

# **Agenda**

## **Sacramento Suburban Water District Regular Board Meeting**

3701 Marconi Avenue, Suite 100  
Sacramento, California 95821

Monday, October 17, 2016  
6:30 p.m.

Where appropriate or deemed necessary, the Board may take action on any item listed on the agenda, including items listed as information items. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The President will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 679.3972. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

### **Call to Order**

### **Roll Call**

### **Announcements**

### **Public Comment**

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

### **Consent Items**

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

1. Minutes of the September 16, 2016 Special Board Workshop  
*Recommendation: Approve subject minutes.*
  
2. Minutes of the September 19, 2016 Regular Board Meeting  
*Recommendation: Approve subject minutes.*

3. Facility Development Charge Setting Policy (PL – Fin 010)  
*Recommendation: Adopt subject policy.*
4. Employment Rules and Procedures Policy (PL – HR 001)  
*Recommendation: Adopt subject policy.*
5. Setting the Dates for January and February 2017 Regular Board Meetings  
*Recommendations: Schedule the January and February 2017 Regular Board Meeting to the fourth Monday of those months.*
6. Resolution No. 16-22 Amending District Conflict of Interest Code  
*Recommendation: Adopt subject resolution.*

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

7. A Week in the Life of Field Services  
*Presentation on Field Services Department activities.*
8. Master Services Agreement 1 Year Extension For Main Replacements - Service Line Installation  
*Receive written staff report and direct staff as appropriate.*
9. Resolution No. 16-23 Opposition to Proposed Changes to County Paving Program  
*Recommendation: Adopt subject resolution.*
10. Resolution No. 16-24 Accepting Grant of Easement and Right of Way for 2701 – 2709 El Camino Avenue, APN 268-0280-056  
*Recommendation: Adopt subject resolution.*
11. Project Agreement with RWA for Grant Management Services for 2016 Prop 84 Sacramento Regional Water Efficiency Regional Water Conservation Measures Project  
*Receive written staff report and direct staff as appropriate.*
12. 2017 Budget and 2018 Forecast – Third Draft & Reserve Policy (PL – Fin 004)  
*Receive written staff report and direct staff as appropriate.*

#### **Information Items**

13. District Activity Report
  - a. Water Operations and Exceptions Report
  - b. Water Conservation and Regional Water Efficiency Program Report

- c. Customer Service Report
- d. Community Outreach Report
- 14. Engineering Report
  - a. Major Capital Improvement Projects
  - b. County and City Projects/Coordination
  - c. McClellan Business Park
  - d. Groundwater Quality Projects
  - e. Developer Projects
  - f. Planning Studies
  - g. Other
- 15. Financial Report
  - a. Financial Statements – September 2016
  - b. Investments Outstanding and Activity – September 2016
  - c. Cash Expenditures – September 2016
  - d. Credit Card Expenditures – September 2016
  - e. Directors Compensation and Expense Accounting – Through September 2016
  - f. Market Report Yields – January 2010 through September 2016
  - g. District Reserve Balances – September 2016
  - h. Information Required by Bond Agreement
- 16. Financial Markets Quarterly Report
- 17. Year-to-Date Interest Expense Quarterly Report
- 18. 2016 Lead and Copper Sampling Program

19. Well Efficiency Testing Annual Report
20. Supplemental CIP Funding Report
21. Human Resources Quarterly Report
22. CIP Projects Quarterly Report
23. Cal WaterFix Hearing Update
24. Legislative and Regulatory Update
25. General Manager's Report
  - a. 2017 Benefits Renewal Analysis for Vision, Dental and Life/Disability Insurance Plans
  - b. Wholesale Customer Increases from San Juan Water District
  - c. McClellan Update
  - d. Water Transfer – Bureau of Reclamation Update
  - e. Long Term Warren Act Contract Update
  - f. Drinking Water Fee Regulations Update
  - g. Local Agency Formation Commission (LAFCO) Application by SSWD and Carmichael Water District Report to Initiate Annexation/Detachment
26. Upcoming Policy Review
  - a. Debt Management Policy (PL – Fin 011)
27. Upcoming Water Industry Events

### **Committee Reports**

28. a. Facilities and Operations Committee (Director Locke)  
Notes from the September 30, 2016 Meeting.
- b. Finance and Audit Committee (Director Thomas)  
No report.

- c. Government Affairs Committee (Director Locke)  
No report.
- d. Ad Hoc Water Banking and Transfer Committee (Director Wichert)  
No report.

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

- 29. a. Regional Water Authority (Director Thomas)  
No report.  
  
Regional Water Authority Executive Committee (General Manager Roscoe)  
No report.
- b. Sacramento Groundwater Authority (Director Schild)  
Agenda from the October 13, 2016 Meeting.
- c. Water Forum Successor Effort (General Manager Roscoe)  
No report.  
  
Carryover Storage Working Group Meetings  
No report.  
  
Water Forum Dry Year Conference Meeting  
No report.  
  
Water Caucus Meeting  
Agenda from the October 12, 2016 Meeting.
- d. Other Reports

**Miscellaneous Correspondence and General Information**

- 30. Correspondence received by the District
- 31. General Information

**Director's Comments/Staff Statements and Requests**

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

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

None.

**Adjournment**

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**Upcoming Meetings**

Monday, November 21, 2016 at 6:30 p.m., Regular Board Meeting  
Friday, December 9, 2016 at 2:00 p.m., Facilities and Operations Meeting

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I certify that the foregoing agenda for the October 17, 2016 meeting of the Sacramento Suburban Water District Board of Directors was posted by October 12, 2016 in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was freely available to the public.

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

## Minutes

### Sacramento Suburban Water District Special Board Meeting Friday, September 16, 2016

#### Call to Order

President Thomas called the meeting to order at 2:02 p.m.

#### Roll Call

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

Directors Absent: Robert Wichert.

Staff Present: Assistant General Manager Dan York, Finance Director Dan Bills, Heather Hernandez-Fort, James Arenz, Lynn Pham, Annette O'Leary, Lynne Yost, Amy Bullock, Dave Jones and Mitch Dion.

Public Present: William Eubanks and Avery Wiseman.

#### Announcements

President Thomas announced that Director Wichert was unable to attend the Workshop.

Assistant General Manager Dan York (AGM York) announced that General Manager Rob Roscoe was out of the town and also unable to attend the Workshop.

#### Public Comment

None.

#### Item for Discussion and Action

1. **Proposed Staffing Additions 2017/18**  
AGM York presented the staff report.

Director Gayle commented that the District was understaffed.

Director Locke expressed that the Facilities and Operations Committee (F&O Committee) was unanimous in supporting staff to present the item to the full Board.

Director Schild expressed that the Board should review the topic on a budget level, not specific positions.

Director Gayle stated that the General Manager should be able to incorporate the amount needed in the budget and that staff was explaining the justification to the Board for specific positions, which he supported. He further noted that he supported the staff recommendation.

AGM York expressed that the proposed positions have specific salary ranges which is why staff wanted to clarify the positions to the Board, rather than just have a budget item.

William Eubanks (Mr. Eubanks) expressed that the staff report was thorough and expressed his support for the proposed staffing positions.

Director Gayle suggested considering an Industrial Engineer on staff.

President Thomas inquired about the Customer Service report.

Annette O’Leary (Ms. O’Leary) explained the Customer Service report.

Director Locke expressed his support with the staff report noting that the figures confirm the need for the positions.

Mr. Eubanks expressed that the staff report describes the statistics expressing the need for the position.

Director Schild expressed his support for the Cross Connection Specialist and the Administrative Assistant position noting that it would be a cost savings to the District.

Mr. Eubanks expressed his displeasure in how the process of this item was being conducted.

Director Locke moved to approve the staff recommendation to add the four positions to the budget; Director Gayle seconded. The motion passed by a 3-0-1 vote, Director Schild abstained.

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

**2. 2017 Budget and 2018 Forecast – First Draft and Reserve Policy (PL – Fin 004)**

Dan Bills (Mr. Bills) presented the staff report.

Mr. Bills explained in detail the Operations and Maintenance Budget (O&M), the Capital Improvement Program Budget (CIP), the Operating Capital Budget (OCB) and Debt Service Forecast.

Avery Wiseman (Mr. Wiseman) inquired about budgeting one project for multiple years.

Mr. Bills expressed that staff is proposing to budget for the amount needed for a project, in the year needed, then to inform the Board of the expected amount for the same project in the following year.



Mr. Wiseman commented that he doesn't believe that the District's revenue have matched expenses for years and further noted that the District has a very large reserve and has not used it wisely. He further commented that he didn't believe that the District cut back on anything.

Mr. Bills explained the 4 options to produce a balanced budget.

Discussion ensued regarding certain clarification questions.

James Arenz (Mr. Arenz) presented the O&M budget on Water Costs.

Mr. Bills presented the O&M budget on Salaries.

Director Gayle commented that if the District salaries are not competitive, than the District becomes a training ground.

Ms. O'Leary presented the O&M budget on Public Outreach and Conservation efforts.

Director Schild commented that there has been a lot of effort put into conservation outreach when the effort has been duplicated by RWA and ACWA.

Mr. Eubanks commented that this District still needs to continue to encourage water conservation to its ratepayers.

Discussion ensued regarding the Districts conservation efforts and the proposed upgrade to the District's website.

Director Locke requested to see a breakdown at a future presentation of what makes up the figures.

Mitch Dion (Mr. Dion) presented the budget on CIP.

Mr. Bills presented the OCB budget.

Mr. Bills made the Board aware of the proposed improvements to the boardroom equipment. Director Schild agreed that there was a need for some improvements.

Mr. Arenz presented the OCB budget on some Project Details, Maintenance and Project Costs.

Mr. Bills concluded the budget presentation restating the four options to produce a balanced budget.

Director Schild suggested staff to bring back all of the options to the full Board at the next regular Board meeting.

Director Thomas recommended increasing the morale budget for the employees from \$150 per employee to \$250 per employee. He also commented that he would like to have a report back on what staff has come up with to replace the “hats off” award for staff.

Director Schild commented that the morale budget should be part of the merit pay budget. He further requested that the topic be brought to the next regular Board meeting to discuss.

Mr. Wiseman commended Mr. Bills and staff on a superb job presenting the details on the proposed budget. He further expressed his disapproval toward the rate increase, noting that he didn't believe that the District could justify the expenses.

Opposite of Mr. Wiseman's comments, Mr. Eubanks supported staff noting that all of the expenses of the District have been very transparent.

### **Adjournment**

President Thomas adjourned the meeting at 4:32 p.m.

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

## Minutes

### Sacramento Suburban Water District Regular Board Meeting Monday, September 19, 2016

#### Call to Order

President Thomas called the meeting to order at 6:34 p.m.

#### Roll Call

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

Directors Absent: None.

Staff Present: General Manager Robert Roscoe, Assistant General Manager Dan York, Finance Director Dan Bills, Heather Hernandez-Fort, David Espinoza, Dave Jones, John Valdes, Annette O’Leary, Lynne Yost, James Arenz, Mitch Dion and Hannah Dunrud.

Public Present: Avery Wiseman, Shelley Andersen, William Eubanks, Jennifer Harder with several students and Brenda Davis.

#### Public Comment

None.

#### Announcements

General Manager Robert Roscoe (GM Roscoe) announced:

- Director Wichert was present via teleconference.
- Update regarding the Cal WaterFix hearing.

#### Consent Items

1. Minutes of the August 15, 2016 Regular Board Meeting
2. Water Service Charges and Rate Setting Policy (PL – Fin 009)
3. Driver Record and Insurance Review Policy – (PL – HR 006)

Director Locke moved to approve all Consent Items; Director Schild seconded. The motion passed by unanimous vote.

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

**Items for Discussion and Action**

**4. 2016 Compensation Study**

GM Roscoe announced the staff report and introduced Shellie Anderson (Ms. Anderson) with Bryce Consulting, who presented the PowerPoint presentation.

Ms. Anderson explained the regions that were surveyed for the study.

Director Schild suggested that the District try to work together with some of the surrounding purveyors to conduct a joint survey collectively so that the salaries are similar among regional purveyors.

GM Roscoe noted that he has advocated a regional compensation study through Regional Water Authority, and there has been no significant interest by other purveyors.

Director Wichert noted that the General Manager has taken the position of paying above the median, which could drive up the rates and in turn could drive up salaries in the region. He further recommended the median, commenting that if it goes above that, there is a higher potential for increased water rates.

Ms. Anderson clarified that the report was based on her recommendation.

Discussion ensued regarding Y-rating salaries, which has been done in the past.

Director Gayle moved to approve the staff report; Director Locke seconded. The motion passed by 4/1 vote, Director Schild opposed.

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

**5. Update and Demonstration on Website Improvements**

GM Roscoe introduced Annette O’Leary (Ms. O’Leary) who presented the staff report.

William Eubanks (Mr. Eubanks) complimented staff by stating that the District’s website was by far the most superior compared to other water districts websites. He further noted its quality in transparency.

President Thomas echoed Mr. Eubanks’ comments regarding the website, and added that he was interested in keeping the website online after the expiration of the current platform.

GM Roscoe explained that the current platform will no longer be supported from the vender.

Director Wichert suggested staff do a request for proposals for the new website. President Thomas agreed.

Ms. O'Leary expressed that staff has received proposals.

President Thomas noted that he would like to do some research as well. Director Schild suggested staff do the research.

Director Locke noted that the District's website is how the ratepayers see the District and that he supported a quality product.

President Thomas requested for this item to come back for discussion at a future Board meeting.

**6. California Special Districts Association 2017 Committee & Expert Feedback Team Participation**

GM Roscoe presented the staff report.

President Thomas inquired if there were any Board members interested. Director Gayle expressed interest, however withdrew.

No action was taken.

**7. 2016 Operations and Maintenance Expense Forecast**

Dan Bills (Mr. Bills) presented the staff report.

Director Wichert requested to receive the handout from San Juan Water District (SJWD) on their proposed new wholesale rate plan.

Director Wichert suggested for staff to monitor the rates being charged by SJWD to other purveyors in comparison to the rate being charged to the District to be sure the District is being treated equitably.

Director Schild noted that the rate to the District has been reasonably priced for years.

GM Roscoe commented that the report just came out and that staff will review it.

**8. Resolution No. 16-21 Delegate Authority to Accept Easements – General Manager Mitch Dion (Mr. Dion) presented the staff report.**

Director Schild noted that the verbiage should read "up to" \$5,000. Mr. Dion stated that the verbiage would be adjusted.

Director Schild also noted that the easements would need to meet District Policy and that if any didn't, the easement would need to come before the full Board. Staff agreed.

Director Locke moved to approve the staff report with the modification of changing the wording from “ceiling of \$5,000” to state “up to \$5,000.” Director Gayle seconded. President Thomas clarified that easement updates will be placed in the GM Report for future reference.

The motion passed by unanimous vote.

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

**Information Items**

**9. District Activity Report**

A written report was provided.

President Thomas suggested staff notify customers about any wellsite ribbon cutting events. He further suggested that staff notify customers about the Carmichael Founders Day with a flier in the Customer Service area.

*a. Water Operations and Exceptions Report*

A written report was provided.

*b. Water Conservation and Regional Water Efficiency Program Report*

A written report was provided.

*c. Customer Service Report*

A written report was provided.

*d. Community Outreach Report*

A written report was provided.

**10. Engineering Report**

A written report was provided.

Director Wichert inquired about the capacity at Well 59A. John Valdes (Mr. Valdes) gave a brief explanation.

Director Wichert inquired about the water quality, specifically TCE at Well N15. Mr. Dion gave a brief explanation.

Director Wichert suggested staff solicit proposals to identify the source of the TCE. He requested for staff to periodically report back to the Board on the status of this.

Director Wichert inquired about water born soil from the PVC pipe analysis. He further inquired about the fractured sample that was sent for analysis. Mr. Valdes gave a brief explanation.

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

**11. Financial Report**

A written report was provided.

- a. *Financial Statements – August 2016*  
A written report was provided.
- b. *Investments Outstanding and Activity – August 2016*  
A written report was provided.
- c. *Cash Expenditures – August 2016*  
A written report was provided.
- d. *Credit Card Expenditures – August 2016*  
A written report was provided.
- e. *Directors Compensation and Expense Accounting – Through August 2016*  
A written report was provided.
- f. *Market Report Yields – January 2010 through August 2016*  
A written report was provided.
- g. *District Reserve Balances – August 2016*  
A written report was provided.

*h. Information Required by Bond Agreement*

A written report was provided.

**12. 2017/18 Budget Status**

Mr. Bills presented the staff report. He noted that currently there was an imbalance and staff was requesting direction on the three options that would assist in creating a balanced budget.

Director Wichert requested staff to further explain why there was an increase to the budget. GM Roscoe explained the general increases in the budget.

Avery Wiseman (Mr. Wiseman) suggested that staff should make some overall cutbacks, but that the District didn't need to make substantial changes to the budget including not proceeding with a rate increase.

Director Schild recommended using the cash reserves to cover any deficit if expected revenue is not met and suggested leaving the water transfer amount in the budget as an incentive.

Director Schild also suggested staff review the O&M budget and the OCB budget for any additional cuts.

Director Wichert supported the rate stabilization fund and suggested purchasing less surface water.

Director Locke expressed his support for the 4% rate increase.

Discussion ensued regarding where there could be additional savings in the budget.

GM Roscoe expressed that the presentation at the Special Board Workshop went over the details of the budget and that many potential savings were already included.

President Thomas expressed support for the rate increase and was interested to see if there was anything additional that can be reduced from the O&M budget.

Director Locke noted that the Board wanted to keep the reserves above \$40 million, and that he was not in favor of going below that.

Mr. Eubanks stated that the management staff was asking for direction and that the Board was not providing adequate direction. He noted that if the Board had anything specific to cut from the budget, they should direct it to staff, however if not, then he suggested the Board give direction on what to do. He further noted that he didn't believe that there would be \$2 million in water transfers and to not include that in the budget.



President Thomas moved to include Option 2, including the pre-approved 4% rate increase in the budget; Director Gayle seconded.  
 Director Schild commented that staff is not working to save money for the ratepayers.

Director Gayle interjected with his opposition to Director Schild's comments.

The motion passed by a 3/2 vote.

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

Mr. Bills presented some specific topics from the budget, starting with the proposed staffing positions.

Director Gayle moved to include the proposed positions in the budget presentation for October's regular Board meeting; Director Locke seconded.

Director Schild stated that he supported the Administrative Position and the Cross Connection Position, and suggested deferring the other two proposed positions.

President Thomas noted that he trusted the management staff's opinion of this proposal.

The motion passed by a 3/2 vote.

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

Mr. Bills presented the proposed revisions to the District's website.

President Thomas recommended putting this topic off for a year.

GM Roscoe explained staff's position regarding the website, expressing that the present website platform will no longer be supported by the vendor after 2016.

No direction was given regarding this topic.

Mr. Bills presented the proposed revisions to the District's employee morale fund including incorporating that fund with the merit fund.

Director Schild suggested the budget stay at \$150 per employee. Director Wichert agreed.

President Thomas moved to approve to include the morale fund as part of the merit pool, and increase that budget from \$150 per employee to \$250 per employee; Director Locke seconded.

The consensus of the group was to approve the motion with Director's Gayle, Locke and Thomas agreeing to the motion.

Regarding the merit increase, the consensus of the Board was to have a 3% merit increase.

Mr. Bills presented the proposed upgrades to the District's boardroom equipment.

The consensus of the Board was to postpone upgrades to the District's boardroom equipment until next year.

**13. Internal Controls Update from Audit**

A written report was provided.

**14. Sacramento County Paving Requirements**

Mr. Dion presented a PowerPoint presentation, noting the significant cost increases to District CIP projects that would result.

Mr. Eubanks provided his comments regarding the topic.

**15. Cost Increase for Water Supply Agreement for Groundwater Stabilization**

A written report was provided.

**16. CEQA Exemptions for Miscellaneous Water Facility Projects**

A written report was provided.

**17. California WaterFix – Joint Group Submissions**

A written report was provided.

**18. Legislative and Regulatory Update**

A written report was provided.

**19. General Manager's Report**

A written report was provided.

*a. Regional Water Reliability Plan Update*

A written report was provided.

*b. Elections Status Report*

A written report was provided.

- c. *Water Conservation Executive Order Update (EO B-37-16)*  
A written report was provided.
- d. *Outreach Letter to Schools on Lead*  
A written report was provided.
- e. *Division of Drinking Water Annual System Inspection*  
A written report was provided.
- f. *Agreement Between Fulton El Camino Parks and Recreation*  
A written report was provided.
- g. *2016 Premium Only Plan (POP) Discrimination Testing Results*  
A written report was provided.
- h. *Long Term Warren Act Contract Update*  
A written report was provided.
- i. *2017 Benefits Renewal Analysis for Dental, Vision and Life/Disability Insurance Plans*  
A written report was provided.

**20. Upcoming Policy Review**

A written report was provided.

- a. *Facility Development Charge Setting Policy (PL – Fin 010)*  
A written report was provided. Directors' comments are due by Monday, October 3, 2016
- b. *Employment Rules & Procedures Policy (PL – HR 01)*  
A written report was provided. Directors' comments are due by Monday, October 3, 2016

**21. Upcoming Water Industry Events**

A written report was provided.

**Committee Reports**

- 22. a. Facilities and Operations Committee (Director Locke)  
Notes from the September 1, 2016 Meeting were provided.
- b. Finance and Audit Committee (Director Thomas)  
Notes from the August 12, 2016 Meeting were provided.
- c. Government Affairs Committee (Director Locke)  
No report.

- d. Ad Hoc Water Banking and Transfer Committee (Director Wichert)  
No report.

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

- 23. a. Regional Water Authority (Director Thomas)  
Agenda from the September 8, 2016 Meeting was provided.  
  
Regional Water Authority Executive Committee (General Manager Roscoe)  
Agenda from the August 24, 2016 Meeting was provided.

- b. Sacramento Groundwater Authority (Director Schild)  
No report.

- c. Water Forum Successor Effort (General Manager Roscoe)  
Agenda from the September 15, 2016 Meeting was provided.

Carryover Storage Working Group Meeting  
No report.

Water Forum Dry Year Conference Meeting  
No report.

Water Caucus Meeting  
No report.

- d. **Other Meetings**  
Notice of the September 15, 2016 McClellan Restoration Advisory Board (RAB)  
Meeting was provided.

President Thomas provided an oral report regarding the RWA Executive Committee Meeting on September 8, 2016 and his meeting with Mr. Bills on September 19, 2016. He provided an oral report regarding his meeting with Dan York on September 6, 2016, the SGA meeting on August 11, 2016, and the Brown Bag Lunch on Global Warming on September 7, 2016.

Director Schild reported on the San Juan Water District Board Meeting on September 14, 2016.

Director Gayle reported on the McClellan RAB meeting on September 15, 2016.

President Thomas noted that there was an Aerojet CAG Meeting on September 21, 2016.

## **Miscellaneous Correspondence and General Information**

- 24. Certain correspondence received by the District was provided.**
- 25. General Information related to District business was provided.**

## **Director's Comments/Staff Statements and Requests**

None.

President Thomas noted that a closed session was not needed.

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

- 26. Public Employee Performance Evaluation Involving the General Manager Under Government Code Section 54954.5(e) and 54957**

A closed session was not held.

## **Adjournment**

President Thomas adjourned the meeting at 9:18 p.m.

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



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## Agenda Item: 3

**Date:** October 5, 2016

**Subject:** Facility Development Charge Setting Policy (PL - Fin 010)

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

**Recommended Board Action:**

Approve the attached updated policy – Facility Development Charge Setting Policy (PL - Fin 010).

**Discussion:**

At last month's board meeting, an update of the Facility Development Charge Setting Policy (PL - Fin 010) was provided to the Board for review and comment (see Exhibit 1). Recommended changes include:

1. In Section 100.00, the introductory paragraph has been rewritten to better explain the purpose of Facility Development Charges (FDCs) and how they differ from amounts charged in monthly rates to existing customers.
2. Section 200.00 has been revised for consistency with language used in Regulation No. 7. consideration of recent court findings regarding water rate setting and clarifying language.

Director Schild reviewed the policy with Finance Director Bills and there were no recommended policy changes.

**Fiscal Impact:**

None.

**Strategic Plan Alignment:**

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

Finance – 4.B. Establish the lowest responsible rates and connection fees that reflect the cost of service, encourage conservation, are simple to understand, and meet the District's revenue requirements, including bond covenants.

The revised policy aligns with both listed principles benefiting customers through open and transparent fiscal practices in setting fees.

Sacramento Suburban Water District

**Facility Development Charge Setting Policy**

Adopted: September 15, 2014; October XX, 2016

**100.00 Purpose of the Policy**

Facility Development Charges (FDCs) provide the means of balancing the District's cost requirements for new infrastructure between existing customers and new customers. The portion of existing infrastructure that will provide service (capacity) to new customers is included in the District's FDCs. In contrast, the District has future capital improvement projects that are related to renewal and replacement of existing infrastructure. These infrastructure costs are typically included within the rates charged to the District's customers, and are not included in the FDCs. By establishing cost-based FDCs, the District will continue its policy of having "growth pay for growth" and existing District customers, for the most part, be sheltered from the financial impacts of growth. The establishment of FDCs will include consideration of: Customer growth and system expansion, as a result of new development, have direct impacts upon the District's infrastructure requirements, the financing of the "growth-related" infrastructure, and customer rates. Through the establishment of this and other financial/rate policies, the District is attempting to shelter its existing customers, as much as reasonably possible, from the financial/rate impacts of growth and system expansion:

- A. Growth-Related Capital Projects – Within the District's capital improvement plans and rate studies, growth-related capital projects will be clearly identified.
- B. Growth Related Capital – The District's intent is for the cost of growth related assets to be paid for by the use of Facility Development Charges (FDCs). In other words, growth should pay for growth, and existing customers should be sheltered from the costs of serving growth.
- C. Use of Facility Development Corporation (FDC) Proceeds – FDC revenues will only be used for two purposes – to pay for growth-related debt service or to directly pay for growth-related capital improvements.
- D. Limitation on the Use of FDCs to Pay Debt Service – The use of FDC revenues to pay for growth-related debt service will be limited in any year, for planning and rate setting purposes, to fifty percent (50%) of the annual FDC revenue projected to be collected. If growth and the corresponding FDC revenue is less than projected, the District should still have sufficient FDC revenue to make the annual debt service payments associated with the growth-related capital projects.

**200.00 Policy**

FDCs are intended to reflect the cost of growth and capacity expansion to serve new customers and additional capacity requirements. FDCs are a common method of

assessing the cost of expansion and its additional capacity requirements. In establishing FDCs, and in concert with Regulation No. 7, “New or Additional Service Connections”, the following will be considered:

- A. Meeting Legal Requirements – FDCs will be established and administered to conform and meet any legal requirements.
- B. Methodologies – FDCs will be established using “generally accepted” methodologies and will include a debt service credit to fairly account for the method of financing used for growth and expansion projects.
- C. Determination of Cost-Basis – As appropriate, FDCs will be calculated to determine the cost-based levels for customers seeking to connect to the District’s water system.
- D. Establishing Final FDCs – The Board will establish the final FDCs, taking into consideration the cost-based levels of the charges and the Board’s policy or philosophy as it relates to the sharing of growth-related costs between existing rate payers and new customers connecting to the water system. At no time will the Board establish or adopt FDCs greater than the calculated cost-based FDCs.
- E. ~~Biennial~~ Adjustments – In accordance with Regulation No. 7, section H. 5 - FDCs will be adjusted annually-biennially “to reflect cost changes in materials, labor or real property applied to projects or project capacity” using an appropriate cost index. Further, “a comprehensive review and update of the FDC methodology shall occur at least every five years.”~~retired assets, new assets, inflation, depreciation, and changes in outstanding debt.~~
- F. Master Plan and FDCs – Every three to five years, or whenever the Water System Master Plan is updated, the FDCs will be updated to reflect the changes in planning, infrastructure, and capital financing.

**300.00 Authority**

The General Manager and District Treasurer are responsible for adherence to this policy and regular reporting of the District’s financial status. Board oversight will be accomplished through regular reporting of financial status and review of this Policy.

**400.00 Policy Review**

This Policy will be reviewed at least biennially.





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## Agenda Item: 4

**Date:** October 4, 2016

**Subject:** Employment Rules and Procedures Policy (PL – HR 001)

**Staff Contact:** Lynne Yost, Human Resources Coordinator

### **Recommended Board Action:**

Reaffirm the Employment Rules and Procedures Policy (PL – HR 001) with no changes.

### **Discussion:**

Included with this report is the Employment Rules and Procedures Policy (PL – HR 001) for the Board's consideration. Staff is recommending the Board reaffirm the policy with no changes.

The policy was submitted to the Board last month as an information item. Comments from Directors were requested by October 3, 2016; none were received. Since no changes are being recommended by staff or Board members, the policy was not submitted to legal counsel for review.

This policy was originally adopted by the Board in October 2010 and last reviewed in October 2014.

### **Fiscal Impact:**

None.

### **Strategic Plan Alignment:**

Customer Service – 3.A. Operate in an open and public manner.

Customer Service – 3.B. Attract and retain a well-qualified staff with competitive compensation, effective training, and professional development to ensure safe, efficient and effective job performance.

District customers benefit from the District having and maintaining fair and consistent rules and procedures relating to District employment.

Sacramento Suburban Water District

**Employment Rules and Procedures Policy**

Adopted: October 18, 2010

Revised: August 20, 2012

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**100.00 Purpose of the Policy**

The purpose of this policy is to direct the General Manager to establish and maintain fair and consistent rules and procedures relating to District employment.

**200.00 Policy**

Pursuant to California Water Code Section 30580, the General Manager has full power and authority to employ, discharge and prescribe the duties of all District employees. The General Manager will insure that all rules and procedures relating to District employment comply with state and federal labor laws and regulations governing public agency employment.

**300.00 Authority and Responsibility**

The General Manager will be responsible for administering this policy. The Assistant General Manager and Human Resources Coordinator will assist the General Manager in developing and maintaining an Employee Handbook that will be provided to all current and new employees.

**400.00 Policy Review**

This Policy shall be reviewed at least biennially.



## Agenda Item: 5

**Date:** October 6, 2016

**Subject:** Setting the Dates for January and February 2017 Regular Board Meetings

**Staff Contact:** Heather Hernandez, Executive Assistant to the General Manager

**Recommended Board Action:**

Approve revising the District’s 2017 Regular Board meeting schedule as follows:

1. Reschedule from Monday, January 16, 2017 to Monday, January 23, 2017 at 6:30 p.m.
2. Reschedule from Monday, February 20, 2016 to Monday, February 27, 2016 at 6:30 p.m.

**Discussion:**

Due to holidays, staff is suggesting to change the 2017 Regular Board meeting schedule as follows:

January Regular Board Meeting	Reschedule from Monday, January 16, 2017 to Monday, January 23, 2017 at 6:30 p.m. to avoid Martin Luther King, Jr. Holiday
February Regular Board Meeting	Reschedule from Monday, February 20, 2017 to Monday, February 27, 2017 at 6:30 p.m. to avoid Presidents Holiday

Staff recommends delaying the meetings one week rather than moving up one week for two principle reasons: 1) monthly financial information will not be available earlier in the month; and 2) the spacing between meetings from December 2016 to March 2017 remains as uniform as possible.

**Fiscal Impact:**

None.

**Strategic Plan Alignment:**

Customer Service – 3.A. Operate in an open and public manner including public information to the Board of Directors.

By resetting the Board meetings for January and February 2016 well in advance, the public is allowed ample notice.



## Agenda Item: 6

**Date:** October 6, 2016

**Subject:** Resolution No. 16-22 Amending District Conflict of Interest Code

**Staff Contact:** Heather Hernandez, Executive Assistant to the General Manager

**Recommended Board Action:**

Approve Resolution No. 16-22 Amending District Conflict of Interest Code.

**Discussion:**

The California Political Reform Act requires all local government agencies to review their conflict of interest codes biennially. Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's Conflict of interest Code (Code) includes disclosure by those agency officials who make or participate in making governmental decisions. The District's review is scheduled in even-numbered years and must be submitted to the Sacramento County Board of Supervisors by November 28, 2016.

After review from District legal counsel, it has been confirmed that there is a need to amend the District's Code to designate additional staff positions that will be required to file Form 700 forms based on their involvement in making, or participating in making, agency decisions. It has been determined the Technical Services Director will be a Form 700 filer for the District. Legal counsel also reformatted the Code so it now consists of a cover page and appendix with reporting position designations and related explanatory text, with the FPPC regulation incorporated by reference.

Legal counsel provided a draft template for the resolution (Exhibit 1) and the reformatted document reflecting the FPPC's preferred current format and style, attached as Exhibit 2. The approving resolution is now a stand-alone document that has the sole purpose of adopting the revised Code and directing its submission to the Sacramento County Board of Supervisors for final approval. Due to the Code being thoroughly reformatted and edited by District legal counsel, a redline version was not provided since it would be confusing and uninformative.

**Fiscal Impact:**

None.

**Strategic Plan Alignment:**

Value – Practice the highest ethical standards and maintain integrity throughout the organization.

Customer Service – 3.A. Operate in an open manner including public information to the Board of Directors.

