

# **Agenda**

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

3701 Marconi Avenue, Suite 100  
Sacramento, CA 95821

Friday July 22 , 2016  
3:00 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 June 23, 2016 Facilities and Operations Committee Meeting**  
*Recommendation: Approve subject minutes.*

**Items for Discussion and Action**

- 2. Water System Master Plan Update**  
*Receive written staff report and update from consultant.*
  
- 3. Regional Water Reliability Plan**  
*Receive written staff report and direct staff as appropriate.*
  
- 4. McClellan Business Park and Operations Agreement Update**  
*Receive written staff report and direct staff as appropriate.*

**Adjournment**

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**Upcoming Meetings:**

Monday, August 15, 2016, at 6:30 p.m., Regular Board Meeting

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I certify that the foregoing agenda for the July 22, 2016, meeting of the Sacramento Suburban Water District Facilities and Operations Committee was posted by July 19, 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**  
Thursday, June 23, 2016

**Call to Order**

Director Locke called the meeting to order at 4:01 p.m.

**Roll Call**

Directors Present: Craig Locke and Neil Schild.

Directors Absent: None.

Staff Present: General Manager Robert Roscoe, Assistant General Manager Dan York, Amy Bullock, Lynne Yost, Mitch Dion, John Valdes, Dave Jones, David Espinoza, Rachel Middlestead, Chantell Garvin.

**Public Present:** William Eubanks, Ben Borba, Mark Rollins and Eric Wunschel.

**Consent Items**

**1. Minutes of the April 1, 2016 Facilities and Operations Committee Meeting**

General Manager Robert Roscoe (GM Roscoe) presented the report.

William Eubanks (Mr. Eubanks) withdrew his comments.

Director Locke moved to approve Item 1; Director Schild seconded. The motion carried by unanimous vote.

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

**Items for Discussion and Action**

**2. Master Service Contracting Process For Main Replacement Program**

GM Roscoe introduced the staff report. Mitch Dion (Mr. Dion) presented the report.

Director Schild stated that he believed that the contract extension ended, but in fact, whatever project they have been given prior to December would still be under contract, and the specific project would need to be finished.

GM Roscoe confirmed that no new awards would be given after the first of the year but existing task orders would still be required to be completed.

Director Schild inquired that because the District is a County Water District, then the District would not be required to go out and bid a potential new contract which consists of a 3 year contract with 1 or 2 year extensions?

Mr. Dion responded that is correct.

Discussion ensued regarding prevailing wage rates.

Mr. Dion informed the Committee that whatever rates were in effect when the District went out to bid, would be the rate the District would use.

Director Schild noted that the recommended Committee action was to consider options for proceeding, however, he felt that there were not enough options presented.

No action was taken.

### **3. Master Service Agreement For Main Replacements**

Mr. Dion introduced Eric Wunschel (Mr. Wunschel), a Finance Controller for Doug Veerkamp General Engineering, Inc. who presented a PowerPoint presentation.

Director Locke inquired what percentage of their business was for the District.

Doug Veercamp Construction staff stated 10-12 percent.

Mr. Eubanks stated that he was not clear on what staff was asking the Committee to do.

GM Roscoe stated that staff was requesting to extend the contract with Doug Veercamp Construction for one year.

Mr. Eubanks noted that he was very proud that the District had come full circle and felt that Doug Veercamp Construction was doing a great job. He further noted that they should get credit for their terrific job and that the Committee should move forward with approving the contract.

Director Schild agreed.

Director Locke agreed with the staff recommendation.

Director Schild inquired about clarification on the Master Services Agreement.

Mr. Jones clarified the Master Services Agreement.

Director Schild commended Veerkamp on doing a good job. He further noted that he felt uneasy without a competitive bidding process, but he recommended the one year extension, stating that when that contract is up, staff should look at a new 5 year contract.

Director Locke agreed with Director Schild commenting that staff should look at the workload and see whether one year makes the most sense or if we should extend into further years.

The Committee recommended presenting this item to the full Board with a recommendation of approval that the contract be extended for another year.

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

Chantell Garvin (Ms. Garvin) presented the staff report.

Director Schild stated that these properties were all located in the Carmichael Water District area; however they were all being billed by the District.

Director Schild asked what property is vacant. Are we going to have to install our meters on the properties?

Ms. Garvin informed the Committee that the District will install its meters and meter reading system at these locations.

Director Schild is ok to move forward, but feels there may be a problem with the customers and LAFCo.

The Committee unanimously agreed to recommend the Board to move forward with the customer notification and LAFCo process.

**5. Update On Forensic Analysis and Testing of Pipe**

Mr. Dion presented the staff report.

Director Schild felt that Director Wichert had the direction on this matter in the past and agreed to move forward.

GM Roscoe clarified that this item was presented as an update; no action was required.

Mr. Eubanks withdrew his comment.

**6. Board Packet Preparation Process And Schedule**

GM Roscoe presented the staff report.

Director Schild did not feel that computer tablets are a viable option and secure method for the board reports.

GM Roscoe stated that staff needed 6-7 business days to get a current financial report from the Finance Department, and preferred to keep the current schedule.

Director Locke suggested using the previous month's financial report even though it would be slightly dated in order to receive the board packet earlier.

Mr. Eubanks stated that he did not feel the more time you give the Board members to review the board packet is a good thing. He thinks the computer tablets are a useless expense. Mr. Eubanks stated he still wants the hard copy. In Mr. Eubanks opinion on Regular Board meetings the agenda items could be condensed to 7-8 agenda items. Mr. Eubanks felt the Board gets bogged down about things that are not important drawing out the meeting time longer than it needs to be.

Director Locke stated that he did not want a computer tablet, or to change the meeting time, he just requested to get the packet earlier. He noted that he was in favor of option 3 in the staff report.

Director Schild agreed with option 3 as well.

GM Roscoe stated that staff will attempt to assemble and deliver the Board packets by the Wednesday before the meeting.

**7. 2736 Auburn Blvd. – Potential Lot Split**

Mr. Dion presented the staff report.

Mr. Eubanks withdrew his comment.

Director Schild noted that he felt that this was an information item not an action item.

GM Roscoe agreed and stated nothing much has changed since the last time this was in front of the Committee.

Director Locke is not in favor of putting additional money towards this issue in the staff report, noting the \$50,000.00

GM Roscoe concurred. No action was taken and no additional staff direction was provided.

**8. 2016 Compensation Study**

GM Roscoe presented the staff report.

Director Schild inquired why staff needed this study and how much it was going to cost for the study.

GM Roscoe stated that the RFP's are out on the street now and that proposals are due after the 4<sup>th</sup> of July. The projected cost of this study is identified in the budget and was believed to be around \$15,000.00.

GM Roscoe stated that the last time a study was done was in 2013 and staff needed the study for future salaries and budgeting purposes. The Compensation Study is presented to the Committee for informational purposes. No action was taken.

**9. Water System Master Plan Update**

GM Roscoe presented the staff report. No recommended action required.

**Adjournment**

Director Locke adjourned the meeting at 5:37 p.m.

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



## Facilities and Operations Committee

### Agenda Item: 2

**Date:** July 12, 2016

**Subject:** Water System Master Plan Update

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

**Recommended Committee Action:**

Receive report on the status of the Water System Master Plan update and provide direction as appropriate.

**Discussion:**

Brown and Caldwell (B&C) was selected to prepare the District's 2015 Urban Water Management Plan (UWMP) and update the 2009 Water System Master Plan (WSMP). The UWMP is complete and had been submitted to the Department of Water Resources (DWR); B&C is now focused on completing the WSMP.

To date, B&C has presented the water demand, water supply, and Long Term Well Plan analysis. B&C has also 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. B&C is 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 these analyses are currently being compiled into the WSMP document for staff review. It is currently anticipated that an internal draft WSMP will be completed in August. B&C representatives will attend the July 22, 2016, F&O Committee Meeting to provide the Committee with a more detailed update. A Power Point presentation and hard copy of the presentation will be given by B&C at the July 22<sup>nd</sup> meeting.



**Fiscal Impact:**

The District's contract with B&C for the Water System Master Plan update is in the amount of \$301,000. This includes added scope of work tasks related to water demand projections and review and prioritization of the District's asset management activities. Funds for this project are included in the District's approved Operating Capital Budget (OCB) for 2015 and 2016.

**Strategic Plan Alignment:**

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

Water Supply – 1.D. Manage the District's groundwater supply to ensure its quality and quantity.

Customer Service – 3.D. Provide effective customer and community relations by communicating, educating, and providing information on District operations, drinking water issues, water conservation, resource sustainability and environmental stewardship.

The Water System Master Plan update aligns with each of the goals/principles outlined above. It will help in managing the District's groundwater supply and estimating the future water supply needs for District's customers. It can also be used as a tool to effectively communicate information to the District's customers on drinking water supply and other relevant planning issues.



## Facilities and Operations Committee

### Agenda Item: 3

**Date:** July 12, 2016

**Subject:** Regional Water Reliability Plan

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

**Recommended Committee Action:**

Receive report from staff on the current status of the Regional Water Reliability Plan. Discuss and provide relevant policy direction regarding the Regional Water Reliability Plan.

**Discussion:**

The Regional Water Reliability Plan is intended to improve the ongoing reliability of the region's water supplies. The presentation will include an overview of regional water management vision, current challenges, vulnerability and mitigation plans, and funding mechanisms.

At the direction of the Board of Directors, following the presentation of Rob Swartz, Regional Water Authority, on June 22, 2016, this item was placed on the committee agenda to explore the policy implications and provide direction related to the Regional Water Reliability Plan.

**Background:**

In the early 1990s, water purveyors in the Sacramento region faced an increasingly complex landscape. Communities and water supply needs were growing rapidly, and concern for the environment was increasing. The spread of groundwater contamination, the need to protect the lower American River, and litigation over new water supplies were adding new challenges to the job of ensuring safe and reliable water service.

Guided by the idea that agencies can accomplish more together than separately, local water providers began a two-year process to combine existing efforts and create a unified approach to regional water issues. The result was the Regional Water Authority (RWA), a joint powers authority formed in June 2001.

Since 2004, RWA has led regional collaborative planning to improve water supply and water quality for all uses in the American River basin. Today, the American River Basin Integrated Regional Water Management Plan, created and managed by RWA, provides a framework to identify, evaluate and prioritize a wide variety of water resources-related projects and

programs. The IRWM Plan brings together diverse stakeholders in order to maximize the benefits of integrated planning in the region.

As a result of past and current planning, RWA has assisted local agencies in securing substantial grant awards to complete projects to help the region meet its planning objectives.

When complete, the objective of the Regional Water Reliability Plan is to develop plans and align funding sources to enhance the region's water supply reliability during extreme dry conditions by increasing the ability to move water within the region through the completion of and use of pipelines, interties, booster pumps and groundwater wells. Furthermore, the Regional Water Reliability Plan may assist to focus full utilization of the regions surface water allocations enhancing the District's stewardship of the groundwater basin and provide basis for future development for groundwater banking.

Specific objectives include:

- Improving the flexibility of the local water system
- Increasing the use of surface water and more fully utilizing existing water rights in wet years
- Helping preserve the groundwater basin for expanded use in drought years
- Promoting implementation of the Sacramento Water Forum Agreement
- Exploring options for future state or federal partnerships to provide broader, system-wide benefits

A copy of the presentation (Exhibit 1) is provided for reference if needed.

**Fiscal Impact:**

The cost of the entire plan is estimated at approximately \$820,000, with grant funding and cost sharing the commitment for SSWD is \$24,000 in phase one and not to exceed \$40,000 which was included in the calendar year 2016 budget. This is considered a below the greenline effort by the RWA, therefore, the cost and benefits a shared by those agencies participating.

