

**REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
FLORIN RESOURCE CONSERVATION DISTRICT**

Agenda

Wednesday, August 15, 2018

6:30 PM

**9257 Elk Grove Blvd.
Elk Grove, CA 95624**

Compliance with Government Code Section 54957.5

Public records, including writings related to an agenda item for an open session of a regular meeting of the Florin Resources Conservation District that are distributed less than 72 hours before the meeting, are available for public inspection during normal business hours at the Administration building of Elk Grove Water District, located at 9257 Elk Grove Blvd. Elk Grove, California. In addition, such writings may be posted, whenever possible, on the Elk Grove Water District website at www.egwd.org.

The Board will discuss all items on the agenda, and may take action on any item listed as an "Action" item. The Board may discuss items that do not appear on the agenda, but will not act on those items unless there is a need to take immediate action and the Board determines by a two-thirds (2/3) vote that the need for action arose after posting of the agenda.

If necessary, the Meeting will be adjourned to Closed Session to discuss items on the agenda listed under "Closed Session." At the conclusion of the Closed Session, the meeting will reconvene to "Open Session."

CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

Public Comment – Please complete a Request to Speak Form if you wish to address the Board.

Members of the audience may comment on matters that are not included on the agenda. Each person will be allowed three (3) minutes, or less if a large number of requests are received on a particular subject. No action may be taken on a matter raised under "Public Comment" until the matter has been specifically included on an agenda as an action item. Items listed on the agenda will be opened for public comment as they are considered by the Board of Directors.

1. Proclamations and Announcements

- a. Recognition of Justin Mello for five years of service
- b. Recognition of Brandon Wagner for five years of service

Associate Director Comment

Public Comment

2. Consent Calendar (Stefani Phillips, Secretary and Patrick Lee, Treasurer)

- a. Minutes of Regular Board Meeting of July 18, 2018
- b. Warrants Paid – July, 2018
- c. Active Accounts – July, 2018
- d. Bond Covenant Status for FY 2017- 18 – July, 2018
- e. Revenues and Expenses – Actual vs Budget FY 2017- 18 – July, 2018
- f. Cash Accounts – July, 2018
- g. Consultants Expenses – July, 2018
- h. Major Capital Improvement Projects – July, 2018

Associate Director Comment

Public Comment

Recommended Action: Approve Florin Resource Conservation District Consent Calendar items a-h.

3. Committee Meetings (Stefani Phillips, Secretary)

Associate Director Comment

Public Comment

4. Elk Grove Water District Operations Report – July 2018

(Mark J. Madison, General Manager)

Associate Director Comment

Public Comment

5. Public Hearing and Consideration of the 2018 Connection Fee Study and Adoption of New Water Connection Fees (Patrick Lee, Finance Manager/Treasurer)

Associate Director Comment

Public Comment

Recommended Action: Adopt Ordinance 08.15.18.01, approving the 2018 Connection Fee Study Report and revising the Elk Grove Water District Connection Fees as prescribed in the study.

6. Professional Services Agreement Renewal for Informational Technology Services (Mark Madison, General Manager)

Associate Director Comment

Public Comment

Recommended Action: Adopt Resolution 08.15.18.01, waiving the competitive bidding process prescribed in Policy No. 3, purchases of goods and services from outside vendors, and authorizing the General Manager to execute a professional services agreement with Solutions by BG, Inc. to provide Information Technology services in an amount not to exceed \$477,325 over a three year term.

7. Conflict of Interest Code (Stefani Phillips, Board Secretary)

Associate Director Comment

Public Comment

Recommended Action: Adopt Resolution 08.15.18.02, amending the Conflict of Interest Code Pursuant to the Political Reform Act of 1974.

8. **Pepper Spray Policy** (Sarah Jones, Program Manager)

Associate Director Comment

Public Comment

Recommended Action: Adopt Resolution No. 08.15.18.03, amending the 2014 Elk Grove Water District Employee Policy Manual with the addition of Section 7.1.5 Pepper Spray.

9. **Outside Agency Meetings Report** (Mark J. Madison, General Manager)

Associate Director Comment

Public Comment

10. **Directors Comments**

Adjourn to Regular Meeting – September 19, 2018

August 15, 2018

TO: Chairperson and Directors of the Florin Resource Conservation District
FROM: Stefani Phillips, Board Secretary
SUBJECT: **CONSENT CALENDAR**

RECOMMENDATION

It is recommended that the Florin Resource Conservation District Board of Directors approve Florin Resource Conservation District Consent Calendar items a – h.

SUMMARY

Consent Calendar items a – h are standing items on the Regular Board Meeting agenda.

By this action, the Board will approve Florin Resource Conservation District Consent Calendar items a – h.

DISCUSSION

Background

Consent Calendar items are standing items on the Regular Board Meeting agenda.

Present Situation

Consent Calendar items a – h are standing items on the Regular Board Meeting agenda.

ENVIRONMENTAL CONSIDERATIONS

There are no direct environmental considerations associated with this report.

STRATEGIC PLAN CONFORMITY

Fiscal stability is in conformity with the District's Business Practice goals of the 2012-2017 Strategic Plan.

August 15, 2018

CONSENT CALENDAR

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FINANCIAL SUMMARY

There is no financial impact associated with this report.

Respectfully Submitted,



STEFANI PHILLIPS,
BOARD SECRETARY

And



PATRICK LEE,
TREASURER

Attachments

MINUTES OF THE REGULAR MEETING OF THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS

Wednesday, July 18, 2018

The regular meeting of the Florin Resource Conservation District Board of Directors was called to order at 6:30 p.m. by Tom Nelson, Chairperson, at 9257 Elk Grove Blvd., Elk Grove, CA.

Call to Order, Roll Call, and Pledge of Allegiance.

Directors Present: Bob Gray, Lisa Medina, Tom Nelson, Sophia Scherman
Directors Absent: Jeanne Sabin
Staff Present: Mark Madison, General Manager; Bruce Kamilos, Assistant
General Manager; Stefani Phillips, Board Secretary; Patrick Lee,
Finance Manager; Donella Murillo, Finance Supervisor; and Sarah
Jones, Program
Staff Absent: None
Associate Directors Present: Kenneth Strom, Shahid Chaudhry
General Counsel Present: Ren Nosky, Nosky Legal Group
Consultants Present: Shawn Koorn, HDR Consulting, Inc.
Public Present: Suzanne Pecci, Lynn Wheat, Cynthia Powers, Bob Turner, Linda
Beattie, Eric Veerkamp, Scott Loregan, Michael Monasky, Robert
Harris, Dwight Weathers, Dan Gougherty,

Public Comment

Ratepayer, Linda Beattie spoke regarding the poor quality of her water, stating there is too much calcium. Chairperson, Tom Nelson responded that the Elk Grove Water District (EGWD) ask that ratepayers get ahold of the District with a complaint or problem; he mentioned that the District is happy to send someone out to check on the issue. Staff took down Mrs. Beattie's information.

Suzanne Pecci provided her personal thoughts regarding public agencies and the Sacramento Groundwater Management Act (SGMA).

1. Proclamations and Announcements

Nothing to report.

2. Consent Calendar

- a. Regular Board Meeting Minutes of July 18, 2018
- b. FRCD Cash Flow Worksheet – July, 2018
- c. Warrants Paid – July, 2018
- d. Active Accounts – July, 2018
- e. Bond Covenant Status – July, 2018
- f. Revenues and Expenses – July, 2018
- g. Cash Accounts – July, 2018
- h. Consultants Expenses – July, 2018
- i. Major Capital Improvement Projects – July, 2018

MSC (Medina/Gray) to approve FRCD Consent Calendar items a-i 4/0: Ayes: Gray, Medina, Nelson, and Scherman.

3. Committee Meetings

There were no committee meetings held in the month of June.

4. **Elk Grove Water District Operations Report – June 2018**

General Manager, Mark Madison presented the Elk Grove Water District (EGWD) Operations Report – June 2018 to the Florin Resource Conservation District Board of Directors (Board).