A Conflict of Interest Code is a benefit to the District's customer's because the purpose is to ensure that agency officials subject to the statute disclose economic interests that might be involved in the making of decisions that may have a material effect on each official's financial interest.

## **Exhibit 1**

### **RESOLUTION NO. 16-22**

#### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SACRAMENTO SUBURBAN WATER DISTRICT ADOPTING AMENDED DISTRICT CONFLICT OF INTEREST CODE**

WHEREAS, Government Code Section 87300 requires each local public agency to adopt and promulgate a conflict of interest code pursuant to the Political Reform Act for the purpose of ensuring that agency officials subject to the statute disclose economic interests that might be involved in the making or in the participation of making decisions that may foreseeably have a material effect on each official's financial interest;

WHEREAS, Government Code Section 87307 authorizes a local public agency to amend its conflict of interest code at any time; and

WHEREAS, the District's existing conflict of interest code, as last amended by the Board on September 17, 2012, requires updating to conform to current FPPC recommendations on format and content and to memorialize changes in designated staff positions subject to the code's reporting requirements, and make other minor changes.

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

1. The Board of Directors hereby adopts the revised District conflict of interest code attached hereto, which supersedes the amended conflict of interest code adopted by the Board on September 17, 2012, and all other prior inconsistent codes or resolutions.
2. Designated employees and consultants shall file statements of economic interest on FPPC Form 700 with the District's designated code filing officer, the Administrative Services Manager or her designee, who will make the statements available for public inspection and copying and, if required, file such statements with Sacramento County.
3. This conflict of interest code shall not take effect until the Sacramento County Board of Supervisors approves it in its capacity as code reviewing body under the Political Reform Act. The General Manager is hereby authorized and directed to submit a certified copy of this resolution with the amended District conflict of interest code to the Board of Supervisors and request approval of that code.
4. After approval by the Sacramento County Board of Supervisors, the amended code attached hereto shall constitute the Conflict of Interest Code of the Sacramento Suburban Water District in accordance with subdivision (a) of Section 18730.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on this 17th day of October 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 thereof held on the 17<sup>th</sup> day of October 2016.

(SEAL)

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

Exhibit 2

Sacramento Suburban Water District

**Conflict of Interest Code**

Adopted: February 20, 2002

Revised: September 17, 2012, October 17, 2016

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The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, Section 18730 of Title 2 of the California Code of Regulations, which contains the terms of a standard conflict of interest code. This regulation can be incorporated by reference into any agency's code without publication in full within the code. After public notice and hearing, Section 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of that regulation, Title 2, section 18730 of the California Code of Regulations and any amendments to it duly adopted by the Fair Political Practices Commission from time to time are hereby incorporated by reference in full into this code and will be applied in accordance with the provisions existing on the date that any issue arising under this code adopted by the Sacramento Suburban Water District Board of Directors must be addressed. This cover page, the referenced and incorporated FPPC regulation, and the Appendix, which is attached hereto and incorporated herein, designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the Sacramento Suburban Water District.

Recognizing that different employees have different levels of authority and responsibility, the Appendix to this Conflict of Interest Code establishes three categories of disclosure under which employees are designated based on the scope of their decision making authority. Employees with no significant decision making responsibility are classified as exempt, and are not required to file reports under this Code.

Non-exempt District employees and officers listed in the attached Appendix are designated as persons who are deemed to make, or participate in the making of, decisions that may have a material effect on a financial interest. Consultants are also subject to the disclosure requirements of this Conflict of Interest Code if they are in a position to make decisions, or influence decisions, that could have an effect on their financial interest.



**SACRAMENTO SUBURBAN WATER DISTRICT  
CONFLICT OF INTEREST CODE**

**APPENDIX OF DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES**

**Designated Positions.** The officers and employees listed below are designated as persons who are deemed to make, or participate in the making of, decisions that may have a material effect on a financial interest. Persons holding designated positions listed below will disclose interests and investments in accordance with the corresponding disclosure categories as defined below.

<b><u>Designated Position</u></b>	<b><u>Disclosure Categories</u></b>
Assistant General Manager	1
District Legal Counsel	1
Technical Services Director	2
Operations Manager	2
Information Technology Manager	2
Administrative Services Manager	3
Consultants	1 <sup>1</sup>

**Officials Who Manage Public Investments.** Officials who manage public investments are deemed to be “statutory filers” within the meaning of Government Code Section 87200 and California Code of Regulations, Title 2, section 18720 because they must file statements of economic interest (FPPC Form 700) pursuant to the state Political Reform Act instead of the District’s Conflict of Interest Code. The District’s statutory filers are: Members of the Board of Directors, General Manager/Board Secretary and Finance Director/Board Treasurer. As a result, such persons are not designated in this code and are listed here for information only. An individual holding one of the above-listed positions may contact the Fair Political Practices Commission (“FPPC”) for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The FPPC makes the final determination whether or not a position is covered by Government Code Section 87200.

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<sup>1</sup> Unless the General Manager determines in writing that narrower disclosure is permitted in accordance with the standards provided on page 2 of this Appendix under the heading “Consultants.”

**Disclosure Categories.** The District's disclosure categories are defined as follows:

Category 1- Full Disclosure: All persons in this disclosure category will disclose all interests in real property within two miles of the District's boundaries, as well as all investments, business positions in business entities and sources of income, including receipt of gifts, loans and travel payments, from all sources.

Category 2 – Employees with Significant Contracting and Policy Authority But Without Authority Over Acquisition of Interests in Real Property: All persons in this disclosure category will disclose all investments, business positions in business entities and sources of income, including receipt of gifts, loans and travel payments, in or from all sources that provide goods, equipment or services, including training or consulting services, of the type utilized by the District.

Category 3 – Employees with Specific Contracting or Policy Authority or Who Participate in Making Specific Contracts or Policies: All positions in this category will disclose all investments, business positions in business entities and sources of income, including the receipt of gifts, loans and travel payments, in or from all sources that provide services and supplies of the type utilized by the department or programs administered or managed by the designated position.

**Consultants.** "Consultant" means an individual who, pursuant to a contract with the District, either: (A) Makes a governmental decision whether to: (1) approve a rate, rule, or regulation; (2) adopt or enforce a law; (3) issue, deny, suspend, or revoke any permit, license, application, certificate, approval, order, or similar authorization or entitlement; (4) authorize the District to enter into, modify, or renew a contract provided it is the type of contract that requires District approval; (5) grant District approval to a contract that requires District approval and to which the District is a party, or to the specifications for such a contract; (6) grant District approval to a plan, design, report, study, or similar item; or (7) adopt or grant District approval of policies, standards, or guidelines for the District, or for any subdivision thereof; or (B) Serves in a staff capacity with the District and in that capacity participates in making a governmental decision as defined in California Code of Regulations, Title 2, Section 18702.2 or performs the same or substantially all the same duties for the District that would otherwise be performed by an individual holding a position specified in the District's conflict of interest code under Government Code Section 87302. (See 2 CCR 18701(a)(2).)<sup>2</sup>

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<sup>2</sup> A consultant serves in a staff capacity only if he or she has an on-going relationship with the District. A consultant who works on one project or a limited range of projects for the District is not deemed a consultant subject to the reporting requirements of this code unless the project or projects extend over a substantial period of time, generally more than one year. (See *Smith* Advice Letter, FPPC No. I-99-316; *Travis* Advice Letter, FPPC No. A-96-053; *Randolph* Advice Letter, FPPC No. A-95-045.)

“Consultants” are included in the list of designated positions and must disclose interests and investments in accordance with the broadest disclosure category in the District’s conflict of interest code, subject to the following limitation: The General Manager may determine in writing that a particular consultant, although a “consultant” and “designated position,” nevertheless is hired or retained to perform a range of duties that is limited in scope and therefore is not required to comply with any or some of the disclosure requirements described in this section. The General Manager’s written determination will include a description of the consultant’s duties, and, based on that description, a statement of the extent of disclosure requirements. The written determination is a public record and will be retained for public inspection in the same manner and location as the District’s conflict of interest code as required by Government Code Section 81008.

**New Position Added or New Consultant Hired Without Code Revision.** If the District creates a new position that requires disclosure under this code without simultaneously amending the code, the employee appointed to fill such a position will file a Form 700 Assuming Office Statement and thereafter file annual Form 700 Disclosure of Economic Interest Statements using the broadest disclosure category until the District amends the code to designate the position and, if warranted, to authorize more narrow disclosure for the position. Alternatively, the General Manager may designate for any such position or consultant narrower disclosure obligations using a FPPC Form 804 (New Hire) or Form 805 (New Consultant) as appropriate. (See 2 CCR 18734.)

**Filing of Form 700 Statements of Economic Interest.** Persons holding designated positions shall file statements of economic interests with the Administrative Services Manager, who is the District’s code filing officer. The Administrative Services Manager will retain all Forms 700 filed for the retention period provided in the District’s records management policy and will, upon request, make filed statements of economic interests available for public inspection and reproduction (at a cost of no more than \$0.10 per page) in accordance with Government Code Section 81008.



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## Agenda Item: 7

**Date:** October 10, 2016

**Subject:** A Week in the Life of Field Services

**Staff Contact:** Todd Artrip, Distribution Foreman

The Field Services Department is primarily responsible for field activities related to field customer service and billing activities. On a daily basis they can respond to a number of different types of Services Requests (SR) that range between addressing customer inquiries, disconnecting and restoring service, performing meter preventive maintenance activities, and repairing or replacing meters. On an annual basis, Field Services staff completes more than 10,000 SRs. This work load is anticipated to increase each year as more and more meters are installed throughout the District.

To provide a small insight into the every day life of a Field Services staff member, a PowerPoint presentation showing some of the tasks and duties assigned to this department will be presented at the board meeting. A copy of the PowerPoint is attached.

# A Week in the Life of Field Services

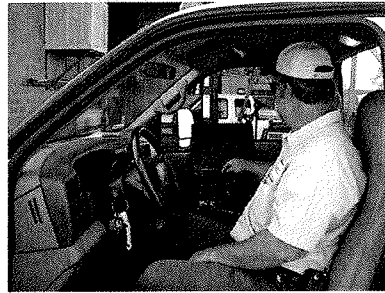
## Who is Field Services

### Field Services Superintendent

- The Meter Department
  - Distribution Foreman
  - 6 Distribution Operators
    - 5 Departmental Tasks
    - 1 Preventative Maintenance
      - 1 Intern for PM

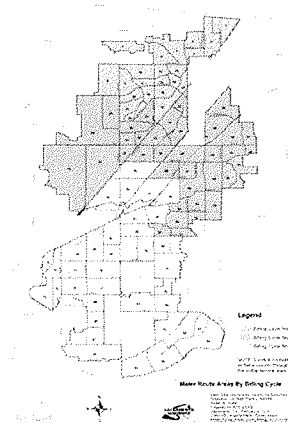
## Billing

- #1 priority is centered around the billing schedule
  - AMR (drive-by) meter reading
  - Meter reading clean up
  - Lock offs
  - Disconnect checks



## Cycle Billing

- Monthly billing
- All associated tasks were one big load
- 8 years ago moved to cycle billing to even out the work load
- We have three weekly meter reading cycles and one flat rate cycle
- When fully metered we will transition to four weekly meter reading cycles



## Typical Schedule

- **Monday**
  - Meter Reading Clean Up
  - Service Requests and Work Orders
- **Tuesday**
  - Meter Reading Non-Reads
  - Service Requests and Work Orders
- **Wednesday**
  - Lock-Offs
- **Thursday**
  - Finish Lock-offs (if necessary)
  - Service Requests and Work Orders
- **Friday**
  - Meter Reading

## What We Do

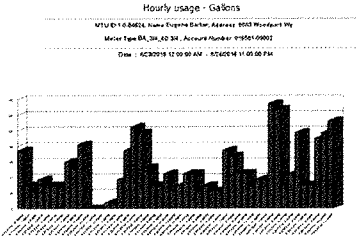
- Along with billing activities
  - High Bill Complaints
  - Disconnect Checks
  - Meter Verify
  - Meter Zero Consumption
  - Restores
  - Turn Off Water
  - Meter Box Investigation
  - Water Pressure Complaints

## What We Do

- Meter Downsizes
- Voluntary Meters
- Critical Consumptions (high usage)
- Meter Tamperers
- Operations Requests
- Meter Setter Repairs
- Meter Replacements
- Transponder/MTU Replacements
- Meter Preventative Maintenance
  - Large Meter Testing - 114 per year
  - 1.5" & 2" Meter Rebuilds - 240 per year

## Typical High Bill Complaint

- Meet with customer
- Verify meter information
- Check the meter's low flow indicator
- Confirm manual read matches electronic read
- Check Billing History in True Point
- Check data in the MCM and provide graphs to customer
- If low flow indicator is moving
  - Determine indoor or outdoor
  - Always offer a Water Wise House call





# Meter Box Issues

- No manual reads
- AMR and AMI
- Only visited for non-reads. Could be more than a decade since last visit
- Overgrown with weeds and bushes
- Covered with sod, rocks, bark, planters
- Buried



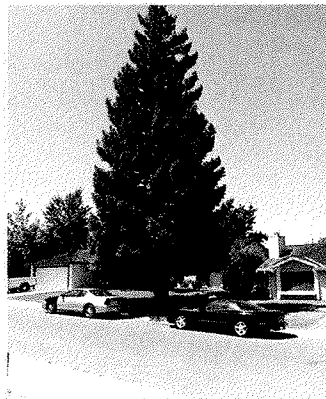
# Meter Box Issues (Cont.)



## Meter Box Issues (Cont.)



## Leak at Meter Box

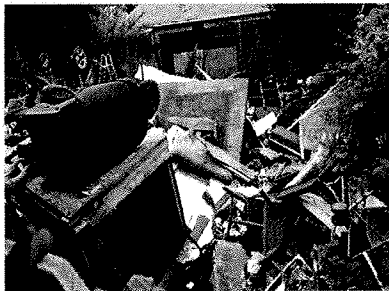


## Lock Offs

- Access
- Angry Customers
  - Threats
  - Dogs
  - Slamming Doors
  - Brandishing firearms
  - Objects in Meter Box

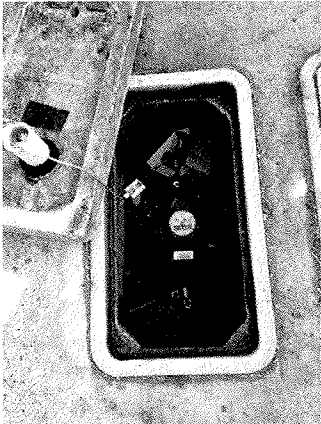


## Lock Offs (cont.)

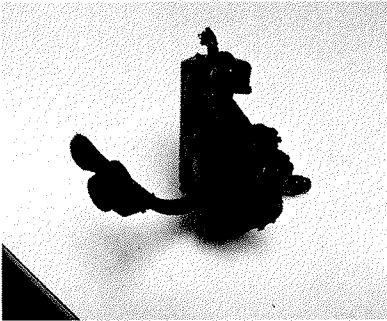


## Disconnect Checks

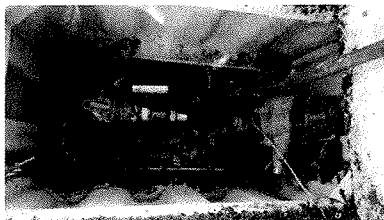
- Access issues
- Cut locks
- Cut specialty locks
- Concrete in meter box
- Hazards placed on or around box
- Dogs



## Disconnect Checks (cont.)



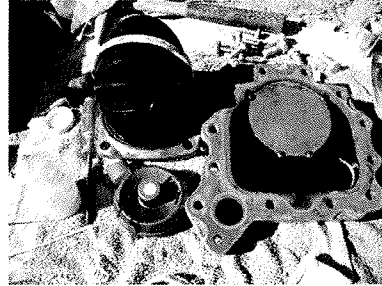
## Disconnect Checks (cont.)



## Collaborate With Other Agencies



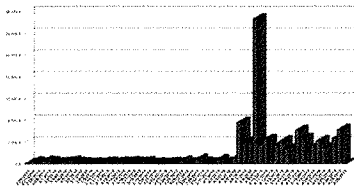
## PM Large Meter Testing



## PM Large Meter Testing (cont.)

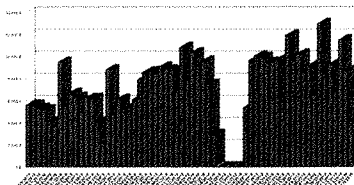
Daily Usage - Gallons

WPU 01 10 2016 Home Owner Page Age Address 3456 Elm St  
Water Type EA 1024 5162744 Account Number 1000010001



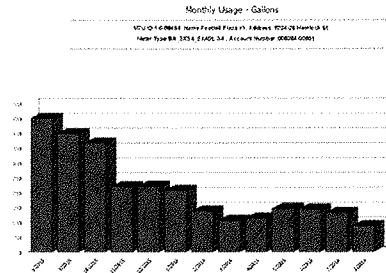
Daily Usage - Gallons

WPU 01 10 2016 Home Owner Page Age Address 1234 Main St  
Water Type EA 1024 5162744 Account Number 1000010001



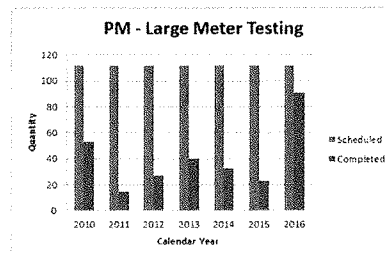
## PM Large Meter Testing (cont.)

- Meter installed in 2007. In 2012, the low side was rebuilt. Total usage since rebuild 12,000,000 gallons.
- Tested in September 2016, low side of the meter failed at 72% accuracy.
- Looking at monthly billing data, this meter dropped accuracy around the beginning of 2016.
- Based on the last nine months of usage, the average has been 734 ccf/month.
- Based on 72% accuracy, actual usage would have been 1019 ccf/month.
- It is estimated that this has resulted in 285 ccf/month in unaccounted for water.
- This unaccounted for water would result in \$3,420 of lost revenue annually.
- The total cost of testing, rebuilding the low side, and retesting this meter was \$320.



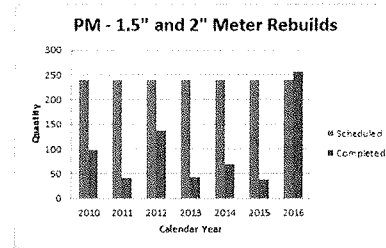
## 2016 PM Results YTD

- 114 PM Large Meter Tests Annually
- 91 Completed as of 9/21/2016
- 8 additional tests performed on no-flow meters
- Repaired/rebuilt 66
- Average initial accuracy 78.38%
- Average final accuracy 99.7%



## 2016 PM Results YTD (cont.)

- 1.5" and 2" meter rebuilds 240 annually
- Average cost of new meter \$490.00
- Average cost of a rebuild kit \$189.00
- Able to complete 255 in 2016. Previous 4 years combined 288



## What's next with PM Meter and AMR Replacements

- Meter asset management plan: 5/8", 3/4" and 1" meters will be replaced on a 20 year schedule or sooner if an excessive volume (typically 4 to 5 MG) has registered on the meter
- Test 3% of removed meters (63 annually)
- Estimated 2,100 meters per year to replace
- Currently 2,870 are 20 years and older

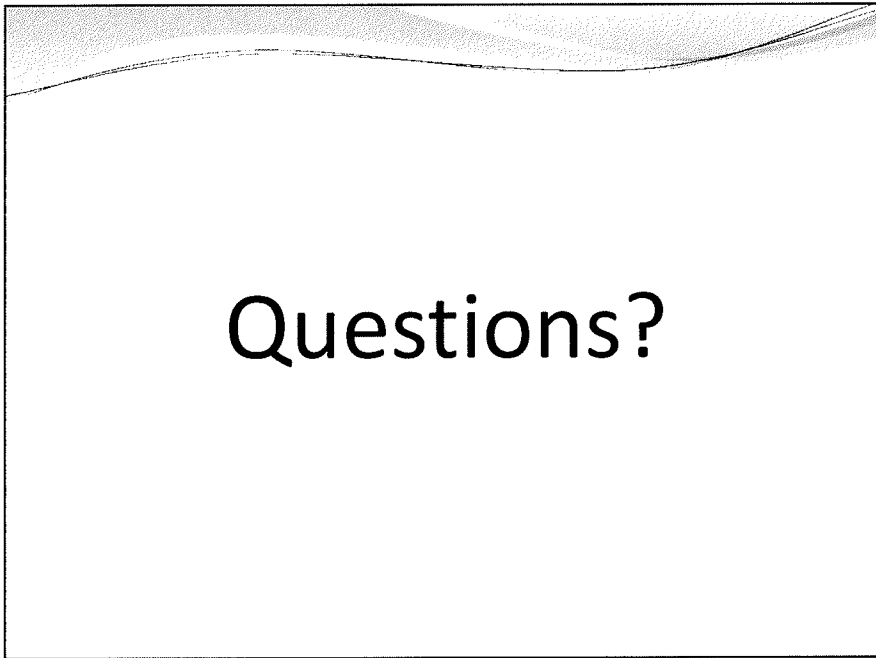


### PM Meter and AMR Replacements (cont.)

- Current AMR (drive-by meter reading) system started installing in 2002
- AMR life expectancy 10 years
- Stopped installing in 2010

### PM Meter and AMR Replacements (cont.)

- In 4 years all will be older than 10 years
- Approximately 17,000 still in service
- Started installing AMI in 2010 approximately 21,000 installed





## Agenda Item: 8

**Date:** October 5, 2016

**Subject:** Master Service Agreement 1 Year Extension For Main Replacements - Service Line Installation

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

**Recommended Board Action:**

Approve providing GM Construction and Developers Inc. a one year extension to the existing Master Service Contract for Main Replacement Projects - Service Line Installation Portion. The Facilities and Operations Committee received this information, considered the action, and rendered a split vote on this issue at their meeting September 30, 2016.

**Discussion:**

A presentation will be provided by Kathy Medley, Program Manager for GM Construction and Developers (GM). See Exhibit 1 attached to this report.

Historically the District had difficulty implementing a cost effective and customer friendly waterline replacement program. During 2006 the District opted to use a long term master services agreement as the preferred contracting mechanism. The District has successfully completed 10 years of a Master Service Contracts for the construction and installation of water mains and services for our Mainline Replacement Program. The process was selected in order to achieve predictability and stability for a core function of the District.

The process is generally a two step program. First, work is completed in the public right-of-way for main line replacement. Second, the tasks are completed to connect the service lines from the mains to a point on private property for the connections of the water services. The District recently extended the Master Services Agreement for Veercamp Construction, for the mainline replacement work, generally performed in the right of way, and this request is to provide a similar consideration of GM for the accompanying work within the Mainline Replacement Program.

The District was provided competitive bids and the contractor was assured of controlled increases to labor and materials provided under terms of this contract based upon a published

index. Moreover, the customer response and evaluation of this disruptive work in their yards has been overwhelmingly favorable.

GM contract was awarded in 2006, and again in 2011. GM has successfully completed 7,000 service connections with very few customer complaints and dozens of accolades. Additionally and significantly, it should be noted that GM has never initiated a change order, work has been completed within the time constraints and under budget.

**Fiscal Impact:**

There is no direct fiscal impact with this action; however, it will enable the District to make timely contractual awards for work in the 2017 Mainline Replacements Program once the Board of Directors approves the 2017 Budget and specifically the elements of the Capital Improvement Plan. These early awards during the calendar year offer an opportunity for savings as some work will be completed before cost factor adjustments are made. The 2018 Mainline Replacement Program is planned to be reduced as the District pivots to provide more emphasis on completing Transmission Main lines. Therefore, re-advertising the long term contract next fall will be adjusted to better fit the anticipated level of work as adjusted.

**Strategic Plan Alignment:**

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

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

This proposal is consistent with improving and implementing the cost effective and timely replacement of infrastructure to support the long term reliability of water delivery for customers. District customers benefit by continuing to deploy the successful team for project delivery, which has been noteworthy in achieving service line replacements in neighborhoods and within yards with minimal disruption to customers while avoiding the added costs to develop and administer bidding process.

# GM Construction & Developers, Inc.



# 2 Guys, a truck, and a need



- GM Construction & Developers, Inc. is primarily an underground utility company specializing in the water utilities. Steve Medley & Bill Gray started the company to fill a niche for the local water districts in the Sacramento Valley.
- GM was started as 2 guys in a couple of trucks focused on meeting the needs of their clients.
- At the beginning of each year we provide at the local districts request, a price structure for their maintenance needs.

# Professional Milestones

- Approximately 16 years ago Citrus Heights Water began their water meter retrofit program. GM was the first contractor to begin installing meters in Citrus Heights.
- GM Construction had begun working as an on call resource for both Arcade Water and Northridge Water prior to the merger that created Sacramento Suburban Water District.
- GM has gone on to install over 50% of SSWD meters as well as almost 75% of California American Waters' meters in the Sacramento Valley, and Monterey coastal area.

# SSWD Status

- SSWD comprises a large portion of GM's customer base
- The CIP program comprises approximately 2-3 million of GM's income
- The maintenance program for SSWD accounts for an additional \$750,000 in receivables
- GM currently employs 68 people that live through out the Sacramento area
- GM won this contract in a competitive bid format
- The wages paid to our field personnel is dictated by the state in the form of prevailing wage mandates.
- The equipment rates are governed by Cal Trans.
- GM is only allowed to increase the base contract unit price, if for example, a prevailing wage increase occurs



# Master Task Order Service Program

- **GM has installed approximately 6,800 meters under the CIP program.**
- **GM has completed over 12,000 bores since the inception of the master task order service program**
- **This equates to GM accessing customers properties over 20,000 occasions in the last 10 years**

Investment in less  
invasive & cost effective  
technologies to fill CIP  
niche

- Bore technologies
- Pierce tools
- Small specialized equipment
- Vacuum Trailers
- Small dump trucks
- Mix on-site Concrete Trailer



# Continuity

- GM has worked diligently to establish a well respected reputation with Sacramento County, The City of Sacramento and the City of Citrus Heights inspection staff at all levels.
- Due to GM's maintenance contracts, emergency on call status, and CIP history we are extremely familiar with SSWD standards, systems & protocols.
- Kathy Medley has been project administrator since the inception of the master service task order program
- The current project manager, Emanuel Mendoza, has been with GM since 2007 and has advanced from the position of a CIP laborer to his current position, he has experience at all levels of these projects

# Customer Service

- GM phones are call forwarded to managements Cell phones every evening to ensure any situation will be addressed immediately.
- Field staff takes the time to explain the procedures to the customers when inquires are made
- Crews are dispatched rapidly to assess the situation and address any issues on site to resolve customers concerns
- Over 20 photos are taken before, during and after work is completed on each site

# Customer Comments

**Dear Customer:**  
 Sacramento Suburban Water District (SSWD) recently completed the installation of a water meter in your yard. The District wants to hear from you concerning the work performed, restoration of existing facilities and overall opinion of the meter installation.


1. Was water restored within the allotted time frame?  
 Yes    No    Unknown

2. Were your existing facilities, landscaping and concrete restored to your satisfaction?  
 Yes    No    Unknown

3. Are you satisfied with your water pressure, volume and quality?  
 Yes    No    Unknown

4. Are you satisfied with the overall work performed?  
 Yes    No    Unknown

Comments: *The foreman, I don't know his name is first - Class. When they left my backyard they reached over the fence to put the pad lock back on. Very professional*

 Please return to SSWD. Thank you for your comments

**Dear Customer:**

Sacramento Suburban Water District (SSWD) recently completed the installation of a water meter in your yard. The District wants to hear from you concerning the work performed, restoration of existing facilities and overall opinion of the meter installation.

1. Was water restored within the allotted time frame?  
 Yes    No    Unknown
2. Were your existing facilities, landscaping and concrete restored to your satisfaction?  
 Yes    No    Unknown
3. Are you satisfied with your water pressure, volume and quality?  
 Yes    No    Unknown
4. Are you satisfied with the overall work performed?  
 Yes    No    Unknown

Comments: *Excellent contractors, all done clean and properly.*



Please return to SSWD. Thank you for your comments

Sacramento Suburban Water District (SSWD) recently completed the installation of a water meter in your yard. The District wants to hear from you concerning the work performed, restoration of existing facilities and overall opinion of the meter installation.

1. Was water restored within the allotted time frame?

Yes  No  Unknown

2. Were your existing facilities, landscaping and concrete restored to your satisfaction?

Yes  No  Unknown

3. Are you satisfied with your water pressure, volume and quality?

Yes  No  Unknown

4. Are you satisfied with the overall work performed?

Yes  No  Unknown

Comments: GOOD CHOICE OF COMPANY - EXCELLENT FROM  
~~START~~ START TO FINISH



Please return to SSWD. Thank you for your comments

9/15/

Dear Customer:

Sacramento Suburban Water District (SSWD) recently completed the installation of a water meter in your yard. The District wants to hear from you concerning the work performed, restoration of existing facilities and overall opinion of the meter installation.

1. Was water restored within the allotted time frame?

Yes  No  Unknown

2. Were your existing facilities, landscaping and concrete restored to your satisfaction?

Yes  No  Unknown

3. Are you satisfied with your water pressure, volume and quality?

Yes  No  Unknown

4. Are you satisfied with the overall work performed?

Yes  No  Unknown

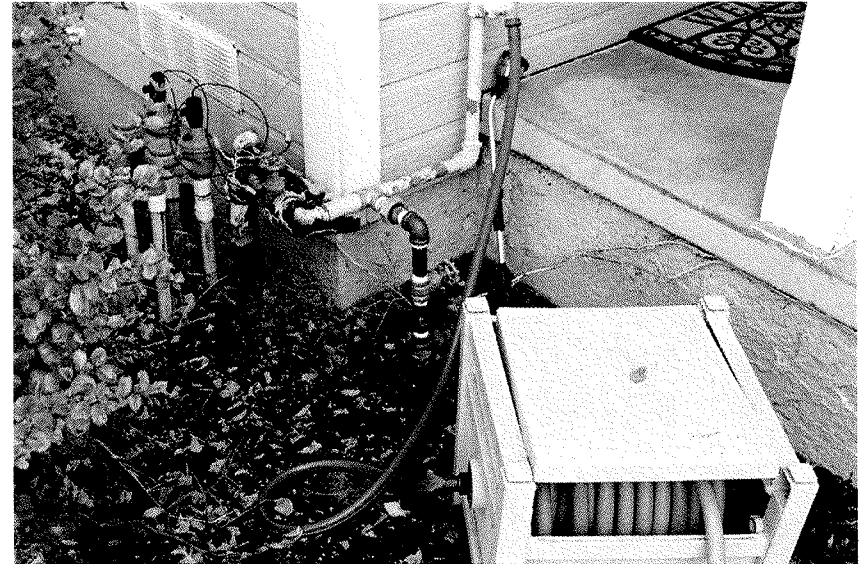
Comments: One of the workers, a big guy with a green tee shirt  
with a <sup>straw</sup> hat answering my questions very nice +  
helpful. He took time to help me understand what was  
going on and the process smooth for me,  
Please return to SSWD. Thank you for your comments



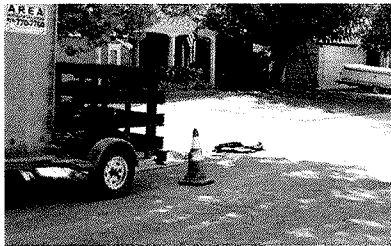
9/15/

# Quality of Work

The care taken with customers property during restoration



# Compliance & Safety



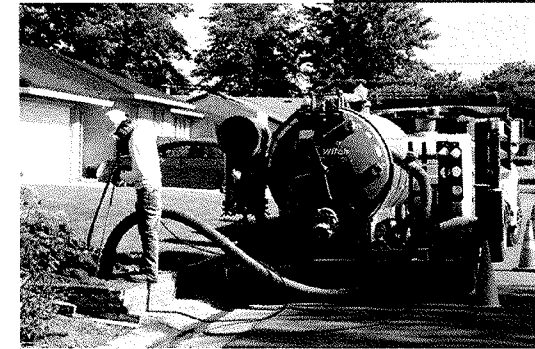
## DI Bags

DI bags are put around storm drains to stop debris entering the system



## Verifying Existing Utilities

Utilize locating tools & USA marking to verify where the utilities are located.