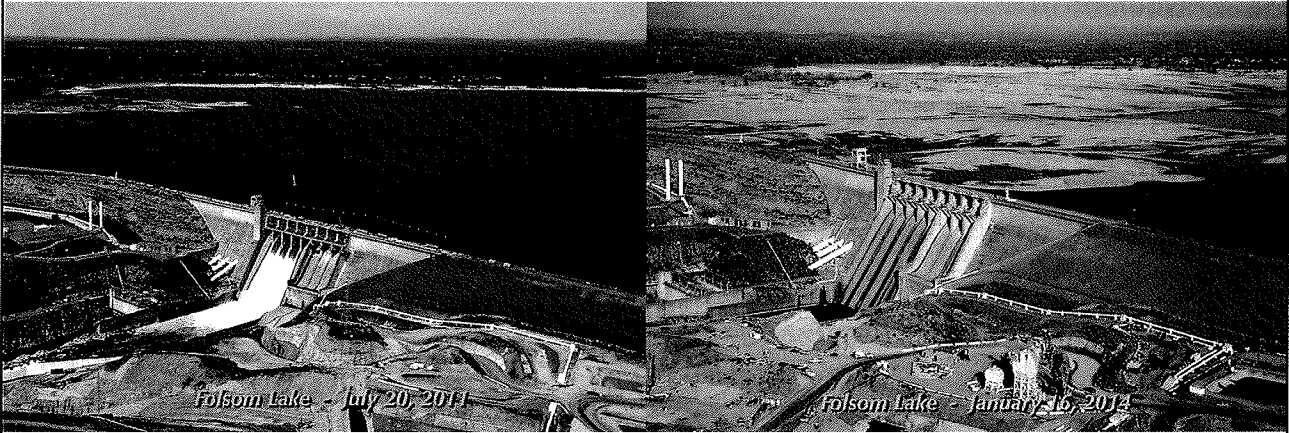
**Strategic Plan Alignment:**

Leadership – 5.C. Participate in regional, statewide and national water management partnerships.

District customers' benefit as the Regional Water Reliability Plan will enhance water reliability for the community and fashion opportunity to share resources in planning and water supply development reducing costs and avoiding redundancy.

Exhibit 1

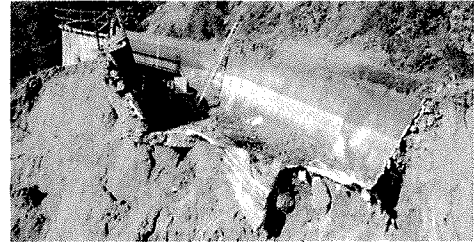
# Regional Water Reliability Plan



June 20, 2016

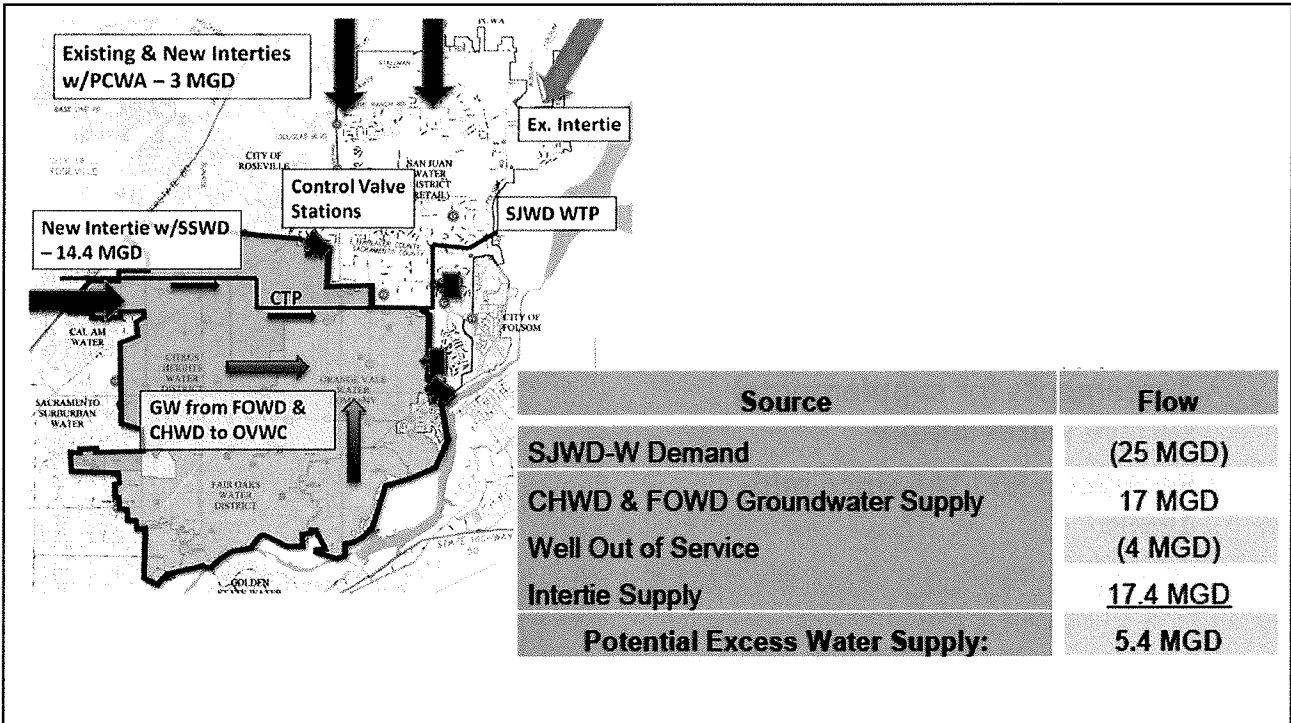
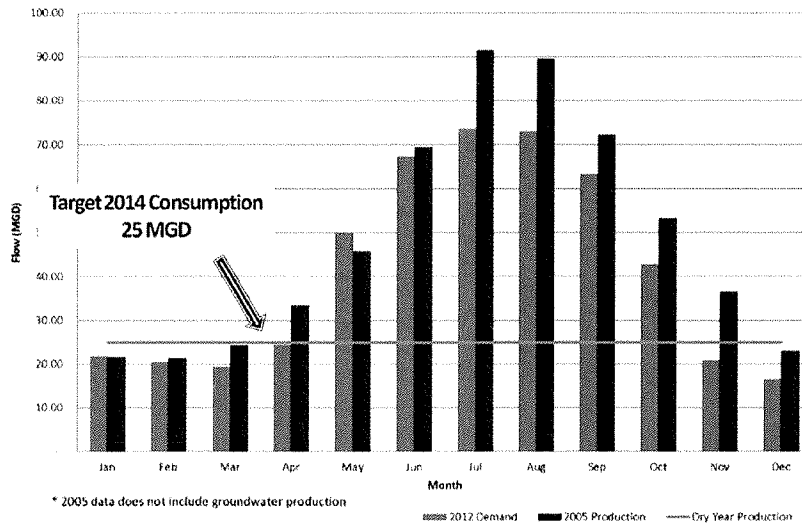
## Why are we doing this?

- 2013 RWA Strategic Plan calls for development of a Regional Water Reliability Plan (RWRP)
  - Vulnerabilities of each agency
  - Mitigation measures to help overcome vulnerabilities
  - Intent is to have "basic levels of service" for each water agency under nearly all "outage" conditions
- Recent drought has revealed more significant threats to local water resources
  - "Drier than dry" 2015
  - Surface water rights curtailments
  - Extraordinary conservation requirements
  - Region increasingly tied to conditions in other parts of state
- RWRP could be key strategic piece to protect long-term water resources for region
  - Demonstrate the region has a sustainable plan to manage during long-term droughts
  - Identify opportunities to exercise more surface water rights during wet periods to protect them
  - Demonstrate effective management of our groundwater basin for SGMA compliance



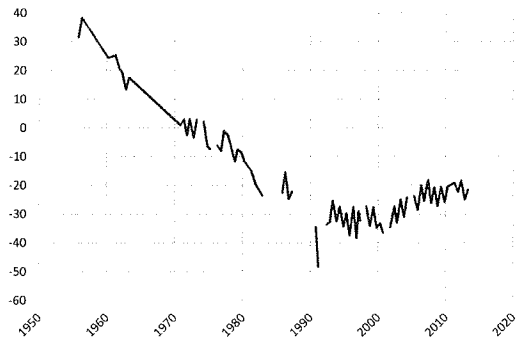
# Reliability Example

**SAN JUAN WATER DISTRICT  
WATER DEMANDS**



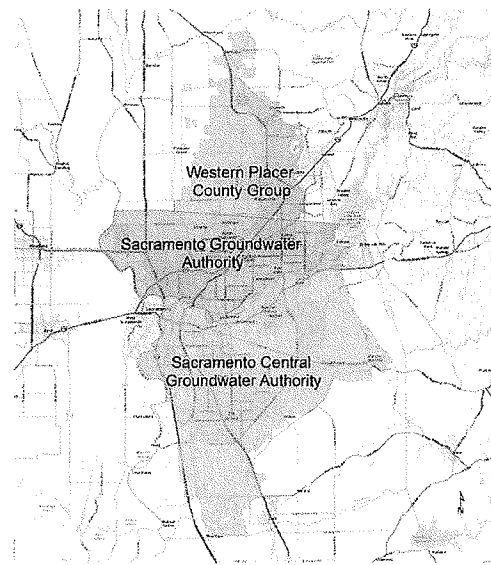
## SSWD Mitigation Results

- Greatly improved groundwater levels
- Opportunities for water exchanges that generated significant revenue
- ~\$7 million in regional grants to continue facilities improvements
- Ability to meet alternative conservation requirements in 2016

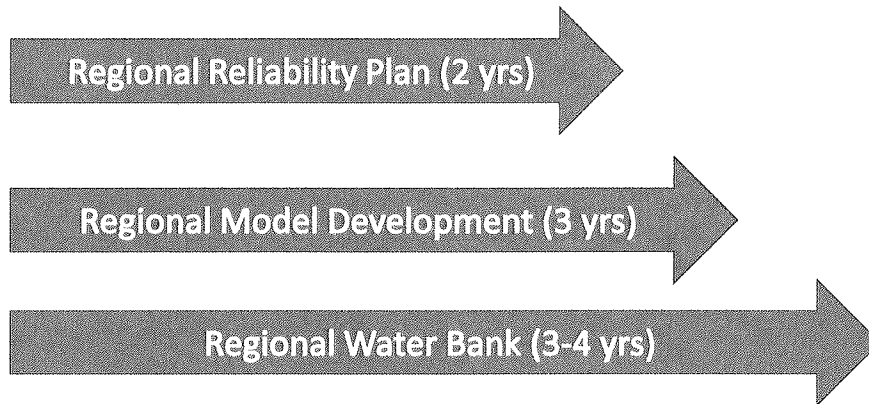


## Regional Water Bank

- Increases water supply yield by using storage capacity of basin
  - Store in wet years
  - Recover in dry years
- Can reduce impacts of future droughts by establishing a local “reservoir” in the groundwater basin
- Can promote investing in facilities and operations needed for local reliability
- Can help demonstrate long-term plan for SGMA compliance



## Going Forward – Major Related Initiatives



## Next Steps

Draft Project Agreement to RWA Exec Comm	June 22, 2016
Next Meeting	July 13, 2016
Project Agreement Comments	July 13, 2016
Final Project Agreement Approved by Exec Comm	July 27, 2016
Begin Agency Interviews for Vulnerability Assessment and Mitigation Actions	August 2016



## Facilities and Operations Committee

### Agenda Item: 4

**Date:** July 22, 2016

**Subject:** McClellan Business Park and Operations Agreement Update

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

**Recommended Committee Action:**

Receive report from staff on the current status of the McClellan Business Park operations agreement. Provide direction to bring a recommendation to the SSWD Board regarding closure to existing agreement and negotiate new agreement between the District and McClellan Business Park.

**Discussion:**

A summary of the historical activities between Northridge Water District, later to become Sacramento Suburban Water District, and the McClellan Air Force Base, later to become McClellan Business Park, from 1988 to 2015 is provided. An update of the status of the Operations Agreement between Sacramento Suburban Water District and Sacramento County, entered into in 2000, subsequently McClellan Business Park is also provided.

The following summary was last provided to the Facilities and Operations (F&O) Committee and Board of Directors in June 2010 for review and comment and again to the F&O Committee in October 2015. The direction was to proceed per the recommendations on the June 2015 report with the completion of the items per the McClellan Capital Improvement Plan (CIP).