Summary:

- Door tags and shutoffs (450 & 46, respectively) remain almost the same as May.
- There were three pressure complaints, all of which were unsubstantiated.
- There were four water quality complaints, three of which were unsubstantiated and one that was legitimate as sand was found in the water lines. The District's line in the street was subsequently flushed.
- 150 hydrants were checked. The District's hydrant maintenance target is set at 135 per month (ea. hydrant once per year).
- 166 valves were exercised. The District's valve exercising target is set at 120 per month (every valve once per 3 years).
- Wells 4D, 11D, 3, 8, 9 and 13 were the main sources of supply for Service Area 1.
- Production for Service Area 1 continued to increase significantly from the preceding month. 158 million gallons compared to 126 million gallons in May.
- Total customer usage for EGWD (SA1 and SA2) also rose by approximately 66 million gallons from May but remained down by 18% compared to May 2013.
- The Static and Pumping Water level charts have the same 2nd quarter date presented last month. The next set of measurements will occur this month.
- All required sampling was performed with no anomalies.
- All required regulatory reports were submitted on time and there were no excursions of any regulatory requirements. This includes the quarterly reports due in June.
- All preventative maintenance activities have been performed in compliance with our Standard Operating Procedures.
- Backflow prevention program. As of the end of June, we had 13 delinquent customers. They have until July 26 until they are shut off.
- We had 3 formal safety meetings and it has been 882 days since we have had a lost time injury.
- Service Line Replacements – 9 service lines were replaced in May as our Utility crew now back working on that project. We hope to complete the Service Line Replacement project by November.
- There were 3 service line leaks in May. All were from pinholes.
- Pressures in Service Area 1 remained stable in the 60 psi range. Pressures in Service Area 2 were also about the same.

5. **Elk Grove Water District Fiscal Year 2017-18 Quarterly Operating Budget Status Report**

Finance Manager, Patrick Lee presented information on the Elk Grove Water District Fiscal Year (FY) 2018-19 Quarterly Operating Budget Status.

Mr. Lee informed the Board, the revenues collected through the fourth quarter of FY 2017-18 total \$14,734,710 which is 103.08% of the approved \$14,294,096 FY 2017-18 annual budget that was adopted on June 21, 2017. The revenues are \$523,739 or 3.69% above the same quarter of the prior year. He went into detail of the budget, breaking it down into the different revenue categories.

6. **Elk Grove Water District Fiscal Year 2017-18 Quarterly Capital Reserve Status Report**

Mr. Lee presented the Elk Grove Water District FY 2017-18 Quarterly Capital Reserve Status.

Mr. Lee informed the Board, the total amount available for reserves at July 1, 2017 was \$12,871,285. In summary, based on Board policy adopted August 22, 2012, the reserves are allocated first to the Operating Reserve (120 days of budgeted operating and maintenance expenses), then to the Fiscal Year (FY) 2017-18 capital budget, followed by elections/special studies, with the balance allocated to future capital improvements and capital replacements in the ratio of 75:25, respectively. He mentioned, through the fourth quarter of FY 2017-18, the District expended \$1,352,900 for capital projects leaving a remaining total reserve balance at June 30, 2018 of \$11,518,385.

Cynthia Powers asked if there was a way the public could have access to reports provided in the quarterly capital reserve status report. Mr. Madison responded that all financial data is public information and all reports are available on the EGWD website. He asked her to contact him to help her find what she is looking for.

7. Elk Grove Water District Schedule of Charges, Rates, Fees and Deposits

Mr. Lee presented on the Elk Grove Water District Schedule of Charges, Rates, Fees and Deposits. He started by providing the information that Ordinance No. 07.18.18.01 will be amending, which is Exhibit A of Ordinance No. 12.14.16.01, as well as what it will be revising, which is the EGWD's schedule of charges, rates, fees and deposits.

Mr. Lee mentioned that Ordinance No. 07.18.18.01, is eliminating any wording related to Water Service Rates or Connection Fees from Exhibit A, as those topics will have their own ordinances. Mr. Madison explained further that the District felt the need to clean up the rates and fees structurally to make things more clear and transparent by having three (3) separate groups of rates and fees: 1) Water User Fees, 2) Connection Fees, and 3) Miscellaneous Fees (i.e. copier charges, shut off fees, etc.).

Associate Board Member, Shahid Chaudhry mentioned Exhibit A had good information, but it would be nice to have a comparison showing existing rates. Mr. Lee responded, the rates have not changed in Exhibit A, there has only been the removal of any references to Water Service Rates and Connection Fees. Director Sophia Scherman commented that the report is pretty clear, mentioning that it is not a change in the fees, just in the language.

Ratepayer, Michael Monasky wanted to speak about the increase in fees. Both Mr. Nelson and Mr. Madison informed him that Ordinance No. 07.18.18.01 did not have any changes in the fees, just the language. There was a discussion on the topic. Mr. Madison again made it clear that charges have not changed in Exhibit A of Ordinance No. 07.18.18.01, but language was removed regarding Water Rates and Connection Fees, as those will now have their own Ordinances.

Mr. Monasky stated the miscellaneous fees are punitive to half the ratepayer population and the language is bad.

MSC (Scherman/Medina) to adopt Ordinance No. 07.18.18.01, amending Ordinance No. 12.14.16.01, Exhibit A, in its entirety and revising the Elk Grove Water District's Schedule of Charges, Rates, Fees and Deposits. 4/0: Ayes: Gray, Medina, Nelson, and Scherman.

8. Public Hearing and Consideration of the 2018 Water Rate Study and Adoption of New Water Service Rates and Private Fire Protection Service Rates

Mr. Nelson started by explaining the public hearing process before turning it over to Mr. Madison.

Mr. Madison introduced the item by giving background on the process of the 2018 Water Rate Fee Study. He then introduced Shawn Koorn, HDR Consulting, Inc. to present the Water Rate Fee Study.

Mr. Koorn explained the 2018 Water Rate Fee Study and results to the Board and the public.

Mr. Madison asked Mr. Koorn if, in his professional opinion, the results from the District's water rate study satisfies the requirement that stem from the San Juan Capistrano case. Mr. Koorn responded absolutely, explaining the primary issue San Juan Capistrano had was not having a method for establishing their tier pricing, specifically tier 4. He then explained how HDR Consulting, Inc. established EGWD tier rates by appropriately allocating costs.

Stefani Phillips, Board Secretary explained how the protest notices worked, as well as how many protest notices were received.

Chairperson, Tom Nelson called for Board of Director and Associate Director comments:

Mr. Chaudhry commented, the process HDR Consulting, Inc. used to determine rates was fair and the rate structure for the next five (5) years is good. He mentioned there were many meetings and the consultants made sure to take feedback and comments from the Community Advisory Committee (CAC) along the way.

Associate Director, Ken Strom stated, the credibility of the study is pretty obvious in that the County is raising its rates immediately to over 3%, where the District is not raising rates for two (2) years.

CAC member, Dwight Weathers commented, he went to every meeting, mentioning it was available to the public. He stated the rates are fair and that some ratepayer's bills will actually go down. He gave his appreciation to the Board and staff.

An unidentified speaker commented, with Proposition 218, the community has the authority to a ballot box to appeal the water rates. Mr. Madison informed the customer, there is no ballot process for Proposition 218 in relation to Water Rates. He mentioned the process is a protest proceeding in which notices are sent out and the public has a chance to submit a formal protest.

Public comments and questions include:

Eric Veerkamp, read his protest letter to the Board.

Cynthia Powers questioned whether rate adjustments could be made if less water is used than the study projected. Mr. Madison responded yes, due to the philosophy of "if we don't need it, we don't ask for it".

Mrs. Powers commented that the District may want to develop a measure of security for customers as a remedy when someone steals their water. She commented her concern for rate increases when the Operation Report stated water usage is down 18% from 2013.

Lynn Wheat voiced her concern on rate increases with a Board who has elected to receive health benefits. She was informed that a policy has not yet been adopted for Board Health Benefits.

Mrs. Wheat inquired if the Board had the right to raise EGWD rates when they don't live in the boundaries. It was brought to her attention that four (4) out of the five (5) Board members live within the EGWD boundaries.

Mrs. Beattie commented her concern that that Elk Grove will have brown lawns due to rate increases. She commented that the District should have discounts for low income, seniors, disabled, and veterans. She was informed it is against Proposition 218 to provide a subsidy.

Scott Loregan commented his appreciation for Mr. Koorn explaining the study and Proposition 218. He commented that under Proposition 218, the tiered rates cannot be based on conservation, to which Mr. Koorn responded that he was correct and the rates in the 2018 Water Rate Fee Study were not based on conservation. Mr. Loregan questioned the doubling of Tier 2 from Tier 1, inquiring if it costs double for the District to deliver the next gallon of water after Tier 1. Mr. Koorn responded yes. Discussion continued.