## Hand or Vac to Expose Existing Utilities

Dig by hand or use a vac to visually expose the utility line before prior to work beginning





# Scope of work



## Service Line Locations

Exposing multiple services to hook to the new main



## Meter & Setter Installation

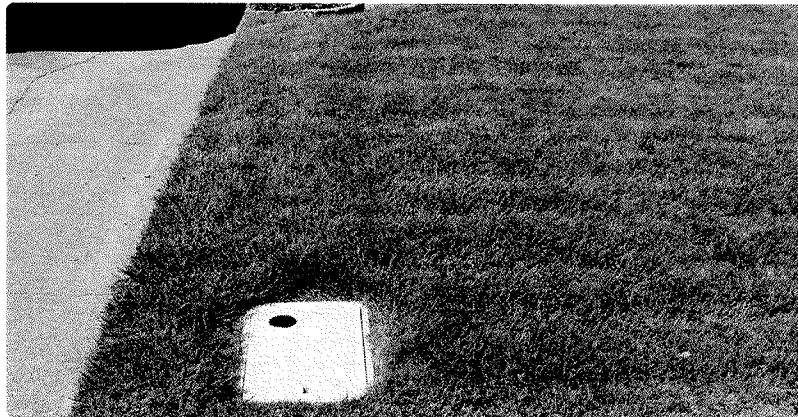
Installing a setter to connect new copper & pvc to main line



## Preparing to Install Meter Boxes

During the installation of the meter boxes

# Restoration



# Commitment & Pride

- GM is proud of our involvement with the master service task program since it's inception
- GM feels that we have been successful in realizing the original intent of this program by controlling costs, while raising the bar on the quality and integrity of the completed work.
- Overall GM believes that our customer service rating speaks volumes

Are there any questions or concerns  
that we can address at this time

Thank you for your consideration in  
this matter



## Agenda Item: 9

**Date:** October 6, 2016

**Subject:** Resolution No. 16-23 Opposition to Proposed Changes to County Paving Program

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

### **Recommended Board Action:**

Approve recommendation to adopt the attached resolution and provide direction to ensure County is aware of the District's strong objection to the proposed policy inappropriately transferring the financial liability of road repairs to the water and other utility rates.

### **Discussion:**

The Board of Directors and F & O Committee have received reports regarding the proposed actions by the County. The hearing to adopt these measures has been postponed and is likely to be readdressed following the election. In addition to Measure B (An Ordinance Providing for one-half of one percent Retail Transaction and Use Tax for Local Transportation Purposes in Sacramento County) a new member of the Board of Supervisors will be elected. It is anticipated the paving initiative will be heard early in 2017.

Exhibit 1 is a copy of the presentation of the report filed by the County Department of Transportation (DOT) outlining proposed changes to the County Paving Program. The components which are related to trench restoration will affect the District's ability to construct repairs and implement Capital Improvement Program (CIP). The District anticipates the changes will cost the rate payers up to 30% more for paving work related to repairs and CIP which will likely be off-set by less linear footage of pipe being replaced in each project compounding deferred liabilities for infrastructure replacement.

The District and other utilities participated in extensive outreach with the DOT to explore less costly and more effective ways to achieve their paving goals. The result of the effort was a slight change in the DOT requirements, better clarity of the impact, and commitments to improve coordination but only minor alteration of the expensive and expansive new requirements.

The County proposal places an unreasonable burden upon the District to restore pavements to conditions far exceeding the fundamental criteria of returning to preexisting conditions. Additionally, staff believes the DOT proposal was not based upon sound pavement management principles or practices of the industry.

**Fiscal Impact:**

If approved by the County Board of Supervisors the proposed actions will increase the expense of repaving for both repairs and in the CIP. It is anticipated that District expenditures will increase by over \$500,000 annually and subject to increases as the price of asphalt increases.

**Strategic Plan Alignment:**

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.

This County led initiative to transfer liability for neglected road maintenance to underground utilities results in concealing costs directly charged to customers for services not related to water service.

## **RESOLUTION NO. 16-23**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SACRAMENTO SUBURBAN WATER DISTRICT OPPOSING PROPOSED CHANGES TO COUNTY PAVING PROGRAM**

WHEREAS, it is apparent from information presented at the May 10 Department of Transportation's Pavement Maintenance Workshop that the County's ability to maintain 5,454 lane miles of roadways is severely challenged with funding shortfalls, and

WHEREAS, shifting the County's obligation to maintain and reconstruct roadways that have reached the end of their useful life to the owners of public utilities using the County Right-of-Way is neither good public policy, nor a solution to the County's transportation funding problem.

WHEREAS, Sacramento Suburban Water District operates and maintains 700 miles of pipeline in Sacramento County roadways, much of which is in need of replacement in the near term of this work, most of which is in roadways listed by the County Pavement Condition Index as poor to very poor.

WHEREAS, Sacramento Suburban Water District has established rates and fees commensurate with the Operations and Maintenance obligations of the District and is progressing responsibly and transparently to implement the repairs for the benefit of the Rate Payers consistent with the laws and policies regulating Public Water Agencies in California.

WHEREAS, Sacramento Suburban Water District has successfully worked with the County on mutually beneficial pavement partnerships where working together has resulted in a better finished project at lower total cost to the benefit of the community and our mutual customers.

AND WHEREAS, it has been duly determined by the Board of Directors of Sacramento Suburban Water District that it is in the public interest and benefit of the Rate Payers of the District to express its opposition and actively engage with the County to alter the proposal consistent with the principles below:

Sacramento Suburban Rate Payers seek a County Paving and Trench Restoration Policy that:

- I. Reflects the need for utilities to ensure trench reconstruction is sufficient to not unreasonably decrease the remaining service life of existing pavement,  
AND
- II. Does not unreasonably shift pavement reconstruction costs to those who operate buried utilities, making the cost of necessary replacements of aging public infrastructure prohibitive,  
AND
- III. Does not discourage private investment in new homes and business infill projects within our community,  
AND
- IV. Increases the coordination of County paving projects with buried infrastructure projects by other public utilities to improve overall customer service and lasting benefit.

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

1. The District General Manager is hereby authorized and empowered to organize and present opposition to the County initiative to unfairly shift road repairs to underground utility rate payers.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on this 17th day of October, 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 17<sup>th</sup> day of October, 2016.

(SEAL)

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





PAVEMENT MAINTENANCE  
WORKSHOP

Department of Transportation  
May 10, 2016

# Pavement Maintenance Workshop Outline

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- **Introductions**

1. System Size
2. Classification of Roadway System
3. Pavement Maintenance Tools
4. Pavement Maintenance Methods

- **Current Status of Roadways**

1. PCI Report for Different Roadway Classes
2. Backlog Stats and Residential Streets State of Disrepair
3. Effect of Trench Cut on Streets and Roads
4. Trench Restoration Requirements

- **Funding History**

1. Funding Trends for Pavement Maintenance Program

- **Pavement Maintenance Strategies**

1. Current Practices and the Need to Consider Other Maintenance Treatments
2. Economic Value of Preventive Maintenance
3. Challenges on Implementing a Preventive Maintenance Program

- **Recommendations**

# **System Size of the Transportation System (County-wide)**

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**We Maintain 5,454 Lane Miles of Roads**

# Classification of Roadway System

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<b>County of Sacramento 2207 Centerline miles (5454 Lane miles): \$5.5 Billion</b>				
<b>Roadway Type</b>	<b>Funding Type</b>	<b>Centerline miles</b>	<b>Lane miles</b>	<b>%</b>
Arterial Roadways	Federal/Gas Tax	201	1171	22%
Collectors Roadway	Federal/Gas Tax	393	872	16%
Urban Residential Neighborhood	Gas Tax	1300	2785	50%
Rural Residential Neighborhood	Gas Tax	261	522	10%
Levee Roads	Gas Tax	52	104	2%

# Pavement Maintenance Tools

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**How does SacDOT manage 5454 Lane miles of Roads in the unincorporated area of Sacramento County?**

## Pavement Management System

- ❖ Inventory of Roadway
- ❖ Roadway Classification
  - Arterial
  - Collector
  - Residential
- ❖ Field Inspection
- ❖ Pavement Condition Rating

# Pavement Maintenance Tools

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## Pavement Condition Index (PCI)

- ❖ PCI values ranges from 0 (very poor condition) to 100 (new pavement condition).
- ❖ Distress Type
  - alligator cracking, block cracking, distortions, long and transverse cracking, patch and utility cut patching, rutting/depression, weathering and raveling
- ❖ Distress Severity
  - low, medium, or high
- ❖ Distress Quantity
  - square feet, linear feet, or percent area

# Pavement Maintenance Tools

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**How do you choose which roads to pave?**

## **Project Selection Criteria**

- **Availability of Funds**
- **Pavement Condition Rating**
- **Roadway Classification**
- **Neighborhood vs. Single Street  
(economy of scale)**
- **Worst First**

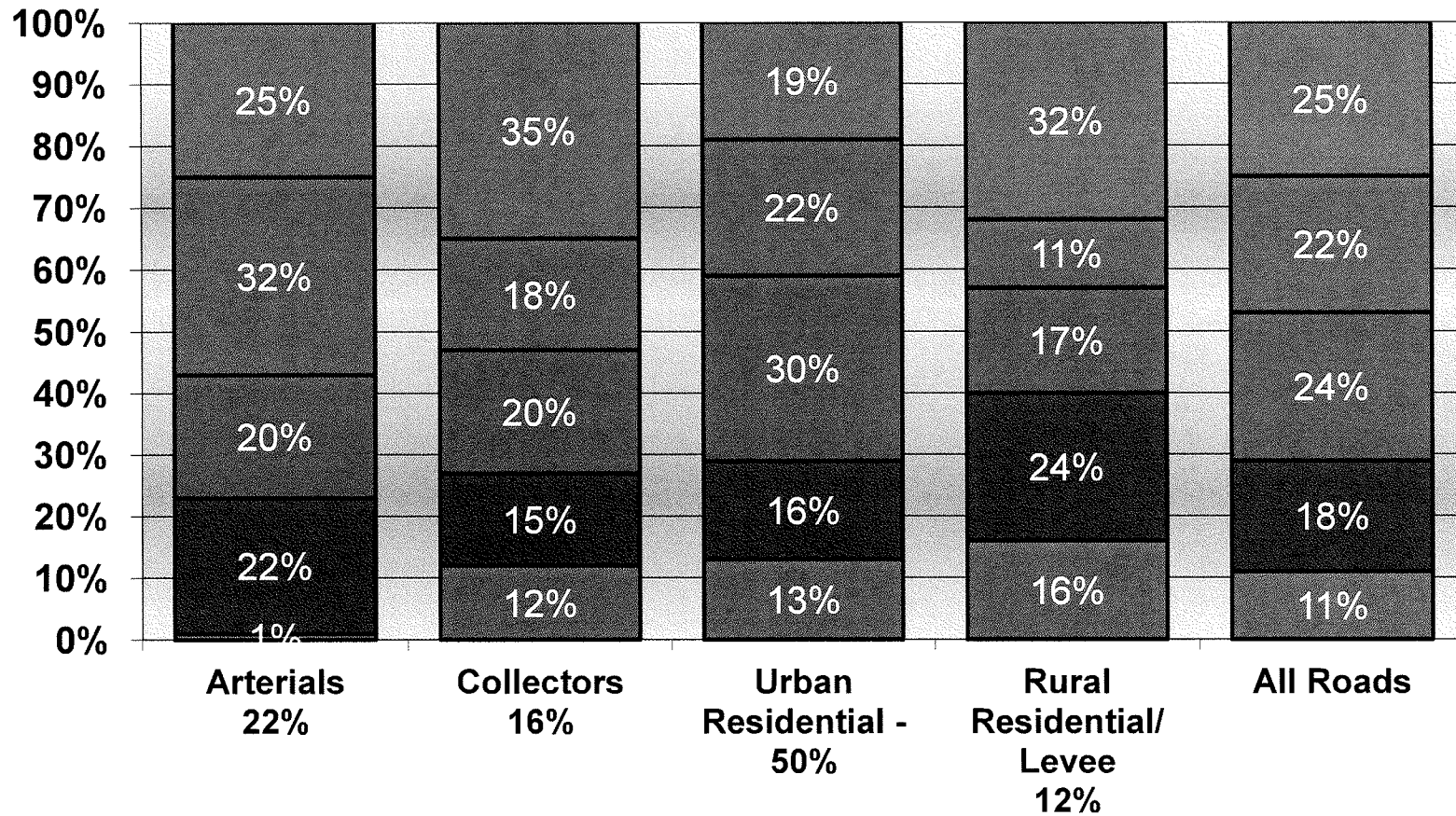
# Pavement Maintenance Methods

PCI	CONDITION	Approx. AGE	TREATMENT
86-100	Very Good to Excellent	0-10	No Treatment
71-85	Good to Very Good	11-14	Slurry Seal, Chip Seal
41-70	Poor to Good	15-20	Chip Seal (Base Repair) Cape Seal (Chip + Slurry Seal) Double Chip (Chip + Smaller Chip) Overlay
26-40	Very Poor to Poor	21-30	Overlay
0-25	Very Poor	30+	Reconstruction



# PCI Report for Different Roadway Classes

- Very Poor PCI:0-25
- Poor PCI: 26-40
- Fair PCI:41-70
- Good PCI 71-85
- Very Good PCI:86-100



# Backlog Stats and Residential Streets

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## State of Disrepair

<u>Roadway Type</u>	<u>Lane Mile</u>	<u>Inventory</u>	<u>Deferred Maintenance Cost</u>
• Arterial Roadways	503	1171 - 43%	\$65,000,000
• Collector Roadways	419	872 - 48%	\$60,000,000
		<b>Total:</b>	<b>\$125,000,000</b>
• Levee Roads	93	104 - 90%	\$ 20,000,000
• Urban Residential Neighborhood	1588	2785 - 57%	\$265,000,000
• Rural Residential Neighborhood	298	522 - 57%	\$ 40,000,000
		<b>Total:</b>	<b>\$325,000,000</b>

# **Effect of Trench Cuts on Streets and Roads**

## **Utility Cuts Accelerate Pavement Deterioration**

- ❖ 25-30 miles of Trench Cut Annually

## **Encroachment Permits**

- ❖ Standard Utility
- ❖ Sidewalk and Driveway
- ❖ Annual

## **Approved Improvement Plans**

# Trench Restoration Requirements

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## **Pavement Repair for Roads < 3 years old**

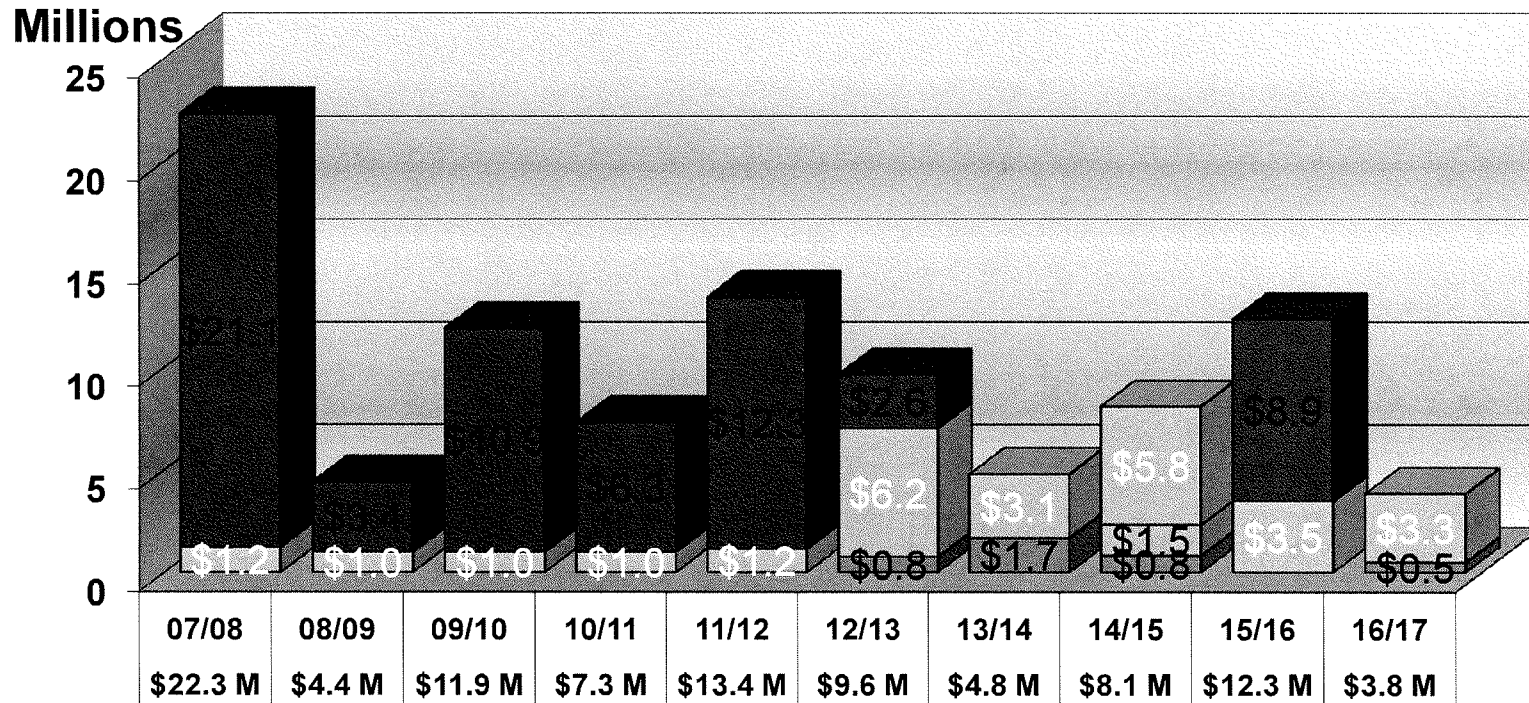
- ❖ Roadways without raised median or center turn lane
  - Grind and overlay entire roadway for a distance 150 ft. past excavation limits.
- ❖ Roadways with raised median or center turn lane
  - Grind and overlay affected side of roadway for a distance 150 ft. past excavation limits.

## **Pavement Repairs for Roads > 3 years old**

- ❖ Grind and overlay affected lane (plus shoulder if applicable) for a distance of 12 inches beyond limits of excavation. Minimum length 30 ft.

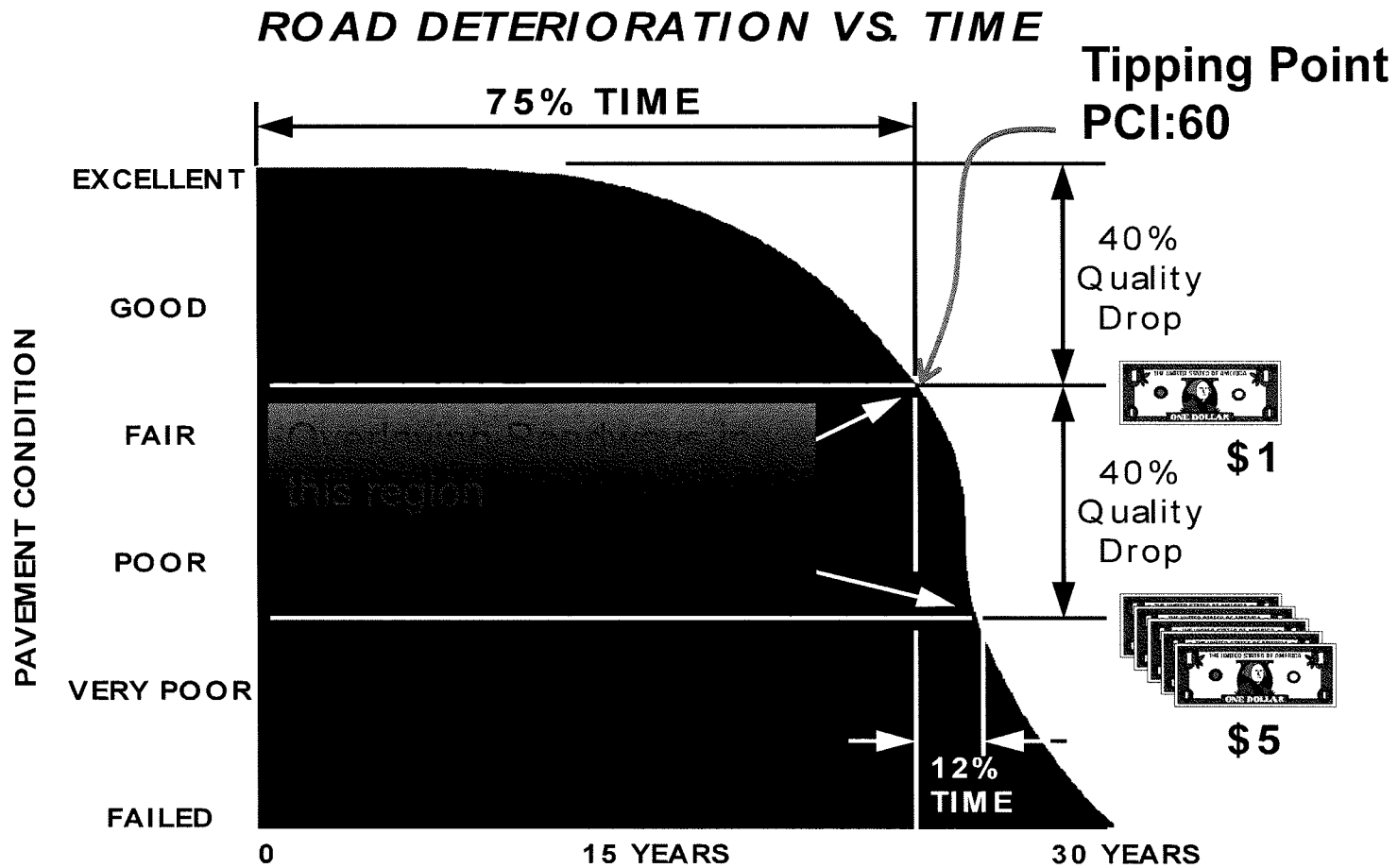
# Funding Trends for Pavement Maintenance Program (2007-2016)

Utility/SHRA    
  General Fund    
  SacDOT (Gas Tax)    
  State & Federal



**Average Construction Annual Funds: \$8.4 million**

# Current Practices and the Need to Consider Other Maintenance Treatments



# Challenges on Implementing a Preventive Maintenance Program

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Target PCI	Annual Funding Required for Worst First	Annual Funding Required with Preventative Maintenance and Overlay	Difference
PCI 70 (good pavement)	\$53,700,000	\$34,000,000	\$19,700,000 (37%)
PCI 60 (“tipping point”)	\$46,500,000	\$27,400,000	\$19,100,000 (41%)
PCI 40 (poor pavement)	\$31,000,000	\$16,700,000	\$14,300,000 (46%)

# Challenge

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- Annual Available funding approximately \$8.4 million/year the funding need is close to \$34 million/year
- Gas tax revenues are a declining revenue source – last raised in 1994, better vehicle fuel efficiency, and electric vehicles
- Gas prices have declined significantly for the County this has resulted in a 30% decline in gas tax revenues to the County over the past three years
- The longer it waits the more it costs
- Resistance to raising additional funding for roadway maintenance
- Actions underway at the State include various bills proposing to increase transportation funding
- Governor Browns budget proposal
- Potential additional local sales tax measure to fund transportation maintenance



# Conclusion

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## ❖ Potential Options to Increase Maintenance Funding

- Maintenance District- CFD
- Repurpose existing Measure A Sales Tax Funds, within the confines set by law
- Obtain greater amount of Regional Federal Funds for Maintenance/Overlays (RSTP)
- New Sales Tax Measure- “Measure B”
- Parcel Tax
- Increase Gas Tax
- Statewide Sales Tax for Maintenance
- Vehicle License Fee



[Back to Agenda](#)

## Agenda Item: 10

**Date:** October 4, 2016

**Subject:** Resolution No. 16-24 Accepting Grant of Easement and Right of Way for 2701 – 2709 El Camino Avenue, APN 268-0280-056

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

### **Recommended Board Action:**

Adopt Resolution No. 16-24 Accepting Grant of Easement and Right of Way for 2701 – 2709 El Camino Avenue, APN 268-0280-056.

### **Discussion:**

The design of new water mains for the Drayton Heights Replacement Project Phase 2 necessitated acquisition of a pipeline easement and an access easement for an existing water main providing fire service and a domestic water meter for the Sam Gordon Family Trust Property at the northwest portion of their property.

The Drayton Heights Replacement Project Phase 2 calls for a new 12” DIP water main serving Mallard Apartments north of the Gordon property to connect to an existing 6” ACP water main that serves the existing water meter and fire service. The easement is for the existing 6” ACP water main on the Gordon property that was installed without the benefit of an easement.

The proposed easement does not conform with the District standards but is all that is obtainable and will suffice for essential district functions.

The easement allows for ingress and egress over the entire Gordon property excepting structures to maintain the existing water apprentices. The easement width varies and is restricted by buildings, fences, landscaping, and adjoining property lines. The District contacted adjoining property owners soliciting interest in providing an easement to accommodate the water main serving the neighboring property. No interest was expressed. The proposed easement is shown on Exhibit 1 with the proposed water line, meter and fire service. The easement is being offered to the District at no cost. Survey and related fees are minor costs associated with this action. The aerial photo provided as Exhibit 2 show the entire Gordon property

The easement area being acquired is approximately 648 square feet.

### **Fiscal Impact:**

There is no fiscal impact for accepting the easements. Minor costs are anticipated for minor survey work.

Resolution No. 16-24 Accepting Grant of Easement and Right of Way for, 2701 – 2709 El Camino Avenue, APN 268-0280-056  
October 4, 2016  
Page 2 of 2

**Strategic Plan Alignment:**

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

District customer’s benefit as the proposed easement allows the District the right to access the new water main, insures water quality, improves fire flows, and allows for maintenance of the infrastructure and operation of the system.

Recording Requested By, And When  
Recorded, Please Mail Document To:

**SACRAMENTO SUBURBAN WATER DISTRICT**  
**Attn: General Manager**  
**3701 MARCONI AVENUE, SUITE 100**  
**SACRAMENTO, CA 95918**

Official Document, Exempt from Recording  
Fees Pursuant to Gov't Code §§ 6103 & 27383

No Document Transfer Tax  
Per R&T Code § 11922

Assessor's Parcel No(s): 268-0280-056

-- This Space for Recorder's Use Only --

**GRANT OF EASEMENT AND RIGHT OF WAY**

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **THE SAM GORDON FAMILY LIMITED PARTNERSHIP, dated May 23, 1997**, Grantor, hereby grants to **Sacramento Suburban Water District**, a political subdivision of the State of California, Grantee, a permanent easement and right of way, including the perpetual right to enter upon the real property described below at any time that Grantee may deem necessary, to locate, construct, install, operate, maintain, repair, modify, replace and remove underground pipelines, water mains and all necessary below- and above-ground appurtenances for the purpose of conveying water over, across, through, and under the lands hereinafter described, together with the right to excavate and refill ditches or trenches for the location of said pipelines, water mains and appurtenances, and the further right to remove trees, bushes, undergrowth, ground covering, pavement, and any other obstructions interfering with the location, construction, installation, operation, maintenance, repair, modification, replacement and removal of said pipelines, water mains and appurtenances.

The land burdened by this Grant of Easement and Right of Way is located in the County of Sacramento, State of California, and is more particularly described as follows:

**See Exhibits 'A' and 'B'**

**Attached hereto and made a part hereof this Grant of Easement and Right of Way**

As a condition of this Grant of Easement and Right of Way, Grantor reserves the right to use such land for purposes that will not interfere with Grantee's full enjoyment of the rights hereby granted; provided that Grantor shall not erect or construct any building, wall, fence, or other permanent structure, or drill or operate any well, or construct any reservoir or any other obstruction on said land, or to diminish or substantially add to the ground cover lying over the easement and right-of-way granted herein.

The provisions of this Grant of Easement shall run with the land and inure to the benefit of and bind the heirs, successors, and assigns of the Grantor and Grantee.

Executed this 26 day of Aug., 2016.

**THE SAM GORDON FAMILY LIMITED PARTNERSHIP, dated May 23, 1997**

Signature: *Bernard Richter*  
By: Bernard Richter  
Title: General Partner

Signature: *Helen Richter*  
By: HELEN RICHTER  
Title: PARTNER

NOTARY CERTIFICATE

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )

COUNTY OF EL DORADO )

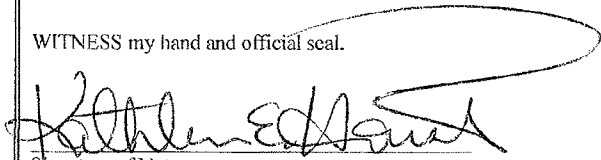
On August 26/16 before me, KATHLEEN E. HOUSTON, notary public,  
date name of notary officer

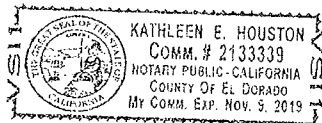
personally appeared HELEN L. RICHTER &  
name(s) of signer(s)  
BERNARD RICHTER

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

  
Signature of Notary



-----OPTIONAL SECTION-----

**CAPACITY CLAIMED BY SIGNER**

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

- INDIVIDUAL
- CORPORATE OFFICER(S)

Title(s)

- PARTNER(S)     LIMITED
- GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: \_\_\_\_\_

**SIGNER IS REPRESENTING:**  
Name of Person(s) or entity(ies)

OPTIONAL SECTION:

DATA REQUESTED HERE IS NOT REQUIRED BY LAW.

TITLE OR TYPE OF DOCUMENT: \_\_\_\_\_  
NUMBER OF PAGES \_\_\_\_\_ DATE \_\_\_\_\_  
SIGNER(S) OTHER THAN NAMED ABOVE \_\_\_\_\_

**CERTIFICATE OF ACCEPTANCE**

This is to certify that SACRAMENTO SUBURBAN WATER DISTRICT, a political subdivision of the State of California, acting by and through its General Manager, hereby accepts for public purposes the real property, or interest therein, conveyed by the within document and consents to the recordation thereof pursuant to authority conferred by:

Resolution No. \_\_\_\_\_ adopted on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Dated: \_\_\_\_\_, 20\_\_

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

EXHIBIT 'A'  
ACCESS & WATER PIPELINE EASEMENT  
APN: 268-0280-056

The North 25.50 feet of the East 20.00 feet and the West 5.50 feet of the North 50.50 feet of the real property granted to The Sam Gordon Family Limited Partnership as described in the Grant Deed recorded on Book 19970820 of Official Records of Sacramento County, Page 757, State of California, being more particularly described as follows:

TOGETHER WITH an Access Easement for ingress to and egress from the above described easement through the entire real property as described in said Grant Deed.

EXCEPTING THEREFROM any portion of said Grant Deed covered by a building.

Containing 648 square feet, more or less.

The Basis of Bearings for these descriptions and the attached Exhibit 'B', is California Coordinate System Zone 2, NAD '83 as collected by GPS. All bearings and distances are ground distances.

The above descriptions and attached Exhibit 'B' can be rotated clockwise 0°24'13" to match the North line as described in said Grant Deed.

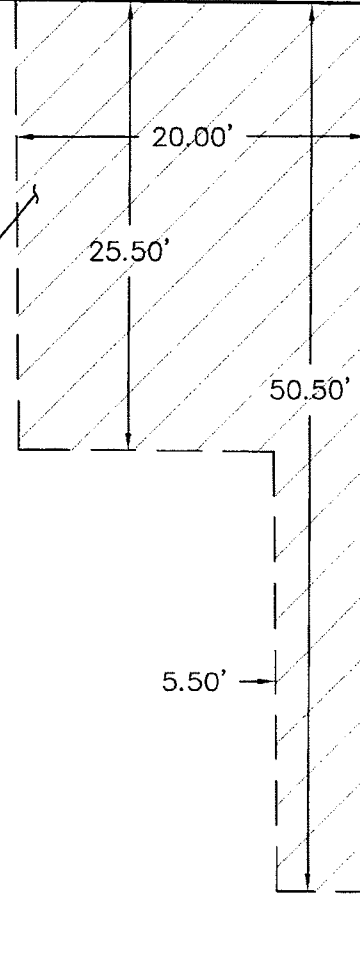
End description.

NORTH LINE  
19970820 OR 757

**\*\*ACCESS EASEMENT:**  
TOGETHER WITH AN ACCESS EASEMENT THROUGH  
THE ENTIRE PROPERTY AS DESCRIBED IN 19970820  
OR 757, EXCEPT WHERE BUILDINGS ARE  
CONSTRUCTED.

NORTH  
AREA WEST ENGINEERS, INC.

ACCESS & WATER  
PIPELINE ESMT TO SSWD  
AREA: 648± SQ.FT.