**Background:**

1988 – The former Northridge Water District (NWD) was contacted by the McClellan Air Force Base (Air Force) Civil Engineering Commander to provide a secondary water source to the Air Force Base (Base). NWD negotiated and constructed standby emergency water service through extensions from its distribution system into booster pumps systems at two different locations along Roseville Road into the Base. Total capacity into the Base was tested at 6,400 gallons per minute (gpm).

1995 – NWD was contacted by the Air Force concerning the future closing and privatization of the Base. The Air Force requested NWD submit a proposal for providing operation and maintenance at the Base potable water system.



1998 – NWD was considered the front-runner to assume control of the potable water facilities at the Base. The Air Force, which began downsizing their operations, brought in Boeing Services to assist in the management and privatization of the Base. NWD began working with Boeing on inspecting the potable water system and what potential improvements would be required to bring the system up to standards. Boeing provided management for the Air Force until the Base was turned over to the County of Sacramento. The proposal was finalized with the assistance of the Air Force and Boeing.

1999 – In late 1999, the Air Force turned over the entire Base to the County of Sacramento Local Redevelopment Agency. McClellan Business Park (MBP) was formed from a group of local investors to transform the former Base into a mixed-use commercial/industrial park.

2000 – The County of Sacramento executed an agreement (Agreement) with NWD for operation and maintenance of the potable water facilities with ownership of the facilities, but no property (see Exhibit 1). Included in the agreement was a CIP consisting of ten items that were included in the proposal. As part of the agreement, NWD was required to provide improvements to the existing potable water system to bring the distribution system up to current American Water Works Association standards. The facilities turned over to NWD included the potable water systems at the former Base, currently McClellan Business Park (See Exhibit 2) and the Capehart Housing, currently The Arbors at Antelope.

#### Capital Improvement Plan

As discussed above, a CIP was prepared that included ten items related to the potable water supply system within the former Base and Capehart Housing. The CIP included a quantity and cost estimate for each item. The basis of the cost estimates for each of the above items was determined by the estimated cost to perform each item and extended by the number of estimated items in each activity. The quantities were provided by the Air Force and the cost was an estimate of the potential funding that might be required. However, the overall assessment was based on the list of activities to be completed rather than the funding investment threshold. The list of the capital improvement items included an estimated cost of each item based on provided information and quantities from the Air Force (see Exhibit 3). Also included in Exhibit 3 is a more accurate account of each item and the balance remaining to date. Total funds spent to date for each item completes the table, which includes actual capital improvement costs and operation and maintenance costs. A description of each capital improvement includes:

1. Installation of water meters and backflows on all buildings on existing services at the former Air Force Base.
2. Installation of backflow protection on all private fire sprinkler services at McClellan Air Force Base.
3. Installation of water meters at all units at the former Capehart Housing complex.
4. Fire hydrant upgrade and replacement including flow testing each fire hydrant. The Air Force had a requirement that every hydrant must be tested on a four-year rotation basis.
5. Storage tank inspection, cleaning and/or recoating.
6. Install backflow protection on all fire suppression facilities feeding the deluge systems.

7. Water well inspection and upgrade to current Department of Public Health Service's standards (now the State Water Resources Control Board Division of Drinking Water) including installation of variable frequency drives (VFD), telemetry equipment and motor control center.
8. Installation of altitude valves on the storage tank facilities.
9. Preparation of a water quality sampling plan and installation of sampling stations.
10. Installation of two transmission pipelines, which support the Air Force Base. The two projects were the 16-inch on Roseville Road from Madison Avenue to Palm Avenue and a 24-inch pipeline on Roseville Road from Palm Avenue to north of Oakhollow Way.

The total funding spent to date is approximately \$9.86 million. Cost associated with the ten items on the capital improvements is approximately \$7.16 million (list of projects has not been completed thus final costs are unknown). The original estimate for the capital improvements was approximately \$5.16 million.

#### Existing System

McClellan Business Park (Formerly McClellan Air Force Base) – The current water system consists of one production well located at Palm Street and Watt Avenue. The well produces approximately 700 gallons per minute (gpm). The miscellaneous water pipeline facilities range from 6-inch to 16-inch in size, which makes up the distribution system. Two storage facilities, both elevated steel tanks, one located on the east side and the other on the west side of the Park, total approximately 650,000 gallons of capacity. The majority of the buildings contain single or multiple water services varying in sizes from 1-inch to 4-inch in size. Private fire sprinkler services are 8-inch or 10-inch in size and in multiple quantities providing fire protection to a majority of the larger existing warehouse type buildings. Until operation and maintenance was provided by the District no backflow protection existed on any of the existing services.

The Arbors at Antelope (Formerly Capehart Housing) – This area was the former offsite-housing complex for the enlisted military personnel stationed at the former Base. The area contains approximately 400 single-family housing units, a large recreational facility, an office and a clubhouse. The recreation building and surrounding facilities were later turned over to the North Highlands Recreation and Park District. Water facilities included 6-inch, 8-inch and 12-inch water mains; a 150,000 elevated steel storage tank; and two groundwater production facilities. One of the wells is also equipped with a booster pump, which fed water to the former golf course for irrigation. The wells produce approximately 700 gpm each. At the east end of the Arbors an existing intratit connects the distribution system to the District's distribution system. Water service to each unit is now provided through individual services. In addition, separate irrigation services provide water to the landscape areas (see Exhibit 4). Prior to the individual services, the water was delivered to this area by a master meter.

#### Billing & Metering

McClellan Business Park – Initially the MBP was billed through master meters. The meters were located at the booster pumps and the existing groundwater well. As meters were installed on individual services the billing has changed over from master metering to individual meters servicing the buildings.

The Arbors at Antelope – The Arbors were billed through master meters that were mutually accepted between NWD and MBP. The meters are located at each of the groundwater wells and on the intratie. MBP was consulted on the differences of master metering and the metering of each individual water service. The differences also included the responsibilities of operation and maintenance of the existing facilities such as fire hydrants, water mains and services.

2004 - The MBP turned the Arbors over to Carmel Partners. Carmel Partners' plan was to subdivide the area into a condominium type complex with the housing footprint as lots and the rest of the area as common ground. Carmel Partners renovated the housing units by bringing each unit up to an agreed standard acceptable to the County of Sacramento. Staff attended several Community Planning Advisory Council (CPAC) meetings whereby Carmel Partners presented the project to subdivide the area into lots and sell the units as condominiums. The proposed change into condominiums was not well received by the CPAC nor surrounding property owners near Capehart. The District's operation and maintenance of Capehart was not changed when Carmel Partners assumed control of the housing complex. The complex remained on a master meter system and operation and maintenance of the facilities downstream of the meter was the owner's responsibility. However, no alteration to the operational agreement with MBP was made to reflect the change in operational and maintenance responsibilities. Of concern to the District was the Department of Public Health permit to operate the system. This permit recognized the District as the agency responsible for the operation and maintenance of the service area and as such would be responsible for all issues related to compliance of State regulations concerning the water system.

2011 - District was informed that a commercial/residential plumbing company was making repairs to the distribution system. DPH informed the District that the risk transfer of operating and maintaining the Arbors system may have been assumed by the District. The District in 2012 reassumed the operation and maintenance of the Arbors system, which initiated improvements to the water system including installation of water meters for the units and landscape irrigation systems.

2012 - The District retrofitted the water services with meters at each of the 400 living units in the Arbors per the District's Water Meter Retrofit Plan. The existing 1-inch copper services were retrofitted with 5/8 x 3/4-inch meters. Landscape irrigation for the common areas was supplied by 46 existing services. These 46 services were upgraded with water meters and approved backflow devices. It was also determined that to perform this work, 18 main line valves were installed to minimize large areas to be shut down during the retrofits. There have been no changes to the District's operation and maintenance of the Arbors. With the units being rentals, Carmel Partners remains the customer and is responsible for the individual metered accounts.

2013 - On September 17, 2013, the District issued a letter to MBP documenting the progress made on the CIP (see Exhibit 5). As identified on the letter, CIP items 1, 2 and 4 have yet to be completed for the reasons mentioned.

A comparison of master metering MBP has been recently analyzed by staff. A cursory analysis of the amount of annual revenue being collected based solely on the meter service charge and capital facilities charge components of the District's water rate schedule was conducted. Volume of water was excluded considering an equal amount of water would be sold whether MBP be metered individually or master metered. Based on the 2015 water rates, the District currently collects approximately \$1.06M through individual metering. MBP has two sources of water from the District. One 8-inch intratit and one 20-inch intratit. A third source of water through an 8-inch intratit exists along Freedom Park Drive, but is in the off position. The District does not have a 20-inch water rate for a domestic service. The water rates have a linear relationship amongst the various sizes. Staff extrapolated the existing water rates and projected water rates for a 20-inch domestic service. The annual revenue collected from the meter service charge and capital facilities charge for one 8-inch and one 20-inch domestic services would be approximately \$192K. Considering that the Arbors is owned by Carmel Partners, not MBP, and the services are currently 100% metered, the Arbors was excluded from this analysis.

#### Development

MBP has recently questioned whether the District or the potential developer of McClellan Business Park is responsible for upsizing the existing water mains at the park. In particular, MP is challenging whether the District's Regulations Governing Water Service (Regulations) are applicable at McClellan Business Park or whether their interpretation of the Agreement is obligating the district to pay for and make these improvements.

Section 14 of the Agreement clearly states:

“Water service provided by NWD at McClellan and the Associate facilities shall be in accordance with NWD's Rates, Rules, and Regulations, as amended from time to time, attached as Exhibit D.”

According to the Regulations, developers, at their own cost and expense, are responsible for the upsizing of water mains fronting their property. Regulation 9, Section N requires minimum size water distribution mains necessary to adequately deliver domestic water and public fire protection to all new developments and construction of whatever kind or size shall be determined with reference to real property-use zones established by the County of Sacramento. Most if not all parcels located at McClellan Business Park are zoned industrial and as such are required to be served by a 16-inch water main.

It is staff's interpretation that the “upgrades” discussed in the Agreement are not related to the upsizing of water mains required by the District's Regulations for new or changing uses.

#### Agreement

There are three incomplete CIP tasks according to the Agreement as discussed in the letter in Exhibit 5. The costs related to these tasks are unknown and are increasing every year. Considering the unknown costs to the CIP tasks and the disagreement with the interpretation of the Agreement as it applies to development at McClellan, staff is interested in seeing the Agreement renegotiated or closed. MBP and the district have started preliminary discussions to introduce legal counsel in closing the existing Agreement in order to focus on new CIP tasks and

provide direction forward on development requirements to support their plans. Additionally discussions have been fruitful in resolving concerns regarding easements and future tank sites. Engaging in a comprehensive utility masterplan for the MCB and devising financial tools to implement and support those facilities would be meaningful products enabled by a new agreement.

**Fiscal Impact:**

The cost incurred by the District will be at legal counsel's hourly rate to negotiate with McClellan Business Park's legal counsel for closure of the current agreement. There will be district staff time, some consulting time and legal expenses to develop new agreement supportive of the McClellan Business Park development plans while being protective of the current rate payers. The costs for other improvements and future development will be addressed with those activities and not considered a factor in this action.

**Strategic Plan Alignment:**

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

District customers benefit as the proposed new agreement will facilitate closure of past issues and provide direction moving forward with the development at McClellan.

**COUNTY OF SACRAMENTO  
CALIFORNIA**

**APPROVED**  
BY RESOLUTION # 99-1167  
BOARD OF SUPERVISORS

For the Agenda of:  
September 7, 1999  
11:15 A.M.