Mr. Monasky commented that the commercial rates should be the highest of all the customer classes. He commented the District and Elk Grove need to have a change in mentality.

Suzanne Pecci inquired what the fixed costs in the study are. She was directed to look in the study results located on the EGWD website.

Robert Harris commented his understanding of the proposed rates, mentioning less water usage means more cost for the District. He asked if the District is reducing rates because he noticed the fixed charge is going down. It was expressed to him that the fixed charge will be going down and the consumption charge is going up. Mr. Harris inquired who would get the money if the EGWD was sold. Mr. Nelson mentioned the water district will not be sold.

It was requested that the protest letters be read. The public was informed the letters are not public documents. Discussion ensued.

Bob Turner questioned if EGWD will have enough water in 20 years for all the ratepayers.

Dan Gougherty inquired if the protest letters sent out stated they were a letter or a vote. He was informed it was a written protest.

An unidentified speaker mentioned, while she did not write a protest letter, she would most certainly not want it posted for everyone to see.

The public hearing was closed.

MSC (Gray/Medina) to adopt Ordinance No. 07.18.18.02, approving the 2018 Water Rates Study Report and adopt new water service rates and private fire protection service rates. 4/0: Ayes: Gray, Medina, Nelson, and Scherman.

9. Outside Agency Meeting Report

Mr. Madison and Program Manager, Sarah Jones spoke regarding the Outside Agency Meetings Report.

Ms. Jones presented on the American Water Works Association (AWWA) Government Affairs Committee meeting that took place on June 22, 2018. She mentioned the meeting discussed legislative matters of the state, as well as some Federal matters.

Ms. Jones presented on the Regional Water Authority (RWA) Public Outreach Committee Meeting that took place on June 26, 2018. She mentioned the committee discussed strategies for public outreach on conservation.

Mr. Madison spoke regarding the SCGA Special Board Meeting that took place on June 27, 2018. He reminded the Board earlier in the month the SCGA's proposed budget for FY 2018-

19 was unapproved. In summary, the special meeting was created to re-vote on the SCGA's proposed budget for FY 2018-19. The budget was approved the second time around, although Mr. Madison mentioned that he voted No.

Ms. Jones spoke about the RWA Legislative Committee Meeting that took place on June 28, 2018. She mentioned the meeting consisted of discussion related to the new meter accuracy laws, the new water tax law, and the water shut off bill.

Mr. Madison presented on the Elk Grove City Council Meeting that took place on July 11, 2018. He stated there was an item on the agenda at this meeting to formally appoint himself, Assistant General Manager, Bruce Kamilos, and Director Jeanne Sabin as representatives on the SCGA. Mr. Madison also mentioned that he led the Pledge of Allegiance per the Mayor's request.

Mr. Madison spoke on the RWA Meeting that took place on July 12, 2018. He mentioned this meeting was mainly to talk about amending and refreshing the region's Integrated Regional Water Management Plan, which the District, especially Mr. Kamilos plays a strong roll in. Mr. Madison commented, during Directors Comments, per Mr. Nelson, that next time the Urban Water Management Plan is updated, they include a regional climate change evaluation. He stated that climate change will not just be optional come 2020.

10. Legislative Report

Ms. Jones presented the legislative report. She informed the Board the California Legislature is currently on recess.

Ms. Jones commented on Proposition 68, The California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act, mentioning it was approved by voters in June, which authorized \$4.1 billion in general obligation bonds.

Ms. Jones also mentioned Proposition 3, the Water Supply and Water Quality Act of 2018 will be on the November ballot. In summary, if approved by voters this water bond would allocate 8.9 billion dollars for water related projects. Grant funding through Proposition 68 and Proposition 3 (if passed) may be available for various projects throughout the state.

Mr. Madison informed the Board that Proposition 3 is for water conservation activities and could potentially be used for Automated Metering Instrumentation (AMI). He provided background on AMI and mentioned it would be a good topic for a different night.

11. Directors Comments

Mrs. Scherman commented, the CAC worked very hard to help the rate study move forward and they were the best committee she has ever worked with.

Mr. Nelson and the Board thanked Mr. Koorn, the staff, and the public.

Mr. Gray suggested that the public go online and download the board packet.

Adjourn to regular meeting on August 15, 2018 at 6:30 p.m.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Board Secretary
AK/SP

Check History Report

7/1/2018 to 7/31/2018
Elk Grove Water District

Check Number	Check Date	Vendor Number	Name	Check	Explanation
047423	7/19/2018	A. TEIC	A. TEICHERT & SON, INC	154.97	
047424	7/19/2018	ACWAJPI	CB&T/ACWA-JPIA	63,770.96	Medical Benefits- August 2018
047425	7/19/2018	BATTER	BATTERIES PLUS	83.94	
047426	7/19/2018	BATTER	BATTERIES PLUS	48.97	
047427	7/19/2018	BAY ALA	BAY ALARM COMPANY	1,281.36	July Security-Wellsite's, MOC & ADMIN
047428	7/19/2018	BG SOLU	SOLUTIONS BY BG INC.	5,177.00	Daily Tasks/Help Tickets
047429	7/19/2018	BSK4	BSK ASSOCIATES	813.00	Various Invoices-Sampling-Treatment
047430	7/19/2018	CARCD	CARCD	300.00	Membership Renewal-RCD
047431	7/19/2018	CCPPM	CCPPM	98.63	
047432	7/19/2018	CRF FN	FIDELITY NATIONAL TITLE	107.32	Account Closed- Customer Refund
047433	7/19/2018	CRF LEN	LENNAR HOMES CA, INC	50.00	Account Closed- Customer Refund
047434	7/19/2018	CRF LYB	LYNSEY N BETTENCOURT	82.37	Account Closed- Customer Refund
047435	7/19/2018	CRF JAN	JANETTE COFFING	22.61	Account Closed- Customer Refund
047436	7/19/2018	CRFSUS	SUSAN STRONG	7.71	Account Closed- Customer Refund
047437	7/19/2018	CRTAH	TAH MS BORROWER LLC	60.22	Account Closed- Customer Refund
047438	7/19/2018	CSDS	CSDS SACRAMENTO	460.20	Materials-Tech Services
047439	7/19/2018	DAC	DAC	1,500.00	Dissemination-Annual Fees
047440	7/19/2018	DMV	DMV	14.00	
047441	7/19/2018	GFOA	GFOA	160.00	
047442	7/19/2018	HERBURG	HERBURGER PUBLICATIONS, INC	385.26	Advertising-Water Rates and Connection Fees
047443	7/19/2018	INFINIT	INFINITE IT SOLUTIONS INC.	6,160.00	I.T. Contracted Services
047444	7/19/2018	JAN PRO	JAN-PRO CLEANING SYSTEMS OF	635.00	Janitorial-MOC/ADMIN
047445	7/19/2018	KNOW	KnowBe4, Inc.	657.86	Security Awareness Training
047446	7/19/2018	LAKE V	LAKE VUE ELECTRIC, INC	417.00	
047447	7/19/2018	PACE	PACE SUPPLY CORP	1,298.82	Materials/Supplies-Bull Heads
047448	7/19/2018	RADIAL	RADIAL TIRE OF ELK GROVE	926.72	Repairs & Maintenance- Truck #412
047449	7/19/2018	RDO 1	RDO TRUST # 80-5800	478.05	Materials- Utility Crew
047450	7/19/2018	REPUBLI	REPUBLIC SERVICES #922	1,218.14	
047451	7/19/2018	REPUBLI	REPUBLIC SERVICES #922	77.48	
047452	7/19/2018	ROOCO	ROOCO RENTS	333.31	
047453	7/19/2018	ROTH	ROTH STAFFING COMPANIES, L.P.	657.78	Temporary Customer Service Help
047454	7/19/2018	SAC 5	SACRAMENTO COUNTY	8.00	
047455	7/19/2018	SAC TAX	SACRAMENTO COUNTY	122.46	
047456	7/19/2018	SALAS	RICHARD SALAS	250.00	Cell Phone Reimbursement
047457	7/19/2018	SIERRA C	SIERRA CHEMICAL COMPANY	1,384.73	Supplies-Treatment
047458	7/19/2018	SIERRA	SIERRA OFFICE SUPPLIES	662.82	
047459	7/19/2018	TOSHIBA	TOSHIBA FINANCIAL SERVICES	593.01	Copier-ADMIN
047460	7/19/2018	TRAFF S	TRAFFIC SIGN SPECIALTIES	105.06	
047461	7/19/2018	UNITED	UNITED SITE SERVICES	293.04	
047462	7/19/2018	XC2	XC2 SOFTWARE, LLC	2,770.00	Software Update & Maintenance Renewal
047463	7/19/2018	ZOOM	ZOOM IMAGING SOLUTIONS, INC	237.10	