THE SAM GORDON FAMILY  
LIMITED PARTNERSHIP  
19970820 OR 757  
APN: 268-0280-056



**AWE**  
**AREA WEST ENGINEERS, INC.**  
ENGINEERING - SURVEYING - PLANNING  
7478 SANDALWOOD DRIVE, SUITE 400  
CITRUS HEIGHTS, CA 95621  
(916) 725-5551 (916) 725-5808 (FAX)  
AWE@AREAWESTENG.COM

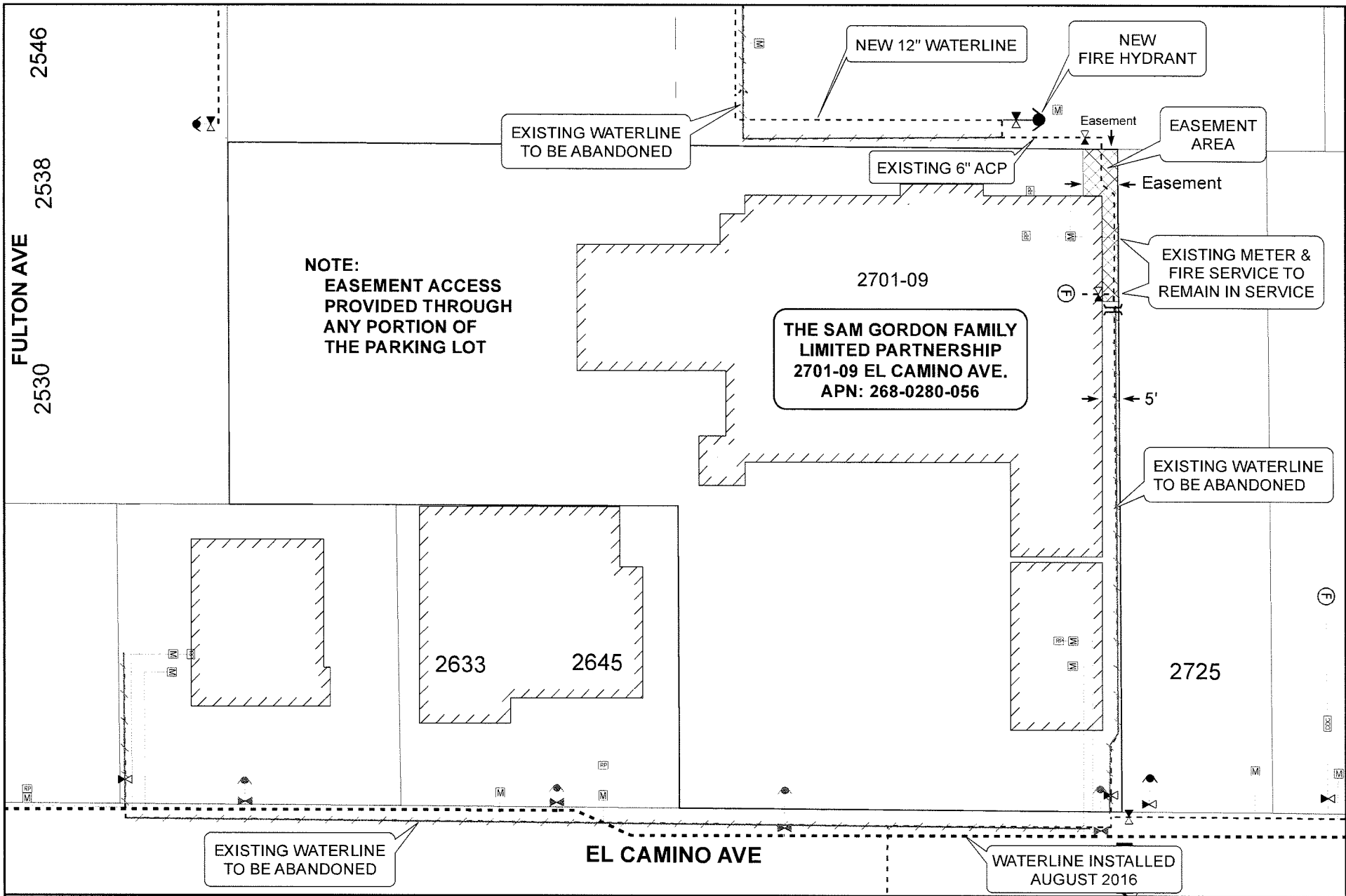
EXHIBIT 'B'  
ACCESS & WATER PIPELINE EASEMENT  
APN: 268-0280-056

COUNTY OF SACRAMENTO  
STATE OF CALIFORNIA

SCALE  
HORIZ.: 1" = 10'  
VERT.: NONE  
DATE: MAY, 2016

15073  
SHEET  
1 OF 1

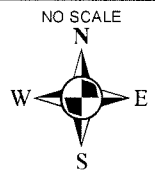




**NOTE:**  
**EASEMENT ACCESS**  
**PROVIDED THROUGH**  
**ANY PORTION OF**  
**THE PARKING LOT**

**THE SAM GORDON FAMILY**  
**LIMITED PARTNERSHIP**  
**2701-09 EL CAMINO AVE.**  
**APN: 268-0280-056**

FULTON AVE  
 2546  
 2538  
 2530



Portion of Sacramento Suburban Water District  
**NOT FOR RECORDING**  
 (Voting Division 2)  
**2701-09 EL CAMINO AVENUE**

**EXHIBIT 1**  
 Base Data: Sacramento County Gis Base Map  
 Projection: CA State Plane 2, NAD83  
 Scale: No Scale  
 Prepared by: DAV, SSWD  
 Sacramento, CA - Sept., 2016  
 El Camino\_2701-09\_Esmt.mxd

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

**RESOLUTION NO. 16-24**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SACRAMENTO SUBURBAN WATER DISTRICT  
ACCEPT GRANT OF EASEMENT AND RIGHT OF WAY FOR 2701-2709 EL CAMINO  
AVENUE, APN: 268-0280-056**

WHEREAS, the below named Grantor, the owner of record of certain real properties has conveyed to Sacramento Suburban Water District, a political subdivision of the State of California, the real properties of interest therein which is more particularly described in the following instruments of conveyance:

GRANTOR: THE SAM GORDON FAMILY LIMITED PARTNERSHIP

INSTRUMENT: GRANT OF EASEMENT AND RIGHT OF WAY

EXECUTED AND DATED: AUGUST 26, 2016

AND WHEREAS, it has been duly determined by the Board of Directors of Sacramento Suburban Water District that it is in the public interest for the District to acquire and accept the said real properties or interest therein.

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

1. The District General Manager is hereby authorized and empowered to consent to and accept on behalf of the District, as presented to the Board of Directors on September 19, 2016, the real properties or interest therein conveyed by the aforementioned instruments of conveyance.

2. The properties subject to this resolution is more fully described in the attached legal descriptions and maps, attached hereto and incorporated herein as though fully set forth.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on this 17th day of October, 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 17<sup>th</sup> day of October, 2016.

(SEAL)

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

## CERTIFICATE OF ACCEPTANCE

This is to certify that SACRAMENTO SUBURBAN WATER DISTRICT, a political subdivision of the State of California, acting by and through its General Manager, hereby accepts for public purposes the real properties, or interest therein, conveyed by the within document and consents to the recordation thereof pursuant to authority conferred by:

Resolution No. 16-24 adopted on the 17<sup>th</sup> day of October, 2016.

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

Dated: October 17, 2016



## Agenda Item: 11

**Date:** October 4, 2016

**Subject:** Project Agreement with RWA for Grant Management Services for 2016 Prop 84 Sacramento Regional Water Efficiency Regional Water Conservation Measures Project

**Staff Contact:** Greg Bundesen, Water Conservation Supervisor

**Recommended Board Action:**

Authorize the General Manager to execute Project Agreement with the Regional Water Authority (RWA) for grant management services for the 2016 Prop 84 Regional Water Efficiency Regional Water Conservations Measures Project.

**Discussion:**

The RWA serves as the local administrative agent for the State of California's Integrated Regional Water Management Program (IRWM). State funding for the IRWM Program was approved, by voters, in November 2006 through the passage of Proposition 84. Funding for the Regional Water Efficiency Regional Water Conservation Measures Project (Project) totaling \$852,250 was awarded to RWA's Regional Water Efficiency Program (RWEF) through the California Department of Water Resource's Proposition 84 2015 Implementation Grant Project as part of the larger Regional IRWM Project.

Regional Water Efficiency Regional Water Conservation Measures are a comprehensive approach to achieve water and energy savings by reducing both supply-side non-revenue water use and demand-side residential water use. This project proposes to save 19,342 acre-feet of water over 20 years through reducing supply-side non-revenue water use and demand-side residential sector water use through three project components: 1) a leak detection program of participating regional water agencies to survey 1,200 miles of pipe to identify and repair leaks; 2) implementation of Advanced Customer Systems Programs that will organize individual household account water use data into an easy to understand format and distribute that information to customers encouraging better management of water use through tailored water conservation messages; and 3) an expanded public outreach campaign to reinforce a strong water conservation ethic through regional media buys and customer workshops. More information about each component is provided below.

1. **Leak Detection and Repair** - The region's water agencies will survey 1,200 miles of pipes and expect to identify an estimated 250 leaks for an accumulative savings of 10,500 acre feet and 3,633,565 kWh over 20 years. Once leaks are identified, the participating water agencies will be responsible for implementing infrastructure upgrades and replacements to achieve the intended water and energy savings.

2. **Advanced Customer Systems** - This will primarily be accomplished through Advanced Customer Systems Programs that will take individual household account water use data, organize it in an easy to understand format (such as an online portal or handout), and distribute that information to customers to encourage better management of water use through tailored water conservation messages. With implementation of the second component, the region will reach 87,000 residential accounts and save 8,842 acre feet and 3,059,838 kWh.
3. **Public Outreach** – This effort will provide funding for additional public outreach, selecting desired messages, securing media ad buys, facilitating media outreach activities, and hosting public outreach events to further deliver the desired messages to customers. Agreements are not applicable for Public Outreach.

As shown in Exhibit 4 of the Agreement, the District will be provided grant funding up to \$60,000 for its 2015 Leak Detection and Repair Project and \$50,000 for its Advanced Customer System that was created to allow customers to view their monthly and daily water consumption via their online account with the District.

Two copies of the standard RWA Project Agreement are attached in Exhibit 1.

**Fiscal Impact:**

The District's estimated total benefit for participating in the Project is \$110,000. District staff budgeted \$60,000 for Leak Detection Services and \$50,000 for the Advanced Customer System in 2015. The Prop 84 grant is retro-active and will provide the District with grant funding for projects completed in CY2015.

**Strategic Plan Alignment:**

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

With the addition of funds from these grants, the District will be able to accelerate its meter retrofit program. Meter retrofit is an important program needed to meet the District's commitment to the Water Forum and to meet state law that requires all customers to be metered by January 1, 2025.

Leadership – 5.C. Participate in regional water management partnerships.

By participating in the Project the District continues to demonstrate its commitment to partnering with other agencies for the betterment of the environment and support of water conservation and use efficiency in the region.

**Exhibit 1**

**Regional Water Authority  
Project Agreement**

**REGIONAL WATER AUTHORITY  
PROJECT AGREEMENT**

**REGIONAL WATER EFFICIENCY  
REGIONAL WATER CONSERVATION MEASURES PROJECT**

This Agreement is made and entered into as of the \_\_\_ day of \_\_\_\_\_, 2016, by and between the Regional Water Authority (“RWA”), a joint exercise of powers authority formed under California Government Code section 6500, and following, and the Members and Contracting Entities of RWA listed in **Exhibit 1** to this Agreement, upon their execution of this Agreement (who are collectively referred to in this Agreement as “Participants”), to provide for carrying out a project or program that is within the authorized purposes of RWA, and sharing in the cost and benefits by the Participants.

**RECITALS**

A. RWA is a joint powers authority, formed to serve and represent regional water supply interests and to assist its members in protecting and enhancing the reliability, availability, affordability and quality of water resources.

B. The joint powers agreement (“RWA JPA”) pursuant to which RWA was formed and operates, authorizes RWA to enter into a “Project or Program Agreement,” which is defined in the RWA JPA as an agreement between RWA and two or more of its Members or Contracting Entities to provide for carrying out a project or program that is within the authorized purposes of RWA, and sharing in the cost and benefits by the parties to the Project or Program Agreement.

C. Article 21 of the RWA JPA states: “The Regional Authority’s projects are intended to facilitate and coordinate the development, design, construction, rehabilitation, acquisition or financing of water-related facilities (including sharing in the cost of federal, State or local projects) on behalf of Members and/or Contracting Entities. The Regional Authority may undertake the development, design, construction, rehabilitation, acquisition or funding of all or any portion of such projects on behalf of Members and/or Contracting Entities in the manner and to the extent authorized by such Members and/or Contracting Entities as provided in this Agreement, but shall not accomplish these functions, nor acquire or own water-related facilities in its own name.”

D. Article 22 of the RWA JPA states: “Prior to undertaking a project or program, the Members and/or Contracting Entities who elect to participate in a project or program shall enter into a Project or Program Agreement. Thereafter, all assets, benefits and obligations attributable to the project shall be assets, benefits and obligations of those Members and/or Contracting Entities that have entered into the Project or Program Agreement. Any debts, liabilities, obligations or indebtedness incurred by the Regional Authority in regard to a particular project or program, including startup costs advanced by the Regional Authority, shall be obligations of the



participating Members and/or Contracting Entities, and shall not be the debts, liabilities, obligations and indebtedness of those Members and/or Contracting Entities who have not executed the Project or Program Agreement.”

E. RWA and the Participants desire to carry out a project and share in the costs and benefits of the project, as a Project or Program Agreement as provided for in Articles 21 and 22 of the RWA JPA.

F. The RWA Regional Water Efficiency Program (“RWEPP”) is an integral part to achieving RWA’s mission and provides a valuable service to RWA and RWEPP members.

In consideration of the promises, terms, conditions and covenants contained herein, the parties to this Agreement hereby agree as follows:

**1. Recitals Incorporated.** The foregoing recitals are hereby incorporated by reference.

**2. Defined Terms.** Terms defined in the RWA JPA will have the same meaning in this Agreement.

**3. Description of the Project.** A key element of the RWA RWEPP is to support the water conservation programs of the 20 member agencies. As signatories of the Water Forum Agreement ([www.waterforum.org](http://www.waterforum.org)), members participating in the RWEPP have committed to implementing a number of Best Management Practices for urban water conservation. In addition, 14 RWA members also have committed to the Memorandum of Understanding Regarding Urban Water Conservation as supported by the California Urban Water Conservation Council ([www.cuwcc.org](http://www.cuwcc.org)) with similar BMPs.

The Regional Water Efficiency Water Conservation Measures Project (“Project”) will accelerate the water conservation goals and programs of the Participants. The primary goal of the Project is to utilize \$852,250 in funding awarded to the RWEPP through the California Department of Water Resources’ (“DWR”) Proposition 84 2015 Implementation Grant to improve the reliability of water supply systems in the state. To work towards accomplishing this goal, the RWEPP identified leak detection and repair, advanced customer systems, and public outreach. Project Participants are listed in **Exhibit 1**.

**Exhibit 2** outlines DWR contractual obligations that all Participants must adhere to if they are to receive any funding for this Project. Grant reimbursable expenses are for the period beginning August 24, 2016 and ending June 30, 2018 per the funding agreement with DWR. A description of the grant project statement of work including reimbursement procedures is included as **Exhibit 3**. Project Participants agree to submit information associated with fulfilling the statement of work in a timely fashion to allow RWA to meet reporting requirements. Additionally all project Participants will calculate and report water savings based on a standard methodology developed by the RWEPP project manager.

**4. Sharing in Project Costs and Benefits.** Subject to the provisions of Articles 8 and 10 of this Agreement, it is anticipated that up to 7 RWA members, contracting agencies and

other local agencies will participate in the Project as listed in **Exhibit 1**. Non-RWA members may participate in the Project, but may be subject to a 20% surcharge for any fees collected for the Project. Agencies that are both non-RWA members and non-RWEP members may be subject to a total 40% surcharge. Surcharges collected are to be designated to the RWA Operating Fund. Each Participant will pay an apportioned share for the project costs, based on their relative estimated benefit received from the grant program, for any fees that need to be collected for the Project.

**Exhibit 4** provides an estimate of the benefit for each of the Participants. Note that the grant provides a total of \$852,250 for the Project. **Exhibit 4** serves to identify the grant-reimbursable funds requested by the Participant that have been reserved for its use, unless it requests to release these funds due to non-use. The remaining funds that have not been released as outlined in **Exhibit 4** will be available to Participants on a first-come, first-served basis. Finally, Participants not currently identified in **Exhibit 1** or **Exhibit 4** may be added to this Agreement following its execution subject to availability of funds and approval of the RWA RWEP Program Manager.

In accordance with the provisions of Articles 21 and 22 of the RWA JPA, any debts, liabilities, obligations or indebtedness incurred by RWA in regard to the Project will be the obligations of the Participants, and will not be the debts, liabilities, obligations and indebtedness of those Members and/or Contracting Entities who have not executed this Agreement.

**6. Role of RWA.** The Executive Director of RWA will: (a) ensure that the interests of Members and Contracting Entities of RWA who do not participate in this Project are not adversely affected in performing this Agreement, (b) provide information to the Participants on the status of implementation of the Project, and (c) administer the grant on behalf of RWA and the Participants consistent with the provisions of this Agreement.

**7. RWA Project Management Fee.** RWA will collect \$7,500 in project management fees from Participants for this project as outlined in Exhibit 1. The amounts per agency are based on total number of connections. Project management activities include development of project agreements, project guidance, project meetings, quarterly reporting, preparation and submittal of final project reports and ten annual post-project reports as required by the DWR funding agreement. Project management expenses may be incurred by a combination of RWA staff and consulting support as determined by RWA.

**8. Authorization to Proceed with the Project.** Upon execution of this Agreement, each Participant will be authorized to conduct leak detection/repair and advanced customer systems up to the amount defined in **Exhibit 4** for each respective Participant.

**9. Term.** This Agreement will remain in effect for so long as any obligations under this Agreement remain outstanding.

**10. Withdrawal.** A Participant may withdraw from this Agreement without requiring termination of this Agreement, effective upon ninety days' notice to RWA and the other Participants, provided that, the withdrawing Participant will remain responsible for any

indebtedness incurred by the Participant under this Agreement prior to the effective date of withdrawal.

**11. Amendments.** This Agreement may be amended from time to time with the approval of all of the Participants and RWA.

**12. General Provisions.** The provisions of Articles 37 through 41, inclusive, of the RWA JPA, and the provisions of Article 10 (“General Provisions”) of any Participation Agreement entered into between RWA and a Participant, will apply to this Agreement.

The foregoing Regional Water Efficiency Drought Measures Project Agreement is hereby consented to and authorized by RWA and the Participants.

Dated: \_\_\_\_\_, 2016

Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Robert Roscoe, P.E.

Regional Water Authority

Sacramento Suburban Water District

**EXHIBIT 1**

**REGIONAL WATER AUTHORITY**

**REGIONAL WATER EFFICIENCY  
REGIONAL WATER CONSERVATION MEASURES**

**PROJECT PROVIDER PARTICIPANTS and PROJECT MANAGEMENT FEES**

**Project Provider Participants**

City of Folsom  
City of Lincoln  
City of Sacramento  
Placer County Water Agency  
Rio Linda / Elverta Community Water District  
Sacramento Suburban Water District  
San Juan Water District

**Project Management Fees**

City of Folsom	\$477
City of Lincoln	\$445
City of Sacramento	\$3,394
Placer County Water Agency	\$367
Rio Linda/Elverta Community Water District	\$1,107
Sacramento Suburban Water District	\$116
San Juan Water District	\$1,335

## EXHIBIT 2

### REGIONAL WATER AUTHORITY

### REGIONAL WATER EFFICIENCY REGIONAL WATER CONSERVATION MEASURES

#### DWR CONTRACTUAL OBLIGATIONS FOR PARTICIPANTS

##### 1. State Audit Document Requirements

The list below details the documents/records that State Auditors typically reviewed in the event of a Grant Agreement being audited. Grantees (includes all Participants) should ensure that such records are maintained for each State funded Program/Project. Where applicable, this list of documents also includes documents relating to the Grantee's funding match which will be required for audit purposes.

##### Internal Controls:

1. Organization chart (e.g., Agency's overall organization chart and organization chart for this Grant Agreement's funded project).
2. Written internal procedures and flowcharts for the following:
  - a. Receipts and deposits
  - b. Disbursements
  - c. State reimbursement requests
  - d. State funding expenditure tracking
  - e. Guidelines, policy(ies), and procedures on State funded Program/Project
3. Audit reports of the Grantee's internal control structure and/or financial statements within the last two years.
4. Prior audit reports on State funded Program/Project.

##### State Funding:

1. Original Grant Agreement, any amendment(s) and budget modification documents.
2. A list of all bond-funded grants, loans or subventions received from the State.
3. A list of all other funding sources for each Program/Project.

##### Contracts:

1. All subcontractor and consultant contracts and related, if applicable.
2. Contracts between the Grantee, member agencies, and project partners as related to the State funded Program/Project.

##### Invoices:

1. Invoices from vendors and subcontractors for expenditures submitted to the State for payments under the Grant Agreement.
2. Documentation linking subcontractor invoices to State reimbursement requests and related Grant Agreement budget line items.
3. Reimbursement requests submitted to the State for the Grant Agreement.

##### Cash Documents:

1. Receipts (copies of warrants) showing payments received from the State.
2. Deposit slips or bank statements showing deposit of the payments received from the State.
3. Cancelled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and/or agents under the Grant Agreement.

Accounting Records:

1. Ledgers showing receipts and cash disbursement entries for State funding.
2. Ledgers showing receipts and cash disbursement entries of other funding sources.
3. Bridging documents that tie the general ledger to reimbursement requests submitted to the State for the Grant Agreement

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

1. List of all contractors and Grantee staff that worked on the State funded Program/Project.
2. Payroll records including timesheets for contractor staff and the Grantee's

Project Files:

1. All supporting documentation maintained in the Program/Project files.
2. All Grant Agreement related correspondence.

2. Retention. DWR will withhold five percent (5.0%) until January 1, 2018 and ten percent (10.0%) until the grant terminates on June 30, 2018, of the funds requested by RWA for reimbursement of project costs until after all projects are completed and RWA has complied with its obligation to submit all required reports. Upon receipt of the retained funds held by DWR, RWA will distribute those funds to each Participant in accordance with the previously agreed amount due.

3. Acknowledgement of Credit. Participants shall include appropriate acknowledgement of the State and any cost-sharing partners for their support when promoting their projects or using any data or information developed under the Grant.

4. Child Support Obligations. Each Participant acknowledges and agrees that by participating in the grant, it recognizes the importance of child and family support obligations and will fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code. Each Participant also will fully comply with the earnings assignment orders of all employees and will provide the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

5. Drug-Free Workplace. Each Participant certifies, under penalty of perjury under the laws of State of California, its compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 et seq.) and have or will provide a drug-free workplace by taking all of the actions:

- a) Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code Section 8355(a).
- b) Establish a Drug-Free Awareness Program, as required by Government Code Section 8355(b) to inform employees, contractors, or subcontractors about all of the following:
  1. The dangers of drug abuse in the workplace,
  2. Grantee's policy of maintaining a drug-free workplace,

3. Any available counseling, rehabilitation, and employee assistance programs, and
  4. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
- c) Provide as required by Government Code Sections 8355(c), that every employee, contractor, and/or subcontractor who works under this Grant Agreement:
1. Will receive a copy of Grantee's drug-free policy statement, and
  2. Will agree to abide by terms of Grantee's condition of employment, contract or subcontract.

6. Nondiscrimination. Each Participant acknowledges and agrees that it shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave or pregnancy disability leave. Participants shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). Each Participant shall give written notice of its obligations under this paragraph to labor organizations with which they have a collective bargaining or other agreement.

7. Americans With Disabilities Act. Each Participant certifies that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C., 12101 et seq.), and all applicable regulations and guidelines issued pursuant to the ADA.

8. Submission of Reports. Each Participant will provide all reports, data, information, and certifications necessary for RWA to comply with all DWR reporting requirements, including the reports described in Exhibit 3. RWA will provide Participants with template report forms, reporting and instructions and related assistance to ensure the timely preparation and submittal of all reports in the necessary formats required under the Grant Agreement. Participants will timely respond to any RWA requests for additional information and work on required reports.

9. Accounting and Return of Grant Disbursement. Each Participant is obligated to account for the expenditure of all grant funds received. Participant's obligations for accounting, disclosure and return of funds include:

- a) **SEPARATE ACCOUNTING OF GRANT DISBURSEMENT AND INTEREST RECORDS:** Grantee shall account for the money disbursed pursuant to this Grant Agreement separately from all other Grantee funds. Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. Grantee shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. Grantee shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by State at any and all reasonable times.
- b) **FISCAL MANAGEMENT SYSTEMS AND ACCOUNTING STANDARDS:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law or this Grant Agreement.
- c) **REMITTANCE OF UNEXPENDED FUNDS:** Grantee, within a period of sixty (60) calendar days from the final disbursement from State to Grantee of grant funds, shall remit to

State any unexpended funds that were disbursed to Grantee under this Grant Agreement and were not needed to pay Eligible Project Costs.

10. State Indemnification. To the extent permitted by law, each Participant agrees to indemnify, defend and hold harmless the State against any loss or liability arising out of any claim or action brought against the State, and against any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from, or in any way connected with: (1) the project or the conditions, occupancy, use, possession, conduct or management of, work done in or about, or the planning, design, acquisition, installation, or construction, of the Project or any part thereof; (2) performing any of the terms contained in the Grant Agreement or any related document; (3) any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the federal Comprehensive Environmental Response, Compensation and Liability Act, Resource Conservation and Recovery Act, Water Pollution Control Act, and Clean Air Act, and the California Hazardous Substance Account Act, Hazardous Waste Control Law and Water Code section 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the System; or (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by the Grantee for use in any disclosure document utilized in connection with any of the transactions contemplated by the Grant Agreement. Grantee agrees to pay and discharge any judgment or award entered or made against the State with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this indemnification shall survive the term of the Grant Agreement.



**EXHIBIT 3**

**REGIONAL WATER AUTHORITY**

**REGIONAL WATER EFFICIENCY  
REGIONAL WATER CONSERVATION MEASURES**

**PROJECT STATEMENT OF WORK**

**Regional Water Authority**  
**Regional Water Efficiency**  
**Regional Water Conservation Measures Project**  
**Procedures and FAQs**

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## **General Background and Funding Information**

The Regional Water Authority (“RWA”) serves as the local administrative agent for the State of California’s Integrated Regional Water Management Program. State funding for the Integrated Regional Water Management Program was approved, by voters, in November 2006 through the passage of Proposition 84. Funding for the Regional Water Efficiency Regional Water Conservation Measures Project (“Project”) totaling \$852,250 was awarded to RWA’s Regional Water Efficiency Program (“RWEF”) through the California Department of Water Resources’ (“DWR”) Proposition 84 2015 Implementation Grant Project as part of the larger Regional IRWM Project.

Regional Water Efficiency Regional Water Conservation Measures are a comprehensive approach to achieve water and energy savings by reducing supply-side non-revenue water use and demand-side residential water use. This project proposes to save 19,342 acre-feet of water over 20 years through reducing supply-side non-revenue water use and demand-side residential sector water use through three project components: 1) a leak detection program of participating region water agencies to survey 1,200 miles of pipe to identify and repair leaks; 2) implementation of Advanced Customer Systems Programs that will take individual household account water use data, organize it in an easy to understand format (such as an online portal), and distribute that information to customers encouraging better management of water use through tailored water conservation messages; and 3) an expanded public outreach campaign to reinforce a strong water conservation ethic through regional media buys and customer workshops. More information about each component is provided below.

1. **Leak Detection and Repair** - The region’s water agencies will survey 1,200 miles of pipes and expect to identify an estimated 250 leaks for an accumulative savings of 10,500 acre feet and 3,633,565 kWh over 20 years. Once leaks are identified, the participating water agencies will be responsible for implementing infrastructure upgrades and replacements to achieve the intended water and energy savings.
2. **Advanced Customer Systems** - This will primarily be accomplished through Advanced Customer Systems Programs that will take individual household account water use data, organize it in an easy to understand format (such as an online portal or handout), and distribute that information to customers to encourage better management of water use through tailored water conservation messages. With implementation of the second component, the region will reach 87,000 residential accounts and save 8,842 acre feet and 3,059,838 kWh.
3. **Public Outreach** – This effort will provide funding for additional public outreach, selecting desired messages, securing media ad buys, facilitating media outreach activities, and hosting public outreach events to further deliver the desired messages to customers. Agreements are not applicable for Public Outreach.

## **Funding**

The total anticipated cost of the Project is \$2,008,000. Of that amount, \$500,000 is Required Cost Share; this amount must be expended before DWR will reimburse Grant Funds. The Grant Funds are distributed by project component in Table 1. Project management fees are estimated to be \$45,000 and will be paid for by grant funding.

*Table 1 Grant Distribution by Project Component*

<b>Tasks</b>	<b>Project Component</b>	<b>Grant Share</b>
1.	Leak Detection and Repair	\$300,000
2.	Advanced Customer Systems	\$300,000
3.	Subtask 12.3 Public Outreach	\$207,250
	Project Management	\$45,000
	Total	\$852,250

The participating water providers will manage Task 1. Leak Detection and Repair and Task 2 Advanced Customer Systems and submit data to RWA for reimbursement. Regional Water Authority will manage Task 3. Public Outreach.

**Project Overview**

1. Leak Detection and Repair

Implementation likely involves, but is not limited to the following activities:

- Contract or In-house leak detection surveying
- Prioritizing selected sites from survey in need of repair
- Acquiring and collecting appropriate services and equipment to repair selected sites
- Repair selected sites
- Monitor water production and water loss

**CEQA:** A Notice of Exemption will be prepared for this project as it is anticipated that activity under this task will be limited to repairs on existing infrastructure.

**Contract Services:** Several water agencies will be contracting out leak detection and repair services. Participating water agencies are responsible for complying with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations. Activities necessary to secure a contractor and award the contract include: develop bid documents, prepare advertisement and contract documents for construction contract bidding, conduct pre-bid meeting, bid opening and evaluation, selection of the contractor, award of contract, and issuance of notice to proceed.

**Deliverables from each participating water agency:**

- Summary Report of Locations of Leak Detection and Repairs
- Engineer’s Certification
- Copy of all required permits
- Bid documents
- Proof of Advertisement
- Award of contract
- Notice to proceed
- Notice of Completion
- Record Drawings

## 2. Advanced Customer Systems

Participating water providers will either provide services described below or contract with an entity that creates customer portals for billing data. The water provider will then provide the data to the customers via a website or an app. Implementation likely involves, but is not limited to the following activities:

- Each water agency will identify the platform that will hold the customer portals. This involves coordination with the IT department, billing, and the vendor.
- Once the connection between the billing data and the customer portal is complete water agencies will prioritize residential customer accounts for enrollment; usually these are customers with previous customer contact or current high consumption.
- The customer portal will provide customers with an easy to understand record of the water consumption at the household.
- Customers will be encouraged to personalize the portal by providing information such as: number of people in the home; information on fixtures such as toilet, showerhead, clothes washer, etc.
- This allows the customer to monitor their usage and quickly identify leaks within their home. The program also allows water providers to offer customers incentives that benefit the household and encourage customer participation in water efficiency programs  
Modify customer enrollment as necessary

### **Deliverables:**

- Final Advanced Customer Systems Report

### **Participating Agency Reporting Requirements**

Project End

Leak Detection will be reported based on the International Water Association (IWA) /American Water Works Association (AWWA)'s Water Audit Method. Each water agency will use the associated water audit software to produce a water loss report.

Advanced Customer Systems will utilize water meter data to calculate water savings. Pre- and post-project meter readings will be taken and used to calculate water savings.

Quarterly Basis

#### 1. Leak Detection and Repair:

- Miles of pipe surveyed
- Type of survey (technology used)
- Number of leaks located
- Potential water savings if leak is repaired
- Type of repair (new pipe, patched pipe, etc.)
- Type of pipe used

Leak detection may be conducted by water provider staff or by a consultant. Water providers are required to comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations.

If leak detection is conducted by water agency staff, the data provided in Table 2 must be provided for reimbursement.

*Table 2 – Reporting Labor*

**Leak Detection and Repair**

<b>Employee Name</b>	Name of Employee
<b>Position</b>	Position held by the employee
<b>Task</b>	Task done by the employee or contractor: i.e. Pre or Post Inspection, data entry, etc.
<b>Date</b>	Date task accomplished
<b>Labor (hrs)</b>	This is the amount of time spent on the task; do not enter any time less than 15 minutes.
<b>Loaded Hourly Rate</b>	Hourly rate with Benefits does not include overhead.
<b>Total</b>	Labor Hours multiplied by Loaded Hourly Rate

2. Advanced Customer Systems:

- How many customers are participating?
- Percentage of total customers of that type (ex: Single Family Residential)
- When software was initiated
- Customer Engagement activities

The above information will be used by RWA to invoice the Department of Water Resources on a quarterly basis and provide Program participants with updates. Table 3 displays the reporting schedule. Water providers must submit data to the RWA by the deadlines provided below.