SEP 07 1999  
*Cindy H. Turner*  
By \_\_\_\_\_  
Clerk of the Board

To: Board of Supervisors

From: Department of Military Base Conversion

Subject: AGREEMENT BETWEEN NORTHRIDGE WATER DISTRICT (NWD) AND  
SACRAMENTO COUNTY FOR THE CONVEYANCE OF THE MCCLELLAN  
AIR FORCE BASE WATER DISTRIBUTION SYSTEM

**RECOMMENDATION:**

The Board of Supervisors approve the attached resolution authorizing the Chair to execute the attached Agreement for Transfer of the McClellan Air Force Base water distribution system to Northridge Water District (NWD) upon transfer of the water distribution system from the Air Force to the County consistent with the terms and conditions of the Economic Development Conveyance between the Air Force and the County. (Note: requires four-fifths vote)

**BACKGROUND:**

McClellan Air Force Base will close on July 13, 2001. The Air Force presently owns the water distribution system on base and plans to convey the system to the County prior to the base closure. On April 14, 1998, the County and NWD entered into a Memorandum of Understanding outlining the intent of the parties to cooperate to establish the most economically viable terms and conditions for system transfer, and for the County to convey the system to NWD. The negotiations that transpired subsequent to the MOU have resulted in the attached agreement that is recommended for approval by your Board.

NWD has positioned itself to be the water provider of choice at McClellan. They have had infrastructure in place to serve the base since 1988. In 1996 they petitioned LAFCO for a sphere of influence adjustment to include McClellan in their district. McClellan does not presently lie within the sphere of influence of any water district. LAFCO filed a negative declaration on July 3 1996, and has held the application in abeyance pending execution of this agreement. Additionally, since September 15, 1998, NWD has provided water to the Air Force, and maintained and operated the system on base.

**Agreement Between Northridge Water District (NWD) and Sacramento County for the  
Conveyance of the McClellan Air Force Base Water Distribution System  
Page 2**

**DISCUSSION:**

The attached agreement conveys the water distribution system at McClellan Air Force Base including associated water distribution facilities at Camp Kohler and Capehart housing (including the golf course) to the Northridge Water District (NWD) upon execution of the Utility Bill of Sale by the County of Sacramento and the Air Force.

The system includes wells, storage tanks, fluoridation stations, booster pump stations, and real property associated with the maintenance of the system such as land, materials, and equipment. In accordance with the terms of the executed EDC, fee title shall be conveyed to NWD in the same manner the fee title is conveyed to the County by the Air Force. The fee title property reverts to the County if NWD terminates use of the property for activities related to water distribution.

In exchange for conveyance of the system and associated property and the exclusive right to be the sole water provider for McClellan and associated off-site properties for ten (10) years, NWD shall provide the following consideration to the County valued at approximately 5 million, one hundred thousand dollars (\$5,100,000):

1. NWD will perform metering of all McClellan facilities, including residential structures and common landscape areas, up to a total of 1162 meters.
2. NWD will perform all necessary upgrades to bring the McClellan water distribution system into compliance with the standards of the American Water Works Association, California Department of Health Services, California Department of Toxic Substances Control, and Central Valley Regional Water Quality Control Board, at no cost to the County.
3. NWD will perform all necessary upgrades to the fire system.
4. NWD will provide easement documents covering the system.

The Agreement includes a provision requiring NWD to defend and indemnify the County in connection with any legal challenges to the exclusivity set forth in lease agreements and property conveyance transactions.

**FINANCIAL IMPLICATIONS**

This agreement has no financial cost to the County and therefore does not require any adjustment to the 1999-2000 budget.

**Agreement Between Northridge Water District (NWD) and Sacramento County for the  
Conveyance of the McClellan Air Force Base Water Distribution System  
Page 3**

**CONCLUSION:**

Transfer of base infrastructure elements, especially utilities, is crucial to support the redevelopment efforts at McClellan Air Force Base. It is recommended that your Board execute the attached Agreement with NWD transferring the water distribution system at McClellan Air Force Base upon execution of the Utility Bill of Sale between the Air Force and the County.

Respectfully Submitted,

Recommend Approval,

**ROBERT B. LEONARD**  
Executive Director

**TERRY SCHUTTEN**  
County Executive

cc: County Counsel  
Department of Military Base Conversion  
Northridge Water District  
Public Works



# Document Approvals

For

**Agreement Between Northridge Water District (NWD) And  
Sacramento County For The Conveyance Of The McClellan  
Air Force Base Water Distribution System**

**Status**  
Approved

**User**  
Terry Schutten

**Date**  
8/31/99

**COUNTY OF SACRAMENTO**

**Resolution No. 99-1167**

**RESOLUTION OF THE BOARD OF SUPERVISORS  
AUTHORIZING THE EXECUTION OF AN AGREEMENT BETWEEN  
NORTHRIDGE WATER DISTRICT (NWD) AND SACRAMENTO COUNTY FOR THE  
CONVEYANCE OF THE MCCLELLAN AIR FORCE BASE WATER DISTRIBUTION  
SYSTEM**

**WHEREAS, McClellan Air Force Base (McClellan) was designated for closure by the 1995 Base Realignment and Closure Commission (Commission) and will cease operation as a United States Air Force facility on July 13, 2001; and,**

**WHEREAS, the County of Sacramento has been designated the Local Redevelopment Authority (LRA) for McClellan; and,**

**WHEREAS, the Air Force expects to convey a water distribution system (herein "System") to the County as part of a larger economic development conveyance between the Air Force and the County (herein "EDC Document"); and**

**WHEREAS, the McClellan facilities and equipment represent a unique high technology industrial park that must be developed and integrated into the community; and,**

**WHEREAS, Effective April 14, 1998, the County and NWD entered into a Memorandum of Agreement (herein "MOA") concerning the conveyance of the System to NWD; and**

**WHEREAS, the purpose of the MOA was to outline the general terms and conditions of the conveyance of the System by the County to NWD, and to allow time for the County and NWD to conclude their negotiations for the final agreement between them for the conveyance of the System, to be effective at such time as the EDC Document was, or is, finalized; and**

**WHEREAS, it is currently anticipated that the EDC Document will be finalized in the relatively near future; therefore, County and NWD desire to conclude their negotiations with respect to the conveyance of the System so that an agreement will be in place and ready to become effective at the time that the EDC Document is executed by the Air Force and the County, and, as a part thereof, the System is transferred to the County by the Air Force; and**

**WHEREAS, NWD, in exchange for certain rights and privileges, has agreed to upgrade the water distribution system to meet health and safety standards; and,**

**WHEREAS, NWD, by reason of its qualifications, experience and facilities, has proposed to provide the requested services under the terms and conditions set forth herein.**

**NOW THEREFORE, BE IT RESOLVED AND ORDERED** that the Chair of the Board of Supervisors be hereby authorized and directed to execute the Agreement for transfer of the McClellan Air Force Base water distribution system, in the form hereto attached, on behalf of the COUNTY OF SACRAMENTO, a political subdivision of the State of California, with NORTHRIDGE WATER DISTRICT to do and perform everything necessary to carry out the purpose of this Resolution.

On a motion by Supervisor Dickinson seconded by Supervisor Johnson, the foregoing resolution was passed and adopted by the BOARD OF SUPERVISORS of the County of Sacramento, State of California, this 7th day of September, 1999 by the following vote, to wit:

AYES: Supervisors, Collin, Dickinson, Niello, Nottoli, Johnson

NOES: Supervisors, none

ABSENT: Supervisors, none

*Muriel P. Johnson*  
Chairman, Board of Supervisors



*Cindy H. Turner*  
Clerk of the  
Board of Supervisors

In accordance with Section 25103 of the Government Code of the State of California a copy of this document has been delivered to the Chairman of the Board of Supervisors, County of Sacramento on

SEP 07 1999

By *Gwynne Dowling*  
Deputy Clerk, Board of Supervisors

FILED

SEP 07 1999

BOARD OF SUPERVISORS  
*Cindy H. Turner*  
CLERK OF THE BOARD

**AGREEMENT BETWEEN THE COUNTY OF SACRAMENTO AND THE  
NORTHRIDGE WATER DISTRICT FOR THE CONVEYANCE OF  
THE McCLELLAN WATER DISTRIBUTION SYSTEM**

This Agreement is made and entered into this 7th of September 1999, by and between the COUNTY OF SACRAMENTO, a political subdivision of the State of California (hereinafter "County"), and the Northridge Water District, a political subdivision of the State of California, formed pursuant to Division 12 (commencing at Section 30000) of the California Water Code (hereinafter "NWD"), to be effective on the date hereinafter set forth.

**WHEREAS**, McClellan Air Force Base (herein "McClellan"), is located in Sacramento County, California, and will close as an active military installation on July 13, 2001; and

**WHEREAS**, the Air Force expects to convey the water distribution system (described in part in Section 2 of this Agreement and generally referred to herein as the System) located on McClellan to the County as part of an economic development conveyance (herein EDC Agreement) between the Air Force and the County in regard to the disposition of real and personal property in connection with the closure of McClellan; and

**WHEREAS**, Effective April 14, 1998, the County and NWD entered into a Memorandum of Agreement (herein "MOA") concerning the conveyance of the System by County to NWD; and

**WHEREAS**, the purpose of the MOA was to outline the general terms and conditions of the conveyance of the System by the County to NWD, and to allow time for the County and NWD to conclude negotiations for the final agreement between them for the conveyance of the System, to be effective at such time as the Air Force transfers the System to the County pursuant to the provisions of EDC Agreement; and

**WHEREAS**, it is currently anticipated that the Air Force will be ready to convey the System to the County in the relatively near future; therefore, County and NWD desire to conclude their negotiations with respect to the conveyance of the System so that an agreement will be in place and ready to become effective at the time that the Air Force transfers the System to the County, and

**WHEREAS**, this Agreement shall supersede the MOA in its entirety; and

**WHEREAS**, pursuant to a real property lease with the Air Force, NWD owns and operates improvements at two (2) water booster pump stations located on McClellan and on the former off-site jet fuel farm (hereafter "Booster Pump Station No. 1 and No. 2", respectively), and

**WHEREAS**, NWD desires to acquire title to the Booster Pump Station sites and the County is willing to convey title to the said sites to NWD in order to preserve reliability benefits associated with having water pumping facilities located at McClellan; and

**WHEREAS**, On August 13, 1998, the County executed the EDC Agreement, but has not yet received title to the water distribution system; therefore, the effect of this Agreement remains conditional upon the transfer of the System by the Air Force to the County; and

**WHEREAS**, at such time that the Air Force transfers the System to the County, then this Agreement shall also become effective without any further action required of the County or of NWD, except as may be otherwise required by law.

**NOW, THEREFORE**, in consideration of the promises, terms, conditions, and covenants contained herein, County and NWD hereby agree as follows:

1. Affected Property. This Agreement shall govern the relationship of the County and NWD with respect to the subject matter expressed herein only in regard to the area of McClellan which is in the unincorporated territory of the County of Sacramento and depicted in Exhibit A1, as well as McClellan's facilities located at the former Camp Kohler area, and the

Capehart housing area (including the adjacent golf course), all of which are depicted on Exhibits A2, and A3, respectively (herein sometimes collectively referred to as Associated Facilities). This Agreement shall not be construed as having any precedential value with regard to any other area within the County of Sacramento.

2. Transfer of System. Upon transfer of the System by the Air Force to the County, and consistent with the terms of the EDC Agreement and this Agreement, the County shall transfer the System, as it is received from the Air Force to NWD. It is the understanding of the parties that the System to be transferred is substantially described in Exhibit B, and will generally include well pump stations, fluoridation sites, potable storage facilities, the on-site water distribution system, certain vehicles, related equipment and materials, and various parcels of real property. The County shall not be required to transfer any portion of the System, as referred to in the preceding sentence, that is not included in the transfer of the System to the County by the Air Force. As consideration for the County's transfer and conveyance of the System to NWD, NWD shall upgrade, maintain, and operate the System in accordance with all applicable laws, rules, regulations, and orders of State and Federal governments, agencies, and other governmental authorities, including, but not limited to, the American Water Works Association, the California Department of Health Services, the California Department of Toxic Substances Control, and the Central Valley Regional Water Quality Control Board. NWD estimates that System upgrades will cost approximately \$5,100,000, as further described and set forth in Exhibit C. Implementation of system upgrades will be dictated by County's final re-use and capital improvement plan for McClellan.

The real property referenced in Exhibit B and in various sections of this Agreement shall be transferred and conveyed by the County to NWD at such time that the County receives title to such real property from the Air Force. Transfer of title shall occur in the same manner and by the same type of document by which title is transferred by the Air Force to

the County. NWD shall pay all costs of transfer, including any escrow fees and title insurance premiums. Prior to such transfer of title NWD shall be entitled to use such property without the payment of any rent.

