

# **Agenda**

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

3701 Marconi Avenue, Suite 100  
Sacramento, CA 95821

Wednesday, May 30, 2018  
2:00 p.m.

Public documents relating to any open session item listed on this agenda that are distributed to the Committee members less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

The public may address the Committee concerning any item of interest. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The Committee Chair will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

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

### **Call to Order**

### **Pledge of Allegiance**

### **Roll Call**

### **Announcements**

### **Public Comment**

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

### **Consent Items**

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

### **1. Minutes of the March 6, 2018 Facilities and Operations Committee Meeting**

*Recommendation: Approve subject minutes.*

**Items for Discussion and or Action**

2. **Regional Water Meter Replacement Program**  
*Recommendation: Receive staff report and direct staff as appropriate.*
  
3. **Fixed Network Meter Reading Issues**  
*Recommendation: Receive staff report and direct staff as appropriate.*
  
4. **Maintaining a Sufficient, Reliable Water Supply**  
*Recommendation: Receive staff report and direct staff as appropriate.*
  
5. **Short Term Water Transfer Pilot Project – Sacramento County**  
*Recommendation: Receive staff report and direct staff as appropriate.*

**Adjournment**

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**Upcoming Meetings:**

Wednesday, May 30, 2018 at 4:00 p.m., Special Board Meeting  
Monday, June 18, 2018 at 6:00 p.m., Regular Board Meeting

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I certify that the foregoing agenda for the May 30, 2018 meeting of the Sacramento Suburban Water District Facilities and Operations Committee was posted by May 24, 2018 in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was made available to the public during normal business hours.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District

# ITEM 1

## Minutes

Sacramento Suburban Water District  
**Facilities and Operations Committee**  
 Tuesday, March 6, 2018

### Call to Order

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

### Pledge of Allegiance

Chair Jones led the Pledge of Allegiance.

### Roll Call

Directors Present: Dave Jones and Robert Wichert.

Directors Absent: None.

Staff Present: General Manager Dan York, Amy Bullock, Matt Underwood, Dana Dean, David Morrow, Jim Arenz, David Espinoza and Dan Bills.

**Public Present:** William Eubanks.

### Announcements

General Manager Dan York (GM York) announced that the District had a water quality issue come up at Well 58. The well tested at a high level of 17 parts per trillion of 123 TCP. The Maximum Contaminant Level for 123 TCP is 5 parts per trillion. The well has been taken out of service. Staff has notified the Division of Drinking Water and staff will have a report at the March regular Board meeting.

### Public Comment

None.

### Consent Items

1. **Minutes of the December 18, 2017 Water Quality Committee Meeting**
2. **Minutes of the February 12, 2018 Facilities and Operations Committee Meeting**

Director Wichert moved to approve Consent Items 1 and 2; Chair Jones seconded. The motion passed by unanimous vote.

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

### Items for Discussion and Action

3. **Amending Regulations Nos. 1, 7 and 9 of the Regulations Governing Water Service**  
 David Espinoza (Mr. Espinoza) presented the staff report.

Chair Jones inquired if the minimum size of water mains is called out in the specs and standards.

Mr. Espinoza stated that the minimum size is listed in the specs and standard.

GM York clarified some of the definitions and terminologies in the standards that have been brought up by other board members in past meetings.

Director Jones inquired about the 5.9 percent increase for developer fees and if that is consistent with what the District's costs are.

Director Wichert inquired where in the regulations it states the meter is to be installed.

GM York stated that in Regulation 7, page 12, it states that the meter is to be installed behind the sidewalk.

Director Wichert suggested specific, clear language to clarify where meters are to be installed.

Dan Bill's (Mr. Bills) went through the finance portion of the suggested edits to the regulations.

Chair Jones inquired how the District compares with neighboring districts.

Mr. Bill stated that in comparing the rates and FDC charges, the District is the second to the lowest out of ten neighboring agencies.

Director Wichert inquired how much is raised on the development charges.

Mr. Bills stated that last year a total of \$130,000 in FDC charges was raised and for 2016 it was about the same figure.

Director Wichert inquired about the private fire service protection charges.

Mr. Bills stated that there are no additional costs that are not already covered in the FDC cost or the monthly bill.

GM York noted that on Regulation 7, page 10, is where you can review the fees.

Public comment from Mr. Eubanks. Mr. Eubanks addressed concern on why the board inquires to staff on how the District compares to other districts. Mr. Eubanks stated that there is no way to compare one district to another, asking staff to compare districts is comparing apples to oranges and it is an unnecessary question.

Chair Jones agreed with Mr. Eubanks comments.

Director Wichert and Chair Jones recommended to move the item to the full board as a Consent Item.

**Adjournment**

Chair Jones adjourned the meeting at 3:35 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District

DRAFT



## Facilities & Operations Committee

### Agenda Item: 2

**Date:** May 15, 2018

**Subject:** Regional Water Meter Replacement Program

**Staff Contact:** Matt Underwood, Operations Manager

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

Receive report on a Memorandum of Understanding (MOU) for the formation of a Regional Water Meter Replacement Program. Direct staff to recommend to the full Board approving the MOU at the June 18, 2018, regular Board meeting.

#### **Background**

Due to aging infrastructure, the District and other water providers in the area are examining how best to replace customer water meters. Staff of several local water agencies, who are also members of the Regional Water Authority (RWA), have determined that this process may present an opportunity for regional collaboration. In particular, a regional approach presents potential opportunities for economies of scale to reduce procurement and on-going operations and maintenance costs. A regional approach may also increase effectiveness in mutual aid and emergency situations if all staff are familiar with neighboring agencies' meter and related infrastructure. Moreover, a regional approach may present grant or other funding opportunities. Despite the benefits of a regional approach, staff recognizes the potential difficulties for meter program integration over the short term, especially that individual agencies may be looking to replace meters at different times, and may have made prior meter technology and vendor commitments. Therefore, the Consortium approach as proposed has a long-term time horizon, and is aimed at long-term program integration either fully or on a selected-basis.