*Table 3 - Reporting Schedule*

<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>
3/1/17	6/1/17	9/1/16	12/1/16
3/1/2018	7/1/18	10/1/2017	1/1/2018

**EXHIBIT 4**

**REGIONAL WATER AUTHORITY  
REGIONAL WATER EFFICIENCY  
REGIONAL WATER CONSERVATION MEASURES PROJECT**

**ESTIMATED BENEFITS**

<b>Leak detection/repair: Water Provider</b>	<b>Grant Share</b>
City of Folsom	\$60,000.00
City of Lincoln	\$60,000.00
City of Sacramento	\$60,000.00
Placer County Water Agency	\$60,000.00
Sacramento Suburban Water District	\$60,000.00
<b>Total</b>	<b>\$300,000.00</b>

<b>Advanced Customer Systems: Water Agency</b>	<b>Grant Share</b>
City of Folsom	\$50,000.00
City of Sacramento	\$50,000.00
Placer County Water Agency	\$50,000.00
Rio Linda/Elverta Community Water District	\$50,000.00
Sacramento Suburban Water District	\$50,000.00
San Juan Water District	\$50,000.00
<b>Total</b>	<b>\$300,000.00</b>



## Agenda Item: 12

**Date:** October 10, 2016

**Subject:** 2017 Budget and 2018 Forecast - Third Draft & Reserve Policy (PL – Fin 004)

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

### **Recommended Board Action:**

Adopt the current draft 2017 Budget and 2018 Budget/Forecast (Exhibit A) by way of the following actions:

1. With respect to the Operations and Maintenance Budget (O&M Budget):
  - a. Approve the O&M Budget for 2017 as attached or as amended by the Board.
  - b. Authorize the General Manager spending authority up to the total O&M budgeted amount.
  - c. Authorize Budget Managers spending authority up to their individual department O&M Budget amounts.
  - d. Authorize the General Manager to adjust and/or reallocate various line item costs as necessary within the total O&M Budget amount.
  - e. Approve the direct labor budget of \$5.2 million and the 2017 Salary Band Schedules as shown in Exhibit B.
  - f. Approve the Other Post-Employment Benefits (OPEB) portion of the O&M budget, and direct the General Manager to fully fund the Actuarial Required Contribution.
2. With respect to the Capital Improvement Program Budget (CIP Budget):
  - a. Approve the CIP Budget for 2017 and 2018 as attached or as amended by the Board.
  - b. Approve each project and project category as listed for 2017 and 2018 as per Exhibit A.
  - c. Authorize the General Manager spending authority up to the total budgeted CIP amount.
  - d. Authorize the General Manager to adjust and/or reallocate amongst the project type cost categories as necessary during the budget year within the total CIP Budget amount.
3. With respect to the Operating Capital Budget (OCB Budget):
  - a. Approve the OCB Budget for 2017 as attached or as amended by the Board.
  - b. Approve each project and project category as listed for 2017 and 2018 as per Exhibit A.



- c. Authorize the General Manager spending authority up to the total OCB budgeted amount.
  - d. Authorize the General Manager to adjust and/or reallocate amounts amongst the project type cost categories as necessary during the budget year within the total OCB Budget amount.
4. Direct the General Manager to request Board approval prior to any inter-budget transfers, e.g., O&M budget to CIP budget transfers, with subsequent reporting to the Board.
  5. Direct the District Treasurer to report the Budget status at regular monthly Board meetings and to report any intra-budget reallocations as necessary.
  6. Approve the Draft Reserve Policy. (Exhibit C)

**Discussion:**

Attached are the proposed 2017 budget and 2018 budget/forecast, per direction received from the September Board meetings. All directives provided have been included in the attached Budget.

The 2017/18 budget materials are provided in the attached PowerPoint presentation in the following order:

1. Purpose and Background
2. Key assumptions
3. Revenue projection and total cost analysis
4. Reserve balance data
5. Operation & Maintenance (O&M) Budget
6. Capital Improvement Program (CIP) Budget
7. Operating Capital Budget (OCB)
8. Debt Service Forecast

With the addition of four new positions in 2017, the District's Salary Bands and the positions that occupy each Band are presented for Board approval in Exhibit B.

**Fiscal Impact:**

If adopted as presented, the O&M budget would be \$21.3 million (including funding other post-employment benefits of \$0.5 million); the CIP budget would be \$17.0 million; the OCB budget would be \$1.1 million, and the debt service forecast would be \$7.8 million. The total of all four budgets would be \$47.2 million.

**Strategic Plan Alignment:**

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

District customers benefit by ensuring the planned expenditure of ratepayer funds is open, transparent, and responsive to customer needs.

## EXHIBIT A

### 2017/18 Budget

<b>Operations and Maintenance Budget</b>	<b>2017 Proposed Budget</b>
Water Costs	\$6,041,000
Salaries	5,200,000
Employee Benefits	2,459,000
Employer Taxes and Insurance	501,000
OPEB	472,000
Engineering and Construction Services	2,648,000
Public Outreach & Conservation	572,000
Other	3,418,000
<b>Total</b>	<b>\$21,311,000</b>

<b>Capital Improvement Program Budget</b>	<b>2017 Proposed Budget</b>
Production (Source of Supply)	\$3,085,000
Transmission	750,000
Storage	300,000
Distribution	12,540,000
Special Projects	50,000
<b>Total</b>	<b>\$16,725,000</b>

<b>Operating Capital Budget</b>	<b>2017 Proposed Budget</b>
Information Technology	\$306,800
Maintenance	296,000
Operations	260,700
Vehicles and Fleet	267,500
Office Furniture and Equipment	10,000
<b>Total</b>	<b>\$1,141,000</b>

<b>Total 2017 Budget</b>	<b>\$39,177,000</b>
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<b>Capital Improvement Program Budget</b>	<b>2018 Inaugural Budget</b>
Production (Source of Supply)	\$50,000
Distribution	500,000
<b>Total 2018 CIP Inaugural Budget</b>	<b>\$550,000</b>

## EXHIBIT A (continued)

### Capital Improvement Program Projects for 2017 and 2018

See Attached

### Operating Capital Projects for 2017 and 2018

#### 2017

Purchase office furniture for Marconi and Walnut facilities  
GPS/GIS Integration Project  
SCADA System Integration  
Security Cameras  
Production Magmeter Meter Relocation  
Vanair Underdeck – Air Supply and Chemical Trailer Refurbishment  
Facility Sign Replacement  
Trailer Refurbishment  
Meter Vault Lid Retrofit  
New Production Department Vehicle  
Vehicle Replacement/Right Size - Truck #25, 27 and 41  
HVAC, Roof and Building Repairs  
Marconi – Security Upgrade  
Antelope Facility Improvements  
Walnut Facility Improvements  
Building Repairs and Maintenance  
Computer Hardware Refresh Program Purchases  
Software Enhancements  
Website Upgrade  
GPA Asset Location Project

#### 2018

Gate Automation – Enterprise and Well N36  
GPS/GIS Integration Project  
SCADA System Integration  
2 Trailer Refurbishments  
Meter Vault Lid Retrofit  
Walnut Facility Improvements  
Antelope Facility Improvements  
Vehicle Replacement/Right Size - Truck #5, 11 and 21  
Computer Hardware Refresh Program Purchases  
Software Enhancements

**Sacramento Suburban Water District  
2017/18  
Capital Improvement Program Budget  
Final Version**

AMP Plan <sup>1</sup>	Project No.	Project Name	(2) 2016 from Carryover	(3) 2017 New Projects	(4) 2017 Carryover	(2) + (3) - (4) Total 2017 Budget	(5) 2017 from Carryover	(6) 2018 New Projects	(7) 2018 Carryover	(5) + (6) - (7) Total 2018 Budget	Funding Source	2017/18 Project Details (Proposed Need)
<b>PRODUCTION (SOURCE OF SUPPLY)</b>												
10	009	Well Rehabilitation / Pump Station Improvements & Conjunctive use facilities		\$700,000		\$700,000		\$1,025,000		\$1,025,000		Projects planned for CY 2017 may include, but not be limited to: well investigations/evaluations and/or rehabilitation projects for Wells N15, Well 23, Well 74 and Well N8 (Field); retirement of 3 sites to monitoring status to conform to DDW obligation; replacement or removal of hydropneumatic tanks (replace with new tanks or install flush-to-waste assemblies) Well N22; rebuild two pressure vessels and replace underdrain system at Well 32A; investigation and possible installation of a VFD at Well #68R (Northrop/Dornajo);. Specific projects for CY 2018 include drain line N35. Additional projects would be improving and modifying existing intereties.
8	010	SCADA Remote Terminal Units (RTU's) / Communication Improvements / MCC Panel Replacement/Upgrades		\$75,000		\$75,000		\$50,000		\$50,000		Completing SCADA at Well N 1; N12 Arbors PRV and improving rely communications to district facilities such as Marconi Office. In 2018, Possible addition of Security Cameras.
10	011	Wellhead Treatment / Chemical Feed System Rehab. / Improvements		\$250,000		\$250,000		\$750,000		\$750,000		Project to cover costs associated with needing to install new and repair/replace existing wellhead treatment or chemical feed systems on an as-needed basis. Seven District wells have Chromium VI levels above the established MCL and been taken off line. The Chromium VI Operations plan addresses the potential wellhead treatment as compared to other options. A carryover project from 2015/16 is the design and eventual construction of a manganese (Mn) treatment facility at the existing Verner Well (#N36). A consultant+M32 has been selected for this work, the preferred alternative includes coordination with new production well at the facility which is planned for completion in 2017. Construction of a proposed 1,500 gpm Mn treatment facility would begin in 2017. The estimated construction cost for this facility is \$1.5 million.
4	012	Well Replacement		\$2,050,000	\$50,000	\$2,000,000	\$50,000	\$3,200,000	\$0	\$3,250,000		It is anticipated that Well N 6A will be completed and pumping station constructed and placed into service during 2017 and a second well to be drilled at the Well N 36 site. A new Well Site is expected to be acquired in 2018 to address production losses from Chromium VI, other contaminants and aging facilities and an additional new well in the Well 31A site will be initiated to address replacement of older wells.
11	013	Electrical Improvements at Various Facilities		\$25,000		\$25,000		\$25,000		\$25,000		The district has been working towards electrical compliance (Arc-Flash) and committed effort to achieve compliance during the past 3 years. Some residual effort is still needed to complete program and will then transition to O&M effort.
10	040	Engine Generator Compliance		\$35,000		\$35,000		\$40,000		\$40,000		Funds are included for a major engine overhaul and/or engine generator replacement. We anticipate one new engine generator in 2018 and only an engine overhaul in 2017.
<b>TRANSMISSION</b>												
5	47	NSA Transmission Lines		\$300,000		\$300,000		\$2,000,000		\$2,000,000		The transmission network in the NSA is not connected in many parts. The defieicnies are noted in the Assesst Management Plan and the Draft Master Plan. A committed effort for the next 7 years is needed to substantially complete the network. It is needed to address the dependency upon older wells and ensure new production facilities are able to push water into vulnerable areas.
5	034A	Corrosion Control - Transmission Mains	\$0	\$450,000		\$450,000		\$450,000		\$450,000		After completing initial surveys of many of the District's major transmission pipelines (i.e., Conveyance Transmission Pipeline (CTP), Walerga Pipeline, Antelope North Pipeline, Mission Avenue Pipeline, Bell/Northrop Pipeline) it has been determined that it is time to install impressed current cathodic protection to each of the pipelines. Impressed current systems can be installed on a system by system basis allowing the District to focus on one or two installations a year. These systems would be complete for each individual transmission main, for example five rectifiers are needed to completely protect the CTP. Other systems will require less equipment based on the current demand. The CTP and Walerga impressed current system designs. In this funding the CTP design will be completed and ready for bid.

STORAGE												
6	034	Corrosion Control for Reservoir/Tank and Well Site Painting/Coating, Upgrades and Improvements	\$0	\$100,000		\$100,000		\$100,000		\$100,000		Transmission mains, storage and hydropneumatic tanks, and corrosion control facilities are on a scheduled maintenance program for inspection, testing, and recoating as necessary. Many of the District's above ground storage reservoirs have existing cathodic protection systems in place, but they have not been serviced since installation. The District is going to complete a survey on each system verifying its proper operation. As part of this process, a corrosion consultant is assisting with coating inspections in 2015 to determine a baseline for each of the above ground storage reservoirs. These inspections are being performed by a certified Coating Inspector Level 1. This condition assessment will help provide the District with better knowledge of the existing conditions of the tanks and which tanks are in need of repair or restoration in 2017.
6	46	Tank Inspection and Repairs	\$0	\$200,000		\$200,000		\$450,000		\$450,000		This project is intended to address the deficiencies in tanks 769, 216 and Capehart.
DISTRIBUTION												
3	018	Distribution Main Replacements		\$9,750,000	\$500,000	\$9,250,000	\$500,000	\$7,000,000	\$500,000	\$7,000,000		This project assumes up to 8 miles of distribution mains to be replaced per year using the service contract approach combined with District purchase of materials. Contracted design work from 2016 is anticipated to initiate 2017 quickly as will be done CY2018. Projects planned for construction in CY 2017 and 2018 include Eastern Avenue (\$2.4 m), Edison Meadows (\$5.5 m) and Parkland Estates (\$3.0 m), (Jonas Area, and Arden Oaks to be determined based on remaining budget). This includes approximately 55,000 lf of new 8" and 12" mains. Work planned for 2017 also includes design of two 2018 projects. This funding includes hiring consultant(s) to provide support services (surveying and mapping services, SWPPP, construction management, etc.) for in-house design of projects planned for construction in 2018/2019. In addition, funds are included to pre-purchase up to 30,000 linear feet of ductile iron pipe and related fitting in the fall of 2017, for installation in 2018. In 2017, \$250k was added for increased costs from the County Paving Partnership.
3	019	Distribution Main Improvements / Extensions / Interties and Resolving Utility Conflicts		\$600,000		\$600,000		\$950,000		\$950,000		Includes various small main replacement projects to solve distribution system hydraulic issues and relocating District water mains and appurtenances due to grade conflicts with County of Sacramento improvements (storm drains, etc.). Small main replacement projects have been accumulating as replacing linear feet to the system mean't bypassing more challenging sites. Lacey Lane will likely be completed as the design is ready, there are also small projects being designed in-house for completion as funds may be available.
3	020	McClellan Line Replacements		\$50,000		\$50,000		\$250,000		\$250,000		Improvements required due to aging infrastructure and inadequate standards. Easements are needed in 2017 and repairs/improvements need to be design in 2018
10	022	Water Related Street Improvements (Lowering/Raising Valve Boxes)		\$200,000		\$200,000		\$250,000		\$250,000		This project includes lowering and raising existing water valve boxes before and after pavement grinding and overlay by the County of Sacramento and/or the City of Citrus Heights. Typically, the County of Sacramento and City of Citrus Heights have 2 to 4 projects a year and the District's cost projection is an annual average of their project impacts. This project also includes work identified by the District's Preventative Maintenance (PM) crew including raising valve boxes, etc. New County pavign requirements will likely add significant costs in this area.
1	024	Meter Retrofit Program		\$2,540,000		\$2,540,000		\$2,620,000		\$2,620,000		District is on schedule to comply with AB 2572 requirement to install meters in California by 2025. Specific meter retrofit schedule is in accordance with updated Water Meter Retrofit Plan originally adopted in September 2004 and last updated in 2015. area. It is currently anticipated that no available 2016 CIP funds will be used to purchase materials in advance for the 2017 retrofit project. In 2017, an estimated 1,216 meters will be replaced as part of the retrofit program (with no grant funds).  Budget is provided to install 16 - 20 new water meters as requested by customers through the District's voluntary meter program. The pool of candidates for voluntary retrofits goes down each year and meter enthusiasts have had many years to request meters. This funding should be eliminated and any requests can be satisfied by efforts directly from larger retrofit program.
2	038	Large Water Meter (> 3") Replacement Program		\$100,000		\$100,000		\$140,000		\$140,000		Budget is provided for the replacement of large (> 3") water meters that have outlived their useful life. In most cases, it is unnecessary to replace the meters; instead the large meters are rebuilt. As a result, this account is generally used to upgrade the service to current District standards with a bypass to allow for future testing and maintenance without interrupting water service to the customer. This is an ongoing project and work is scheduled according to findings related to the Meter PM Program. For 2016 and 2017, an additional \$50,000 has been included in the budget for the installation of meter bypasses. This effort is PM, NOT CIP and should be eliminated from CIP Budget.
2	042	Meter Replacement and Repair		\$50,000		\$50,000		\$200,000		\$200,000		As recommended in the <b>2015 Water Meter Asset Management Plan</b> (100-year replacement schedule) with some adjustments to level out the work each year. This is the initiation of a planned program to repair and/or replace water meters that have outlived their useful life (estimated at 20 years). In the Asset Management Plan, an inventory of meters installed from pre-1990 through 2014 was used to project a 100-year meter replacement schedule. However, the non-revenue water from underperforming meters while a substantial number of unmetered accounts remain does not warrant a large effort to replace smaller meters until the agency is fully metered.
SPECIAL PROJECTS												
11	47	Right of way/Easement acquisitions		\$50,000		\$50,000		\$50,000		\$50,000		The District is contineuously engaged in ROW and easement acquisitions requiring survey and technical support.
<b>Total - Project Costs</b>			<b>\$0</b>	<b>\$17,525,000</b>	<b>\$550,000</b>	<b>\$16,975,000</b>	<b>\$550,000</b>	<b>\$19,550,000</b>	<b>\$500,000</b>	<b>\$19,600,000</b>		

<sup>1</sup> AMP Plan

- 1 Meter Retrofit
- 2 Meter Replacement & Repair
- 3 Distribution Main Replacement
- 4 Well Replacement

- 5 Transmission Main
- 6 Reservoir and Booster Pump Stations
- 7 Buildings and Structures
- 8 SCADA

- 9 From 2009 Water System Master Plan
- 10 Other Re-Occurring Annual Capital Costs
- 11 Other Capitalizable Projects

EXHIBIT B

Pay/Salary Band Position List

1/1/2017

Pay/Salary Band Number	Position	Number of Employees
240/280	Customer Service Representative I/II	5 Flex Position
260/300	Administrative Assistant I/II	2 Flex Position
	Distribution Operator I/II	17 Flex Position
	Water Conservation Technician I/II	1 Flex Position
270/310	Production Operator I/II	7 Flex Position
280	Engineering Drafter	1
310	Facilities and Fleet Specialist	1
	Purchasing Specialist	1
320	Accountant	1
	Cross Connection Control Specialist	1
	Environmental Compliance Technician	1
	Field Operations Coordinator	1
330	Engineering Project Coordinator	1
	GIS/IT Technician	1
	Senior Inspector	1
340	Distribution Foreman	3
350	Electrical & Instrumentation Technician	1
	Production Foreman	1
360	GIS Coordinator	1
370	Assistant Engineer	0 Flex Position
650	Environmental Compliance Supervisor	1
	Executive Assistant to the GM	1
	Financial Analyst	1
	Human Resources Coordinator	1
	Water Conservation Supervisor	1
660	Administrative Services Manager	1
	Superintendent (Dist, Field Serv, Prod)	3
670	Associate Engineer	1 Flex Position
	Information Technology Manager	1
680	Associate Engineer (Registered)	1 Flex Position
710	Senior Engineer	1
720	Operations Manager	1
730	Engineering Manager	1
740	Technical Services Director	1
	Finance Director	1
760	Assistant General Manager	1
Contract Employee	General Manager	<u>1</u>
		67

Fully Staffed at 67

<b>2/27/2017</b>	<b>SSWD PAY/SALARY MATRIX</b>		<b>COLA FACTOR</b>	<b>1.007</b>
			<b>COLA AWARD</b>	<b>0.70%</b>
<b>NON-EXEMPT</b>	<b>(+/-10%)</b>	<b>HOURLY PAY</b>		
<b>BAND #</b>	<b>Minimum</b>	<b>Mid Point</b>	<b>Maximum</b>	<b>Annual Range</b>

230	16.38	18.20	20.01	34,070.40	41,620.80
240	17.22	19.14	21.05	35,817.60	43,784.00
250	18.09	20.10	22.11	37,627.20	45,988.80
260	18.99	21.10	23.20	39,499.20	48,256.00
270	19.93	22.15	24.36	41,454.40	50,668.80
280	20.92	23.25	25.57	43,513.60	53,185.60
290	21.96	24.40	26.84	45,676.80	55,827.20
300	23.08	25.64	28.20	48,006.40	58,656.00
310	24.21	26.91	29.60	50,356.80	61,568.00
320	25.41	28.24	31.06	52,852.80	64,604.80
330	26.69	29.66	32.62	55,515.20	67,849.60
340	28.02	31.14	34.25	58,281.60	71,240.00
350	29.42	32.68	35.94	61,193.60	74,755.20
360	30.90	34.34	37.78	64,272.00	78,582.40
370	32.46	36.07	39.67	67,516.80	82,513.60
380	34.07	37.86	41.65	70,865.60	86,632.00
390	35.81	39.78	43.74	74,484.80	90,979.20
400	37.61	41.79	45.96	78,228.80	95,596.80

EXEMPT	(+/-15%)	MONTHLY & HOURLY SALARY			
BAND #	Minimum	Mid Point	Maximum	Annual Range*	
630	4,815.20	5,665.40	6,515.60		
Hrly*	27.78	32.69	37.59	57,782.40	78,187.20
640	5,061.33	5,954.00	6,846.67		
Hrly*	29.20	34.35	39.50	60,736.00	82,160.00
650	5,314.40	6,252.13	7,189.87		
Hrly*	30.66	36.07	41.48	63,772.80	86,278.40
660	5,579.60	6,565.00	7,550.40		
Hrly*	32.19	37.88	43.56	66,955.20	90,604.80
670	5,860.40	6,894.33	7,928.27		
Hrly*	33.81	39.78	45.74	70,324.80	95,139.20
680	6,156.80	7,242.73	8,328.67		
Hrly*	35.52	41.79	48.05	73,881.60	99,944.00
690	6,460.13	7,600.67	8,741.20		
Hrly*	37.27	43.85	50.43	77,521.60	104,894.40
700	6,786.00	7,983.73	9,181.47		
Hrly*	39.15	46.06	52.97	81,432.00	110,177.60
710	7,122.27	8,378.93	9,635.60		
Hrly*	41.09	48.34	55.59	85,467.20	115,627.20
720	7,481.07	8,800.13	10,119.20		
Hrly*	43.16	50.77	58.38	89,772.80	121,430.40
730	7,852.00	9,239.53	10,627.07		
Hrly*	45.30	53.31	61.31	94,224.00	127,524.80
740	8,248.93	9,704.07	11,159.20		
Hrly*	47.59	55.99	64.38	98,987.20	133,910.40
750	8,666.67	10,194.60	11,722.53		
Hrly*	50.00	58.82	67.63	104,000.00	140,670.40
760	9,098.27	10,703.33	12,308.40		
Hrly*	52.49	61.75	71.01	109,179.20	147,700.80
General Manager - Contract Employee **			16,398.00	196,776.00	

\*Hourly Rates Used to Comply with ADP Payroll System Limitations and to Calculate Annual Range; Monthly & Annual Amounts Rounded to Nearest Cent.

\*\* Latest Contract April 23, 2016



## Sacramento Suburban Water District

**Reserve Policy**

Adopted: August 18, 2003

Revised: September 20, 2004; August 21, 2006; August 18, 2008, November 19, 2012,  
January 27, 2014; November 16, 2015, October XX, 2016**100.00 Purpose of the Policy**

The District will maintain reserve funds where required by law, ordinance or bond covenant, and revenue stability, so as to provide the necessary cash flow for normal and ordinary operations, while also providing the ability to address economic downturns and limited system emergencies.

The primary purposes of this policy are: to establish a reserve fund level that is specific to the needs and risks of the District; to identify when and how reserve funds are utilized and replenished; and to recognize the long-term nature of such funds and their relationship to current and projected customer rates. The District's financial reserve fund comprises various funds established for specific purposes and to reduce certain risks. Collectively, these funds enable the District to operate in a prudent manner, while allowing for transparency of reserve fund balances.

**200.00 Policy****200.10 Fund Classification Types**

The District shall maintain three fund classifications that collectively comprise the District's reserve fund balance. Fund classifications are a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon it. The fund classifications are - Restricted funds, Committed funds and Assigned funds, with distinction among the funds based on the relative strength of the constraints that control how amounts can be spent.

Restricted funds include amounts that can be spent only for specific purposes stipulated by law or third parties, such as grantors or creditors. Committed funds include amounts that can be used only for specific purposes as determined by Board action. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.

## **200.20 Restricted Funds Classification**

Restricted funds are those financial assets subject to enforceable third party constraints, such as those imposed by creditors, grantors, laws or regulation.

### ***Debt Service Reserve Fund***

Financial assets held by the District per bond or certificate-of-participation (COP) debt covenants. The amount of assets to be held as debt service reserves is determined at the time of debt issuance. Such assets may only be used to repay the outstanding bond or COP for which the assets were placed in reserve as long as the bond or COP remains outstanding.

## **200.30 Committed Funds Classification**

Committed funds are those financial assets identified by the Board for specific purposes as determined by Board resolution or ordinance. Such financial assets are to be utilized only as directed by the Board.

### ***Facilities Reimbursement Fund***

As established by the Board in the District's Regulations Governing Water Service (Regulations), the District will retain a percentage of Facility Development Charges collected each fiscal year for the purpose of repaying individuals or businesses who were required to install up-sized lines or extension facilities at the request of the District. Disbursements will be made in accordance with the Regulations, including the release of unexpended funds into the District's unrestricted net position.

## **200.40 Assigned Funds Classification**

Assigned funds are those financial assets determined necessary to be retained for specific risk-mitigation purposes as determined by the Board as needs arise.

### ***Emergency/Contingency Fund***

Financial assets held for purposes of continued operations during times of severe economic distress due to events that require an immediate and/or significant use of cash. Such severe economic situations may include otherwise insurable events for which the timely receipt of cash may be delayed. The District shall target a balance of twenty-five percent (25%) of its following year's anticipated annual revenues in this fund. Conditions for utilization of such reserves and a plan for fund replenishment will be approved by the Board.

Prior to amounts being expended from this fund, the District shall establish a contingency plan that addresses, at a minimum:

1. The reason(s) for expenditures from this fund.
2. Amounts expected to be expended.
3. The funds replenishment timeline and funding source.

### ***Operating Fund***

Financial assets held primarily in the form of cash and cash-equivalents for the purpose of debt avoidance due to unexpected expenditures of a non-recurring nature or to meet unexpected increases in operating costs. The District shall target a minimum balance in short-term investments and/or cash equal to twenty-five percent (25%) of its current year's budgeted annual expenditures for operating costs and debt service in this fund. Conditions for utilization of these reserves and a plan for fund replenishment will be determined by the Board at annual budget time.

The operating fund reflects the timing difference between billing for revenues and payment of expenses. The target level is a financial measure or guideline. If the fund level drops below the twenty-five percent target balance, that is a sign for staff to review the fund and, if necessary, bring recommendations to the Board to assure the fund will not continue to decline.

### ***Rate Stabilization Fund***

Financial assets held for purposes of managing cost variability in obtaining, treating and delivering potable surface water and groundwater. This Fund is focused on consumption fluctuations related to customer demand and purchasing of surface water as part of the District's conjunctive use efforts. Consumption charges established in the rate setting process forecast customer demand based on a repeat of average, recent climactic conditions. Financial fluctuations occur when situations vary from the assumption. The District shall target a balance of fifty percent (50%) of its expected upcoming year consumption revenues in this fund. Conditions for utilization of such reserves and a plan for fund replenishment will be directed by the Board at annual budget time.

### ***Interest Rate Risk Management Fund***

This fund is derived from earnings based on financial assets held as short-term investments pursuant to interest rate risk exposure assumed by the District upon the issuance of floating-rate debt. The amount of investments from which earnings are derived and accumulated will be determined at the time of debt issuance. Earnings on such investments will be used to repay a portion of the interest expense on the outstanding floating-rate bond or COP as long as the bond or COP is subject to interest rate risk exposure. This fund will be reduced in line with the amortized balance of the interest-rate swap(s).

### ***Grant Fund***

Financial assets held for purposes of funding the "local cost share" and advance payment of eligible reimbursable costs on capital projects funded partially from grant awards. As eligibility for potential grant awards requires the District to demonstrate financial viability to fund anticipated project costs, the District shall maintain a minimum balance equal to the combined sum of anticipated costs for those projects considered grant eligible in the upcoming biennial period. Conditions for utilization of such reserves and a plan for fund replenishment will be determined at the time of grant award.

### ***Capital Asset Fund***

Financial assets held for purposes of funding District capital asset replacements and capital projects necessary to meet regulatory requirements and/or system reliability needs. Through the annual budget process, staff shall recommend capital replacement projects and any necessary appropriations from this fund. The District shall target a balance to sufficiently fund anticipated capital improvement project replacement cost deviations above the CIP funding level. Fund replenishment will be determined by the Board periodically through the rate setting process and annually through the budget process.

### ***Facilities Development Charge Fund***

Financial assets held for expenditure on growth/capacity-related capital asset projects only. Amounts deposited into this fund come from unexpended facility development charges collected from developers (see related Facilities Reimbursement Fund in section 200.30 above.) These growth/capacity-related capital asset projects form the cost-basis and legal nexus for the establishment and collection of the Facility Development Charges. This fund is dependent upon customer growth. Therefore, there is no prescribed target or minimum balance.

## **300.00 Disposition of “One-Time” Revenues**

“One-time” revenues are revenues of an unusual or infrequent nature which are likely not the result of the District providing services and producing and delivering goods in connection with the District’s principal ongoing operations (e.g. legal settlement). Unless specifically earmarked by Board action otherwise, “one-time” revenues should be transferred to the appropriate reserve fund which best represents the reason for the “one-time” revenue.

## **400.00 Authority**

The General Manager is responsible for the appropriate accounting and regular reporting of the District’s reserve fund balance. Board oversight will be accomplished through regular reporting and review of this Policy.

## **500.00 Procedure**

District staff will maintain procedures for each fund classification, to be approved by the General Manager, and in conformance with this Policy.

In any case where the reserves are drawn below target minimums, a report shall be developed containing the reasons for withdrawals and any impacts to programs or rates due to such withdrawals. If reserves are depleted, the reserves shall be replenished over a maximum five (5) year period to the established or re-established target as directed by the Board.

Maintenance of minimum reserves should not, on its own, trigger the need for a rate adjustment. Rates will be reviewed after two consecutive years of revenue dropping below established minimums balances, or diminishing reserves as a result of covering unanticipated costs.

**600.00 Policy Review**

This Policy will be reviewed annually as part of the budget adoption process.

Third Draft  
2017 Budget  
and 2018 Forecast  
Changes From  
September Board Meeting

# Budget Changes from Prior Meeting

- Allow Already Approved 4% Rate Increase as Scheduled?
  - Answer: Yes, Allow The Approved 4% Rate Increase To Occur In 2017
- Include New Purchase Water Treatment Rates from SJ?
  - Include Increase of SJ Water Cost due to Treatment Rate Changed From \$175/AF To \$181/AF for 2017
- Budget 3 % for Merit Program?
  - Merit Program Was Reduced From 4% to 3% Per Board Direction
- Budget for Website Focus Group and Monitoring?
  - Remove Both Website Focus Group And Website Monitoring Expenses
- Budget for New Board Room AV Equipment?
  - Remove Update Board Room AV Equipment Project
- Various Budget Edits by Staff?
  - Phase Hiring of New Positions
  - Reduce Various O&M Projects
  - \$250, 000 CIP increase due to increase in County Paving Partnership Cost
  - \$110,000 increase in Other Revenues for Prop 84 Grant through RWA

# 2017 Budget and 2018 Forecast

	Changes From Prior Meeting			2017 Proposed Budget
	As Presented	Board Direction	Executive Staff Edits	
<b>Income From Customers</b>	\$ 42,094,000	\$ -	\$ -	
Apply 4% Rate Increase		1,632,000		\$ 43,726,000
<b>Water Transfers</b>	1,992,000	-	-	1,992,000
<b>Total Other Income</b> (incl. Prop 84 Grant)	1,714,000	-	110,000	1,824,000
Total Revenue	<u>\$ 45,800,000</u>	<u>\$ 1,632,000</u>	<u>\$ 110,000</u>	<u>\$ 47,542,000</u>
<b>Budgets:</b>				
<b>Operations and Maintenance</b>	21,530,000		-	-
Increase Purchase Water - SJ Rate Increased from \$175/AF to \$181/AF		72,700		
Reduce Merit Program from 4% to 3%		(49,100)		
Phasing of New Positions			(59,000)	
Remove Focus Group & Website Monitoring Expense		(53,600)		
Reduce Various O&M Costs			(130,000)	21,311,000
<b>Capital Improvement Program</b>	16,725,000		-	
Increase in County Paving Partnership Cost			250,000	16,975,000
<b>Operating Capital Program</b>	1,181,000		-	-
Remove Board Room A/V Project		(40,000)		1,141,000
<b>Debt Service (Forecast)</b>	7,770,000	-	-	7,770,000
Total Costs	47,206,000	(70,000)	61,000	47,197,000
<b>Change in Reserve Balance</b>	(1,406,000)	1,702,000	49,000	345,000
<b>Reserve (Cash) Balance</b>	<u>\$ 41,795,120</u>	<u>\$ (70,000)</u>	<u>\$ 61,000</u>	<u>\$ 43,546,120</u>



# 2017 Budget and 2018 Forecast

	<u>2015 Actual</u>	<u>2015 Amended Budget</u>	<u>Actual As Of 7/31/16</u>	<u>Projected 2016</u>	<u>2016 Amended Budget</u>	<u>2017 Proposed Budget</u>	<u>2018 Forecast</u>
Income From Customers	\$ 38,690,419	\$ 38,837,000	\$ 22,713,562	\$ 41,141,000	\$ 41,410,000	\$ 43,726,000	\$ 45,480,000
Water Transfers	-	-	-	-	-	1,992,000	1,976,000
Total Other Income	<u>1,778,494</u>	<u>1,742,000</u>	<u>1,264,785</u>	<u>2,472,730</u>	<u>2,905,000</u>	<u>1,824,000</u>	<u>1,610,000</u>
Total Revenue	<u>\$ 40,468,913</u>	<u>\$ 40,579,000</u>	<u>\$ 23,978,347</u>	<u>\$ 43,613,730</u>	<u>\$ 44,315,000</u>	<u>\$ 47,542,000</u>	<u>\$ 49,066,000</u>
<b>Budgets:</b>							
Operations and Maintenance	<b>16,854,403</b>	<b>17,895,000</b>	<b>9,526,428</b>	<b>17,827,000</b>	<b>17,895,000</b>	<b>21,311,000</b>	<b>21,124,000</b>
Capital Improvement Program	<b>17,179,377</b>	<b>18,332,000</b>	<b>8,578,198</b>	<b>17,846,000</b>	<b>18,796,000</b>	<b>16,975,000</b>	<b>19,600,000</b>
Operating Capital Program	<b>905,359</b>	<b>1,140,925</b>	<b>357,958</b>	<b>974,000</b>	<b>974,000</b>	<b>1,141,000</b>	<b>672,000</b>
Debt Service (Forecast)	<b>7,425,000</b>	<b>7,850,000</b>	<b>2,113,715</b>	<b>7,605,000</b>	<b>7,605,000</b>	<b>7,770,000</b>	<b>7,760,000</b>
Total Costs	<b>42,364,139</b>	<b>45,217,925</b>	<b>20,576,299</b>	<b>44,252,000</b>	<b>45,270,000</b>	<b>47,197,000</b>	<b>49,156,000</b>
Change in Reserve Balance	(1,895,226)	(4,638,925)	3,402,048	(638,270)	(955,000)	345,000	(90,000)
Reserve (Cash) Balance	<u>\$ 43,839,120</u>	<u>\$ 40,173,552</u>	<u>\$ 46,297,277</u>	<u>\$ 43,201,120</u>	<u>\$ 42,884,120</u>	<u>\$ 43,546,120</u>	<u>\$ 43,456,120</u>

Note: Bolded lines are the Budgets – O&M, CIP, OCB, and Debt Service Forecast

**Third Draft  
2017 Budget  
and 2018 Forecast  
Detail**

**Board Meeting  
October 17, 2016**

## Mission Statement

- *To deliver a high quality, reliable supply of water and superior customer service at the lowest responsible price.*

## Strategic Plan Goals

- Water Supply:
  - Assure a present and long-term safe and reliable supply of high quality water in an environmentally responsible and sustainable manner for District customers.
- Facilities and Operations:
  - Plan, construct, operate and maintain the District water system embracing sustainable practices to provide reliable delivery of high quality water.
- Customer Service:
  - Assure superior and reliable customer service.
- Finance:
  - Ensure effective and efficient management and public reporting of all District financial processes.
- Leadership:
  - Provide leadership on regional, statewide and national water management issues that impact the customers.