047464	7/25/2018	ALL STA	ALL STAR RENTS	284.25	
047465	7/25/2018	AMAZON	AMAZON CAPITAL SERVICES	240.86	
047466	7/25/2018	BAY ALA	BAY ALARM COMPANY	1,140.59	August Security-Wellsite's, MOC & ADMIN
047467	7/25/2018	BOB TYN	BOB TYNER	2,000.00	Locator Training
047468	7/25/2018	BSK4	BSK ASSOCIATES	1,095.00	Various Invoices-Sampling-Treatment
047469	7/25/2018	CHIC12	CHICAGO TITLE COMPANY	85.98	
047470	7/25/2018	CINTAS	CINTAS	78.57	
047471	7/25/2018	COEG	CITY OF ELK GROVE	318.91	
047472	7/25/2018	CR TC	FIDELITY NATIONAL TITLE COMP	245.03	Account Closed- Customer Refund
047473	7/25/2018	CR TC	FIDELITY NATIONAL TITLE COMP	29.64	Account Closed- Customer Refund
047474	7/25/2018	CR TC	FIDELITY NATIONAL TITLE COMP	77.97	Account Closed- Customer Refund
047475	7/25/2018	CRF ARR	ARROW CONSTRUCTION	1,241.78	Account Closed- Customer Refund
047476	7/25/2018	CRF FAC	FIRST AMERICAN TITLE COMPANY	139.71	Account Closed- Customer Refund
047477	7/25/2018	CRF LEN	LENNAR HOMES CA, INC	19.70	Account Closed- Customer Refund
047478	7/25/2018	CRF LEN	LENNAR HOMES CA, INC	12.46	Account Closed- Customer Refund
047479	7/25/2018	CRF LEN	LENNAR HOMES CA, INC	34.48	Account Closed- Customer Refund
047480	7/25/2018	CRF LEN	LENNAR HOMES CA, INC	29.92	Account Closed- Customer Refund
047481	7/25/2018	CRF LHL	LALL HOLDINGS, LLC	66.67	Account Closed- Customer Refund
047482	7/25/2018	CRF NT	NORTH AMERICAN TITLE COMPANY	12.59	Account Closed- Customer Refund
047483	7/25/2018	CRF NT	NORTH AMERICAN TITLE COMPANY	57.09	Account Closed- Customer Refund
047484	7/25/2018	CRF STS	STEWART TITLE OF SACRAMENTO	40.88	Account Closed- Customer Refund
047485	7/25/2018	CRFDARL	DARLENE LYTTLE	83.94	Account Closed- Customer Refund
047486	7/25/2018	CRFFTC	FIRST AMERICAN TITLE COMPANY	162.66	Account Closed- Customer Refund
047487	7/25/2018	CRFFTC	FIRST AMERICAN TITLE COMPANY	91.74	Account Closed- Customer Refund
047488	7/25/2018	CRFFTC	FIRST AMERICAN TITLE COMPANY	49.00	Account Closed- Customer Refund
047489	7/25/2018	CRFHAR	HARMINDER DEOL	45.43	Account Closed- Customer Refund
047490	7/25/2018	CRFJOE	JOHNNY ENCINAS III	79.23	Account Closed- Customer Refund
047491	7/25/2018	CRFMARH	MARIANNE HOW	8.66	Account Closed- Customer Refund
047492	7/25/2018	CRFMIC	MICHAEL COURTS	204.94	Account Closed- Customer Refund
047493	7/25/2018	CRFORA	ORANGE COAST TITLE	33.62	Account Closed- Customer Refund
047494	7/25/2018	CRFPLC	PLACER TITLE COMPANY	25.07	Account Closed- Customer Refund
047495	7/25/2018	CRFRLB	ROBERT L BENSON	5.69	Account Closed- Customer Refund
047496	7/25/2018	CRWA	CALIFORNIA RURAL WATER ASSC	1,295.00	Account Closed- Customer Refund
047497	7/25/2018	FID 12	FIDELITY NATIONAL TITLE COMPANY	34.69	2018 Annual Membership Dues
047498	7/25/2018	FRONT C	FRONTIER COMMUNICATIONS	236.32	Account Closed- Customer Refund
047499	7/25/2018	GOLDEN	GOLDEN STATE FLOW	584.76	Account Closed- Customer Refund
047500	7/25/2018	HOPKINS	HOPKINS TECHNICAL PRODUCTS	1,352.31	Materials-Distribution
047501	7/25/2018	KEY	THE KEVIN EIKENBERRY GROUP	795.00	Supplies-Treatment
047502	7/25/2018	PACE	PACE SUPPLY CORP	3,507.82	Bud to Boss Workshop
047503	7/25/2018	PEST	PEST CONTROL CENTER INC	80.00	Various Invoices-Material/Supplies-Distribution
047504	7/25/2018	PIT 2	PITNEY BOWES GLOBAL FINANCIAL	184.33	
047505	7/25/2018	ROTH	ROTH STAFFING COMPANIES, L.P.	891.58	Temporary Customer Service Help
047506	7/25/2018	SIERRA	SIERRA OFFICE SUPPLIES	533.53	
047507	7/25/2018	UNDER	UNDERGROUND SERVICE ALERT	2,885.74	Annual Fees
047508	7/31/2018	AQUA	AQUA SIERRA CONTROLS, INC	4,969.57	Real Time System Pressure Sampling Study
047509	7/31/2018	BG SOLU	SOLUTIONS BY BG INC.	5,161.50	Daily Tasks/Help Tickets
047510	7/31/2018	BRENNTA	BRENNTAG PACIFIC, INC	3,965.21	Supplies-Treatment
047511	7/31/2018	BSK4	BSK ASSOCIATES	255.00	Various Invoices-Sampling-Treatment
047512	7/31/2018	CR FID	FIDELITY NATIONAL TITLE	43.24	Account Closed- Customer Refund
047513	7/31/2018	CR FID	FIDELITY NATIONAL TITLE	17.70	Account Closed- Customer Refund

047514	7/31/2018	CRDAM	DAVID MCGINNIS	39.36	Account Closed- Customer Refund
047515	7/31/2018	CRF FT	FIRST AMERICAN TITLE	225.63	Account Closed- Customer Refund
047516	7/31/2018	CRFDAG	DARRELL GREENWALD	1.70	Account Closed- Customer Refund
047517	7/31/2018	CRFFTC	FIRST AMERICAN TITLE COMPANY	142.97	Account Closed- Customer Refund
047518	7/31/2018	CRFFTC	FIRST AMERICAN TITLE COMPANY	47.37	Account Closed- Customer Refund
047519	7/31/2018	CRFHAD	HARTIRATH DHILLON	3.35	Account Closed- Customer Refund
047520	7/31/2018	CRFHOF	HOLLENBACH F TRUST	228.64	Account Closed- Customer Refund
047521	7/31/2018	CRFID10	FIRST AMERICAN TITLE CO	48.39	Account Closed- Customer Refund
047522	7/31/2018	CRFLAY	LANA F YAN	51.63	Account Closed- Customer Refund
047523	7/31/2018	CRFPIP	PING PEI	87.08	Account Closed- Customer Refund
047524	7/31/2018	CRFTIM	TINA MARCUM	74.68	Account Closed- Customer Refund
047525	7/31/2018	CROLD	OLD REPUBLIC TITLE CO	16.88	Account Closed- Customer Refund
047526	7/31/2018	FIDELIT	FIDELITY NATIONAL TITLE COMP.	42.08	Account Closed- Customer Refund
047527	7/31/2018	FREDER	DAVID FREDERICK	96.46	Account Closed- Customer Refund
047528	7/31/2018	GOLDEN	GOLDEN STATE FLOW	3,648.20	Clothing Reimbursement
047529	7/31/2018	GTRI	GTRI	4,059.88	Materials-Distribution
047530	7/31/2018	HOPKINS	HOPKINS TECHNICAL PRODUCTS	3,078.15	VMWare Renewal
047531	7/31/2018	INT STA	INTERSTATE OIL COMPANY	1,866.32	Supplies-Treatment
047532	7/31/2018	PACE	PACE SUPPLY CORP	544.23	Fuel
047533	7/31/2018	PETTY	PETTY CASH	73.53	Materials/Supplies-Distribution
047534	7/31/2018	RADIAL	RADIAL TIRE OF ELK GROVE	77.96	
047535	7/31/2018	ROOCO	ROOCO RENTS	754.18	
047536	7/31/2018	ROTH	ROTH STAFFING COMPANIES, L.P.	1,061.68	Materials/Supplies-Distribution & Bull Heads
047537	7/31/2018	SAC 5	SACRAMENTO COUNTY	8.00	Temporary Customer Service Help
047538	7/31/2018	SIERRA	SIERRA OFFICE SUPPLIES	520.82	
047539	7/31/2018	SOUTHWE	SOUTHWEST ANSWERING SERVICE,	276.97	
047540	7/31/2018	SUMMIT	AIR WORKS INC	181.50	
047541	7/31/2018	SUMMIT2	SUMMIT CRANE	750.00	Crane Rental-Radio Antenna Hampton
047542	7/31/2018	UNITED	UNITED SITE SERVICES	309.53	
047543	7/31/2018	WAC	WAC SOLUTIONS PARTNERS	390.00	
047544	7/31/2018	WEBCO	WEBCO COMMUNICATION, INC	1,776.00	Annual Fees-Office Phones
				Total:	149,183.43