#### **Discussion:**

To explore this possibility, the General Managers of the Carmichael Water District (CWD), Citrus Heights Water District (CHWD), Fair Oaks Water District (FOWD), Orange Vale Water Company (OVWC), Sacramento Suburban Water District (SSWD), San Juan Water District (SJWD) and the Executive Director of RWA recommend that these agencies execute the accompanying MOU. The MOU has been reviewed and approved by District counsel. This MOU provides a flexible framework for agencies to participate in the Regional Water Meter Replacement Program (Program). The focus of the MOU (see Exhibit 1) is an initial advanced planning study (Study) that will examine numerous parts of the Program, including: 1) an inventory and assessment of the current meter fleet; 2) an evaluation of potential replacement meter technology options and specifications; 3) a summary and assessment of current meter testing programs and options for optimizing performance; 4) an evaluation of potential meter replacement procurement programs

and funding models; and 5) a public outreach program for the meter replacement process tailored for each participating agency.

Specifically, the MOU allows Consortium agencies to participate in the Study in three different levels of participation: (a) L1 Party where the agency participates in the Study by providing input and suggestions, but is not required to pay a share of consultant and related costs, (b) L2 Party where the agency shares in a portion of the cost of the Study, but otherwise participates as an L1 Party in the balance of the Study, and (c) L3 Party where the agency participates in the Study fully, including sharing all consultant and related costs. At this point, CHWD and SJWD anticipate participating as L3 Parties, and CWD, FOWD, OVWC, RWA and SSWD will participate as L1 Parties. To date, CHWD, CWD, FOWD, OVWD and SJWD Board's have approved the MOU.

Costs of the Study will be shared between the L3 Parties based on their proportional share of total metered water customers for the L3 Parties. All formal decisions will be made by consensus of these parties. CHWD will contract directly with any consultants for the Study and will be reimbursed by SJWD for its share of the costs. If any L1 Party wishes to become an L2 or L3 Party, it may do so under procedures outlined in the MOU.

While the initial focus of the MOU is on the Advanced Planning Study, it will also allow the parties to collectively accomplish other parts of the Program. To add a Program component to the MOU, any party may notify the other parties. At that point, interested parties can opt-in and specify their level of participation (L1, L2 or L3 Party).

There are two working groups that have been formed to implement this Program: 1) **Administrative Group**—this group is comprised of the General Managers of all the participating Agencies, including the Executive Director of RWA. This group is responsible for governance and management issues of the Meter Replacement Consortium; 2) **Technical Group**—this group is comprised of Meter Program staff, and will be working together to implement various portions of the Meter Replacement Partnership, including overseeing the completion of an Advanced Planning Study for the replacement of meters and the Study's implementation.

A PowerPoint presentation detailing the Program and MOU will be presented at the committee meeting. A copy of the PowerPoint is attached (see Exhibit 2).

**Fiscal Impact:**

There is no fiscal impact with this approval of the MOU. Costs associated with participating in the Program will be identified at the time that each project or activity that has a cost is brought forward for Board consideration.

**Strategic Plan Alignment:**

Facility and Operations - 2.A. The District will utilize appropriate planning tools, identify financial resources necessary, and prioritize system requirements to protect and maintain District assets and attain water resource objectives incorporating resource sustainability and lifecycle cost analysis into the framework.

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

Regional Water Meter Replacement Program

May 15, 2018

Page 3 of 3

When mutually beneficial, partnering with neighboring agencies to improve purchasing power can reduce both capital and operating costs benefitting both the District and its ratepayers.



**MEMORANDUM OF UNDERSTANDING  
REGARDING WATER METER REPLACEMENT PROGRAM**

THIS MEMORANDUM OF UNDERSTANDING (“**MOU**”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2018 by and between the Carmichael Water District (“**CWD**”), Citrus Heights Water District (“**CHWD**”), Fair Oaks Water District (“**FOWD**”), Orange Vale Water Company (“**OVWC**”), Regional Water Authority (“**RWA**”), Sacramento Suburban Water District (“**SSWD**”), and San Juan Water District (“**SJWD**”) (individually a “**Party**” and collectively the “**Parties**”).

*R E C I T A L S*

A. The Parties are in the process of determining how best to replace aging water meters within their respective service areas. This process will likely involve issuing a request for proposals for consultant meter replacement planning services, the preparation of a water meter replacement planning study, the selection of a replacement water meter-type, the development and implementation of a replacement water meter procurement program, and related activities (“**Program**”).

B. CHWD is currently developing a request for proposals (“**RFP**”) for the Program planning study (“**Planning Study**”). The Planning Study is anticipated to include various components, including, but not limited to, an inventory and assessment of meter models currently in use, an evaluation of potential replacement meter technology options and specifications, a summary and assessment of current meter testing programs and options for optimizing performance, an evaluation of potential replacement meter procurement programs and financing models, and a public outreach program for the meter replacement process. The Planning Study is further expected to evaluate the costs and benefits of a single-agency or regional approaches to all applicable portions of the Planning Study. Any component and/or discrete portion of the Planning Study is referred to in this MOU as a “**Component**.”

C. The other Parties wish to collectively participate in this Planning Study (in various capacities and participation levels). The collective sharing of planning costs will result in cost savings by individual agencies and may result in aggregate cost savings due to economies of scale. Moreover, the development of a collaborative regional meter procurement program as part of or due to the Planning Study may result in future operational and maintenance savings and mutual aid service enhancements.