## 2017/18 Budget Development Process

- Staff Development of Budgets
- Finance and Audit Committee – 08/12/16, 3:00 pm
  - Initial Presentation; Provide Direction to Staff
- August Board Meeting – 08/15/16
  - Status Report; Provide Direction to Staff
- Board Workshop – 09/16/16, 2:00 pm
  - Initial Presentation; Provide Direction to Staff
- September Board Meeting – 09/19/16
  - Verbal Status Report; Provide Additional Direction to Staff
- October Board Meeting – 10/17/16
  - Budget Approval or Additional Direction to Staff

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## Definitions and Changes for 2017/18 Budget

### Definitions

- Budget – The District’s Spending Plan - Comprises All District Costs:
  - O&M Budget – Operations and Maintenance Budget
  - CIP Budget – Capital Improvement Program Budget (Water Infrastructure Assets)
  - OCB Budget – Operating Capital Budget (Autos, Computers, Equipment, Etc.)
  - Debt Service Forecast – Debt Principal and Interest Payments
- AF = Acre Foot. Basic unit for water revenues and costs.
- SW = Surface Water; GW = Ground Water

### 2016 Changes

- Two Year Planning Process:
  - Revenue and Expenses Projected over a 2 Year Horizon
  - Budget Adopted for First Year
  - Forecast Provided for Second Year

### 2017 Changes

- 2017 CIP and OCB Projects Budgeted to Completion – (2017 and 2018)

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## Recap of 2016 Budget and Highlights

2016 Amended Budget	\$ Millions
Operations & Maintenance Budget	\$17.8
Capital Improvement Program Budget	\$18.8
Operating Capital Program Budget	\$ 1.0
Debt Service Budget	<u>\$ 7.6</u>
Total	\$45.2

### 2016 Budget Allowed the District to Accomplish:

- Projected Water Deliveries of roughly 33,000 Acre Feet (AF)
  - Includes Surface Water - 12,000 AF in NSA; 500 AF on SSA
  - 2,000 AF Wheeled to CalAm
- Completed Rutland Drive Well; On schedule to drill Palm Avenue Well
- Installed 2 Ground Water Monitoring Wells
- On Schedule to replace roughly 6.0 miles of Distribution Main Lines
- On Schedule to install 1,960 Water Meter Retrofits
  - (See slide 39 for current status of water meter retrofit program)

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## 2017 Goals

### Budget Will Allow the District to Accomplish the Following:

- Water Deliveries of 35,000 AF (32,700 AF to Customers)
  - Includes Wheeled Water Deliveries of 2,300 AF
- Follow modified asset management plans for replacing water infrastructure assets, to include:
  - For 2017/18, replace up to 8.8 miles of Distribution Main Lines, including 720 Meters
  - Install an Additional 1,232 Water Meter Retrofits – (1,216 Meter Retrofit Program, 16 Voluntary)
  - Complete Palm Avenue Well – Site Work and Pumping Facilities
  - Begin Permitting and Design of Manganese Treatment Facility at Verner Well
  - Begin Multi-Year Process to Connect Transmission Mains in NSA
- Anticipate GW Substitution Transfer of 8,000 AF for Net Revenues of \$2.0 Million

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## Budget Assumptions

Key Assumptions	2015		2016		2017		2018	
	4.00% \$1,653,000		4.00% \$1,615,000		4.00% \$1,632,000		4.00% \$1,700,000	
1Rate Increase								
2No Change in SSWD Service Boundaries								
3New Service Connections (Growth)	Increase	0.43%	Increase	0.43%	Increase	0.52%	Increase	0.52%
4Water Production: (A)	Cost/AF	AF	Cost/AF	AF	Cost/AF	AF	Cost/AF	AF
5a. Water Supply Forecast Based on 5 Year Average								
b. SSA Surface Water (City)	\$ 332.00	1,000 AF	\$ 428.80	550 AF	\$ 450.24	1,000 AF	\$ 472.75	1,000 AF
c. SSA Groundwater (Variable costs)	\$ 108.60	16,500 AF	\$ 118.39	10,550 AF	\$ 123.12	15,000 AF	\$ 128.05	15,000 AF
d. NSA Surface Water (PCWA)	\$ 35.00	12,000 AF	\$ 48.05	12,000 AF	\$ 50.45	12,000 AF	\$ 52.98	12,000 AF
e. NSA Surface Water (Wheeling)	\$ 18.00	12,000 AF	\$ 27.04	12,000 AF	\$ 28.39	12,000 AF	\$ 29.25	12,000 AF
f. NSA Surface Water (Treatment)	\$ 65.00	12,150 AF	\$ 135.34	12,000 AF	\$ 161.06	12,150 AF	\$ 197.75	12,150 AF
g. NSA Groundwater (Variable costs)	\$ 98.33	8,350 AF	\$ 106.81	8,900 AF	\$ 111.08	8,850 AF	\$ 197.35	8,850 AF
h. NSA Bureau 215 Water	\$ 71.00	150 AF	\$ 72.80	0 AF	\$ 76.44	150 AF	\$ 80.26	150 AF
i. NSA Wheel Water from Citrus Heights	\$ 24.20	300 AF	\$ 30.38	0 AF	\$ 30.99	300 AF	\$ 31.61	300 AF
j. NSA Wheel Water to Citrus Heights (Revenue)	\$ (24.20)	300 AF	\$ (30.38)	0 AF	\$ (30.99)	300 AF	\$ (31.61)	300 AF
k. NSA Wheel Water to Cal-AM (Revenue)	\$ (196.48)	2,000 AF	\$ (196.48)	2,000 AF	\$ (337.05)	2,000 AF	\$ (358.57)	2,000 AF
6Anticipated Outside Water Sales, Net								
7Investment Yield		None		None	\$2 Million	8,000 AF	\$2 Million	8,000 AF
8Variable Debt Interest Rate		1.50%		1.75%		2.00%		2.00%
9Electrical Cost Increase		4.00%		3.86%		3.86%		3.86%
10COLA (As of July 31)		2.50%		2.50%		2.50%		2.50%
11Merit Program		1.80%		0.30%		0.70%		1.00%
12Construction Inflation (B)		3.00%		4.00%		3.00%		3.00%
13Health Care Cost (C)		2.70%		2.10%		3.40%		2.50%
14Tier 1 Pension Cost (% of Salaries)		4.80%		2.60%		-2.00%		3.00%
15Tier 2 Pension Cost (% of Salaries)		25.82%	\$ 317,000	21.70%	\$ 373,000	21.50%	\$ 400,000	22.00%
16Tier 3 Pension Cost (% of Salaries)		19.84%	\$ 5,000	18.20%	\$ 7,500	16.10%	\$ 10,000	17.00%
17New Hires		6.70%		6.73%	\$ 200	6.90%	\$ 1,000	7.00%
18Funding of Post Retirement Benefits		None				4		1
19Total		\$ 591,000		\$ 459,600		\$ 472,200		\$ 485,200

(A) SSA = South Service Area; NSA = North Service Area

(B) 20 Cities CCI Index, Source: ENR

(C) From UnitedHealthcare to HealthNet Smart Care HMO

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## Anticipated Water Transfers

### History:

	2009	2010	2013
Acre-Feet Sold	8,462	2,712	2,822
Revenue/AF	\$ 277	\$ 235	\$ 190
Cost/AF	\$ 58	\$ 56	\$ 45
Revenue	2,347,132	636,638	536,218
Cost (Water & Legal)	487,297	151,254	127,155
Net Sales Revenue	1,859,835	485,384	409,063

### 2017/18 Projection:

	2017	2018
Acre-Feet	8,000	8,000
Revenue/AF	\$ 300	\$ 300
Cost/AF	\$ 51	\$ 53
Revenue	2,400,000	2,400,000
Cost (Water & Legal)	408,000	420,240
Net Sales Revenue	1,992,000	1,979,760

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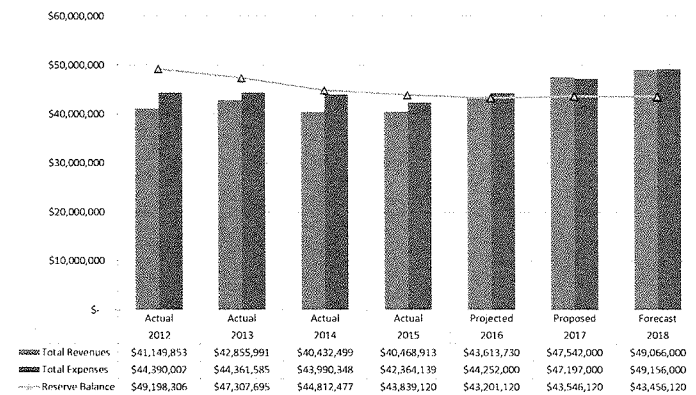
## 2017 Budget and 2018 Forecast

	2015 Actual	2016 Amended Budget	Actual As Of 7/31/16	Projected 2016	2016 Amended Budget	2017 Proposed Budget	2018 Forecast
Income From Customers	\$ 38,690,419	\$ 38,857,000	\$ 22,713,562	\$ 41,144,000	\$ 41,410,000	\$ 45,726,000	\$ 45,480,000
Water Transfers	-	-	-	-	-	1,992,000	1,976,000
Total Other Income	1,778,424	1,742,000	1,764,785	2,472,750	2,905,000	1,824,000	1,610,000
<b>Total Revenue</b>	<b>\$ 40,468,843</b>	<b>\$ 40,579,000</b>	<b>\$ 25,978,347</b>	<b>\$ 43,615,750</b>	<b>\$ 44,315,000</b>	<b>\$ 47,542,000</b>	<b>\$ 49,066,000</b>
<b>Budgets:</b>							
Operations and Maintenance	16,854,403	17,895,000	9,526,428	17,827,000	17,895,000	21,311,000	21,124,000
Capital Improvement Program	17,179,377	18,332,000	8,578,198	17,846,000	18,796,000	16,975,000	19,600,000
Operating Capital Program	905,359	1,140,925	357,958	974,000	974,000	1,141,000	672,000
Debt Service (Forensic)	7,425,000	7,850,000	2,113,215	7,605,000	7,605,000	7,270,000	7,260,000
<b>Total Costs</b>	<b>42,364,139</b>	<b>45,217,925</b>	<b>20,576,299</b>	<b>44,252,000</b>	<b>45,270,000</b>	<b>47,197,000</b>	<b>49,156,000</b>
Change in Reserve Balance	(1,895,276)	(4,638,925)	3,402,048	(638,270)	(955,000)	345,000	(90,000)
Reserve (Cash) Balance	\$ 43,859,170	\$ 40,171,552	\$ 46,397,277	\$ 45,201,120	\$ 47,883,170	\$ 45,546,120	\$ 45,456,120

Note: Bolded lines are the Budgets – O&M, CIP, OCB, and Debt Service Forecast

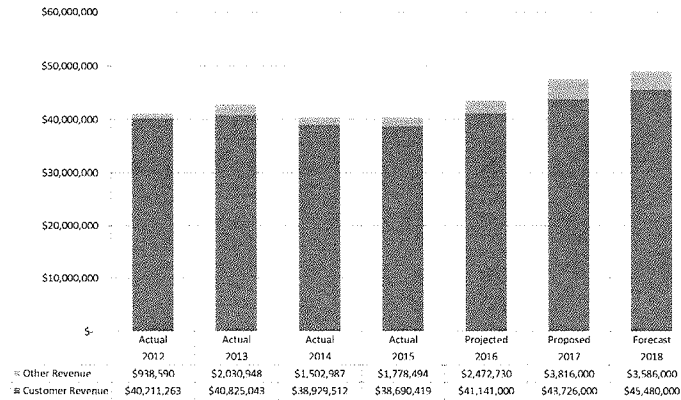
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## Total Revenues Vs Total Expenditures 2012 to 2018



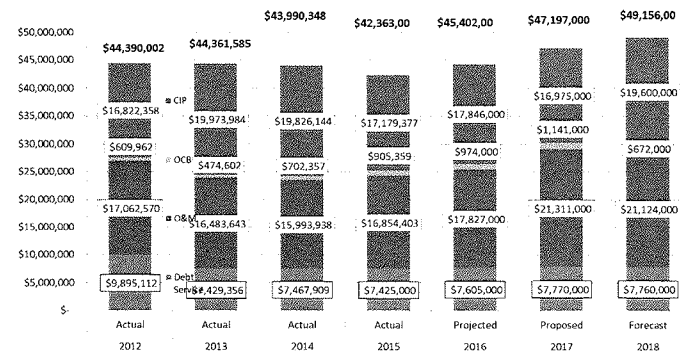
10

### Total Revenues 2012 to 2018



Customer revenue is expected to increase \$1.6 million in 2017 and \$1.7 in 2018 due to the 4.0% per annum rate increase approved in 2013. Other revenue includes \$2.0 million in net water transfer sales in both 2016 and 2017.

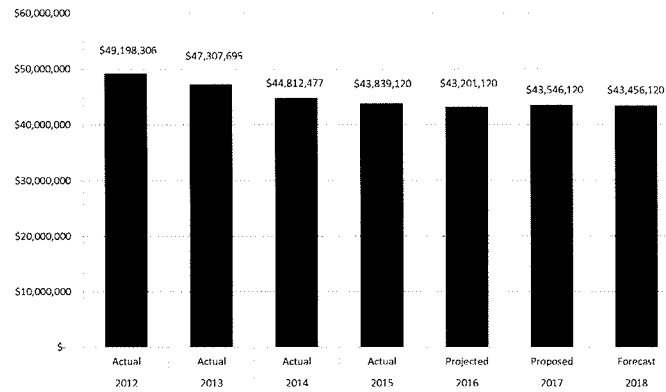
### Total Expenditures 2012 to 2018



The increase in 2017 is primarily due to increased purchased water costs of \$1.5 million.



### Reserve Balance 2012 to 2018



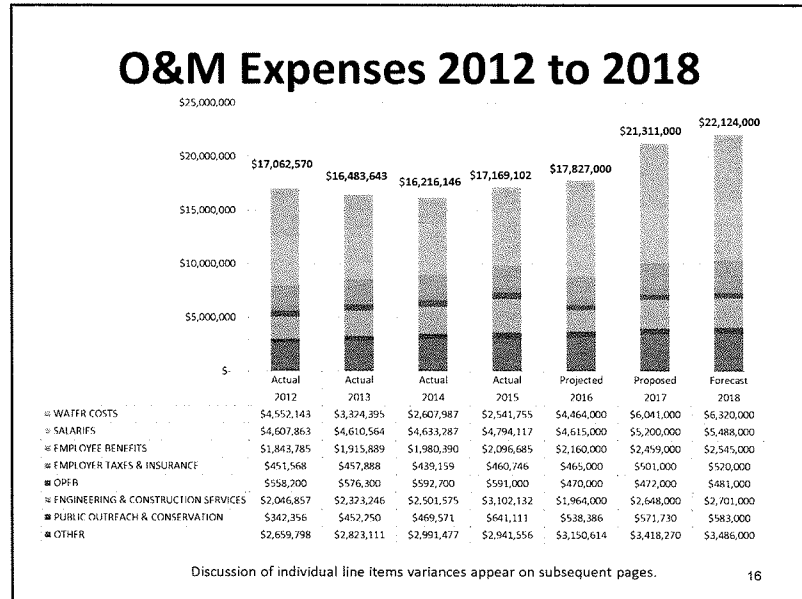
From a high of \$57.7 million at the end of 2009, the Board has strategically lowered the reserve balance to roughly \$40 million.

### Reserve Balance Detail 2012 to 2018

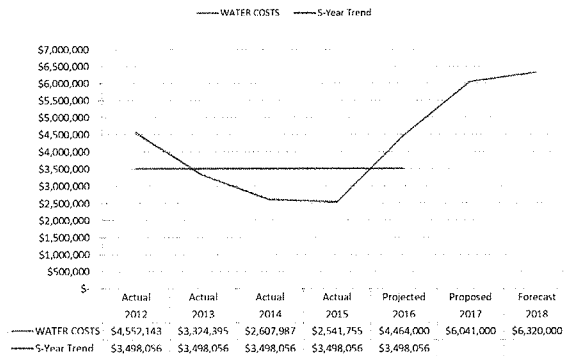
	Actual 12/31/2012	Actual 12/31/2013	Actual 12/31/2014	Actual 12/31/2015	Projected 12/31/2016	Proposed 12/31/2017	Forecast 12/31/2018
Debt Service Reserve	\$ 3,532,012	\$ 3,520,472	\$ 3,540,082	\$ 3,523,427	\$ 3,500,000	\$ 3,517,500	\$ 3,517,500
Facilities Reimbursement	76,051	42,068	21,875	21,875	100,000	100,000	100,000
Emergency Contingency	10,660,000	10,317,750	10,758,000	10,758,000	11,750,000	11,655,000	11,655,000
Operating	6,183,575	6,466,000	6,468,857	6,468,857	6,500,000	6,589,250	6,589,250
Rate Stabilization	5,470,000	5,525,000	5,370,000	5,370,000	5,900,000	6,136,000	6,381,440
Interest Rate Risk	-	-	-	-	-	-	-
Grant	7,696,000	3,832,000	654,000	654,000	1,000,000	500,000	500,000
Capital Asset	15,580,668	17,603,505	17,409,665	16,542,062	14,550,000	15,048,570	14,712,920
<b>TOTAL</b>	<b>\$ 49,198,306</b>	<b>\$ 47,307,695</b>	<b>\$ 44,812,477</b>	<b>\$ 43,839,120</b>	<b>\$ 42,900,000</b>	<b>\$ 43,546,120</b>	<b>\$ 43,456,120</b>

Individual reserve account changes based on proposed 2017 budget.  
Actual fluctuations (years 2011 to 2015) are due to changes in CIP and/or consumption revenues.

# O&M Budget

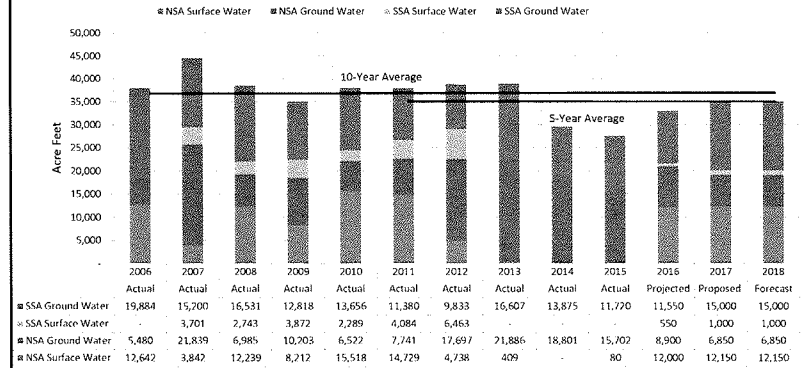


### O&M Expense Detail Water Costs



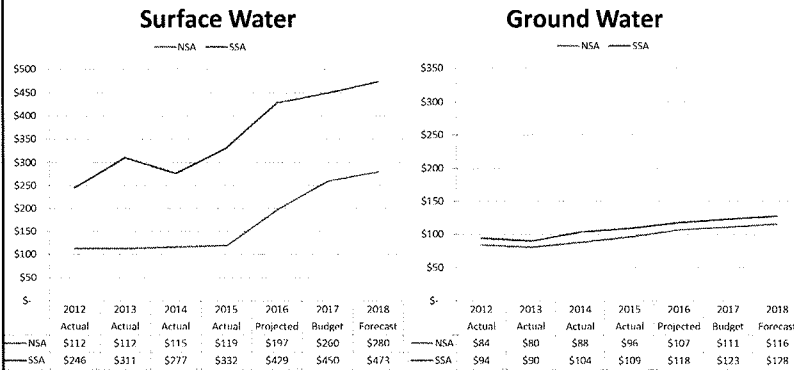
Water costs fluctuate based on hydrological conditions. Due to the conditions in 2013 - 15, SW was largely unavailable. 2017 and 2018 assume the purchase of 13,150 AF of SW (SSA - 1,000 AF and NSA 12,150 AF).

### O&M Expense Detail Water Production



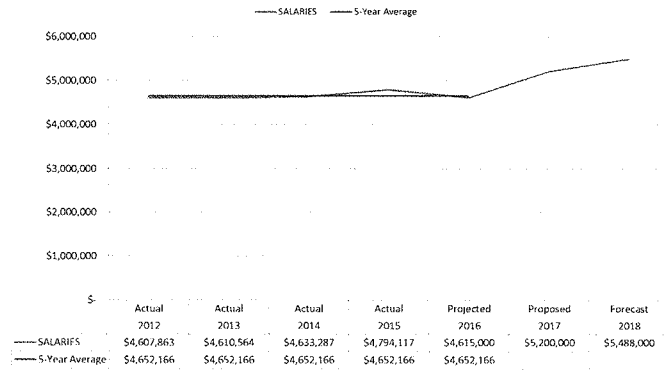
2017 production amounts/alternatives discussed with the Finance and Audit Committee.

### Surface Water vs Ground Water Costs



SSA - City SW cost is projected to increase 5% to \$450 per AF.  
 NSA - 2017 SJWD treatment cost increase is \$46/AF to \$175/AF. PCWA Water cost increase is 5.0% to \$57/AF.  
 Total NSA SW cost for 2017 expected to be \$260/AF compared to \$197/AF in 2016.

### O&M Expense Detail Salaries



Increase in 2017 due to four new positions (\$157,000) and Merit and COLA increases of 3.7% (\$157,000).

## New Position Requests

- Position Presented to the Facilities & Operations Committee.

**2017 Staffing Additions:**

Administrative Assistant I/II  
 Distribution Operator I/II  
 Cross Connection Control Specialist  
 Customer Service Representative

**2018 Staffing Addition:**

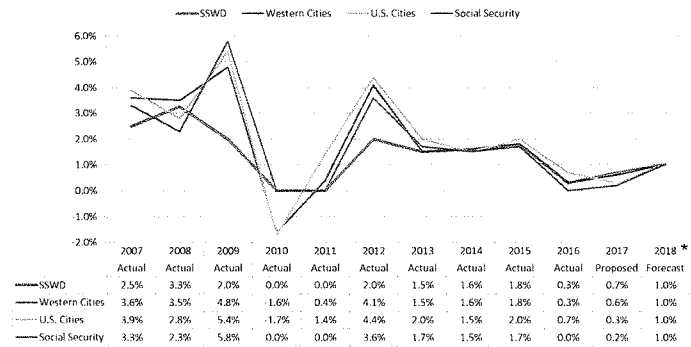
SCADA Integrator

- New Positions Costs:

	<u>2017</u>	<u>2018</u>
Salaries	\$195,000	\$79,000
Benefits & Employer Taxes	98,000	39,000
Annual Cost of New Positions	<u>\$328,000</u>	<u>\$118,000</u>

- The 1<sup>st</sup> year (2017) Costs will be \$59,000 less due to Phasing of Hiring These New Positions

## O&M Expense Detail COLA



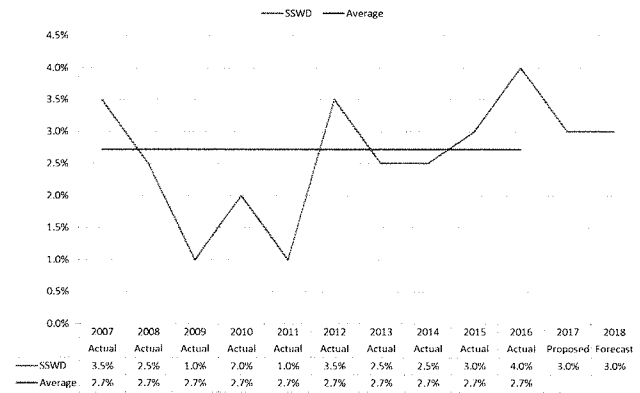
SSWD COLA is intended to be equal to the Western Cities Index. Comparison is also shown to National Consumer Price and Social Security Indices as published on their respective websites.  
 \* 2018 estimated by staff.

### O&M Expense Detail COLA – 10 Year Average

Index	Average	SSWD Average	SSWD Award%
Social Security	2.2%	1.6%	73%
U.S. Cities	2.5%	1.6%	64%
Western Cities	2.2%	1.6%	73%
Total	2.3%	1.6%	70%

SSWD Average COLA Increase over the past 10 years has been 70% of the average Western Cities, Social Security and US Cities COLAs.

### O&M Expense Detail Merit



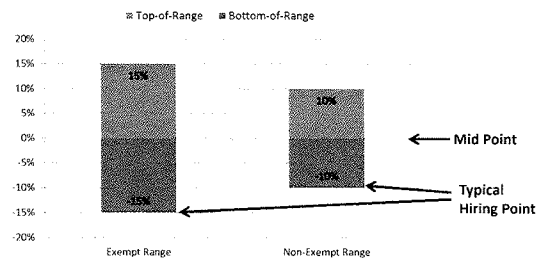
Discussion of how merit is administered appears on slides 28 and 29.

### O&M Expense Detail Salary Band Data

	No. of Employees	At Salary Cap	Percentage
Exempt	16	8	50%
Non-Exempt	47	23	49%
<b>Total Employees</b>	<b>63</b>	<b>31</b>	<b>49%</b>

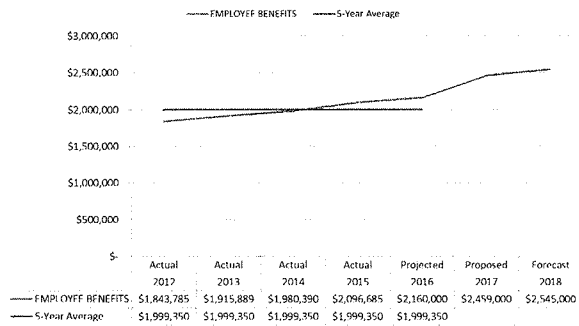
Salary-Capped employees do not receive any change in base salary, but are eligible for a one-time vacation bonus.

### O&M Expense Detail Salary Bands



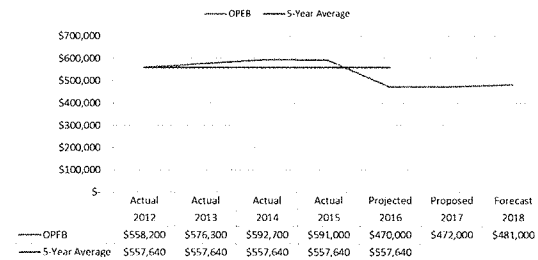
New employees typically hired at or near bottom of salary range. Based on performance, an average merit increase of 4.0% will move a good performing non-exempt employee through their salary range in 5 years and an exempt employee in 7.5 years.

### O&M Expense Detail Employee Benefits



2017 increase due to increase in retirement costs and four new positions.

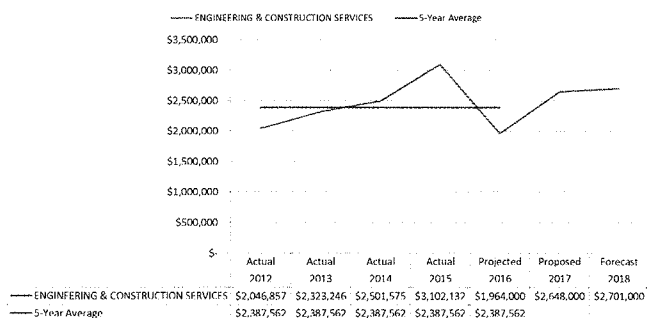
### O&M Expense Detail OPEB



2016 - 18 reduction due to a combination of – reduced projected liability and higher earnings inception-to-date; offset by a reduced UAAL amortization from 22 years down to 10 years.



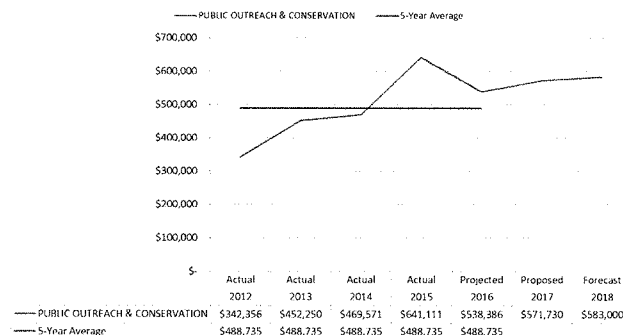
## O&M Expense Detail Engineering, Construction & Consulting



2017 increase primarily due to a reclassification of a number of projects previously captured in the CIP budget now moved to the O&M budget. Other increases include the Sacramento River Reliability Study and well monitoring and destruction.

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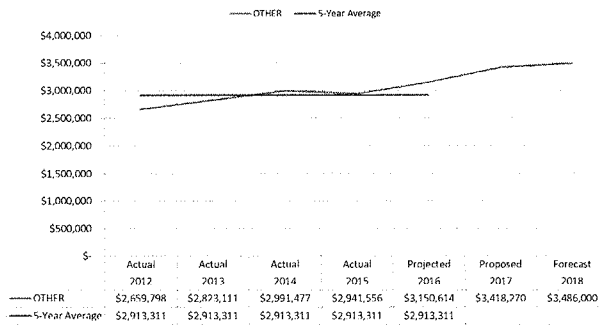
## O&M Expense Detail PUBLIC OUTREACH & CONSERVATION



2017 increase due primarily to increased customer conservation-based rebate programs, additional customer outreach and website monitoring and focus-groups.

30

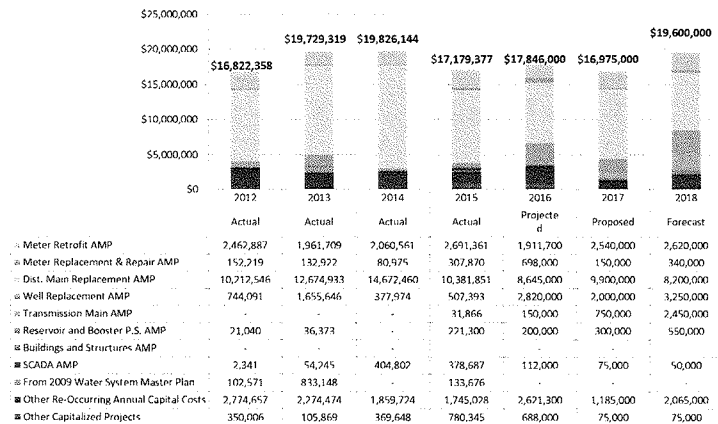
### O&M Expense Detail OTHER EXPENSES



2016 -18 increase due primarily to increased operating supplies and inventory for meter repairs, rebuilds and replacements.