**Elk Grove Water District
Active Account Information
7/31/2018**

	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
Water Accounts:												
Metered												
Residential	11,799											
Commercial	532											
Fire Service	178											
Total Accounts	12,509	-	-	-	-	-	-	-	-	-	-	-

**Elk Grove Water District
Active Account Information
FY 2017/2018**

	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
Water Accounts:												
Metered												
Residential	11,787	11,811	11,786	11,812	11,789	11,784	11,806	11,780	11,793	11,794	11,805	11,799
Commercial	527	526	527	527	527	527	530	530	528	529	531	531
Fire Service	175	175	177	178	177	177	177	177	177	178	178	177
Total Accounts	12,489	12,512	12,490	12,517	12,493	12,488	12,513	12,487	12,498	12,501	12,514	12,507

Elk Grove Water District

Bond Covenant Status

For Fiscal Year 2018-19

As of July 31, 2018
Adjusted for Prepayments

Operating Revenues:

Charges for Services	\$	1,046,539
-----------------------------	----	-----------

Operating Expenses:

Salaries & Benefits (2)		54,092
Seminars, Conventions and Travel		500
Office & Operational		80,294
Purchased Water		316,867
Outside Services		52,984
Equipment Rent, Taxes, and Utilities		3,010
Total Operating Expenses		507,747

Net Operating Income

	\$	538,793
--	----	---------

Annual Interest & Principal Payments

\$3,823,909	\$	318,659 (1)
-------------	----	-------------

Debt Service Coverage Ratio, YTD Only:

1.69

Required

1.15

Notes:

1. **Reflects budget divided by number of months year to date.**
However, first Principal/Interest Payments made in September.
Projected Annual Budget Coverage Ratio is **1.39**
2. Reflects only YTD due to CalPERS, not entire prepayment for year.

Elk Grove Water District
Year to Date Revenues and Expenses Compared to Budget
As of July 31, 2018

	General Ledger Reference	YTD Activity	Annual Budget	1/12=8.333% Variance	% Realized
Revenues	4100 - 4900	\$ 1,046,539	\$ 14,821,253	\$ (13,774,714)	7.06%
Salaries & Benefits	5100 - 5280	197,700	4,167,812	(3,970,112)	4.74%
less Capitalized Labor		(5,431)	(453,517)	448,086	1.20%
Less CalPERS Prepayment for Remainder of Year: (3)		(138,177)			
Adjusted Salaries and Benefits:		\$ 54,092	\$ 3,714,295	\$ (3,522,026)	1.46%
Seminars, Conventions and Travel	5300 - 5350	500	49,280	(48,780)	1.01%
Office & Operational	5410 - 5494	80,294	1,137,527	(1,057,233)	7.06%
Purchased Water est. (4)	5495 - 5495	316,867	3,178,328	(2,861,461)	9.97%
Outside Services	5505 - 5580	52,984	975,178	(922,194)	5.43%
Equipment Rent, Taxes, Utilities	5620 - 5760	3,010	438,900	(435,890)	0.69%
Total Operational Expenses		\$ 507,747	\$ 9,493,508	\$ (8,847,584)	5.35%
Net Operating Income		\$ 538,793	\$ 5,327,745	\$ (4,927,130)	10.11%
Non-Operating Revenues					
Interest Received	9910 - 9910	12,569	100,000	(87,431)	12.57%
Unrealized Gains/Losses	9911 - 9911	(10,705)	-	(10,705)	-
Other Income/Expense	9920 - 9973	384	-	384	#DIV/0!
Total Non-Operating Revenues		\$ 2,248	\$ 100,000	\$ (97,752)	2.25%
Non-Operating Expenses					
Election Costs	9950 - 9950	-	150,000	(150,000)	0.00%
All other Non-Operating Expenses					
Capital Expenses (2):					
Capital Improvements	1705 - 1760	8,652	390,000	(381,348)	2.22%
Capital Replacements	1705 - 1760	224	824,000	(823,776)	0.03%
Unforeseen Capital Projects	1705 - 1760	-	100,000	(100,000)	0.00%
Capital Expenses:		\$ 8,877	\$ 1,314,000	\$ (1,305,123)	0.68%
Bond Interest Accrued	7300 - 7300	146,159	1,753,909	(1,607,750)	8.33%
Total Non Operating Expenses		\$ 155,036	\$ 3,217,909	\$ (3,062,873)	4.82%
Revenues in Excess of All Expenditures, including Capital		\$ 386,005	\$ 2,209,836	\$ (1,962,008)	17.47%
Bond Retirement (1):		\$ -	\$ 2,070,000	\$ (2,070,000)	0.00%
Net Position after Capital and Debt Retirement Expenditures		\$ 386,005	\$ 139,836	\$ 107,992	

Notes:

- Bond retirement payments are made two times a year in September and March
- YTD Activity includes \$5,431 in capitalized labor charged to capital projects
- The District prepays CalPERS for the employers' share of retirement costs for the entire year
By doing this, the District saves approximately 3.6% in its total CalPERS payments for the year
The adjusted salaries and benefits above shows what salaries and benefits would be if only the amount due to CalPERS YTD was paid YTD, with no prepayment
- There is a lag in water billings from the Sacramento Water District. Included above is an estimate of costs to date based on water used