Within 12 months of transfer of title to NWD, NWD shall initiate or participate in a process to secure legal descriptions, suitable for recordation, of all necessary easements to encumber the System, excepting that portion of the System which lies within proposed rights of way, and public utility easements adjacent thereto, as described in paragraph 11. Easements shall be a minimum width required by NWD to ensure maintenance, to provide for access, and shall be offered by NWD for dedication as public utility easements.

Should NWD terminate use of the particular real property to be transferred for activities related to the generation, distribution, or transmission of water, then title to such real property shall revert to the County or its successor in interest, pursuant to the provisions of California Civil Code, Sections 885.010 through 885.070, inclusive. The County's deed transferring such real property to NWD shall contain appropriate provisions regarding the contingency of the interest transferred and subject to such use limitation. In the event of a reversion in favor of the County, or its successor in interest, all costs of transfer, including any escrow fees and title insurance premiums associated with such reversion of title shall be paid by the County, or its successor in interest.

**3. Water Distribution Facilities.** Until July 13, 2001, NWD shall provide operations and maintenance of the water distribution facilities of the System at no cost to the County, but billed to the Air Force at one-twelfth (1/12th) of the proposed cost of overall water service based on the latest received invoice. Thereafter, operations and maintenance charges for water distribution facilities of the System shall be payable in accordance with NWD's Rules, Rates, and Regulations, as amended from time to time, attached to this agreement as Exhibit D.

The services provided shall be, but not limited to, operations and maintenance of

the water distribution system, potable water storage facilities, groundwater production systems, fluoridation systems, and all properties and facilities under possession of the Air Force until July 13, 2001.

4. Transfer of Booster Pump Stations Sites. The NWD Booster Pump Station Sites No. 1 and No. 2 described in Exhibit E shall be transferred and conveyed by the County to NWD at such time that the County receives title to such property from the Air Force. Transfer of title shall occur in the same manner and by the same type of document by which title is transferred to the County by the Air Force. NWD shall pay all costs of transfer, including any escrow fees and title insurance premiums. Prior to such transfer of title NWD shall be entitled to use such facilities without the payment of rent.

5. Conveyance Without Warranty. The conveyance of the System by County to NWD shall be without warranty of any kind or nature, and shall specifically exclude any implied warranty of condition, or fitness for a particular purpose, or of merchantability under common law, the California Uniform Commercial Code, or the American Water Works Association. It is specifically understood by the parties, and agreed to by NWD, that the conveyance and sale of the System, including all property (both real and personal) and equipment referred to herein and set forth in Exhibit B and Exhibit E, is to be conveyed and transferred and sold to NWD in an "as is" and "where is" condition.

6. Metering. As further consideration for the County's conveyance of the System to NWD, NWD shall perform metering of facilities located at McClellan, including the metering of residential, commercial and industrial buildings, and all common landscape areas, at the water service at no cost to the County, up to the number of meters specified in Exhibit C. Specific meter installations shall be by mutual agreement of NWD and the County or its successor in interest in accordance with Section 2.



7. Other Rates. All entities located at McClellan receiving surface water in lieu of groundwater shall be billed for wheeling and distribution charges attributable to surface water, in accordance with NWD's standard rate. Any entity locating to McClellan shall receive full requirements water service from NWD and may elect to receive service under any NWD rate, including economic development rates, for which the entity qualifies under NWD's Rates, Rules, and Regulations, as amended from time to time. NWD shall use its best efforts to identify the most advantageous NWD rate for each new commercial or industrial customer.

NWD shall not charge County for any "stand by" cost or other fee for unoccupied buildings, nor any charge for water service in regard to buildings until a particular building is connected to the System for service and a certificate of occupancy has been issued for such building.

8. Exclusive Right to Serve. Commencing upon conveyance of the System to NWD and continuing for a period of ten (10) years thereafter (herein the "Service Period"), NWD, as partial consideration hereunder, shall have the exclusive right to be the sole water provider for McClellan and the Associated Facilities, excepting the area of the River Dock. For the Service Period, County hereby agrees that it and any third party located within McClellan and the Associated Facilities shall remain a full requirements customer of NWD as may be authorized by law. Without limiting the generality of the preceding two sentences and for the purposes of this Agreement, the following definitions apply:

a. "Sole water provider", as used herein, shall mean that the County or any third party located within McClellan and the Associated Facilities is precluded from receiving water from another supplier of water, whether the supplier is a water utility, affiliate, or other legally authorized water purveyor.

b. "Full requirements" shall mean the County's or any third party's total

requirement for water for its facilities located within McClellan and the Associated Facilities; provided, however, nothing in this Agreement shall be construed as limiting the County's or any third party's ability to implement demand-side management or energy efficiency measures which have the effect of reducing the County's or the third party's requirement for water.

9. Rental, Lease or Conveyance Agreements. If the County leases, rents, sells, conveys or otherwise disposes of all or any portion of McClellan or the Associated Facilities, County shall include in such rental, lease or conveyance agreement a reference to the rights set forth in Section 8 of this Agreement.

10. Indemnification of County. As part of the County's grant of exclusive service rights to NWD within McClellan and the Associated Facilities, NWD agrees to defend, on its own behalf and on behalf of the County, any and all proceedings of any kind and nature, legal and administrative, in regard to the exclusivity right set forth in Section 8 of this Agreement, and further agrees to indemnify the County in regard to any damage of any kind or nature which may be levied or granted against the County in regard to said exclusivity rights, including all damages, attorneys fees, and costs of such proceedings, including but not limited to any anti-trust type of proceeding. It is the intent of the parties that the County shall not be subject to any type of administrative or legal proceeding, or the payment of any damages of any kind whatsoever, due to the exclusivity rights referred to in this Agreement.

11. First in Right Regarding Roadways. NWD acknowledges that the conveyance of the System is subject to all easements and rights-of-way for County roadways to be identified in the County adopted master roadway plan for McClellan and the Associated Facilities and easements up to 12 1/2 foot public utility easements (PUE's) on each side of such roadways. For purposes of this Agreement, the term "County roadways" shall mean those roadways within the property described in Section 1 hereof that are either: (i) included within the County roadway system; (ii) planned for ultimate inclusion in the County roadway system, or (iii)

generally available for use by the public or any entities located at McClellan and the Associated Facilities, including military organizations, in connection with the County's operation of McClellan and the Associated Facilities. Accordingly, County shall be deemed to be first in right concerning any public improvement by County with regard to any of the County roadways and easements up to 12 ½ foot public utility easements (PUE's) on each side of such roadways on any portion of McClellan and the Associated Facilities.

12. When NWD Deemed First in Right. As part of the conveyance of the System from the County to NWD and subject to the County's rights as set forth in Section 11, as between NWD and County only, NWD shall be deemed first in right as to the conveyance of rights-of-way and easements associated with the existing System at McClellan and the Associated Facilities which lie outside the County roadways, and any easements or rights-of-way existing or subsequently created for the benefit of the County as referred to in Section 11.

13. Allocation of Relocation Costs. The Parties further acknowledge that County initiated public projects may require the relocation of a portion of the System (NWD Facilities) which lie within the County roadways, easements or rights-of-way as referred to in Section 11. Costs of relocation of NWD Facilities related to such projects shall be allocated as follows: (a) For relocation of existing underground NWD Facilities necessitated by public projects which lie within the roadways, rights-of-way, and easements, as referred to in Section 11 the costs of relocation shall be paid by NWD; and (b) for subsequent relocations of such relocated underground facilities, the costs of relocation shall be equally divided between (1) NWD and (2) County or a third party. All NWD costs shall be in accordance with Section 2.

14. Water Service Water service provided by NWD at McClellan and the Associated Facilities shall be in accordance with NWD's Rates, Rules, and Regulations, as amended from time to time, attached as Exhibit D.

15. Entire Agreement. This Agreement and all exhibits attached hereto constitute the entire understanding between the County and NWD as to the subject matter hereof and may not be modified except by mutual written agreement of the Parties. The Parties acknowledge that the exhibits and attachments hereto were prepared with the best available information but may require modification as new information becomes available. The Parties agree to meet and confer regarding any proposed revision to an exhibit or any attachment hereto. No waiver of any default of either Party hereunder shall be implied from any omission by the other Party to take any action on account of such default or as a waiver of any future default.

16. Incorporation of Exhibits. All exhibits attached to or referred to in this Agreement are incorporated herein by such references as if fully and specifically set forth herein.

17. Effective Date. This Agreement shall be effective upon the date latest in time of the signatures of the parties.

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be duly executed as of the day and year set forth below its respective signature.

COUNTY OF SACRAMENTO

NORTHRIDGE WATER DISTRICT

By: *M. Murat Johnson*

By: \_\_\_\_\_

Title: Chairperson  
Board of Supervisors

Title: \_\_\_\_\_



Approved as to Form for County:

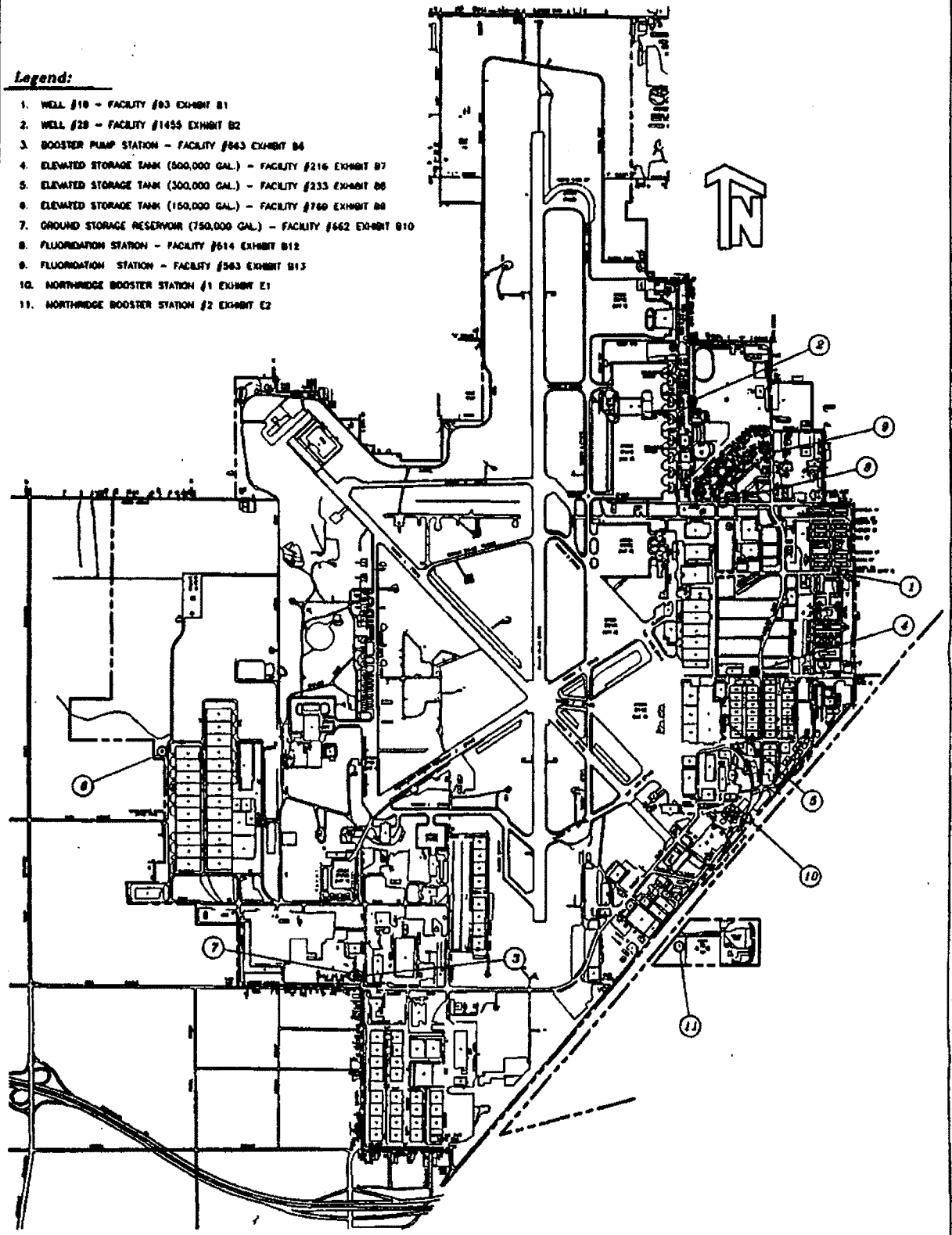
Approved as to Form for NWD:

\_\_\_\_\_  
Counsel

\_\_\_\_\_  
Counsel

**Legend:**

1. WELL #18 - FACILITY #83 EXHIBIT B1
2. WELL #28 - FACILITY #1455 EXHIBIT B2
3. BOOSTER PUMP STATION - FACILITY #843 EXHIBIT B4
4. ELEVATED STORAGE TANK (500,000 GAL.) - FACILITY #216 EXHIBIT B7
5. ELEVATED STORAGE TANK (300,000 GAL.) - FACILITY #233 EXHIBIT B8
6. ELEVATED STORAGE TANK (150,000 GAL.) - FACILITY #760 EXHIBIT B8
7. GROUND STORAGE RESERVOIR (750,000 GAL.) - FACILITY #462 EXHIBIT B10
8. FLUORINATION STATION - FACILITY #614 EXHIBIT B12
9. FLUORINATION STATION - FACILITY #563 EXHIBIT B13
10. NORTHRIDGE BOOSTER STATION #1 EXHIBIT E1
11. NORTHRIDGE BOOSTER STATION #2 EXHIBIT E2



**McClellan Air Force Base**

NOT TO SCALE

**Northridge Water District**

5331 Walnut Ave, Sacramento, CA 95821  
 PH: (916) 332-4111 FAX: (916) 332-6215

DRAWING NAME: **McClellan Air Force Base**

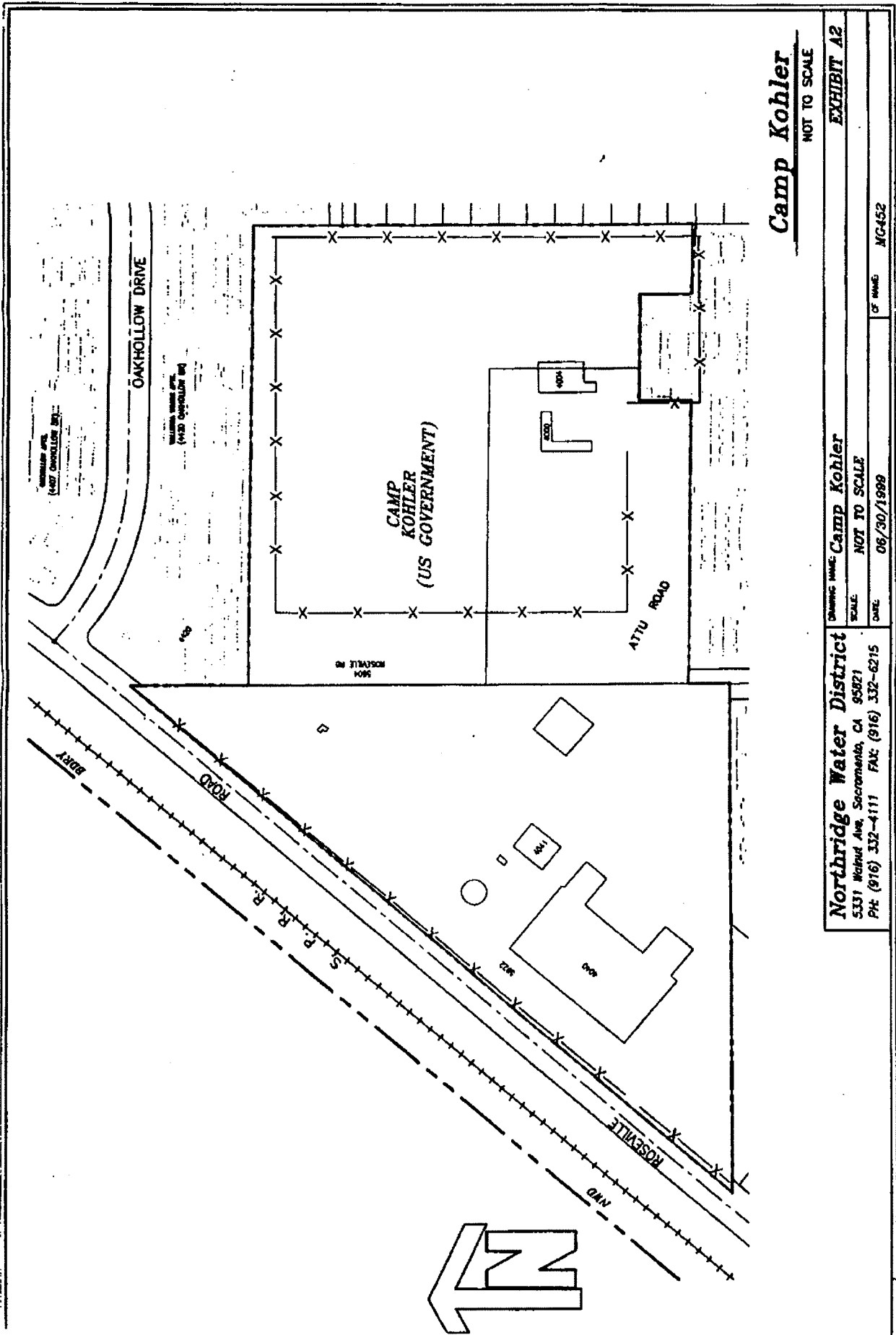
**EXHIBIT A1**

SCALE: **NOT TO SCALE**

DATE: **06/30/1999**

CF NAME: **MG451**





**Camp Kohler**  
NOT TO SCALE

DRAWING NAME: <b>Camp Kohler</b>		EXHIBIT <b>A2</b>	
SCALE: <b>NOT TO SCALE</b>			
DATE: <b>08/30/1998</b>	OF NAME: <b>MG452</b>		
<b>Northridge Water District</b>			
5331 Walnut Ave, Sacramento, CA 95821			
PH: (916) 332-4111 FAX: (916) 332-6215			

## **EXHIBIT B**

### **POTABLE WATER DISTRIBUTION SYSTEM**

The water distribution system shall consist of the following:

1) **Well Stations**

The Well Stations consist of 5 sites described as follows:

- a) Well #10 located at Building 93 near Palm Gate and Watt Avenue at McClellan AFB. Included on the site are building structures, piping, both above and below ground, gauges, wiring, vaults, concrete slabs, boxes, motor control panels, telemetry controls, sand separators, auxiliary power hookup, chlorination equipment as shown in Attachment B-1.
- b) Well #29 located at Building 1455 on Perrin Avenue at McClellan AFB. Included on the site are building structures, piping, both above and below ground, gauges, wiring, vaults, concrete slabs, boxes, motor control panels, telemetry controls, sand separators, auxiliary power hookup, chlorination equipment as shown in Attachment B-2.
- c) Well #1C located at Building 5008 on Navaho Drive at Watt Avenue entrance at Capehart Housing. Included on the site are building structures, piping, both above and below ground, gauges, wiring, vaults, concrete slabs, boxes, motor control panels, telemetry controls, sand separators, auxiliary power hookup and chlorination equipment. Fluoridation equipment includes gauges, sensors, mixing containers, tank, meter, mixing equipment, pump, building as shown in Attachment B-3.
- d) Well #2C located at Building 5208 on Blackfoot Way near the Capehart Golf Course at Blackfoot Way entrance into Capehart Housing. Included on the site are building structures, piping, both above and below ground, gauges, wiring, vaults, concrete slabs, boxes, motor control panels, telemetry controls, sand separators, auxiliary power hookup and chlorination equipment. Fluoridation equipment includes gauges, sensors, mixing containers, tank, meter, mixing equipment, pump, building as shown in Attachment B-4.
- e) Well #3C located at Building 5200 on Navaho Drive near the corporation yard at Capehart Housing. Included on the site are building structures, piping, both above and below ground, gauges, wiring, vaults, concrete slabs, boxes, motor control panels, telemetry controls, auxiliary power hookup and chlorination equipment. Fluoridation equipment includes gauges, sensors, mixing containers, tank, meter, mixing equipment, pump, building as shown in Attachment B-5.

The well sites shall also include all other miscellaneous appurtenances such as, but not



limited to, piping both above ground and below, gauges, wiring, vaults, concrete slabs and boxes. All well sites include associated real and personal property and improvements, including building structures and/or fencing as defined in Attachments B-1 through B-5.

**2) McClellan AFB Booster Pump Station**

The McClellan AFB Booster Pump Station consists of one site described as follows:

- a) Building 663 booster pump station located at the corner of Bell Avenue and Kilzer Avenue. Included on the site are piping, both above and below ground, altitude valves, telemetry controls, gauges, sensors, valves, metal buildings as shown in Attachment B-6.

This booster station shall include all other miscellaneous appurtenances such as, but not limited to, piping both above and below ground, pumps, motors, gauges, wiring, vaults, concrete slabs, boxes, building and electrical control panels. All well sites include associated real and personal property and improvements, including building as defined and shown in the above Attachment B-6.

**3) McClellan AFB Storage Facilities**

The Air Force Storage Facilities consist of five sites described as follows:

- a) 500,000 gallon elevated steel storage tank located at the northwest corner of Dudley Avenue and Peacekeeper Way, Facility #216. Included on the site are piping, both above and below ground, altitude valves, telemetry controls, gauges, sensors, valves, metal buildings.
- b) 300,000 gallon elevated steel storage tank located on 45<sup>th</sup> Street, Facility #233. Included on the site are piping, both above and below ground, altitude valve, telemetry controls, gauges, sensors, valves, concrete vaults.
- c) 150,000 gallon elevated steel storage tank located on Lang Avenue, Facility #769. Included on the site are piping, both above and below ground, altitude valve, telemetry controls, gauges, sensors, valves, concrete vaults.
- d) 750,000 gallon ground level concrete storage tank located at the northwest corner of Bell Avenue and Kilzer Avenue, Facility #662. Included on the site are piping, both above and below ground, altitude valve, booster pumps, motors, control panels, telemetry controls, gauges, sensors, valves.
- e) 150,000 gallon elevated steel storage tank located on the north side of Navaho Drive in the Capehart Housing area, Facility #5391. Included on the site are piping, both above and below ground, telemetry controls, gauges, sensors, valves, concrete vaults.

The storage facilities shall include all other miscellaneous appurtenances such as, but not

limited to, piping both above and below ground, pumps, motors, gauges, wiring, vaults, concrete slabs, boxes, buildings and electrical control panels. All storage sites include associated real and personal property and improvements, including buildings.

**4) Fluoridation Stations**

The Air Force Fluoridation Facilities consist of a total of five sites. Two sites are located at the Air Base with the other three located next to their respective well sites at Capehart Housing. These three fluoridation facilities are included in the well sites described in Paragraph 1 above. The following two at the Base are described as:

- a) Fluoridation Station #563 located on the west side of Dudley Blvd. south of Luce Avenue. Included in the facility are gauges, sensors, mixing containers, tank, meter, mixing equipment, pump building as shown in Attachments B-7.
- b) Fluoridation Station #514 located on the north side of James Way just east of Luce Avenue. Included in the facility are gauges, sensors, mixing container, tank, meter, mixing equipment, building, pump as shown in Attachments B-8.

The fluoridation facilities shall include all other miscellaneous appurtenances such as, but not limited to, piping both above and below ground, pumps, motors, gauges, wiring vaults, concrete slabs, boxes, buildings and electrical control panel. All fluoridation stations include associated real and personal property and improvements, including building as defined and shown in the Attachments B-7 and B-8.