D. The Parties desire to enter into this MOU to outline their respective participation in the Planning Study and to establish a process for potential participation in other aspects of the Program.

*T E R M S*

NOW, THEREFORE, the Parties in consideration of the mutual promises set forth in this MOU, agree as follows:

## Exhibit 1

1. Purpose of Memorandum of Understanding. The purpose of this MOU is for the Parties to outline their respective levels of participation in the Planning Study and establish a process for potential participation in other aspects of the Program.

2. Participation of the Parties. Each Party shall participate in one of the following three levels of participation:

2.1 L1 Participation. Parties may participate in the development of the Planning Study by attending all planning meetings and sessions coordinated by the L2 and L3 Parties (as defined below), reviewing drafts of the RFP and Planning Study and providing comments and input in the scope and substance of the RFP and Planning Study. Parties participating at this level shall not be required to contribute any funds towards the cost of the Planning Study or the Program. However, L1 Parties may provide input and comments concerning the development of the RFP, selection of consultant for the Planning Study and the development, review and approval of the Planning Study for consideration by the L3 Parties, or L2 and L3 Parties if applicable. The L3 Parties, or L2 and L3 Parties if applicable, may accept, modify, reject or disregard the comments and input of the L1 Parties in their sole discretion. Any Party participating in the Planning Study as set forth in this subsection shall be referred to as an “**L1 Party**.” Subject to the provisions of Subsection 2.4, CWD, FOWD, OVWC, RWA, and SSWD will participate as L1 Parties.

2.2 L2 Participation. Parties may participate in the Planning Study by sharing the costs of any Component or Components of the Planning Study as set forth in this subsection. Any Party participating in the Planning Study as set forth in this subsection shall be referred to as an “**L2 Party**.” L2 Parties shall be responsible for the costs of the applicable Components as set forth in amendment to this MOU executed by all affected L2 Parties and all L3 Parties. Unless otherwise set forth in the amendment, the L2 Party shall be responsible for: (1) a buy-in fee representing the value received by the L2 Party through its participation in the Planning Study as a L1 Party, excluding the Component which shall be determined by the L3 Parties upon execution of the first Consultant Agreement, and (2) the L2 Party’s proportional share of the cost of the Component using the methodology identified in Exhibit A. Such L2 Parties shall participate in the decision-making for that Component(s) of the Planning Study in the same manner as an L3 Party. L2 Parties may participate in the balance of the Planning Study in the same manner as an L1 Party. Although no Party is participating as a L2 Party presently, this option is set forth in this MOU to accommodate any L1 Party that may decide in the future to increase its participation in the Planning Study or to participate as an L2 Party in any Program Project.

2.3 L3 Participation. Parties may participate in the Planning Study by sharing the costs and the decision-making for the entire Planning Study. Any Party participating in the Planning Study as set forth in this subsection shall be referred to as an “**L3 Party**.” L3 Parties shall collaboratively schedule and attend planning meetings and sessions for the development of the RFP and Planning Study, review and evaluate responses to the RFP, determine the selected consultant(s) for the Planning Study, negotiate the Consultant Agreement (as defined below), provide comments and inputs on the development of the Planning Study and approve the final Planning Study. Except as provided in Section 3, all decisions regarding the RFP and Planning Study shall be made by consensus of all L3 Parties and any participating L2 Parties. In the event of a disagreement between the applicable Parties, the affected Parties shall meet in good faith to resolve the disagreement. If no resolution is reached, a majority vote of the affected Parties on the

## Exhibit 1

proposed resolution of the area of disagreement shall control unless there is a tie vote. If there is a tie vote, then the dispute resolution provision in Subsection 2.5 below shall govern. Subject to the provisions of any amendment to this MOU outlining the scope of participation of an L2 Party, L3 Parties shall be responsible for all consultant costs incurred for the Planning Study as set forth in Exhibit A, attached to this MOU and incorporated by this reference. Subject to the provisions of Subsection 2.4, CHWD and SJWD shall participate as L3 Parties.

2.4 Changing Participation Levels. L1 Parties may become L2 Parties upon the execution of an amendment to this MOU signed and approved by all existing L2 and L3 Parties. The amendment shall identify the new L2 Party's responsibility for Planning Study costs, including any costs incurred by the affected L2 and L3 Parties prior to the date of the amendment. L1 and L2 Parties may become L3 Parties upon the execution of an amendment to this MOU signed and approved by all L3 Parties. The amendment shall identify such Party's responsibility for Planning Study costs, including, if agreed to by such Parties, any costs incurred by the L3 Parties prior to the date of the amendment subject to any L2 Party's credit for costs incurred as an L2 Party. L2 and L3 Parties may become an L1 Party at any time prior to the award of the first Consultant Agreement (as defined below) with written notice to the other parties of this Agreement. On such election, the remaining L2 and L3 Parties shall re-allocate the costs of the Planning Study as provided for in Exhibit A. L2 and L3 Parties may become an L1 Party after the award of a Consultant Agreement for the Planning Study only in a written amendment to this MOU approved and signed by all other L2 and L3 Parties. Such amendment shall identify how costs of the Planning Study (those incurred to date and future costs) will be allocated between the Parties.

2.5 Dispute Resolution. If the L3 Parties disagree on a specific issue and a tie vote ensues on a decision on that issue under Subsection 2.3, the L3 Parties shall meet and confer and negotiate in good faith to resolve the issue. If the Parties are unable to resolve the specific issue in dispute after good faith negotiations, they shall either agree to: (1) appoint a panel composed of representatives of the other, non-disputing Parties to hear the disputed issue and render a decision in favor of one side or the other; or (2) engage an outside mediator to attempt to resolve the disputed issue. The L3 Parties may proceed with all other aspects of the Planning Study or Program Project not affected by the dispute. Nothing in this Subsection 2.5, however, prohibits any Party to the dispute from exercising its option to reduce its participation in this MOU to L2 or L1 Party status in accordance with Subsection 2.4.