**Florin Resource Conservation District
CASH - Detail Schedule of Investments
7/31/2018**

<u>G/L Account Fund</u> <u>HELD BY BOND TRUSTEE:</u>	<u>Account number / name</u>	<u>Investment Name</u>	<u>Investment Type</u>	<u>Restrictions</u>	<u>Market Value</u>		
1110-000-20 Water	BNY 892744 FRCD 2014A DEBT SERVICE	Dreyfus Inst Treasury	MM Mutual Fund	Restricted	0.00		
1112-000-20 Water	BNY 743850 FRCD 2016A DEBT SERVICE	Dreyfus Inst Treasury	MM Mutual Fund	Restricted	0.00		
				Subtotal	\$ -		
1001-000-20 Water	Cash on Hand			Unrestricted	\$ 300.00		
HELD BY F&M BANK:							
1011-000-10 FRCD	F&M 08-032009-01 CHECKING ACCOUNT			Unrestricted	19,735.57		
1011-000-20 Water	F&M 08-032017-01 OPERATING ACCOUNT			Unrestricted	382,342.45		
1084-000-20 Water	F&M 08-032017-02-31 MONEY MARKET		1.41%	Unrestricted	4,416,997.26		
1031-000-20 Water	F&M 08-032912-01 CREDIT CARD ACCOUNT			Unrestricted	68,668.69		
1061-000-20 Water	F&M 08-032890-01 PAYROLL ACCOUNT			Unrestricted	108,854.22		
1071-000-20 Water	F&M 08-032920-01 DRAFTS ACCOUNT			Unrestricted	1,149.23		
				Subtotal	\$ 4,997,747.42		
INVESTMENTS							
1080-000-20 Water	Office of the Treasurer - Sacramento California	LAIF	Investment Pool	Unrestricted	\$ 510,855.71		
1081-000-20 Water	CAL Trust Medium Term		Investment	Unrestricted	\$ 1,277,284.72		
1082-000-20 Water							
	<u>PURCHASE DATE</u>	<u>ISSUED BY</u>	<u>CALL DATE</u>	<u>% of Portfolio</u>	<u>Current Yield</u>	<u>COST BASIS</u>	<u>MARKET VALUE</u>
	9/30/2016	Union Bank of California	N/A	1.89%	0.30%	\$ 157,102.15	\$ 157,102.15
	6/14/2016	Federal Home Loan Bank (FHLB)	6/14/17 - one time	6.230%	1.150%	\$ 500,745.00	\$ 496,140.00
	6/28/2016	Federal Home Loan Mortgage Corp. (FHLMC)	9/28/16 - qrtly	12.470%	1.510%	\$ 1,000,000.00	\$ 994,690.00
	6/30/2016	Federal National Mortgage Association (FNMA)	12/30/16 - qrtly	12.320%	1.400%	\$ 1,000,000.00	\$ 982,840.00
	9/30/2016	Federal National Mortgage Association (FNMA)	3/30/17 - qrtly	12.250%	1.280%	\$ 1,000,000.00	\$ 977,220.00
	6/9/2016	Federal Farm Credit Banks (FFCB)	9/1/16 - cont.	12.210%	1.670%	\$ 1,000,000.00	\$ 973,680.00
	6/16/2016	Federal National Mortgage Association (FNMA)	12/16/16 - qrtly	12.210%	1.590%	\$ 1,000,000.00	\$ 973,050.00
	11/1/2017	Federal Farm Credit Bank Bonds(FFCB)	11/01/22 - cont.	12.17%	2.300%	\$ 1,000,000.00	\$ 967,530.00
	9/30/2016	Federal National Mortgage Association (FNMA)	3/30/17 - qrtly	6.00%	1.570%	\$ 500,000.00	\$ 477,870.00
	11/2/2016	Federal Home Loan Bank (FHLB)	4/28/17 - qrtly	12.25%	1.020%	\$ 1,000,000.00	\$ 976,790.00
						\$ 8,157,847.15	\$ 7,976,912.15
				Total		\$ 14,765,100.00	
				Total Restricted		\$ -	
				Total Unrestricted		\$ 14,765,100.00	

YTM = Yield to Maturity
qtrly = quarterly
cont. = continuous

Consultant Expenses
July 31, 2018

Fiscal Retainer Contracts

Consultant	Description	Current Month	Paid to date	Budget/Contract Amount	Percent of year (09%)
Nosky Legal Group	Task orders	\$ 3,622	\$ 3,622	\$ 175,000	2.07%
Solutions by BG, Inc.	Task orders	\$ 10,339	\$ 10,339	\$ 152,500	6.78%
Infinite IT Solutions Inc.	Task orders	\$ 6,160	\$ 51,155	\$ 250,000	20.46%

Major Contracts

Consultant	Description	Current Month	Paid to date	Budget/Contract Amount	Percent of Contract Amount
HDR Engineering, Inc.	Water Rate Study		\$ 76,545	\$ 77,370	98.93%

**Elk Grove Water District
Major Capital Improvement Project
Budget vs Actuals
July 31, 2018**

Capital Project	Total Project Budget	Total Project Exp to Date	Percent Spent	Capitalized Labor	Fund Type	Project Type	2018-19 Budget		July		YTD % Spent
							Budget	Project Exp	Project Exp	(1)	
Backyard Water Mains/Service Replacement	\$ 734,000	\$ -	0.00%	\$ -	R&R	Supply/Distribution	734,000	\$ -	\$ -	-	0.00%
Kent Street Water Main	280,000	239,792	85.64%	-	R&R	Supply/Distribution	-	224	224	224	#DIV/0! (2)
RRWTF Parking Lot Repaving	90,000	-	0.00%	-	R&R	Building and Site	90,000	-	-	-	0.00%
Service Line Replacements	500,000	443,576	88.72%	5,089	CIP	Supply/Distribution	-	7,311	7,311	7,311	#DIV/0! (2)
Radio Antennas	80,000	10,776	13.47%	342	CIP	Treatment	-	1,247	1,247	1,247	#DIV/0! (2)
RRWTF Generator PLC/SCADA Upgrade	35,000	-	0.00%	-	CIP	Treatment	35,000	-	-	-	0.00%
Well 3 Pump Replacement	180,000	-	0.00%	-	CIP	Treatment	180,000	-	-	-	0.00%
Hampton WTP Generator Removal	25,000	-	0.00%	-	CIP	Treatment	25,000	-	-	-	0.00%
Truck Replacements	115,000	-	0.00%	-	CIP	Building and Site	115,000	-	-	-	0.00%
I.T. Servers	35,000	-	0.00%	-	CIP	Building and Site	35,000	-	-	-	0.00%
Fiber Optic Cable	135,000	136,260	100.93%	-	CIP	Building and Site	-	95	95	95	#DIV/0! (2)
Unforeseen Capital Projects	100,000	-	0.00%	-	-	-	100,000	-	-	-	0.00%
Sub-Total	\$ 2,309,000	\$ 830,404	35.96%	\$ 5,431			\$ 1,314,000	\$ 8,877	\$ 8,877	\$ 8,877	0.68%

(1) Includes \$5,431 in capitalized labor through 7/31/18

(2) Capital projects budgeted for in prior years, however, work carried over and completed in current year.

August 15, 2018

TO: Chairperson and Directors of the Florin Resource Conservation District
FROM: Stefani Phillips, Board Secretary
SUBJECT: **COMMITTEE MEETINGS**

RECOMMENDATION

No action by the Florin Resource Conservation District Board of Directors is required at this time.

SUMMARY

The Board has requested a monthly summary of committee meetings. No committee meetings were held in the month of July.

DISCUSSION

Background

At the Regular Board Meeting held on May 27, 2015, the FRCD Board of Directors determined that the committee meeting minutes will be brought to the FRCD Regular Board Meeting and placed under agenda item Committee Meetings. The agenda item Committee Meetings, were placed after Consent Calendar for approval. This item may be moved within the agenda, if necessary, by direction from Chairperson. The committee meeting minutes shall be accepted by the FRCD Board of Directors.

Present Situation

No committee meetings were held in the month of July.

ENVIRONMENTAL CONSIDERATIONS

There are no direct environmental considerations associated with this report.

STRATEGIC PLAN CONFORMITY

This item is in keeping with the District's Business Practice goals of the 2012-2017 Strategic Plan.

August 15, 2018

COMMITTEE MEETINGS

Page 2

FINANCIAL SUMMARY

There is no financial impact associated with this item at this time.

Respectfully Submitted,



STEFANI PHILLIPS,
BOARD SECRETARY

August 15, 2018

TO: Chairperson and Directors of the Florin Resource Conservation District

FROM: Mark J. Madison, General Manager

SUBJECT: **ELK GROVE WATER DISTRICT OPERATIONS REPORT – JULY 2018**

RECOMMENDATION

This item is presented for information only. No action by the Florin Resource Conservation Board of Directors is proposed at this time.

SUMMARY

The Elk Grove Water District (EGWD) Operations Report is a standing item on the regular board meeting agenda.

All regulatory requirements were met for the month of July. Other notable events are described below.

DISCUSSION

Background

Every month, staff presents an update of the activities related to the operations of the District. Included for the Board's review is the EGWD's July 2018 Operations Report.

Present Situation

The EGWD July 2018 Operations Report highlights are as follows:

- **Operations Activities Summary** – Notable items in the activities summary are that the District hung 598 door hangers for past due balances which resulted in 70 shutoffs. There was 1 water pressure complaints and 4 water quality complaints. Upon further inspection, none of the water complaints were substantiated.
- **Production** – The Combined Total Service Area 1 production graph on page 13 shows that production during the month of July increased 0.77 percent compared to July 2017, and is 18.01 percent less than what was produced in 2013. The Total

ELK GROVE WATER DISTRICT OPERATIONS REPORT – JULY 2018

Page 2

Demand/Production for both service areas on page 14 shows that customer use during the month of July, compared to July 2013, was down by 15.28 percent.