**5) Omnibus**

It is the intention of the parties that the County of Sacramento will convey all the water distribution system, well pump station, potable storage facilities, fluoridation stations, booster stations and fire hydrants as is, where is and without representation or warranty, within the McClellan AFB, Camp Kohler and Capehart Housing, as identified herein. The attached attachments have been prepared in an effort to identify all the equipment and rights of way affected by the water distribution system and facilities in their approximate location. However, the attachments shall not be considered an accurate or complete representation of the water distribution system and facilities.

The District reserves the right that should any other additional water facilities be discovered within the boundaries of the former McClellan AFB, Camp Kohler and Capehart Housing, title to such facilities shall pass to the District as part of the potable water distribution system herein described. Additionally, rights of way for these discovered facilities will be covered by the easements and rights-of-way herein enumerated which are appropriate for the type of facility so discovered as though rights-of-way for these facilities had been shown on the attachments attached hereto.

**ATTACHMENT B-1  
WELL #10 LOCATED AT BLDG. 93**

QTY	DESCRIPTION
1	Sand Separator & Associated Equipment
1	6" Black Rubber Hose
1	100 HP GE Motor
1	Aurora 10" Deep Turbine Pump
1	Sparling Flow Meter
	Various Pump Control Panels
1	Basco Oil Container
1	Chlorine Tox-Alarm
1	Chlorine Scale
	Various Safety Equipment
1	2 ½ HP Sta-Rite Chlorine Pump
1	Regal Chlorine Equipment

**And all other repair parts, vehicles, equipment, and/or associated parts that may or may not be known at this time.**



**ATTACHMENT B-3  
WELL #1C AT BUILDING 5008**

<b>QTY</b>	<b>DESCRIPTION</b>
1	75 HP Electric Motor
1	6" Deep Well Turbine Pump
1	134 HP Diesel Motor
1	Right Angle Drive Unit
1	Fire Pump Controller Panel
	Various Existing Motor Control Panels
1	Fiberglass Chlorine Enclosure
1	2 ½ HP GE Electric Motor
1	Wallace-Tiernan-Scale
1	Chlorine Detection Alarm
1	Chlorine Bottle Adaptor Head
1	Chlorine Injector
	Various Repair Parts
1	Metal Fluoride Enclosure
1	1/4 HP Fluoride Injector Pump
1	50 Gallon Fluoride Drum
1	5 Gallon Fluoride Mixing Container
	Various Existing Control Panels
1	Lakos Sand Separator

**And all other repair parts, vehicles, equipment, and/or associated parts that may or may not be known at this time.**

**ATTACHMENT B-4  
WELL #2C AT BUILDING 5208**

<b>QTY</b>	<b>DESCRIPTION</b>
1	75 HP Electric Motor
1	6" Deep Well Turbine Pump
1	134 HP Diesel Motor
1	Right Angle Drive Unit
1	Fire Pump Controller Panel
	Various Existing Motor Control Panels
1	Fiberglass Chlorine Enclosure
1	2 ½ HP GE Electric Motor
1	Wallace-Tieman-Scale
1	Chlorine Detection Alarm
1	Chlorine Bottle Adaptor Head
1	Chlorine Injector
	Various Repair Parts
1	Metal Fluoride Enclosure
1	1/4 HP Fluoride Injector Pump
1	50 Gallon Fluoride Drum
1	5 Gallon Fluoride Mixing Container
	Various Existing Control Panels
1	Lakos Sand Separator

**And all other repair parts, vehicles, equipment, and/or associated parts that may or may not be known at this time.**

**ATTACHMENT B-5  
WELL #3C AT BUILDING 5200**

QTY	DESCRIPTION
2	75 HP Electric Motors
1	6" Deep Well Turbine Pump
	Various Related Motor Control Panels
1	Fiberglass Chlorine Enclosure
1	2 ½ HP GE Electric Motor
1	Wallace-Tierman-Scale
1	Chlorine Detection Alarm
1	Chlorine Bottle Adaptor Head
1	Chlorine Injector
	Various Repair Parts
1	Metal Fluoride Enclosure
1	1/4 HP Fluoride Injector Pump
1	50 Gallon Fluoride Drum
1	5 Gallon Fluoride Mixing Container
	Various Existing Control Panels

**And all other repair parts, vehicles, equipment, and/or associated parts that may or may not be known at this time.**

**ATTACHMENT B-6  
BUILDING 663 BOOSTER PUMP STATION**

<b>QTY</b>	<b>DESCRIPTION</b>
3	Office Chairs
1	Refrigerator
1	Wooden Book Shelf
1	Metal 5-Drawer File Cabinet
1	Metal Desk
1	Window Mount Air Conditioner
2	Metal 7-Shelf Storage
2	30 HP GE Motors
6	6" Booster Pumps
4	112 HP Cummins Diesel Motors
4	Fire Pump Controller Panels
59	Various Sizes Pipe Repair Clamps
23	Various Sizes Flex Couplings
3	4" Wheel Valves
4	Wooden Cabinets
3	8" Mechanical Joint Flanges
100 Ft.	3" Type L Copper Pipe
1	1/4 HP Metering Pump
2	6" Pressure Control Valves
1	Model 15-RA Fire Extinguisher
38	2 1/2" Plastic Fire Hydrant Caps
11	Spare Motor Fan Belts

**And all other repair parts, vehicles, equipment, and/or associated parts that may or may not be known at this time.**





**ATTACHMENT B-8  
FLUORIDATION STATION #514**

<b>QTY</b>	<b>DESCRIPTION</b>
1	Contrec Batch Controller
1	1/4 HP Pulsatrom Chemical Pump
	All Associated Equipment & Electrical Panels
1	6" Hersey R-37 Flow Meter
	Various Safety Equipment
	Various Clean Up Equipment
	Various Spare Parts

**And all other repair parts, vehicles, equipment, and/or associated parts that may or may not be known at this time.**

## EXHIBIT C

### McCLELLAN AIR FORCE BASE CAPITAL IMPROVEMENT PLAN

	Description	Unit Charge	Qty.	Estimated Charge
1	Water meters and backflows (All Buildings)	N/A	517	\$ 1,374,000
2	Fire sprinkler protection system for all fire sprinkler services.	N/A	189	911,800
3	3/4 inch meters (Capehart Housing)	N/A	645	668,800
4	Fire Hydrants - testing - upgrade / replacement	300 ea. 2,500 ea.	360 180	108,000 450,000
5	Storage tank inspection, cleaning and/or recoating.	100,000 ea.	4	400,000
6	Backflow protection on fire and deluge system tanks.	10,000 ea.	4	40,000
7	Water well inspection and upgrade to current DOHS standards, including VFD drives, telemetry equipment and controls.	100,000 ea.	4	400,000
8	Altitude valves on storage facilities.	N/A	4	90,000
9	Water quality sampling plan and sampling station and installation.	20,000	LS	20,000
10	Pipeline Extensions - Roseville Road 24 inch - Roseville Road 16 inch	N/A N/A	LS LS	380,000 220,000
	<b><i>Estimated Total</i></b>			<b><i>\$ 5,062,600</i></b>

## **EXHIBIT E**

### **NORTHRIDGE WATER BOOSTER PUMP STATIONS**

The Booster Pump Stations consist of two sites described as follows:

- a) **Dudley Blvd. Booster Pump Station.** Included on the site are two 40 horsepower booster pumps, backflows, meters, control valves, control panel equipment as shown in Attachments E-1.
- b) **Roseville Road Booster Pump Station near the Sacramento County Transfer Station.** Included on the site is a single 30 horsepower booster pump, backflow, meter, control valve, control panel equipment as shown in Attachments E-2.

The booster pump stations shall also include all other miscellaneous appurtenances such as, but not limited to, piping both above ground and below, gauges, wiring, vaults, concrete slabs and boxes. All booster stations include associated real and personal property and improvements, including fencing as defined in the above Attachments E-2 and E-3.

**ATTACHMENT E-1  
DUDLEY BLVD. BOOSTER PUMP STATION - 20" INTERTIE #1**

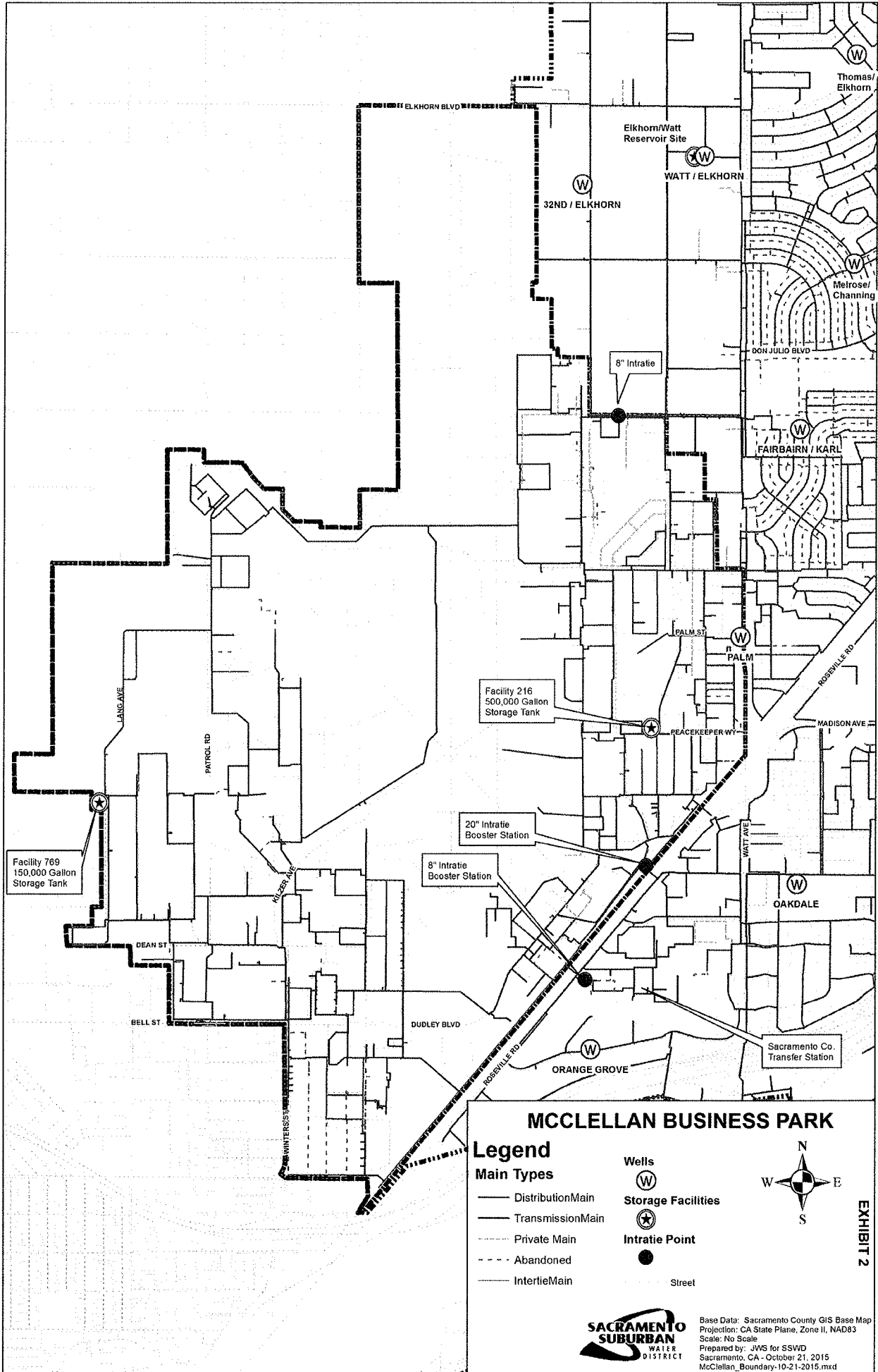
QTY	DESCRIPTION
2	30 HP Baldor Electric Motors
2	8" Booster Pumps
2	10" Sparling Mag Pac Water Meters
2	10" RP Backflow Devices
	Existing Chain Link Fence with Posts and Slats
	Existing Tesco Motor Control Panels & Telemetry Equipment