### 3. Selection of Consultant and Approval of Planning Study.

3.1 Selection of Planning Study Consultant. Subject to the provisions of Section 2, CHWD shall issue the RFP and award any agreement with consultant(s) for the Planning Study (each a "**Consultant Agreement**"). CHWD shall follow and comply with the laws and regulations applicable to a California irrigation district when doing so. The Planning Study shall be overseen and administered by L2 and L3 Parties as provided in Section 2 of this Agreement.

3.2 Approval of Planning Study. Subject to the provisions of Section 2, each L2 and L3 Party shall approve the Planning Study. The approval shall be by the method preferred by that Party and shall be documented in a writing distributed to all other Parties.

## Exhibit 1

4. Cost Sharing Procedure. CHWD shall pay all costs incurred under the Consultant Agreement(s). CHWD shall then provide all affected L2 and L3 Parties with invoices with sufficient supporting information based on their respective share of the costs. Affected L2 and L3 Parties shall reimburse CHWD for such costs within forty-five (45) days of the date of the invoice.

5. Further Program Activities. Upon completion of the Planning Study, the Parties may wish to collectively accomplish other Program activities (each a “**Program Project**”). Any Party wishing to propose a Program Project may do so with written notice to the other Parties that outlines the scope of the Program Project. Parties wishing to participate in the Program Project shall indicate their desire to do so in writing and whether they wish to participate in the same manner as an L1 Party, L2 Party (if the Program Project may be divided into a discrete component) or L3 Party and such parties shall be deemed L1, L2 or L3 Parties for purposes of the Program Project. Therefore, unless otherwise agreed to by such Parties in an amendment to this MOU, the methodology for sharing Program Project costs, allocation of decision-making authority, award of any consultant and similar agreements, and payment of and reimbursement for invoices shall be the same for the Program Project as set forth in Section 2 and 3 and Exhibit A. Parties may modify their level of participation in the Program Project in the same manner as set forth in Section 2.4.

6. Mutual Indemnification. To the maximum extent allowed by law, each Party hereby agrees to indemnify, defend, assume all liability for and hold harmless the other Parties and their officers, employees, agents and representatives from all actions, claims, suits, penalties, obligations, liabilities, damages to property, costs and expenses (including without limitation any fines, penalties, judgments, actual litigation expenses and attorneys’ fees), and/or personal injuries or death to any persons (collectively, “**Claims**”), arising out of or in any way connected to the negligence or willful misconduct of that Party, its officers, agents or employees in connection with or arising from any of the activities under this MOU.

7. No Waiver. The waiver by any Party of any breach or violation of any requirement of this MOU shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this MOU.

8. Notices. Any notice or other communication (“Notice”) which any Party may desire to give to the other Parties under this MOU must be in writing and may be given by any commercially acceptable means, including via first class certified mail, personal delivery or overnight courier, to the Party to whom the Notice is directed at the address of the Party as set forth below, or at any other address as that Party may later designate by Notice. Any Notice shall be deemed received immediately if delivered by hand, on the third day from the date it is postmarked if delivered by first-class mail, certified and postage prepaid, return receipt requested, and on the next business day if sent via nationally recognized overnight courier.

CWD: Carmichael Water District  
7837 Fair Oaks Blvd  
Carmichael, CA 95608

Exhibit 1

CHWD: Citrus Heights Water District  
6230 Sylvan Road  
Citrus Heights, CA 95610 (physical)  
  
P.O. Box 286  
Citrus Heights, CA 95611 (mailing)

FOWD: Fair Oaks Water District  
10326 Fair Oaks Blvd.  
Fair Oaks, CA 95628

OVWC: Orange Vale Water Company  
9031 Central Avenue  
Orangevale, CA 95662 (physical)  
  
P.O. Box 620800  
Orangevale, CA 95662 (mailing)

RWA: Regional Water Authority  
5620 Birdcage Street, Ste. 180  
Citrus Heights, CA 95610

SSWD: Sacramento Suburban Water District  
3701 Marconi Avenue, Suite 100  
Sacramento, CA 95821

SJWD: San Juan Water District  
9935 Auburn Folsom Rd.  
Granite Bay, CA 95746 (physical)  
  
P.O. Box 2157  
Granite Bay CA 95746 (mailing)

9. Interpretation; Venue.

9.1 Interpretation. The headings used herein are for reference only. The terms of the MOU are set out in the text under the headings.

9.2 Venue. This MOU is made in Sacramento County, California. The venue for any legal action in state court filed by any Party to this MOU for the purpose of interpreting or enforcing any provision of this MOU shall be in the Superior Court of California, County of Sacramento.

10. Third-Party Beneficiaries. Nothing contained in this MOU shall be construed to create any rights in third parties and the Parties do not intend to create such rights.

## Exhibit 1

11. Severability. If any provision of this MOU, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this MOU.

12. Amendment of MOU. This MOU may be amended at any time by mutual agreement of the Parties. Unless approval of an amendment is within the authority of less than all Parties as provided in Section 2, any amendment shall be in writing and signed by all Parties. Notwithstanding the foregoing, any public agency or mutual water company located in Placer or Sacramento County not a signatory to this MOU may become an L1 Party upon the execution of a writing indicating its assent to be bound by the terms and conditions of this MOU applicable to L1 Parties. The form of such writing shall be developed by CHWD after consultation with all other Parties. In addition, any L1 Party may withdraw from this MOU with written notice to the other Parties.

