. There is no relation with the use of the property and the boundary lines defined by the grant deed.

Staff was directed to develop a plan enabling the Board to dispose of non-essential or surplus property at this location. Staff developed a proposed lot line adjustment to include 4 parcels defined by separate uses. The wells and corporation yard were placed on Parcel 1, the cell tower was placed on Parcel 2, the old District office was placed on Parcel 3, and the warehouse was placed on Parcel 4. Staff obtained estimated appraisal values of the proposed four parcels and reported the findings to the Facilities and Operations Committee in January 2015. The approximate value of parcels 3 and 4, which would be offered for surplus, is \$480,000 (see Exhibit 2).

During general discussions regarding surplus property, the Committee requested staff to recommend if the District should proceed to surplus certain parcels, or operate business as usual. Due to the District's continued use and need for the wells and corporation yard, and how the sale of the current leased properties could adversely impact operational activities and security of the property. Staff believes continuing to operate with the status quo is preferred. In addition, the lot line adjustment process alone could cost upwards of \$50,000, and require unknown time allotments for permits, etc. Additional costs may be recognized for the creation of new easements and modifications or new design and construction for utility lines. Also any changes to the parcel line may trigger required code upgrades to existing facilities.

Due to the above, staff will not proceed with a recommendation to the Board to surplus any property at 2736 Auburn Boulevard at this time.



NOT TO SCALE

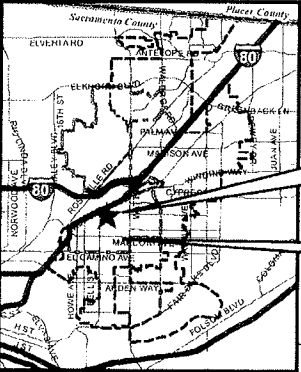
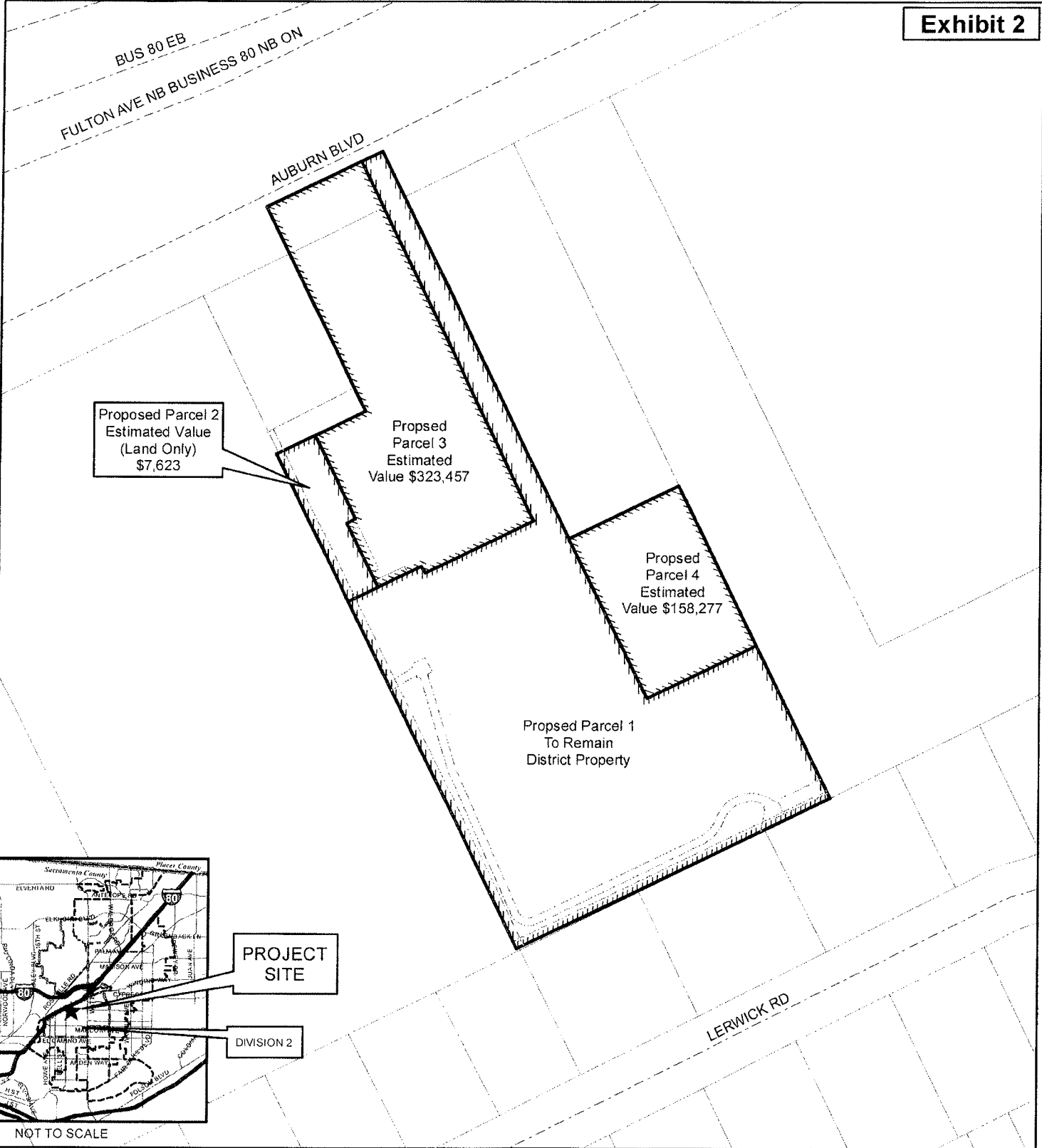