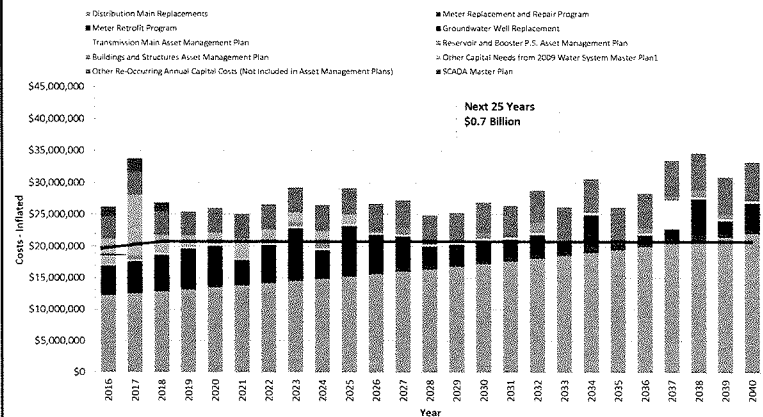
### CIP Budget

### CIP Project Costs 2012 to 2018



Discussion of individual line items appears on subsequent pages. 33

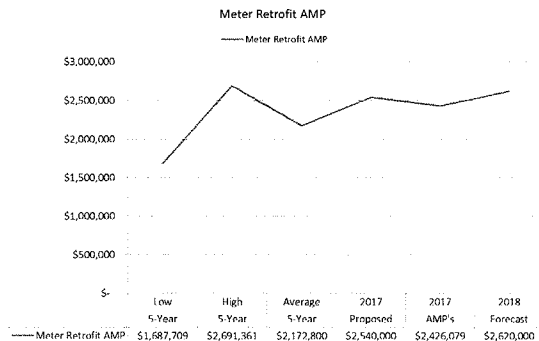
### Capital Costs Next 25 Years



Over the Next 25 Years, Capital Costs Continue to be Underfunded.  
Funding Level Assumes Board Approved Rate Increases occur as Scheduled.

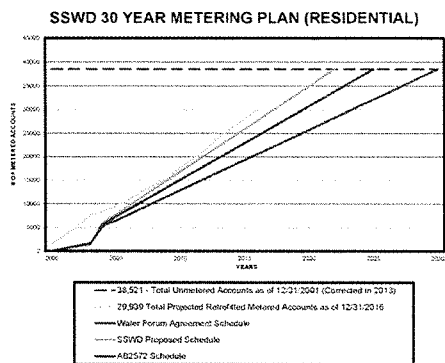
34

### Water Meter Retrofit Program



Meters to be installed per Meter Retrofit Plan in 2017 is 1,216. (Meters installed as part of distribution main replacements expected to be 720 for 2017/18.) 2017 Voluntary Meter installations expected to be 16.

### Water Meter Retrofit Program



METER\_RETROFIT\_30\_YEAR\_PLAN\_RESIDENTIAL\_CUMULATIVE\_2016-2046

### CIP Project Detail Meter Replacement & Repair Costs

5-Year Low	5-Year High	5-Year Average	Budget 2017	AMP 2017	Forecast 2018
\$ 80,975	\$ 307,870	\$ 189,800	\$ 150,000	\$ 333,950	\$ 340,000

2017/18 Projects

Replace obsolete large meters (>3")	\$ 100,000
Replace/repair meters that have outlived their useful life	<u>50,000</u>
	<u>\$ 150,000</u>

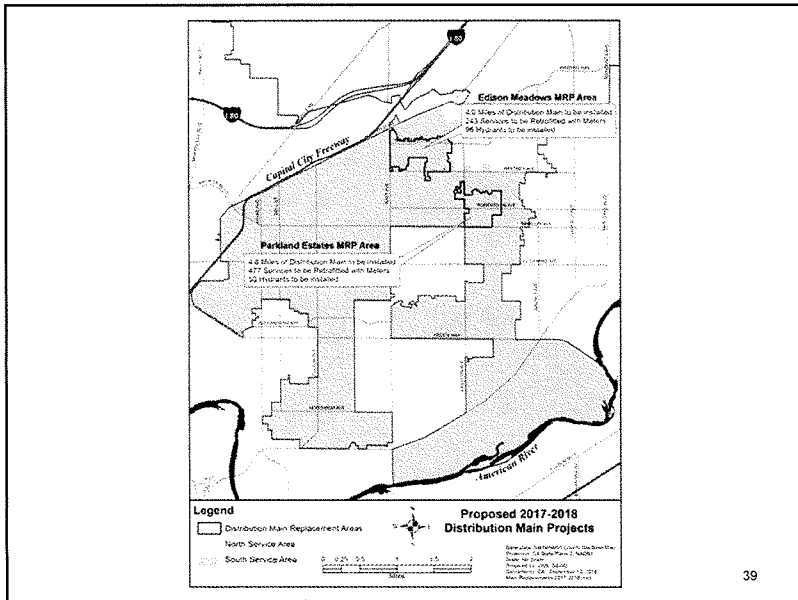
Per Water Meter Asset Management Plan, beginning in 2016 a new program to replace water meters installed in 1990's began.

### CIP Project Detail Distribution Main Replacement Costs

5-Year Low	5-Year High	5-Year Average	Budget 2017	AMP 2017	Forecast 2018
\$ 10,212,546	\$ 14,672,460	\$ 11,700,200	\$ 9,900,000	\$ 12,756,628	\$ 8,200,000

2017/18 Projects

Parkland Estates and Edison Meadows, construction; also Arden Oaks and Jonas Area possible, and Project Design for 2018/2019, and Pre-purchase of 30,000 linear feet Ductile Iron Pipe for 2018	\$ 9,250,000
Various small main replacement projects	600,000
McClellan line replacements	<u>50,000</u>
	<u>\$ 9,900,000</u>



### CIP Project Detail Well Replacement Costs

	5-Year Low	5-Year High	5-Year Average	Budget 2017	AMP 2017	Forecast 2018
	\$ 377,974	\$ 1,655,646	\$ 835,900	\$ 2,000,000	\$ 3,131,172	\$ 3,250,000
<b>2017/18 Projects</b>						
Complete construction of Palm Avenue Well & pumping facility, And design and drill 2nd well on property of Verner Well , and 3rd well or (well site to be acquired) to be initiated to address production losses from Chromium VI.					\$ 2,000,000	
					<u>\$ 2,000,000</u>	

### CIP Project Detail Transmission Main Costs

5-Year Low	5-Year High	5-Year Average	Budget 2017	AMP 2017	Forecast 2018
\$ -	\$ 31,866	\$ 6,400	\$ 750,000	\$ 173,954	\$ 2,450,000

2017/18 Projects

Install impressed current cathodic protection to each District's major transmission pipelines (CTP, Walerga Pipeline, Antelope North Pipeline, Mission Ave Pipeline and Bell/Northrop Pipeline)

\$ 450,000

Improve and complete the transmission network in the NSA that is not currently connected in many parts (new assets).

300,000  
\$ 750,000

Asset Management Plan called for an equal amount of repair/replacement costs each year.

### CIP Project Detail SCADA System Costs

5-Year Low	5-Year High	5-Year Average	Budget 2017	AMP 2017	Forecast 2018
\$ -	\$ 404,802	\$ 168,000	\$ 75,000	\$ 1,430,830	\$ 50,000

2017/18 Projects

Complete SCADA at well N1, N12 and Arbors PRV

\$ 75,000

\$ 75,000

Asset Management Plan called for an expanded RTU Pilot Study and SCADA System completion, which includes purchasing and installing SCADA system components on 24 remote water facility sites that currently do not have SCADA.

### CIP Project Detail Reservoir and Booster P.S. Costs

5-Year Low	5-Year High	5-Year Average	Budget 2017	AMP 2017	Forecast 2018
\$ -	\$ 352,600	\$ 126,300	\$ 300,000	\$ -	\$ 550,000

2017/18 Projects

Tank Inspections and Repairs - Tank 769, 216 and Capehart	\$ 200,000
Spot Painting & Repairs various District's above ground storage reservoirs and miscellaneous well sites	100,000
	<u>\$ 300,000</u>

### CIP Project Detail Other Re-Occurring Capital Costs

5-Year Low	5-Year High	5-Year Average	Budget 2017	Original Estimate 2017	Forecast 2018
\$ 1,745,028	\$ 2,774,657	\$ 2,201,200	\$ 1,185,000	\$ 3,641,437	\$ 2,065,000

2017/18 Projects

Well Rehabilitation - investigate and/or rehab various well sites and interties	\$ 700,000
Wellhead Treatment - replace/repair existing wellhead treatment or chemical feed system on an as needed basis, and construction of manganese treatment facility at the Verner well	250,000
Engine Generator Compliance	35,000
Lowering/Raising Valve Boxes	200,000
	<u>\$ 1,185,000</u>



### CIP Project Detail Other Capitalized Project Costs

5-Year Low	5-Year High	5-Year Average	Budget 2017	Original Estimate 2017	Forecast 2018
\$ 105,869	\$ 780,345	\$ 461,100	\$ 75,000	\$ -	\$ 75,000

2017/18 Projects

Electrical Arc Flash Hazard Modifications at Various Well

Sites

25,000

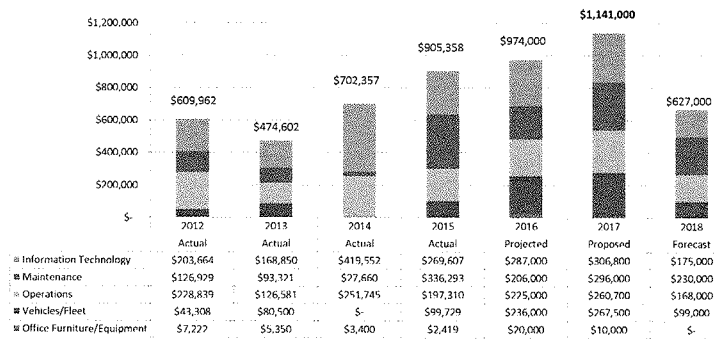
Right of way/easement acquisitions

50,000

\$ 75,000

## OCB Budget

### OCB Project Costs 2012 to 2018



Discussion of individual line items appear on subsequent pages.

### OCB Project Detail Information Technology Costs

	5-Year Low	5-Year High	5-Year Average	Budget 2017	Forecast 2018
	\$ 135,095	\$ 419,552	\$ 239,400	\$ 306,800	\$ 175,000
<b>2017/18 Projects</b>					
Hardware Refresh Program				\$ 82,800	\$ 90,000
Hardware for New Staff				6,000	
Software Enhancements/Modules				85,000	85,000
Web Site Upgrade				58,000	
GPS Asset Location Project				75,000	
				<b>\$ 306,800</b>	<b>\$ 175,000</b>

2016 budget was \$287,000

### OCB Project Detail Maintenance

	5-Year Low	5-Year High	5-Year Average	Budget 2017	Forecast 2018
\$	27,660	\$ 336,293	\$ 159,600	\$ 296,000	\$ 230,000
<u>2017/18 Projects</u>					
Building and Structures Maintenance				\$ 95,000	\$ -
Walnut Facility Improvements				136,000	40,000
HVAC/Roof/Building repairs				30,000	
Marconi - Security Upgrade				15,000	
Antelope Facility Improvements				20,000	190,000
				<u>\$ 296,000</u>	<u>\$ 230,000</u>

2016 Budget was \$206,000.

### OCB Project Detail Operations Project Costs

	5-Year Low	5-Year High	5-Year Average	Budget 2017	Forecast 2018
\$	126,581	\$ 279,117	\$ 216,700	\$ 260,700	\$ 168,000
<u>2017/18 Projects</u>					
GPS/GIS Integration Project - Phase 1				\$ 70,000	\$ 45,000
SCADA Control System Integration				75,000	75,000
Security Cameras				30,000	
Production Magmeter Meter Relocation				23,000	
Vanair Underdeck - Air Supply				25,000	
Chemical Trailer Refurbishment/Replacement				10,000	
Facility Sign Replacement				7,200	
Trailer Refurbish - 33A				10,000	
Meter Vault Lid Retrofit				10,500	11,000
Trailer Refurbish - 168 & 169					20,000
Gate Automation at the Enterprise Reservoir					8,000
Gate Automation at Well N36					9,000
				<u>\$ 260,700</u>	<u>\$ 168,000</u>

2016 budget was \$225,000

### OCB Project Detail Vehicles/Fleet

	5-Year Low	5-Year High	5-Year Average	Budget 2017	Forecast 2018
	\$ -	\$ 99,729	\$ 62,000	\$ 267,500	\$ 99,000
<u>2017/18 Projects</u>					
New Production Department Vehicle				\$ 34,500	
Vehicle Replacement/Right Size - Truck #25				70,000	
Vehicle Replacement/Right Size - Truck # 27				130,000	
Vehicle Replacement/Right Size - Truck #41				33,000	
Vehicle Replacement/Right Size - Truck # 5					33,000
Vehicle Replacement/Right Size - Truck #11					33,000
Vehicle Replacement/Right Size - Truck # 21					33,000
				<u>\$ 267,500</u>	<u>\$ 99,000</u>

2016 budget was \$236,000 – Replaced three Trucks

### OCB Project Detail Office Furniture Costs

	5-Year Low	5-Year High	5-Year Average	Budget 2017	Forecast 2018
	\$ 2,419	\$ 7,222	\$ 4,400	\$ 10,000	\$ -
<u>2017/18 Projects</u>					
New Staff Office Furniture/Workstations				\$ 10,000	\$ -
				<u>\$ 10,000</u>	<u>\$ -</u>

2016 budget was \$20,000



## 2017 Budget and 2018 Forecast Summary

	<u>2015 Actual</u>	<u>2015 Amended Budget</u>	<u>Actual As Of 7/31/16</u>	<u>Projected 2016</u>	<u>2016 Amended Budget</u>	<u>2017 Proposed Budget</u>	<u>2018 Forecast</u>
Income From Customers	\$ 38,690,419	\$ 38,837,000	\$ 22,713,562	\$ 41,141,000	\$ 41,410,000	\$ 43,726,000	\$ 45,480,000
Water Transfers	-	-	-	-	-	1,992,000	1,976,000
Total Other Income	<u>1,778,492</u>	<u>1,742,000</u>	<u>1,264,785</u>	<u>2,472,730</u>	<u>2,905,000</u>	<u>1,834,000</u>	<u>1,610,000</u>
Total Revenue	<u>\$ 40,468,913</u>	<u>\$ 40,579,000</u>	<u>\$ 23,978,347</u>	<u>\$ 43,613,730</u>	<u>\$ 44,315,000</u>	<u>\$ 47,532,000</u>	<u>\$ 49,066,000</u>
<b>Budgets:</b>							
Operations and Maintenance	16,854,403	17,895,000	9,526,428	17,827,000	17,895,000	21,311,000	21,124,000
Capital Improvement Program	17,179,377	18,332,000	8,576,198	17,846,000	18,796,000	16,975,000	19,600,000
Operating Capital Program	905,359	1,140,925	357,958	974,000	974,000	1,141,000	672,000
Debt Service (Forecast)	<u>7,425,000</u>	<u>7,850,000</u>	<u>2,113,715</u>	<u>7,605,000</u>	<u>7,605,000</u>	<u>7,770,000</u>	<u>7,760,000</u>
Total Costs	<u>42,364,139</u>	<u>45,217,925</u>	<u>20,576,299</u>	<u>44,252,000</u>	<u>45,270,000</u>	<u>47,197,000</u>	<u>49,156,000</u>
Change in Reserve Balance:	(1,895,226)	(4,638,925)	3,402,048	(638,270)	(955,000)	345,000	(90,000)
Reserve (Cash) Balance	<u>\$ 45,839,120</u>	<u>\$ 40,173,552</u>	<u>\$ 46,797,377</u>	<u>\$ 45,201,120</u>	<u>\$ 42,884,120</u>	<u>\$ 43,526,120</u>	<u>\$ 45,456,120</u>

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# QUESTIONS

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## Agenda Item: 13

**Date:** October 4, 2016

**Subject:** District Activity Report

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

Described below are significant District Activities and milestones over the past month. The report is separated into the following sections: Water Operations and Exception Report, and Customer Service Report, and Community Outreach Report.

### **a. Water Operations And Exceptions Report**

#### **i. Monthly Water Production – Exhibit WO-1**

This indicates the amount of water produced, both ground and surface water, in the District's North Service Area (McClellan Business Park, The Arbors at Antelope, and portions of North Highlands, Antelope, Carmichael, and Citrus Heights) and South Service Area (Portions of Arden Arcade, Carmichael, and City of Sacramento) for Calendar Year 2015 and 2016. As a result of the near normal precipitation this past winter, surface water supplies are currently being utilized in the North Service Area, and limited quantities of surface water will be utilized in the South Service Area in October once City of Sacramento testing has been completed.

#### **ii. Water Wheeled to Other Purveyors – Exhibit WO-2**

This indicates the amount of water the District served to other water purveyors in Calendar Year 2016. The amount is indicated in Million Gallons (MG) and Acre Feet (AF). Cal American Water started taking wholesale surface water deliveries in August 2016.

#### **iii. Water Operations Activity – Exhibit WO-3**

This shows the types and number of activities that are conducted daily in the Production, Distribution and Field Services Departments.

#### **iv. Claims Update – Exhibit WO-4**

This is a summary report of claims received by the District that are less than \$10,000, and approved or rejected by the General Manager.

**v. General System Discharges by Category – Exhibit WO-5**

This report quantifies the amount of water discharged to waste for each discharge type. In September 2016, the total volume of water flushed was 0.509 MG or 0.05% of the total water produced for the month. Of the 0.509 MG discharged, 0.053 MG or 10.4% was reused through land application.

**vi. Exception Report for September**

No report.

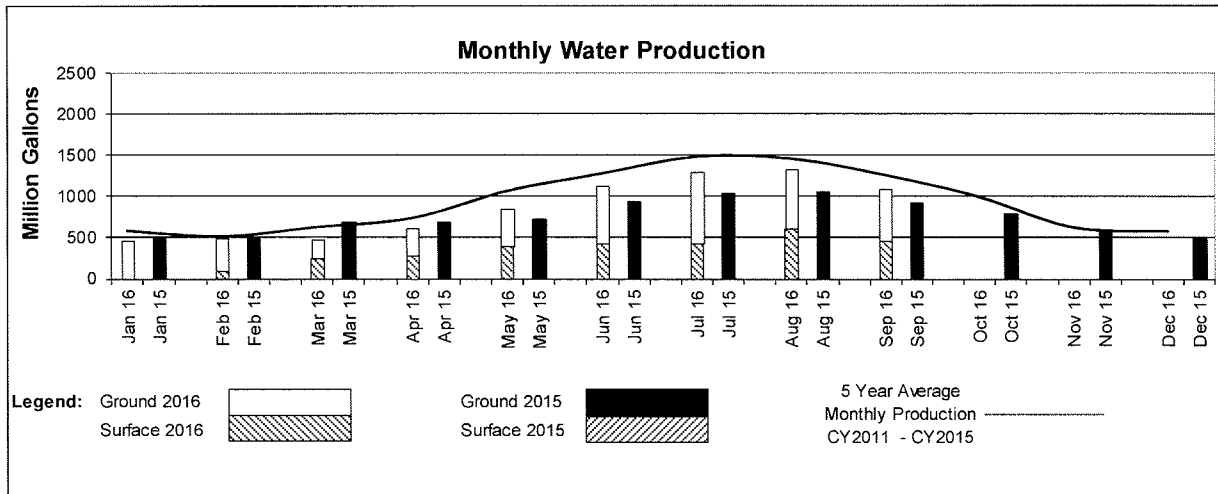


## Monthly Water Production 2016

### Exhibit WO-1

Month	North Service Area *			South Service Area **			Total North & South Service Areas (MG)	Average MG/Day	% Of Total Year to Date Production
	Surface (MG) ‡	Ground (MG)	Sub Total (MG)	Surface (MG)	Ground (MG)	Sub Total (MG)			
Jan	0.000	283.684	283.684	0.000	182.615	182.615	466.299	15.042	6.011
Feb	97.179	200.496	297.675	0.000	194.894	194.894	492.569	16.985	6.350
Mar	244.176	42.663	286.839	0.000	192.734	192.734	479.573	15.470	6.182
Apr	278.717	81.561	360.278	0.000	258.657	258.657	618.935	20.631	7.979
May	406.766	77.756	484.522	0.000	369.033	369.033	853.555	27.534	11.003
Jun	429.012	203.588	632.600	0.000	499.511	499.511	1,132.111	37.737	14.594
July	432.815	303.528	736.343	0.000	558.374	558.374	1,294.717	41.765	16.690
Aug	609.658	105.222	714.880	1.321	609.991	611.312	1,326.192	42.780	17.096
Sep	470.076	132.325	602.401	0.000	491.019	491.019	1,093.420	36.447	14.095
Oct									
Nov									
Dec									
<b>MG</b>	<b>2968.399</b>	<b>1430.823</b>	<b>4,399.222</b>	<b>1.321</b>	<b>3356.828</b>	<b>3,358.149</b>	<b>7757.371</b>	<b>28.312</b>	
<b>AF</b>	<b>9,109.682</b>	<b>4,391.035</b>	<b>13,500.717</b>	<b>4.054</b>	<b>10,301.727</b>	<b>10,305.781</b>	<b>23,806.497</b>		

Mo/Yr	Million Gallons (MG)			
	Surface	Ground	Total	Difference
Jan 16	0.000	466.299	466.299	-45.265
Jan 15	0.000	511.564	511.564	
Feb 16	97.179	395.390	492.569	-8.416
Feb 15	0.000	500.985	500.985	
Mar 16	244.176	235.397	479.573	-212.648
Mar 15	0.000	692.221	692.221	
Apr 16	278.717	340.218	618.935	-83.470
Apr 15	0.000	702.405	702.405	
May 16	406.766	446.789	853.555	130.605
May 15	0.000	722.950	722.950	
Jun 16	429.012	703.099	1,132.111	182.300
Jun 15	5.200	944.611	949.811	
Jul 16	432.815	861.902	1,294.717	252.019
Jul 15	0.465	1,042.233	1,042.698	
Aug 16	610.979	715.213	1,326.192	268.871
Aug 15	0.000	1,057.321	1,057.321	
Sep 16	470.076	623.344	1,093.420	159.617
Sep 15	20.375	913.428	933.803	
Oct 16				
Oct 15	0.000	788.885	788.885	
Nov 16				
Nov 15	0.000	571.407	571.407	
Dec 16				
Dec 15	0.047	487.323	487.370	



\* North Service Area (North Highlands, Northridge, McClellan Park and The Arbors)

\*\* South Service Area (Town and Country)

‡ The delivered quantities of surface water for February 2016 through June 2016 have been amended to match the delivered quantities reported to USBR by San Juan Water District (SJWD) to ensure reporting consistency. The difference between the previously reported quantities and the amended quantities from SJWD are a result of a slight time differential in meter reads and are considered inconsequential. The differences range from 0.038 MG in February which accounted for 0.01% of total production, to 0.565 MG in June which accounted for 0.05% of total monthly production. Going forward SJWD's reported monthly surface water delivery quantities will be considered the data of record for reporting.

**SACRAMENTO SUBURBAN WATER DISTRICT**  
**Water Wheeled To Other Purveyors**  
 2016

**Exhibit WO-2**

Month	California American Water		Citrus Heights Water District		City of Sacramento		County of Sacramento		Rio Linda / Elverta Water		San Juan Water District		City of Roseville	
	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)	(AF)	(MG)
January	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	13.058	4.255	0.000	0.000
February	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.178	0.058
March	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
April	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
May	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
June	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
July	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
August	1.479	0.482	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
September	106.628	34.745	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
October														
November														
December														
<b>YTD</b>	<b>108.107</b>	<b>35.227</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	<b>13.058</b>	<b>4.255</b>	<b>0.178</b>	<b>0.058</b>

Note: Water wheeled to other purveyors includes water sold.

<b>Exhibit WO-3</b>			
<b>Water Operations Activity</b>			
	<u>September</u> <u>2016</u>	<u>Monthly</u> <u>Average</u>	<u>CY</u> <u>2016</u>
<b><u>Production Department</u></b>			
<b><u>Service Orders</u></b>			
Preventive Maintenance: Work Orders Completed	773	663	5971
Corrective Maintenance: Work Orders Completed	13	13	115
<b><u>Water Quality</u></b>			
Complaints	0	1	12
Inquiries	2	17	153
<b><u>Distribution Department</u></b>			
<b><u>Service Orders</u></b>			
Main Leaks	5	5	49
Service Line Leaks	7	7	63
Locate & Expose (L&E)	13	17	156
Determine Responsibility (DR)	63	55	491
Water Main Shutdown			
-- Emergency	3	2	21
-- Scheduled	1	1	10
<b><u>Preventive Maintenance Program</u></b>			
Fire Hydrants Inspected	0	27	247
Fire Hydrant Valves Inspected	0	27	245
Fire Hydrant Valves Exercised	0	25	223
Mainline Valves Inspected	0	97	877
Mainline Valves Exercised	0	78	703
<b><u>Underground Service Alert</u></b>			
Reviewed	1811	1859	16733
Marked	389	391	3520
<b><u>After Hours Activity (On-Call Technician)</u></b>			
Calls Received	53	68	613
Calls Responded	26	40	360
Average Call Time Hours	1.5	2	2
Overtime Hours	72	71	642
<b><u>Field Services Department</u></b>			
<b><u>Meters</u></b>			
Preventive Maintenance - Meters Tested	21	10	89
Preventive Maintenance - Meters Replaced	0	17	154
Preventive Maintenance - Meter Re-Builds	45	24	219
<b><u>Customer Service</u></b>			
Shut Off (non-payment)	170	149	1340
Restore Service	144	147	1327
Customer Pressure Inquiries	20	13	120
<b><u>Field Operations Department</u></b>			
Service Requests Generated	1438	1340	12057
Work Orders Generated	872	1118	10059

**Exhibit WO-4**

**Date:** October 5, 2016

**Subject:** Claims Update

**Staff Contact:** Jim Arenz, Operations Manager

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

The following information provides an overview of the claims that have been submitted to the District:

**CLAIMS APPROVED/REJECTED BY GENERAL MANAGER**

Geico General Insurance Company (Robin Ediger) – Sycamore Avenue, Sacramento

On September 7, 2016, District staff received a District Claim Form from GEICO requesting reimbursement for damages caused to their client's vehicle by a blow-off box lid that popped off the box as they drove over it on April 26, 2016, at 4447 Sycamore Avenue.

On August 1, 2016, staff was contacted by Sacramento County Encroachment Inspector, Robert Harvey stating that he had received a call from a resident on Sycamore Avenue expressing concerns about a rattling lid on a box. Mr. Harvey stated that after driving in the area he identified the only suspect box to be a District blow-off box, which he then requested staff to address. Staff was dispatched to the location and determined the box had been broken which resulted in a loosely fitting lid. Staff removed the lid, filled the box with sand and cutback to secure the area until such time that the box could be scheduled for replacement.

Upon visual inspection and a Cityworks query, staff determined that only one blow-off box exists on Sycamore Avenue; therefore, it is assumed the lid from this blow-off box is the same one referenced in GEICO's claim. Staff provided a report and recommendation to the General Manager that he approve this claim.

Claim Amount – \$2,469.18

Date of loss – April 26, 2016

**CLAIMS UNDER REVIEW/INVESTIGATION**

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

**CLAIMS IN LITIGATION**

There are no claims in litigation at this time.

**Exhibit WO-5**

# General System Discharges by Category

From 9/1/2016 to 9/30/2016

**Report Group**

**Water Used (MG)**

**Distribution Flushing** (13 detail records)

Discharge Sub Total	<b>0.157</b>
Portion Reused	0.034

**Meter Testing** (2 detail records)

Discharge Sub Total	<b>0.033</b>
Portion Reused	0.008

**Contractor Flush – SWPPP** (4 detail records)

Sub Total	<b>0.154</b>
Portion Reused	0.000

**Raw Water Pump-to-Waste** (1 detail records)

Sub Total	<b>0.057</b>
Portion Reused	0.000

**Storage Tank Flush** (1 detail records)

Sub Total	<b>0.108</b>
Portion Reused	0.011

**Total Water Flushed for all Types of Discharges::**

**0.509**

**Total Monthly Production for September 2016:**

**1,092.938**

**Percent of Total Production Discharged to Waste:**

**0.05%**

**Total Water Reused for all Types of Discharges:**

**0.053**

**Percent Reuse for all Types of Discharges:**

**10.41%**

## **b. Water Conservation and Regional Water Efficiency Program Report**

### **i. Program Overview for September 2016**

The District continues to message water conservation and use efficiency to its customers. Staff updated the District's website to reflect the new watering restrictions and the updates to the District's Regulation No. 15. The District will continue to reach out to customers to ensure they are aware of the programs that the District continues to offer in 2016. The following is a list of District conservation activities for September 2016.

- a. In May 2016 the District's Board of Directors declared Normal Water Supply conditions, but called on District customers to continue to use water as efficiently as possible. The District set an overall water conservation goal of 10%. The District achieved a 21.4% reduction in September 2016 (when compared to September 2013), exceeding the District's 10% goal. Since the Emergency Drought Regulations were enacted in June 2015, the District has achieved a 27.3% reduction in water use when compared to 2013 (see Exhibit 1).
- b. The Regional Water Authority (RWA) issued the regional water conservation results for August 2016. The Sacramento Region has reduced water use by 17.6% in August 2016 (compared to August 2013), 24.7% year to date in 2016 (compared to CY2013), and 28.6% since Emergency Drought Regulations were enacted in June 2015. See Exhibit 2 for regional drought monitoring results.
- c. Customer Leak Notifications – Staff sent out 362 notifications of 72 hour continuous flow events in September 2016. Of those 362 notifications sent, 187 notifications were sent to customers that had not been previously identified on the Continuous Flow Report.
- d. EcoLandscape California continues to transition the landscape at well site 32A to a River-Friendly Landscape. As part of the landscape transition, ELC has offered a River-Friendly Landscaping Workshop for District customers and Sacramento area residents. Participants are learning the benefits of River-Friendly Landscaping, and being afforded the hands-on experience of installing both low-volume irrigation and California native plants. The transition is expected to be completed in November, with a commemorative ribbon cutting ceremony in December 2016. The landscape plans and pictures of the progress can be seen in Exhibit 3.
- e. The District utilized a variety of media outlets to continue to advertise water conservation and use efficiency during the month of September. The following are the different advertisements that were sent out (see Exhibit 4).
  - i. An eblast was distributed by the Sacramento Bee to all of the District customers who have signed up for the Bee's email alerts regarding the River-Friendly Landscaping training. (Figure 1).

1. The Garden Workshop ad was sent to 75,000 accounts. 11,423 people opened and read the email, and 1,034 people clicked on the link for more information.
  - ii. An info graphic was used to alert customers that the end of summer is nearing and sprinkler system run times can be reduced. The “Summer’s Gone” ad ran on Google and Facebook and was advertised in local news papers (see Exhibit 4, Figure 2).
  - iii. A variation of the “Summer’s Gone” info graphic was also used as a Sacramento Bee Post-It on September 25, 2016 (see Exhibit 4, Figure 3).
  - iv. A District customer was successful in winning the RWA’s Facebook “Re-Think Your Yard” photo contest. Contestants submitted photos of themselves and their new landscapes to the RWA’s “Be Water Smart” Facebook Page. People from around the region voted on their favorite photos and winners of the contest were issued \$50 gift cards to The Secret Garden.
- f. The District will be working with Water Systems Optimization, Inc. (WSO) for the District’s 2016 Leak Detection Program. The District will have approximately 61 miles of distribution mains surveyed, as well as its system Water Loss Audit analyzed for validation. WSO’s data validity analysis of the District’s Water Loss Audit will ensure that the District is submitting an Audit that meets all of the requirements for SB-555.
- g. District staff has been working with the American Water Works Association Technical Assistance Program (TAP) to ensure the District is prepared for the state’s implementation of SB-555. SB-555 requires urban water utilities to submit a validated Water Loss Audit of 2016 by October 2017. By participating with the AWWA in the TAP, staff is attempting to become a certified data validator. Staff participated in the TAP Wave 1 which occurred in August of 2016. TAP Wave 2 will be conducted in October 2016. Staff will be presenting the District’s data to the TAP team and working with them to ensure the data staff presents is accurate and in accordance with the AWWA’s M-36 Water Loss Control Programs manual. Once staff is certified as a validator, the District will no longer need to hire an outside consultant to validate its Water Loss Audit for submission to the state in October 2017.
- h. The RWA has been awarded funding as part of the Proposition 84 Round Three funds for Leak Detection & Repair, Advanced Customer Systems, and Public Outreach. The District will be able to receive funding for its 2015 Leak Detection Program and its water use analysis portal that shows customers a graph of their water usage via their online account. Total funding has not been established, but the RWA estimates that the District could receive up to \$110,000 for both of these programs.

- i. The District, the City of Sacramento, The Green Gardeners Group (G3), the Association of Professional Landscapers, and the Department of Water Resources are partnering to offer Sacramento region residents an interactive workshop to help teach the benefits of the Watershed Approach to landscaping. The class will be offered on November 12, 2016 at the Pannell Meadowview Community Center in Sacramento. The flyer and information regarding registration will be posted to the District's website once finalized.