13. Entirety of Contract. This MOU constitutes the entire agreement between the Parties relating to the subject of this MOU and supersedes all previous agreements, promises, representations, understandings and negotiations, whether written or oral, among the Parties with respect to the subject matter hereof.

[SIGNATURE PAGE FOLLOWS]

Exhibit 1

IN WITNESS WHEREOF, this MOU was executed by the parties hereto as of the date first above written.

CARMICHAEL WATER DISTRICT

SAN JUAN WATER DISTRICT

By: \_\_\_\_\_  
General Manager

By: \_\_\_\_\_  
General Manager

CITRUS HEIGHTS WATER DISTRICT

By: \_\_\_\_\_  
General Manager

FAIR OAKS WATER DISTRICT

By: \_\_\_\_\_  
General Manager

ORANGE VALE WATER COMPANY

By: \_\_\_\_\_  
General Manager

REGIONAL WATER AUTHORITY

By: \_\_\_\_\_  
Executive Director

SACRAMENTO SUBURBAN WATER DISTRICT

By: \_\_\_\_\_  
General Manager

EXHIBIT A

**COST ALLOCATION METHODOLOGY**

The costs of the Planning Study shall be allocated between the current L3 Parties based on their proportional share of metered customers or customers that are required to be metered (whether or not they actually are metered). The number of customer accounts and share of costs is set forth below:

	<u># of Meter Connections</u>	<u>% of Total</u>
<b>CHWD</b>	19,937	65.2%
<b>SJWD</b>	10,636	34.7%
<b>TOTAL</b>	30,573	100%

Any Party wishing to participate as an L2 or L3 Party may do so pursuant to the provisions of Section 2.4. In the event that an L2 Party is added to the MOU under Section 2.2, the methodology above shall be utilized when determining the L2 Party's responsibility for the cost of the Component provided that the number of metered customers or customers that are required to be metered (whether or not they actually are metered) shall be used when calculating the L2 Party and the other L3 Parties' responsibility for the cost of the Component.

Any buy-in fees paid by L2 Parties shall be applied to the total amount owed by the L3 Parties with the buy-in prorated among the L3 Parties in the same manner as costs are allocated as set forth above. If the buy-in fees exceed the amount owed for the completion of the Planning Study or any Program Activity, the balance shall be refunded to the L3 Parties prorated among the L3 Parties in the same manner as costs are allocated as set forth above.



Exhibit 2



# MOU for Regional Water Meter Replacement Program



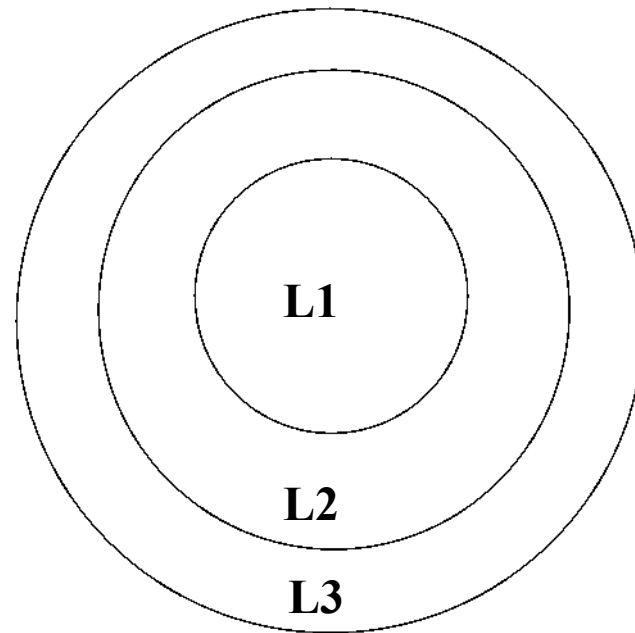
# Background

- Proposed Consortium for the regional Water Meter Replacement Program (Program)
- Tasked with developing draft memorandum of understanding (MOU) to outline cooperation on the Program.

# Background

- MOU Goals
  - Provide flexible framework for parties to participate in the Program at various levels (L1-L3 Parties)
  - Establish procedures for sharing costs of the Meter Replacement Program Planning Study (Planning Study)
  - Establish procedures for coordinating potential future Program activities

# MOU Provisions (Levels of Participation)



# MOU Provisions (Levels of Participation)



- L1 Parties (§ 2.1)
  - Opportunity for agency to “audit” the Planning Study, including the RFP
  - Attend all meetings; provide input
  - No requirement to contribute funds
  - Ability to move to L2 or L3 status
  - L1 Parties: CWD, FOWD, OVWC, RWA, SSWD



# MOU Provisions (Levels of Participation)



- L2 Parties (§ 2.2)
  - Partial participation
  - Allows party to fully participate in a component of the Planning Study
  - L2 Party then shares decision-making authority and costs of that Component as agreed with L3 Parties



# MOU Provisions (Levels of Participation)



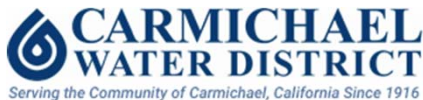
- L3 Parties (§ 2.3)
  - Fully participate in the Planning Study, including sharing portion of the cost
  - Costs proposed to be split according to number of meters
  - Decisions made by consensus with L2 and L3 Parties
  - If no consensus, majority vote
  - L3 Parties: CHWD, SJWD



# MOU Provisions (Changing Participation)



- Existing parties may increase or decrease level (§ 2.4)
  - L1/L2 Party: May go up with an amendment to the MOU
  - L2/L3 Party: May go down
    - prior to award of consultant agreement with notice to the other parties
    - after award with consent of other parties