- **Static and Pumping Level Graphs** – The third quarter soundings are shown and indicate that all of the static water levels in deeper zones have increased as compared to 2016. The shallow zones have also shown improvement.
- **Treatment (Compliance Reporting)** – All samples taken during the month are in compliance with all regulatory permit requirements. No exceedances of any maximum contaminant levels were found and all water supplied to the District's customers met or exceeded safe drinking water standards.
- **Preventative Maintenance Program** – The tables included in this section of the report also include certain activities completed to date. Below is a list of out-of-ordinary maintenance work completed in July:
 - Staff corrected a wiring issue with a backwash pump and storage tank level transducer.
 - Staff repaired/replaced various chemical fittings and check valves at HVWTP.
 - Staff corrected various issues with electric actuated valves at RRWTP.
 - Staff replaced a malfunctioning chemical tank level transmitter at well #9.
 - Staff facilitated the repairs of a malfunctioning A/C unit at well #4D.
 - Staff conducted an experiment involving remote read pressure transmitters.
- **Backflow Prevention Program 2018** – There were 151 notices issued for the month. From the initial testing notices 68 devices passed. There were 83 secondary notices issued, of which we have received 36 passing tests. There is a total of 47 outstanding devices as of this month, which will require further investigation.
- **Safety Meetings/Training** – There were 4 safety training sessions conducted for the month. Only 2 safety sessions are required by OSHA standards.
- **Service Line Replacement Map** – The District replaced 25 residential service lines in the month of July.

ELK GROVE WATER DISTRICT OPERATIONS REPORT – JULY 2018

Page 3

- **Service and Main Leaks Map** – There were 6 service line leaks and no main leaks reported for the month.

ENVIRONMENTAL CONSIDERATIONS

There are no direct environmental considerations associated with this report.

STRATEGIC PLAN CONFORMITY

The District's Strategic Plan addresses responsible business practices and the importance of providing the community with safe drinking water. The EGWD Operations Report is a key document for managing the District's distribution and treatment system. The EGWD Operations Report assists the District toward its responsibility of delivering safe drinking water.

FINANCIAL SUMMARY

There is no financial impact associated with this report.

Respectfully Submitted,



MARK J. MADISON
GENERAL MANAGER

MJM/ah

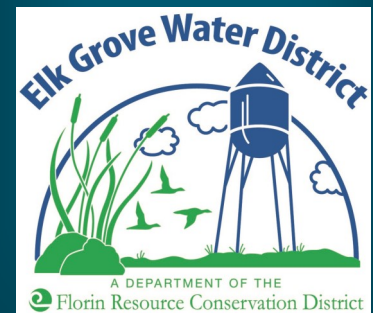
EGWD

OPERATIONS REPORT

July 2018



Elk
Grove
Water
District

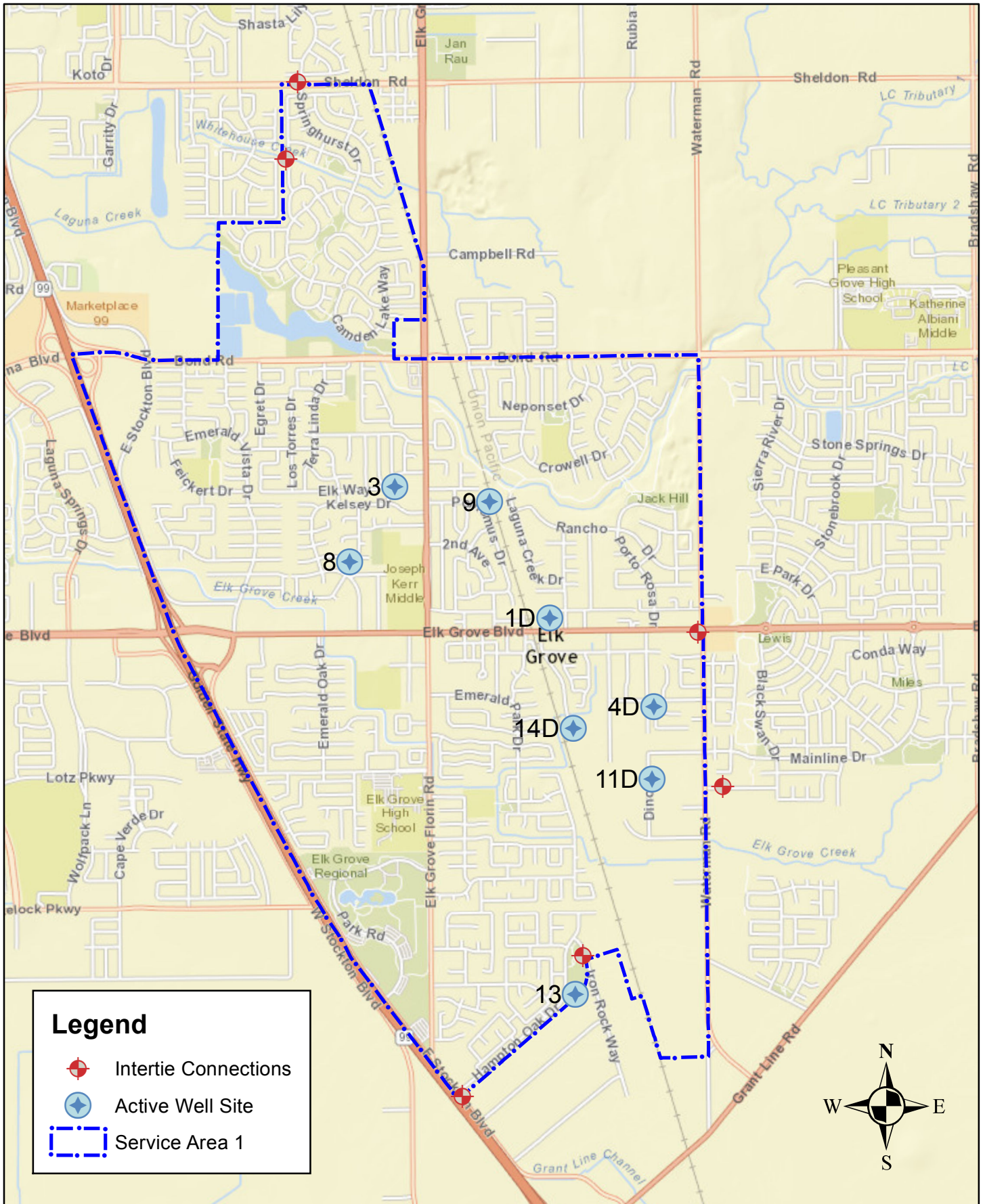


Elk Grove Water District
Operations Report
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Operations Activities Summary

<u>Service Requests:</u>	July-18		YTD (Since Jan. 1, 2018)	
<u>Department</u>	<u>Service Request</u>	<u>Hours</u>	<u>Service Request</u>	<u>Hours</u>
Distribution				
Door Hangers	598	33.75	3,579	190.75
Shut offs	70	20.25	426	141.28
Turn ons	81	17.50	482	107.6
Investigations	85	53.35	276	231.48
USA Locates	213	53.25	1,317	329.25
Customer Complaints				
-Pressure	1	0.75	11	4.25
-Water Quality	4	3.75	15	14.75
-Other	0	0	0	0
<hr/>				
<u>Work Orders:</u>				
	July-18		YTD (Since Jan. 1, 2018)	
<u>Department</u>	<u>Work Orders</u>	<u>Hours</u>	<u>Work Orders</u>	<u>Hours</u>
Treatment:				
Preventative Maint.	20	35	155	326.5
Corrective Maint.	12	72.5	81	362.5
Water Samples	33	61	135	362
Distribution:				
Meters Installed	1	1	2	1.75
Meter Change Out	18	16.5	135	115.75
Preventative Maint.				
-Hydrant Maintenance (135)	150	36	1,114	338.5
-Valve Exercising (120)	150	31.5	1,083	239.5
-Other	0	0	0	0
Corrective Maint.				
-Leaks	6	53	23	542.75
-Other	5	45.75	75	339.25
Valve Locates	0	0	0	0
Utility:				
Service Line Replacement	25	357.25	92	1,347.85
Corrective Maint.	0	0	0	0