## **ii. Water Conservation Program and Results**

District staff continues to promote water conservation directly to the District customers. During September 2016 District staff and our contract company performed 36 indoor residential Water-Wise House Calls (WWHC) and 42 outdoor residential WWHC's. Staff received 28 calls and 27 reports via the District's website regarding reports of water waste. Staff issued 48 Information Only Notices, 38 Notice of Violations, 7 Warning Notice of Violations, and 2 First Violations for Water Waste.

Through the District's rebate program customers were provided with 1 Weather Based Irrigation Controller rebate (\$150), 2 Irrigation Efficiency Upgrade rebates (\$697), 2 Recirculating Hot Water Pump rebates (\$400), and 2 Pool Cover rebates (\$185). Exhibit 5 provides a breakdown of how many rebates of each type were distributed in September 2016, as well as year to date.

Staff would like to thank Director Schild and Board President Director Thomas for their participation in the Carmichael Founders Day public outreach event. Staff was able to positively engage with members of the public and distribute a variety of water use efficiency products and information. Staff estimates that the District interacted with approximately 400 members of the public during the event.

As defined in the District's Regulation No. 15, the District's Water Year (October 1 – September 30) has reset as of October 1, 2016. All District customers will begin the new water year with a clean water waste slate, regardless of the number of violations they incurred over the past year. Staff will continue to work with and educate customers regarding the methods and benefits of water use efficiency. Staff will continue to offer services and programs to ensure customers are aware of any deficiencies and the appropriate repair methods necessary to ensure they are using water as efficiently as possible.

## **iii. Upcoming Events**

- a. California Urban Water Conservation Council Plenary Meeting – Webinar Only – October 19, 2016.



Exhibit 1

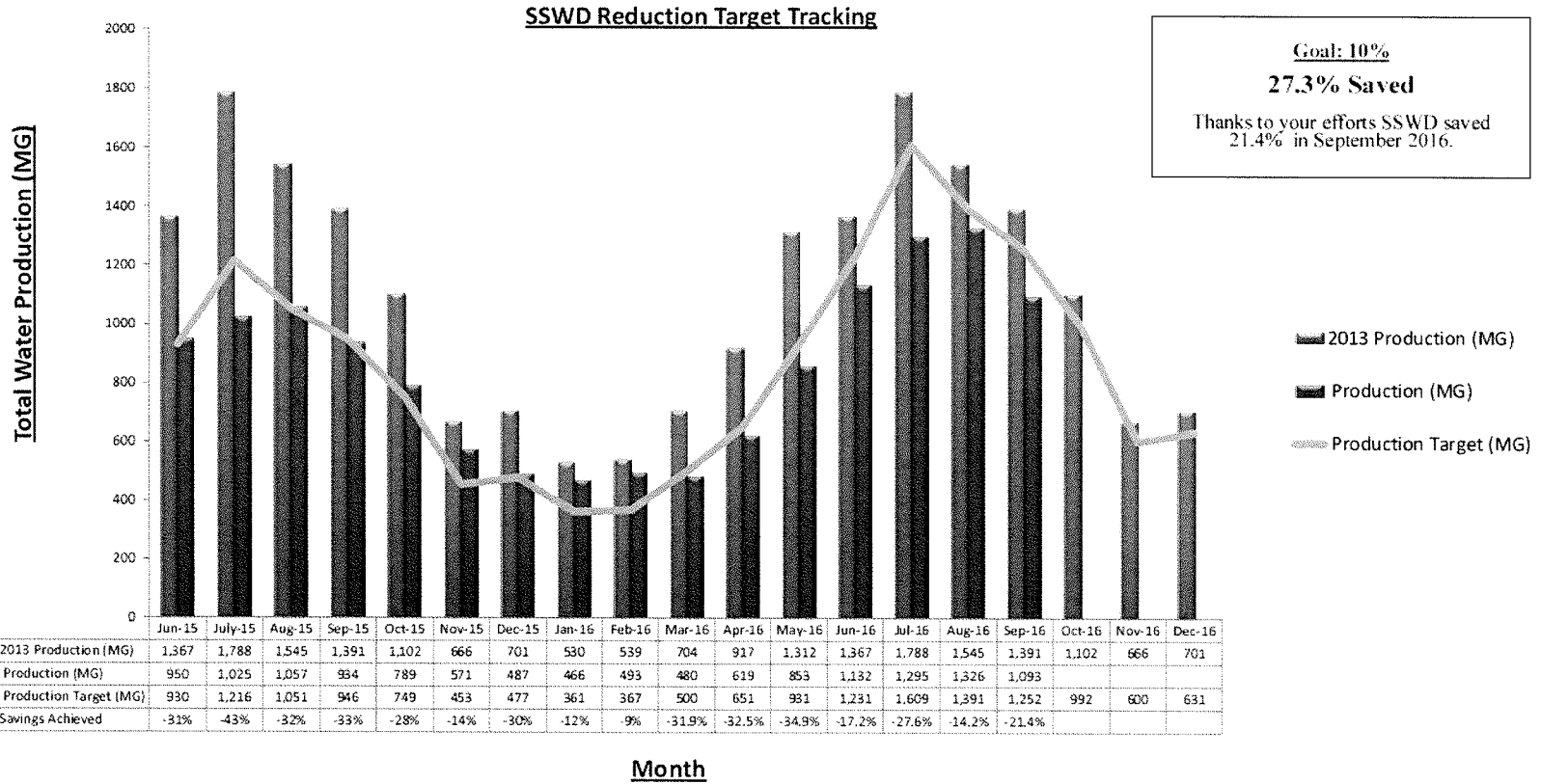


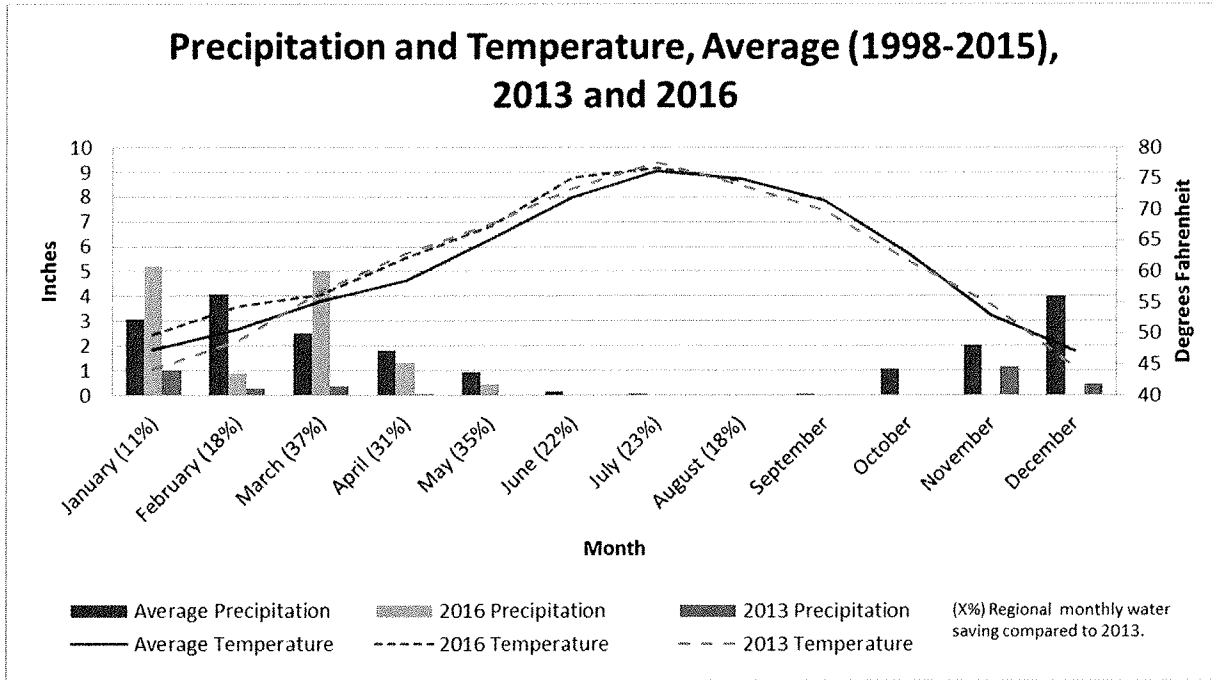
Exhibit 2

## RWA Savings Summary August 2016

REDUCTION BY VOLUME (Million Gallons)													
	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Total
2016	6,154	5,900	6,354	8,435	11,413	15,136	17,257	17,190					87,839
2013	6,954	7,233	10,095	12,105	17,472	19,483	22,418	20,855					116,613
%	11.5%	18.4%	37.1%	30.3%	34.7%	22.3%	23.0%	17.6%					24.7%

STATE WATER BOARD WATER SAVINGS TRACKING (Million Gallons)																
	June	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June	July	August	Total
2015/16	12,419	13,789	13,866	12,560	10,759	7,131	6,217	6,154	5,900	6,354	8,435	11,413	15,136	17,257	17,190	164,580
2013	19,488	22,418	20,859	17,316	14,836	10,649	8,433	6,954	7,233	10,095	12,105	17,472	19,483	22,418	20,855	230,612
%	36.3%	38.5%	33.5%	27.5%	27.5%	33.0%	26.3%	11.5%	18.4%	37.1%	30.3%	34.7%	22.3%	23.0%	17.6%	28.6%

REDUCTION BY AGENCY (Data compared to 2013)		
Water Agency	August 2016 Reduction	June 15-August 16 Reduction
California American Water	24.6%	33.4%
Carmichael Water District	18.8%	31.4%
Citrus Heights Water District	17.9%	31.4%
City of Davis	15.3%	25.3%
City of Folsom	4.6%	22.1%
City of Lincoln	13.2%	28.1%
City of Roseville	17.2%	30.1%
City of Sacramento	23.2%	28.2%
City of West Sacramento	20.4%	28.8%
City of Woodland	9.4%	29.8%
City of Yuba City	20.8%	26.6%
Del Paso Manor Water District	19.9%	33.2%
El Dorado Irrigation District	14.3%	27.0%
Elk Grove Water District	20.0%	31.7%
Fair Oaks Water District	20.5%	32.1%
Golden State Water Company	18.3%	28.4%
Orange Vale Water Company	24.3%	35.8%
Placer County Water Agency	12.2%	25.3%
Rancho Murieta CSD	17.6%	25.5%
Rio Linda/Elverta CWD	23.7%	30.6%
Sacramento County Water Agency	14.9%	29.7%
<b>Sacramento Suburban WD</b>	<b>14.2%</b>	<b>28.0%</b>
San Juan Water District	10.4%	29.1%
Average	17.2%	29.2%
Minimum	4.6%	22.1%
Maximum	24.6%	35.8%



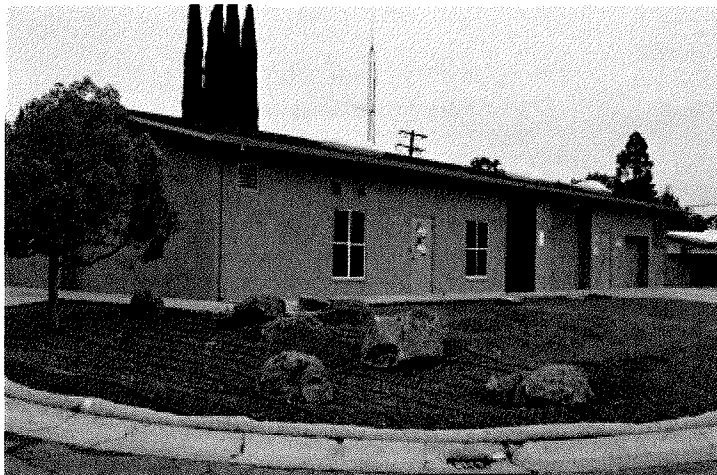
Water Agency	2016 Residential Gallons Per Capita Per Day (R-GPCD)											
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
California American Water	59	59	58	76	91	121	131	122				
Carmichael Water District	75	78	76	115	155	241	258	276				
Citrus Heights Water District	80	77	77	107	155	213	237	242				
City of Davis	59	60	58	79	99	116	124	142				
City of Folsom	83	89	89	127	166	226	256	259				
City of Lincoln	59	64	55	104	122	156	188	194				
City of Roseville	49	41	46	73	85	135	145	166				
City of Sacramento	72	60	65	85	112	141	156	154				
City of West Sacramento	85	80	75	103	123	159	168	172				
City of Woodland	56	58	52	72	85	115	119	117				
City of Yuba City	73	75	78	105	123	152	144	153				
El Dorado Irrigation District	76	69	79	80	153	183	302	207				
Elk Grove Water District	50	54	52	75	93	135	146	144				
Fair Oaks Water District	69	74	76	122	176	262	293	282				
Golden State Water Company	83	81	83	107	129	191	202	211				
Orange Vale Water Company	84	86	76	115	170	263	290	275				
Placer County Water Agency	56	76	79	95	147	185	211	212				
Rancho Murieta CSD	77	79	74	117	151	245	294	296				
Rio Linda/Elverta CWD	84	90	86	123	167	257	281	268				
Sacramento County Water Agency	65	70	69	102	126	166	171	168				
Sacramento Suburban WD	64	68	63	89	118	153	163	162				
San Juan Water District	97	92	114	198	296	466	534	521				
Sacramento Regional Average	68	66	68	93	123	164	185	180				



Figure 1 – Dry Riverbed



Figure 2 - Irrigation



**Exhibit 4**

**Figure 1 – Landscape Workshop Ad for Google and Facebook**

Green Gardening Workshop  
Learn how to create a beautiful, sustainable landscape at your home. Spaces are limited.  
[sswd.org/916-972-7171](http://sswd.org/916-972-7171)  
Sponsored by Sacramento Suburban Water District & Taught By: EcoLandscape California

The advertisement is a vertical rectangular graphic. On the right side, there is a vertical photograph of a garden with various plants and trees. The left side contains text and logos. At the top left, the title "Green Gardening Workshop" is written in large, bold, white letters on a dark grey rectangular background. Below this, the text "Learn how to create a beautiful, sustainable landscape at your home. Spaces are limited." is centered. Underneath, the website "sswd.org" and phone number "916-972-7171" are listed. The text "Sponsored by:" is followed by the Sacramento Suburban Water District logo, which consists of a stylized water drop shape and the text "SACRAMENTO SUBURBAN WATER DISTRICT". Below that, "Taught by:" is followed by the EcoLandscape California logo, which features a stylized butterfly and the text "EcoLandscape CALIFORNIA EcoLandscape.org".

**Green Gardening Workshop**

Learn how to create a beautiful, sustainable landscape at your home. Spaces are limited.

Spaces are limited

[sswd.org](http://sswd.org)  
916-972-7171

Sponsored by:

**SACRAMENTO SUBURBAN WATER DISTRICT**

Taught by:

**EcoLandscape CALIFORNIA**  
EcoLandscape.org



**Figure 2 - Summer's Gone Ad**



# Summer's Gone

## Less Water For Your Lawn

### REDUCE SPRINKLERS IN FALL

#### RECOMMENDED WATERING DAYS

- Even Numbered Addresses (0, 2, 4, 6, 8):  
Wednesday, Friday and Sunday
- Odd Numbered Addresses (1, 3, 5, 7, 9):  
Tuesday, Thursday and Saturday
- Required watering hours: Before noon or after 6 p.m.

\* Registered weather-based irrigation controllers and drip irrigation systems are not subject to watering days restrictions.

And remember to visit the Sacramento Suburban Water District (SSWD) website to find rebates that will help you conserve water and save money. Rebates are available for:

- WaterSense-labeled weather-based sprinkler controllers
- Drip irrigation systems
- Water-efficient sprinkler heads
- Pool covers
- Rain sensors

[BeWaterSmart.info](http://BeWaterSmart.info)



**SACRAMENTO SUBURBAN WATER DISTRICT** [sswd.org](http://sswd.org)

Figure 3 - Summer's Gone Bee Post-It







Exhibit 5

**2016 BMP Activity Report**

<u>Foundational BMPs - No Measurable Water Savings</u>	<u>Month</u> <u>September</u>	<u>Year</u> <u>2016</u>
1.1-1 Conservation Coordinator	*	Yes
1.1-2 Water Waste Prevention	*	Yes
1.1-3 Wholesale Agency Assistance	N/A	N/A
1.2 Water Loss Control	N/A	Yes
1.3 Metering/Commodity Rates	212	2,091
1.4 Retail Conservation Pricing	*	N/A
2.1 Public Information	*	N/A
2.2 School Education	*	N/A

<u>Programmatic BMPs - Demonstrated Water Savings</u>		
3 Residential Audits - Indoors	36	143
3 Residential Audits - Outdoors	42	250
3 Water Conservation Kits - Indoor	36	281
3 Water Conservation Kits - Outdoor	8	43
3 High Bill Investigates	25	133
3 Leak Notifications Sent - All Customers	362	3,190
3 Leak Notifications - New Customers	187	1,183
4 CII Audits	0	5
5 Large Landscape Audits	0	1

**Current Rebates**

	<b>Monthly Spend</b>		<b>To Date Spent</b>
Rebates - Cash for Grass	0	8	\$4,889
Rebates - Pool Covers	2	3	\$725
Rebates - Hot Water Pumps	2	18	\$1,762
Rebates - WBIC	1	15	\$1,506
Rebates - Rain Sensors	0	0	\$0
Rebates - Irrigation Upgrades	2	13	\$4,279
Rebates - Clothes Washers	0	23	\$1,298
Rebates - HET Toilets	0	0	\$0

**Water Waste Calls and Notifications**

Water Waste Calls	28	191
Water Waste via Website	27	204
Notice - Information Only	48	334
Notice of Violation	38	332
Warning Notice of Violation	7	27
1st Violation - Water Waste	2	4
2nd Violation - Water Waste	0	0
3rd Violation - Water waste	0	0

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

**c. Customer Service Report**

**i. Customer Service Monthly Activity - Exhibits CS-1 & CS-2**

1. Customer Service Activity Report shows Customer Service activity for the month of September 2016.
2. Call Volume Report shows number of calls received, abandoned calls, and queue times.

**ii. Customer Service Exceptions**

There were no pertinent exceptions.

**Exhibit CS-1**

	<u>September 2016</u>		<u>Calendar Year 2016</u>	
<b><u>Customer Service Department</u></b>				
<b><u>Billing</u></b>				
Water Connections - Total Active	46,594		n/a	
Active Flat w/o Meter	8,286		n/a	
Active Flat w/Meters	3,454		n/a	
Active Meter Non-Residential	7,017		n/a	
Active Meter Residential	27,837		n/a	
Water Connections - Suspended	486		n/a	
Owner/Tenant Billing Agreement	1,263		n/a	
E-billing	2,749		n/a	
Water Statements Mailed	39,902		358,446	
Monthly Calls	3,326		33,975	
Customer Changes	288		2,254	
<b><u>Collections</u></b>				
15-Day Notices	1,398		12,551	
48-hour Door Tags Generated	766		6,337	
Lock-off Door Tags Generated	172		1,792	
Bankruptcy Processed	0		52	
<b><u>Payments</u></b>				
Cash/Check Payments (Front Office)	1,589	4.1%	14,597	4.2%
Credit Card Payments (Front Office)	750	1.9%	6,644	1.9%
SSWD Customer Web Payments	3,768	9.8%	32,026	9.2%
Direct Payment Service (Auto Pay-Checking)	4,736	12.3%	42,149	12.0%
Direct Payment Service (Auto Pay-Credit Card)	2,603	6.7%	20,674	5.9%
IVR (Automated Phone System)	1,382	3.6%	12,659	3.6%
Electronic Payments (Online Banking)*	11,414	29.5%	100,151	28.6%
LockBox (Checks)	12,399	32.1%	120,934	34.6%
<b>Total Payments</b>	<b>38,641</b>	100.0%	<b>349,834</b>	100.0%

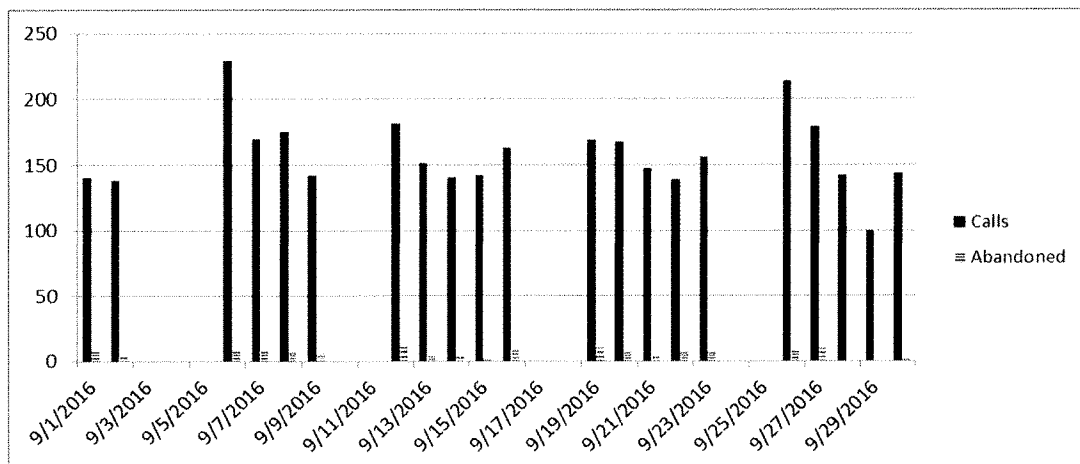
\*Electronic payments have been combined into one category

## Exhibit CS-2

Date Ranges : 09/01/2016 - 09/30/2016

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

Date	Calls Accepted	Calls Abandoned	% of Calls Abandoned	Avg Wait On Queue	Max Wait on Queue	Avg Talk Time
9/1/2016	140	8	5.71%	1m, 11s	12m, 22s	3m, 38s
9/2/2016	138	3	2.17%	1m, 19s	9m, 58s	3m, 49s
9/6/2016	229	8	3.49%	1m, 19s	17m, 49s	3m, 21s
9/7/2016	170	8	4.71%	1m, 6s	9m, 15s	2m, 58s
9/8/2016	175	7	4.00%	2m, 8s	7m, 57s	3m, 48s
9/9/2016	142	6	4.23%	1m, 3s	10m, 47s	3m, 22s
9/12/2016	181	12	6.63%	1m, 27s	8m, 9s	3m, 3s
9/13/2016	151	4	2.65%	1m, 0s	10m, 44s	3m, 43s
9/14/2016	140	3	2.14%	36s	5m, 29s	3m, 28s
9/15/2016	142	2	1.41%	35s	7m, 13s	2m, 56s
9/16/2016	163	9	5.52%	1m, 17s	11m, 24s	3m, 26s
9/19/2016	169	11	6.51%	1m, 0s	6m, 10s	2m, 59s
9/20/2016	167	7	4.19%	59s	9m, 43s	3m, 9s
9/21/2016	147	3	2.04%	32s	4m, 48s	3m, 15s
9/22/2016	139	7	5.04%	37s	5m, 36s	2m, 50s
9/23/2016	156	7	4.49%	1m, 22s	9m, 35s	3m, 11s
9/26/2016	214	8	3.74%	1m, 25s	14m, 3s	3m, 43s
9/27/2016	179	10	5.59%	1m, 35s	13m, 14s	3m, 7s
9/28/2016	142	0	0.00%	50s	10m, 6s	3m, 14s
9/29/2016	99	1	1.01%	22s	3m, 51s	3m, 20s
9/30/2016	143	2	1.40%	37s	4m, 45s	3m, 10s
<b>GroupTotal</b>	<b>3326</b>	<b>126</b>	<b>3.79%</b>			



**d. Community Outreach Report**

**i. November Bill Insert**

The November bill insert will begin on October 24, 2016 and continue until November 27, 2016. The bill insert includes the following articles:

- Give Your Sprinklers a Holiday
- H2O Hero – Saving Water for Over a Decade
- Water-Wise Tips – Make Every Drop Count Inside Your Home
- Black Friday Shopping Advice
- Holiday Hours

The bill insert is scheduled to be posted on the District’s website at the end of October, 2016. A sample of the bill insert has been included with this report.

**ii. November Envelope Message**

The November envelope informs customers that SSWD has a recurring payment option for an easy way to make a payment. The envelope will begin on October 24, 2016 and continue until November 27, 2016.

**iii. Community Meetings/Events**

Staff, representing SSWD, attended the following agency meetings, conference calls, community meetings, and events in September 2016:

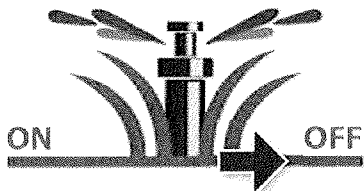
<u>Date</u>	<u>Meeting</u>	<u>Staff</u>
09/08/16	RWA Board Meeting	Rob Roscoe
09/08/16	Long Term Warren Act Update Meeting	Rob Roscoe
09/09/16	ACWA Region 3 Program Tour	Rob Roscoe
09/12/16	Efficiency Policy Group – RWA	Rob Roscoe
09/13/16	ACWA DAC Drinking Water Initiative Task Force	Rob Roscoe
09/13/16	Woodland Davis Clean Water Agency Intake Dedication	Rob Roscoe
09/14/16	LTWAC Meeting – Reclamation	Dan York
09/15-09/16	ACWA 2016 Continuing Legal Education	Rob Roscoe
09/21/16	RWA Lobbyist Subscription Program	Dan York
09/21/16	Aerojet CAG Meeting	Dan York
09/22/16	City of Sacramento Monthly Ops	Dan York
09/26/16	Meeting with Susan Peters on Pavement	Rob Roscoe
09/29/16	Long Term Conservation Policy ACWA	Rob Roscoe
09/29/16	ACWA Workshop	Rob Roscoe
09/30/16	ACWA Executive and Board Meetings	Rob Roscoe

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# H<sub>2</sub>O on the Go

November 2016



## Give Your Sprinklers a Holiday

Consider turning off your sprinklers this winter and letting nature do the watering for you. With November and December's cooler and wetter days, your yard will need little to no supplemental watering.

If you're wondering if your plants need water, try the screwdriver test. Push a screwdriver into the ground; if it goes in more than three inches you don't need to water.

You can also install a WaterSense-labeled weather-based irrigation controller or rain sensor to take away the guess work. A weather-based irrigation controller uses local weather conditions to precisely control when your sprinklers run and a rain sensor automatically

*Sprinklers | page 2*

**sswd.org**

Phone: 916.972.7171

Fax: 916.972.7639

3701 Marconi Avenue, Suite 100

Sacramento, CA 95821-5346

Hours: M-F, 8:00 a.m. to 4:30 p.m.



## H<sub>2</sub>O Hero | Saving Water for Over a Decade

Lindsley Cross, our November H<sub>2</sub>O Hero, rethought her backyard long before the recent drought inspired people to focus on cutting back their outdoor water use. Lindsley lived in the Bay Area during the 80's when California was experiencing another drought. She and her housemate at that time managed to get their daily water use down to 25 gallons per day and those lessons stayed with her.

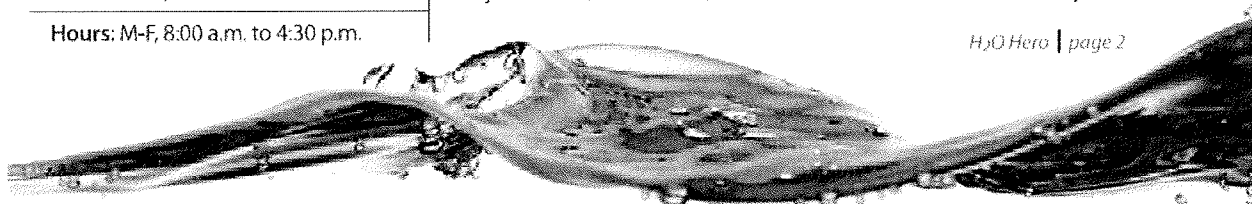
Around 10 years ago, she decided to redo her backyard with a focus on low-water use plants. There wasn't the variety of native plants available then, so Lindsley started with salivas, ornamental grasses, poppies, tea trees, butterfly bushes, lantanas and other plants that didn't require a lot of water.

"It's been an ongoing experiment. I had over 100 different species at one point, and there are probably 50 different ones right now," she said. "My yard is tricky with some areas getting full sun, others part shade, and it changes throughout the year."

Over the years, plants died or did too well, and the garden has evolved. It currently includes Monkey Flowers (sticky and red), two types of manzanita, several types of sage (Mexican is particularly popular with bees), crape myrtles, heucheras (coral bells), two Flower Carpet roses (amber), deer grass, purple dome daisy, dwarf english lavender, a trumpet vine, 2 types of mimulus, bush germander, bee balm, 3 types of California fuschia, and penny royal, among others.

She is now in the process of removing the lawn in her front yard and plans on making it a low-water landscape too, using all native plants and a drip irrigation system. In the front, Lindsley is planning on adding coyote bush, ceanothus, buckwheat, Penstemon, coffeeberry, currant,

*H<sub>2</sub>O Hero | page 2*



### Water-Wise Tips | Make Every Drop Count Inside Your Home



Reducing your landscape watering is the biggest and easiest way to conserve water, but you can also make a difference inside your home by following these tips:

1. Wash only full loads in the dishwasher or clothes washer. It can help you save water and energy.
2. Check your showerheads, faucets and toilets for leaks on a regular basis. It may not seem like much, but that little drip can waste hundreds of gallons a month.
3. Limit your showers to five minutes or less. By taking shorter showers you can save over 70 gallons a month. And if you turn off the water while you shampoo your hair you'll save even more.
4. Install aerators on your sinks and showerheads. Aerators split the water up into tiny streams, reducing the flow of water from the faucet. You can stop by the SSWD office to pick up free ones for your home.
5. Collect water in a bucket as it warms to use on your potted plants.
6. Use the left over water from your pet's water bowl on plants.
7. Use your dishwasher instead of hand washing dishes. And scrape the food off your dishes instead of rinsing them before putting them in the dishwasher.
8. Turn off the faucet when brushing your teeth or shaving.

### Black Friday Shopping Advice

SSWD can help you save money this holiday season with its rebates on water-efficient appliances and fixtures.

You can save money on:

- ◆ Weather-Based Irrigation Controller
- ◆ Rain Sensors
- ◆ Clothes Washers
- ◆ Pool Covers
- ◆ Irrigation Upgrades
- ◆ Recirculating Hot Water Pumps



The State Department of Water Resources has rebates available for replacing your lawn with a low-water landscape and up to \$100 for high-efficiency toilets at [saveourwaterrebates.com](http://saveourwaterrebates.com).

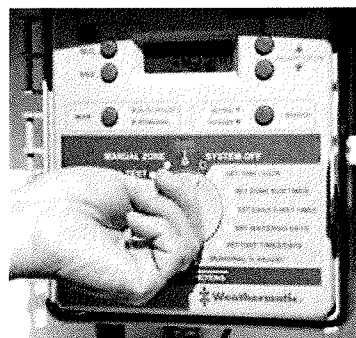
Remember to look for the WaterSense label.  
Happy shopping!

### Sprinklers | from page 1

shuts off your sprinkler system when it rains. SSWD HAS REBATES AVAILABLE.

And remember, state law and SSWD regulations prohibit the running of sprinklers during a rain storm.

So set your controller to off, install a weather-based irrigation controller or rain sensor, and let Mother Nature handle the watering this winter.



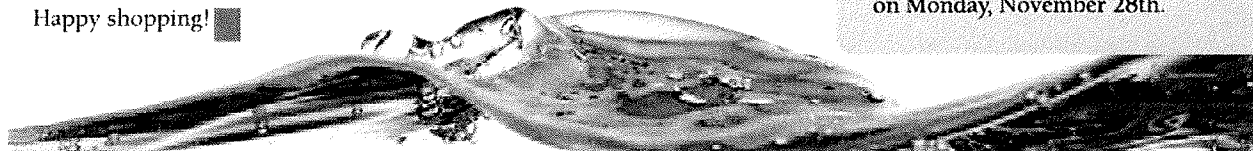
### H<sub>2</sub>O Hero | from page 1

sages, elderberry, creeping lippia, dutchman's pipe, columbine, aster, coral bells, goldenrod, verbena, native grasses and chain fern.

Are you or someone you know a H<sub>2</sub>O Hero? Contact the SSWD office to be featured in a future bill insert and on the SSWD web site.

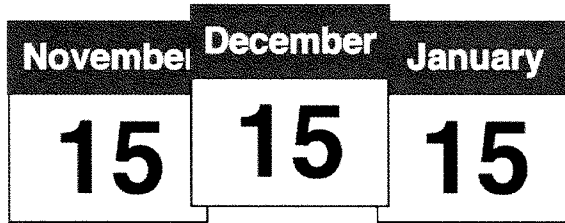
### Holiday Hours

The SSWD office will be closed on November 24th and on Friday, November 25th for the Thanksgiving holiday. We will return to normal office hours on Monday, November 28th.



## Recurring Credit Card Payment Available!

SSWD offers  
convenient ways to  
pay your water bill



Recurring Credit Card  
Payment is just one of  
those ways.

Take the hassle out of paying bills. Go to [www.sswd.org/payment-options](http://www.sswd.org/payment-options).