# MOU Provision (Planning Study and Cost Sharing Procedure)

- While decisions will be made by consensus, some administrative provisions:
  - CHWD awards consultant agreement (§ 3.1)
  - CHWD pays invoices and is then reimbursed (§ 4)
- All L2 and L3 Parties will approve Planning Study

# MOU Provisions (Program Activities)

- MOU provides framework for future Program activities (§ 5)
- Party provides notice of potential project
  - All parties then indicate whether they will participate and at what level
  - Unless modified, all costs and decision-making handled just like the Planning Study

# Recommended Action & Next Steps



## Recommended Action:

- Approve Meter Replacement Program MOU

## Next Steps:

- MOU is approved by each party
- Parties move forward with RFP and Planning Study
- Planning Study is approved by all parties
- Parties determine whether to collaborate on future Program components



# Questions?





## Facilities & Operations Committee

### Agenda Item: 3

**Date:** May 15, 2018

**Subject:** Fixed Network Meter Reading Issues

**Staff Contact:** Matt Underwood, Operations Manager

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

Receive report from staff on the issues being encountered with the District's Advanced Metering Infrastructure fixed network meter reading system and direct staff as appropriate.

#### **Discussion:**

As reported in October and November 2017 at the regular Board meetings, and at the February 2018 Facilities and Operations Committee meeting, the District's Advanced Metering Infrastructure (AMI) fixed network meter reading system is experiencing significant problems.

As last reported in February 2018, Mueller Systems had identified nine (9) of the Districts 27 collectors as having equipment issues which are contributing to communication problems between the collectors and the endpoints. In addition, Mueller Systems identified several areas with inadequate coverage that will require the installation of additional collectors. In February 2018, Mueller Systems submitted a quote to the District that would cover the cost of repairs to nine collectors, routine maintenance on four collectors, and the installation of three additional collectors.

Staff agrees the District owns the existing equipment and is responsible for the costs associated with any maintenance and/or repair work that is required to maintain system performance. In March 2018, staff issued a purchase order to cover the cost of the repairs on nine collectors, as well as, routine maintenance on four collectors. Staff had anticipated the repair work would be completed in April 2018; however, the work had been delayed and began the week of May 14, 2018.

After the maintenance and repairs have been completed, Mueller Systems expects to see a measurable increase in system performance. At that time, they will perform another propagation study to determine the areas with insufficient coverage and the necessity of additional collectors.

In regards to the quote including equipment and installation costs to deploy three additional collectors. Staff have been actively pursuing a resolution to the issue with Mueller Systems.

Staff continues to be diligent while exploring other AMI options. If the decision is made to pursue a replacement AMI system, staff is prepared to move forward with recommending an alternative system. However, that transition will likely take multiple years. During that transition, it is critical that the District maintains the best performance possible from its existing network.

Staff will provide updates to the Board as conditions unfold.

**Fiscal Impact:**

No fiscal impact at this time; however, there could potentially be a large cost if the District were to change vendors.

**Strategic Plan Alignment:**

Facilities and Operations – 2.A. The District will utilize appropriate planning tools, identify financial resources necessary, and prioritize system requirements to protect and maintain District assets and attain water resource objectives incorporating resource sustainability and lifecycle cost analysis into the framework.

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

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



## Facilities and Operations Committee

### Agenda Item: 4

**Date:** May 15, 2018

**Subject:** Maintaining a Sufficient, Reliable Water Supply

**Staff Contact:** James Arenz, Senior Project Manager  
Dave Morrow, P.E., Senior Engineer

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

Receive presentation by the Engineering Department about the projected need for replacement groundwater supply capacity as relates to rehabilitation of existing wells and the need to maintain sufficient and reliable supply. Provide comment on the presentation and provide direction as appropriate.

#### **Background:**

The District has 73 groundwater production wells. The average age is 46 years and 42% are over the age of 50 years, which is the assumed useful life (i.e., service life or economic life). Seven (7) are not in service due to issues that include groundwater quality and/or contamination and material degradation.

The 2017 Water System Master Plan laid out a strategic plan to evolve over the next 15 years the District's groundwater well capacity to fewer wells of generally larger capacity. It identifies a planning-level need for 15 new wells within the next 12 years as existing wells are expected to reach the end of their useful life. This is based on an assumed average useful life of 50 years.

#### **Discussion:**

A key component of a plan to economically maintain adequate reliable capacity is to maximize benefit (production capacity) from existing wells prior to constructing new wells. Currently there is no established District process or approach with which to systematically evaluate when an existing well is no longer viable (has reached the end of its useful life) and the complimentary issue of when a new well is needed.

The Engineering Department has developed a systematic approach to assess the viability of existing wells. It begins with a financial investment analysis of the utilization of District capital funds (a "business case analysis") and it ends with a judgment/subjective ("soft side") assessment so that important non-quantitative factors are also considered (e.g., encroaching groundwater contamination plumes; and site accessibility for maintenance and repair). The process is weighted toward retention of an asset and against its premature retirement.

While the 2017 Water System Master Plan uses a planning-level 50-year useful life to project the need for future wells, the approach developed by staff is implementable for existing wells on a case-by-case basis to ensure maximum benefit is realized from each well. The approach will be used to identify new groundwater production capacity requirements.

**Fiscal Impact:**

No direct immediate fiscal impact is expected.

Implementation of the presented approach is intended to generally reduce future fiscal impacts by identifying wells with remaining useful life to facilitate prudent utilization of District funds. Other impacts will depend on Board direction as it relates to allocation of monies for CIP funding priorities.

**Strategic Plan Alignment:**

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

Water Supply – 1.D. Manage the District’s water supplies to ensure their quality and quantity.