**And all other repair parts, vehicles, equipment, and/or associated parts that may or may not be known at this time.**

**ATTACHMENT E-2  
ROSEVILLE ROAD BOOSTER PUMP STATION - 8" INTERTIE #2**

QTY	DESCRIPTION
1	20 HP Baldor Ind. Motor
1	6" Cornell Booster Pump
1	8" Rotork Electric Valve
1	8" Double Check Valve
	Existing Chain Link Fencing with Posts and Slats
	Existing Associated Electric Panels & Tesco Motor Control Panels

**And all other repair parts, vehicles, equipment, and/or associated parts that may or may not be known at this time.**



**MCCLELLAN BUSINESS PARK**

**Legend**

- |                     |                    |  |
|---------------------|--------------------|--|
| <b>Main Types</b>   | Wells              |  |
| — Distribution Main | Storage Facilities |  |
| — Transmission Main | Intratie Point     |  |
| --- Private Main    | ● Street           |  |
| - - - Abandoned     |                    |  |
| — Intertie Main     |                    |  |

EXHIBIT 2



Base Data: Sacramento County GIS Base Map  
 Projection: CA State Plane, Zone II, NAD83  
 Scale: No Scale  
 Prepared by: JWS for SSWD  
 Sacramento, CA - October 21, 2015  
 McClellan\_Boundary-10-21-2015.mxd

**McCLELLAN AIR FORCE BASE  
CAPITAL IMPROVEMENT PLAN**

07/11/16

	Description	Unit Charge	Estimated Quantity	Field Verified 2010	Quantity Completed to Date	Remaining to Date	Estimated Charge	Actual Cost to Date
1	Water meters and backflows (All Buildings)	N/A	517	488	451	37	\$ 1,374,000.00	\$ 3,105,516.04
2	Backflow protection for all fire sprinkler services	N/A	189	291	82	209	\$ 911,800.00	\$ 311,737.79
3	3/4-inch meters (Capehart Housing) (1)	N/A	520	446	446	0	\$ 668,800.00	\$ 766,962.59
4	Fire Hydrants - Fire Hydrant Testing Upgrade / Replacement	\$ 300.00 \$ 2,500.00	360 180	256	73 166	90	\$ 108,000.00 \$ 450,000.00	\$ 21,900.00 \$ 806,595.72
5	Storage tank inspection, cleaning and / or recoating (2)	\$ 100,000.00	4	3	3	0	\$ 400,000.00	\$ 1,161,108.00
6	Backflow protection on fire and deluge system tanks	\$ 10,000.00	4	3	1	3	\$ 40,000.00	\$ -
7	Water well inspection and upgrade to current DPH standards, including VFD drives, telemetry equipment and controls	\$ 100,000.00	5	1	1	0	\$ 500,000.00	\$ 254,997.00
8	Altitude valves on storage facilities	N/A	4	4	4	0	\$ 90,000.00	\$ 88,494.77
9	Water quality sampling plan and sampling station and installation	\$ 20,000.00	1S		4		\$ 20,000.00	\$ 16,800.00
10	Transmission Pipeline Extensions Roseville Road 24-inch Roseville Road 16-inch	N/A N/A	1S 1S		Completed Completed		\$ 380,000.00 \$ 220,000.00	\$ 406,341.89 \$ 216,245.00
	Estimated Total per CIP List						\$ 5,162,600.00	\$ 7,156,698.80
	Total Cost expended at McClellan to Date (3)						\$	\$ 9,855,027.40

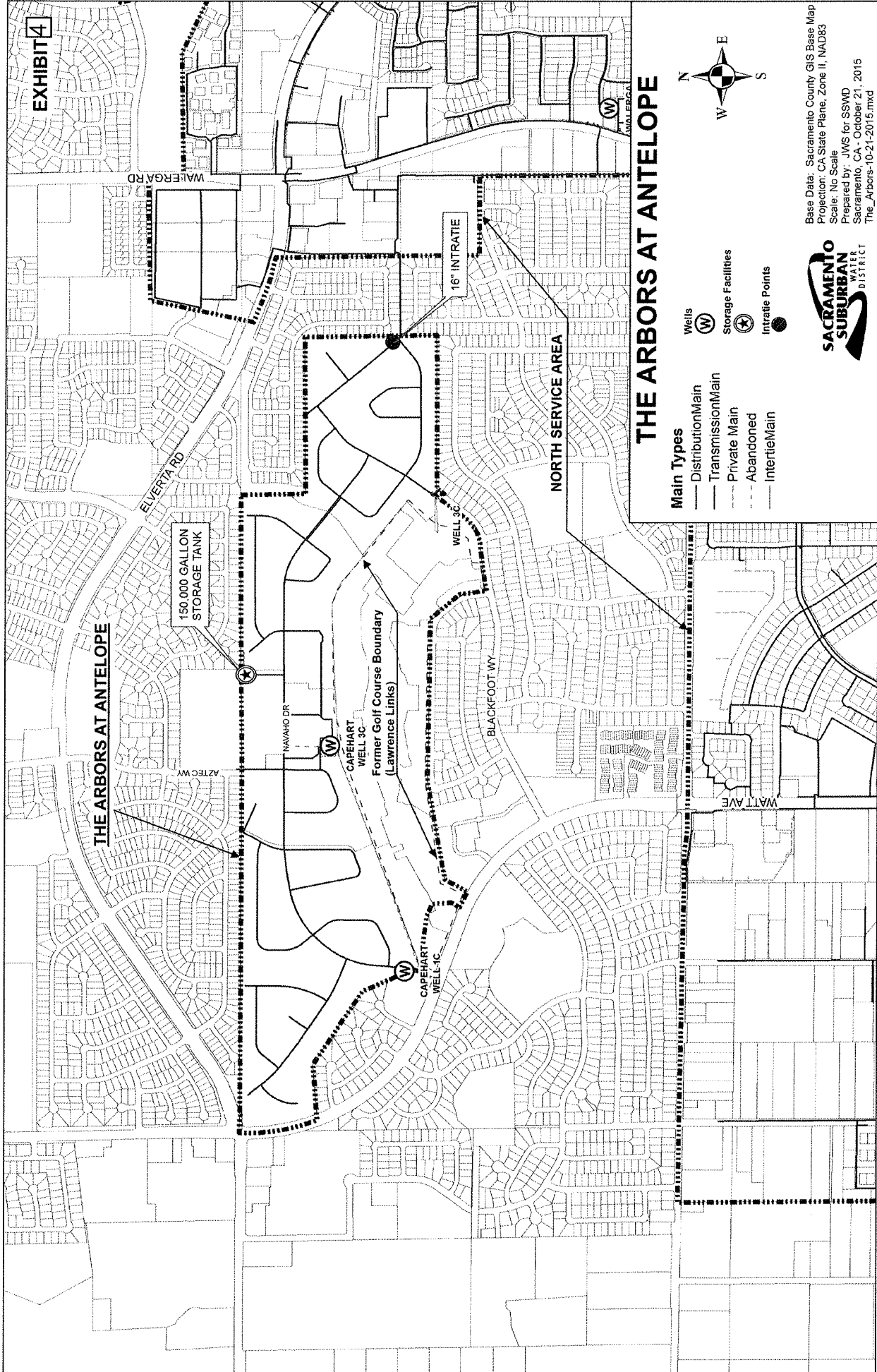
(1) Includes 46 2-inch irrigation services found and also upgraded with new meters and backflow devices. Cost for the 3/4-inch services were \$444,752.59. Cost for the 2-inch irrigation services was \$322,210.00.

(2) Facility 233 was returned to the County of Sacramento and to the Air Force due to facilities being on the list of historic sites and no notification to SSWD that the site could not be removed.

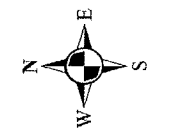
(3) Total cost includes operation and maintenance of the water system and production sites, staff time and miscellaneous contract services not a part of the CIP for McClellan.



EXHIBIT 4



# THE ARBORS AT ANTELOPE



- Main Types**
- Distribution Main
  - Transmission Main
  - - - Private Main
  - - - Abandoned
  - - - Interline Main
- Wells**
- (W) Storage Facilities
  - (\*) Intratrate Points



Base Data: Sacramento County GIS Base Map  
 Projection: CA State Plane, Zone II, NAD83  
 Scale: No Scale  
 Prepared by: JWS for SSWD  
 Sacramento, CA - October 21, 2015  
 The\_Arbors-10-21-2015.mxd

General Manager

Robert S. Roscoe, P. E.



President - Todd L. Robison  
 Vice President - Kevin M. Thomas  
 Thomas C. Fellenz  
 Frederick A. Gayle  
 Neil W. Schild

September 17, 2013

Mr. Alan Hersh  
 McClellan Business Park  
 3140 Peacekeeper Way  
 McClellan, CA 95652

Re: Capital Improvements at McClellan Business Park

Dear Mr. Hersh:

In 1998 the former Northridge Water District (currently Sacramento Suburban Water District) and the County of Sacramento executed a "memorandum of understanding" to perform ten (10) capital improvement projects for McClellan Park and the Arbors at Antelope (formerly Capehart Housing). This list of capital improvements was a condition of the agreement for Sacramento Suburban Water District to assume ownership and provide operation and maintenance of the water facilities at McClellan. Those 10 projects included the following:

1. Installing water meters and backflows on all existing water services at the former Air Force Base.
2. Installation of backflow protection on all existing private fire sprinkler services at the Air Force Base.
3. Installation of water meters at all existing living units at the former Capehart housing complex (currently the Arbors at Antelope).
4. Fire hydrant upgrade and replacement including flow testing each fire hydrant. The Air Force had a requirement that every hydrant must be tested on a four-year rotation basis.
5. Storage tank inspection, cleaning and/or recoating.
6. Install backflow protection on all fire suppression facilities feeding the existing deluge systems.
7. Water well inspection and upgrade to current Department of Public Health standards including, but not limited to, installation of variable frequency drives (VFD), telemetry equipment and motor control center.
8. Installation of altitude valve on the storage tank facilities.
9. Preparation of a water quality sampling plan and installation of sampling stations.
10. Installation of two transmission pipelines, which support the Air Force Base. The two projects were the 16-inch on Roseville Road from Madison Avenue to Palm Avenue and a 24-inch pipeline on Roseville Road from Palm Avenue to north of Oakhollow Way.

To date the Sacramento Suburban Water District (District) has completed 6 of 10 items on the list and by the end of 2013 will have completed a 7<sup>th</sup>. The remaining 3 items; installing water meters and backflows on all existing water services, fire hydrant upgrades and replacement

including flow testing each fire hydrant and installation of backflow protection on all private fire sprinkler services are well underway, but are not completed.

The District estimates that approximately 94% of the known water services have been metered, 65% of the fire hydrants have been replaced and approximately 28% of the fire services have been upgraded with backflow protection. The following is a summary of the remaining items:

- The remaining services left to be metered primarily serve hose faucets for wash down connection on small open hangers and lean-to sheds. The District has chosen not to meter these services until it is determine if the building is to be used and/or occupied.
- The status of the fire hydrants is that all are operational and being maintained. The balance of the hydrants will be replaced as they are found non-operable. The District has a preventative maintenance program that verifies the operation of each fire hydrant within the District's boundaries including operating the underground control valve. This program has been performed on all fire hydrants within McClellan Park. Based on the findings, the District believes the intent of this item is met.
- The existing fire services are technically single services of unknown size with a post indicator valve, which require upgrade, including but not limited to, a minimum of the installation of an isolation control valve and new backflow protection. These post indicator valves will be upgraded as required due to occupancy of the specific building. As these buildings are occupied, the District per the agreement will provide the backflow device and install a new isolation control valve for the service.

Moving forward, for new construction, the District will require the project to comply with current District Regulations Governing Water Service. The Regulations provide the policies, guidelines and requirements for water service for new development. New projects or existing buildings that require additional water related facilities will comply with the District's Regulations Governing Water Service and installed according to the District's Technical Specifications and Standard Details. The cost of these facilities is the responsibility of the developer/owner including all applicable fees as required.

Should you have any questions, please call me at 916.679.2896 or email at [wjung@sswd.org](mailto:wjung@sswd.org). Thank you.

Very truly yours;  
Sacramento Suburban Water District



Robert S. Roscoe, PE  
General Manager

RSR  
cc: Warren Jung - SSWD