Portion of Sacramento Suburban  
Water District  
**NOT FOR RECORDING**  
Existing Property Owned  
by Sacramento Suburban  
Water District  
**2736 Auburn Boulevard**

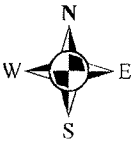
(Voting Div. 2)

Base Data: Sacramento County Gis Base Map  
Projection: CA State Plane 2, NAD83  
Scale: No Scale  
Prepared by: D.A.V., SSWD  
Sacramento, CA, Jan, 2015  
Auburn\_2736\_Existing.mxd





NOT TO SCALE



Portion of Sacramento Suburban  
Water District

**NOT FOR RECORDING**

**Proposed Property With 4 Parcels  
by Sacramento Suburban  
Water District  
2736 Auburn Boulevard**

(Voting Div. 2)

Base Data: Sacramento County Gis Base Map  
Projection: CA State Plane 2, NAD83  
Scale: No Scale  
Prepared by: D.A.V., SSWD  
Sacramento, CA, Jan, 2015  
Auburn\_2736\_Proposed.mxd



## Agenda Item: 8

**Date:** June 16, 2016

**Subject:** 2016 Compensation Study

**Staff Contact:** Dan York, Assistant General Manager  
Lynne Yost, Human Resources Coordinator

A Request for Proposals for 2016 Compensation Study was released on June 10, 2016, and sent to seven firms in Sacramento, Davis and the greater Bay Area. The last study was done in 2013. The study will focus on total compensation with surveyed agencies in the local area that are the most comparable and competitive. Additional agencies will be surveyed for management classes.

Proposals are due by July 6, 2016, and staff expects to complete the screening and selection process by July 13, 2016. The draft study will be presented to the Facilities & Operations Committee prior to presentation to the full Board on September 19, 2016. The selected consultant will attend the Committee and Board meetings to provide an overview of the study process and recommendations and answer any questions Committee and Board members may have prior to the Board's acceptance of the study.



## Agenda Item: 9

**Date:** June 15, 2016

**Subject:** Water System Master Plan Update

**Staff Contact:** Mitch Dion, Technical Services Director

**Recommended Committee Action:**

Update only, no recommended action.

**Discussion:**

Brown and Caldwell (BC) is in the process of preparing the Water System Master Plan (WSMP) for staff review in July 2016. To date, BC has presented the water demand, water supply, and Long Term Well Plan analysis. BC has conducted a peer review of the District's asset management plans and met with District staff to develop criteria by which to prioritize asset management and capital improvement projects. BC is currently in the process of updating the District's hydraulic model with the updated buildout water demands in order to use the model as a tool for the distribution system analysis, updating the District's hydraulic schematic, and completing draft analysis of the other WSMP plan components, including the water supply quality analysis, SCADA and preventative maintenance analysis, infrastructure reliability plan update, and standby power evaluation. The results of all of this analysis are being compiled into the WSMP document for staff review in July 2016. BC will be providing a presentation update on the WSMP at the July 22, 2016 Facilities & Operations Committee meeting.