Facilities and Operations – 2.A. The District will utilize appropriate planning tools, identify financial resources necessary, and prioritize system requirements to protect and maintain District assets and attain water resource objectives incorporating resource sustainability and lifecycle cost analysis into the framework.

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

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

Facilities and Operations – 2.I. Implement energy management initiatives that reduce energy costs while protecting critical operations from water supply interruptions.





## Facilities & Operations Committee

### Agenda Item: 5

**Date:** May 23, 2018

**Subject:** Short Term Water Transfer Pilot Project – Sacramento County

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

**Recommended Committee Action:**

Direct the General Manager to request authority from the Board of Directors at the June 18, 2018 regular Board meeting to execute and sign all agreements necessary to implement a Water Transfer Pilot Test with Sacramento County, subject to approval by District legal counsel of any non-substantive changes to such agreements.

**Discussion:**

Sacramento County Water Agency (SCWA) hired a consultant in 2017 to analyze SCWA's water portfolio and explore opportunities to optimize their supplies now and into the future. The consultant discovered multiple opportunities that might benefit SCWA, including a few water transfer opportunities to evaluate further. SCWA has SMUD or Fazio Central Valley Project water that is sufficient to meet SCWA's customer's demands in their Arden Park service area. However, in order to provide their water to the Arden Park customers, it needs to be transferred through Carmichael Water District (CWD) and Sacramento Suburban Water District (District) service areas. CWD can divert SCWA's CVP Project Supply water at CWD's diversion facility on the American River. CWD would treat the water at CWD's treatment plant and convey the water to the District. The District would convey the water through its water system to the SCWA intertie. Exhibit 1 is attached to this report indicating location of interties. SCWA will take delivery of the water and serve its customers in the Arden service area. SCWA would forego delivering groundwater to its Arden service area customers.

SCWA will need to add a diversion point for the CVP Project Supply. SCWA's Interim Renewal contract and long-term renewal contract state that SCWA may divert CVP Project Supply water at "any additional point of delivery that is mutually agreed to in writing by the Contracting Officer and Contractor." The CVP Project Supply place of use includes SCWA's Arden Park service area. However, SCWA's SMUD and CVP contract place of use only includes Zone 40 and the Zone 40 Expansion Area. The contracts do provide that the service area may be changed upon consultation with Reclamation.

SCWA has obtained approval from their County Supervisors to move forward and engage discussions with Reclamation. SCWA will engage Reclamation through an in-person meeting to outline the criteria to establish a successful delivery of CVP Project Supply water to SCWA's Arden Park service area. It is anticipated that the transfer would be approximately 1,000 acre feet over a 4-6 month period.

SCWA-CWD-SSWD Water Use Positives:

1. SCWA could demonstrate the ability to divert and deliver its CVP Project Supply water to its Arden Park service area.
2. The transaction would test the provisions in SCWA's contracts to add point(s) of diversion and place(s) of use that are part of SCWA's service area.
3. SCWA could expand its use under its CVP Project supplies in order to demonstrate beneficial use of the water asset.
4. SCWA use of the water may boost the water supply available under its CVP contracts in dry years when the M&I Shortage Policy is activated.
5. Allow SCWA to account for unused groundwater that it would otherwise use to serve the Arden service area.
6. Demonstrate the opportunity to bank groundwater under the Regional Water Authority's efforts to create a Federally recognized regional groundwater bank and banking system.
7. Allow an additional volume of CVP Project Supply to be incorporated into the M&I Shortage Policy calculations in the event of diminished CVP allocations in a dry year.
8. The expansion of use could occur whether or not the CVP system is constrained in 2018.
9. The transaction costs in the transfer pilot test, including Reclamation staff costs, would be paid by SCWA. SCWA would pay the wheeling water costs charged by CWD and SSWD. SSWD is in the process of developing wheeling rates prior to the potential 2019 water transfer.
10. The Central California Area Office may be reserved in executing a 2018 contract change because of the implications of allowing CVP Project Supply to be used in SCWA's service area beyond those currently allowed in the contract.
11. January 2019 – June 2019 is an estimate of the transfer opportunity.

12. There are still uncertainties related to the fluoridation issues that may need to be addressed in SCWA's service area.

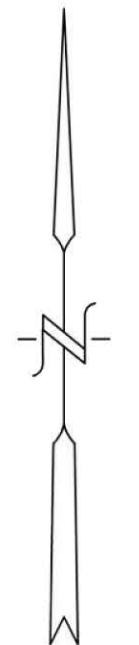
**Fiscal Impact:**

None. SCWA would cover the transaction costs. SSWD will potentially receive funds for wheeling SCWA's SMUD CVP Water Supply to its Arden Park service area.

CYPRESS AVE

MANZANITA AVE

Exhibit 1



SSWD 18" MAIN

18"

SSWD 18" INTERTIE VALVE

SSWD  
CWD

SSWD BLOW OFF

CWD METER

CWD BLOW OFF

CWD 18" INTERTIE VALVE

CWD 18" MAIN

**INTERTIE INFORMATION**

Intertie Information	SSWD	CWD
Size of Intertie	18-in	18-in
Metered	NO	YES
Type of Meter	N/A	MAG
Meter Direction	N/A	TO SSWD
Meter in SCADA	N/A	YES
2017 System Pressure Range	40 - 60 PSI	65 PSI
Fluoridation	NO	NO

**LEGEND**

SSWD Main	
SSWD Valve	
SCWA Main	
SCWA Valve	

WATER SUPPLY  
ASSET MANAGEMENT  
&  
OPERATIONS ENGINEERING

FACILITY \_\_\_\_\_  
FILE NO. \_\_\_\_\_  
DRAWING FILE \_\_\_\_\_  
DRAWN \_\_\_\_\_  
DESIGNED \_\_\_\_\_  
CHECKED \_\_\_\_\_  
SHEET DATE  
APRIL 21 2018

REVISIONS				
ZONE	REV.	DESCRIPTION	BY	DATE

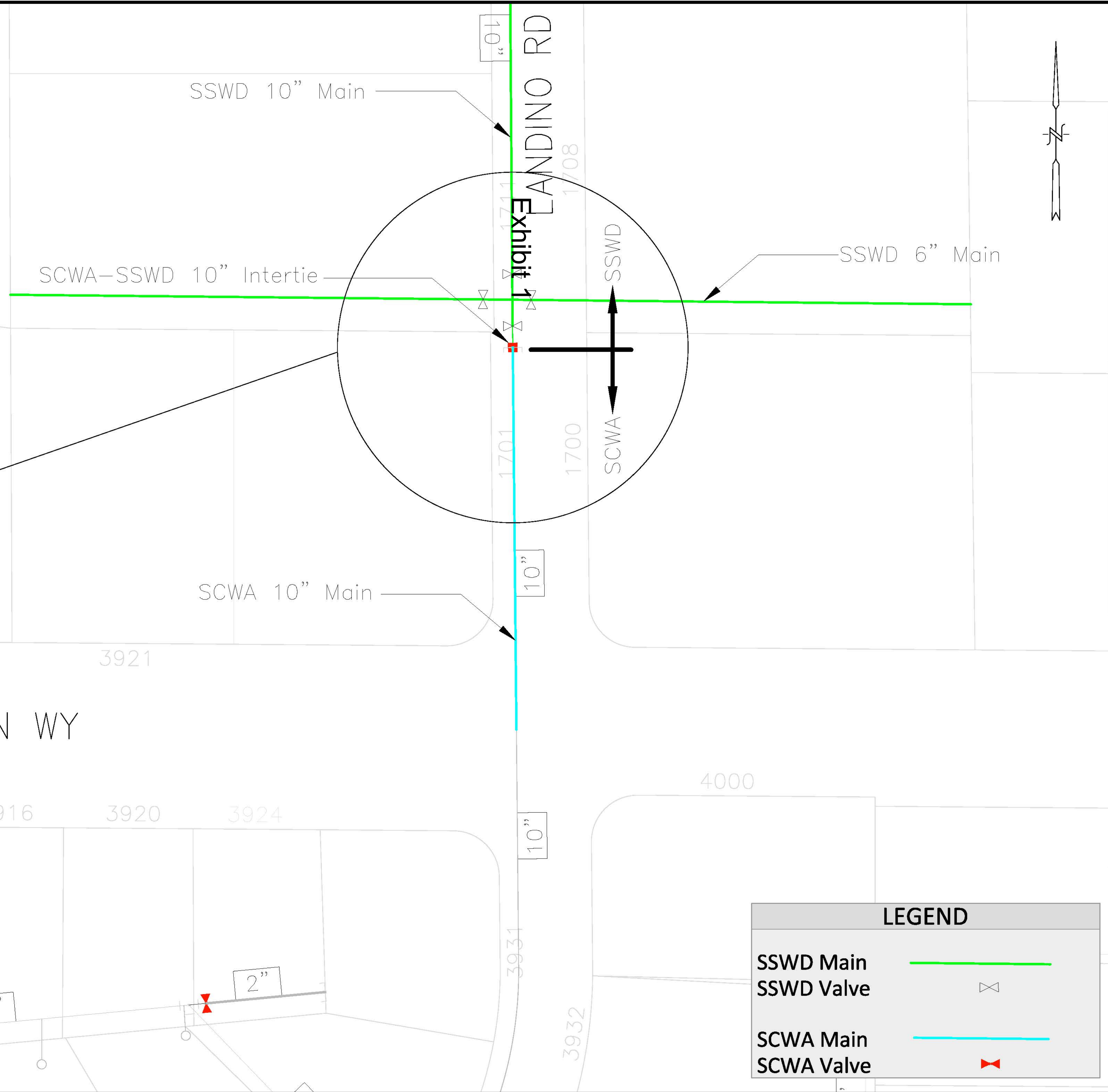


CWD INTERTIES  
**CWD - SSWD INTERTIE**  
**CYPRESS AVE & MANZANITA AVE**

SCALE  
HOR: \_\_\_\_\_  
VER: \_\_\_\_\_  
DRAWING  
**G-1**

ARDEN OAKS LN (PVT)

INTERTIE INFORMATION		
Intertie Information	SSWD	SCWA
Size of Intertie	10-in	10-in
Metered	YES	NO
Type of Meter	PROPELLER	N/A
Meter Direction	TO SCWA	N/A
Meter in SCADA	NO	NO
2017 System Pressure Range	40 - 60 PSI	43 -73 PSI
Fluoridation	YES	YES



LEGEND	
SSWD Main	
SSWD Valve	
SCWA Main	
SCWA Valve	

**WATER SUPPLY  
ASSET MANAGEMENT  
&  
OPERATIONS ENGINEERING**

FACILITY: LADINO-EL RICON  
 FILE NO.: \_\_\_\_\_  
 DRAWING FILE: \_\_\_\_\_  
 DRAWN: \_\_\_\_\_  
 DESIGNED: \_\_\_\_\_  
 CHECKED: \_\_\_\_\_  
 SHEET DATE: APRIL 2018

REVISIONS				
ZONE	REV.	DESCRIPTION	BY	DATE



SCWA INTERTIES  
**SCWA - SSWD INTERTIE  
LADINO RD & ARDEN WAY**

SCALE: \_\_\_\_\_  
 HOR: \_\_\_\_\_  
 VER: \_\_\_\_\_  
 DRAWING: **G-2**