Active Well Sites & Intertie Connections

0 1,250 2,500 5,000 Feet

Elk Grove Water District



Elk Grove Water District

Monthly Production

Well 1D School -- July 2018

Selected Month Production
12,859,259 Gallons

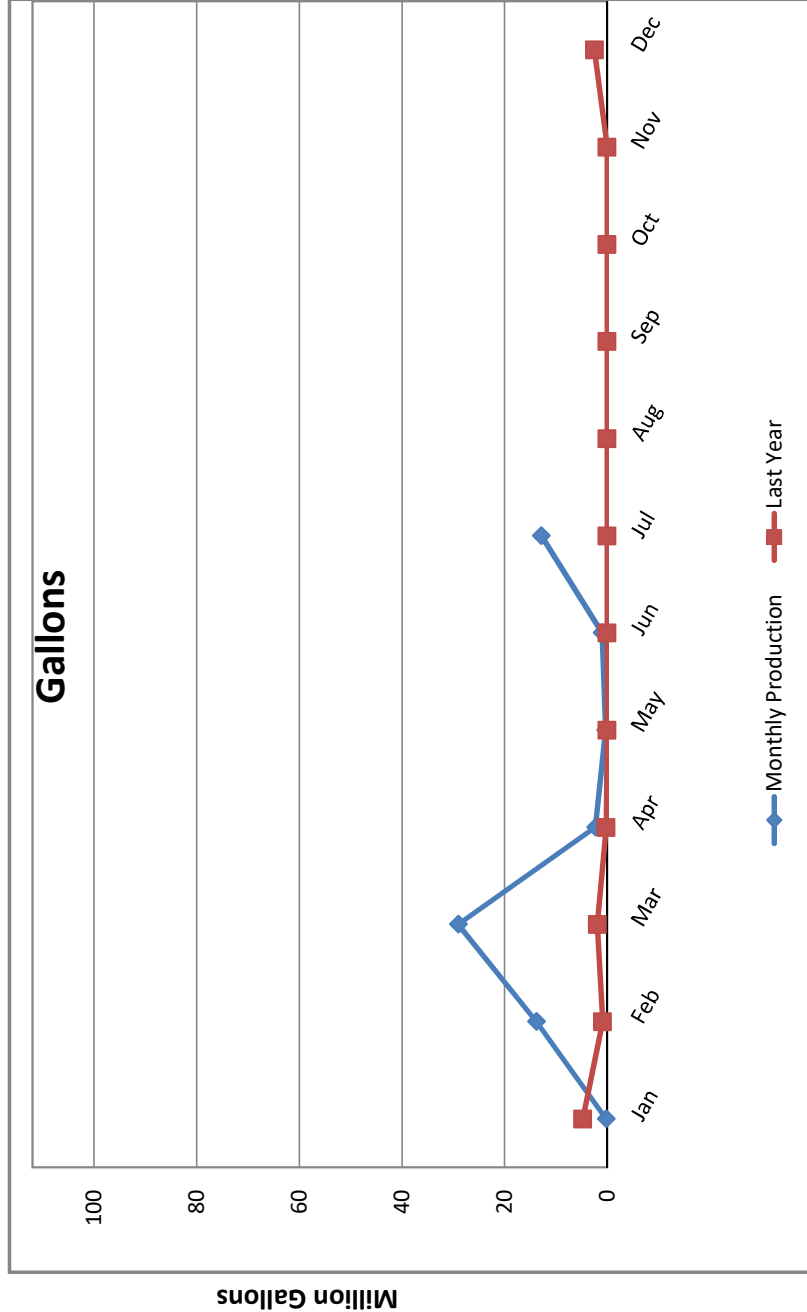
Average GPM:
1,713

Motor:
Volts: 467
Volts (Rated): 460
RPM: 1788
RPM (Rated): 2115
Amps A: 181
Amps A (Rated): 222
Amps B: 180
Amps B (Rated): 222
Amps C: 180
Amps C (Rated): 222

Motor Temp: 145.4 F
Hour Meter: 125.10
KW Hour Total: 15,600.00

Chlorine:
Dosing: 1.61 mg/L
Demand: 0.40 mg/L
Residual: 1.21 mg/L

Vibration Reading:
Base Line: 0.05 in/sec
Current: 0.02 in/sec





Elk Grove Water District

Monthly Production

Well 4D Webb -- July 2018

Selected Month Production
24,888,752 Gallons

Average GPM:
1,704

Motor:

Volts: 477
Volts (Rated): 460
RPM: 1613
RPM (Rated): 1775
Amps A: 188
Amps A (Rated): 225
Amps B: 187
Amps B (Rated): 225
Amps C: 187
Amps C (Rated): 225

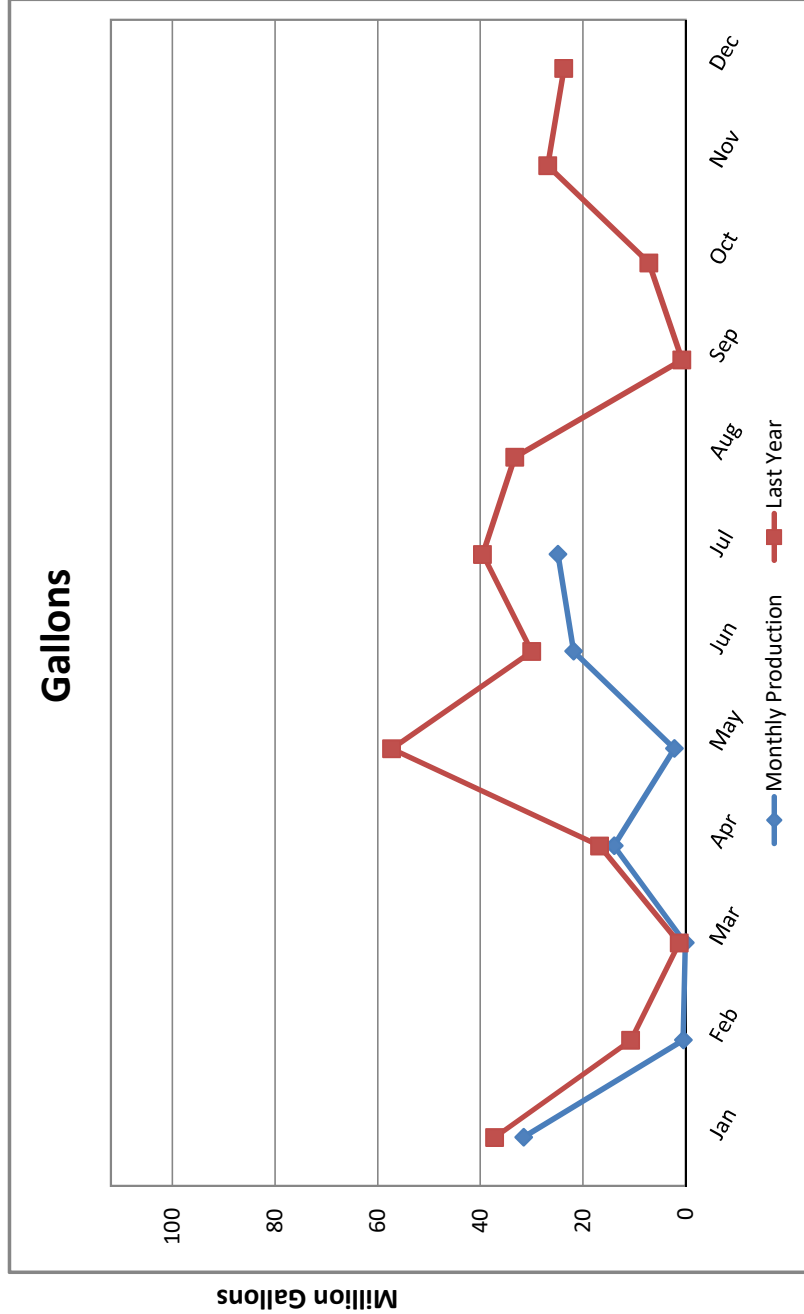
Motor Temp: 110.6 F
Hour Meter: 243.30
KW Hour Total: 34,260.00

Chlorine:

Dosing: 1.6 mg/L
Demand: 0.37 mg/L
Residual: 1.23 mg/L

Vibration Reading:

Base Line: 0.05 in/sec
Current: 0.02 in/sec





Elk Grove Water District

Monthly Production

Well 11D Dino -- July 2018

Selected Month Production
20,549,807 Gallons

Average GPM:
1,702

Motor:

- Volts: 473
- Volts (Rated): 460
- RPM: 1640
- RPM (Rated): 1775
- Amps A: 193
- Amps A (Rated): 225
- Amps B: 193
- Amps B (Rated): 225
- Amps C: 195
- Amps C (Rated): 225

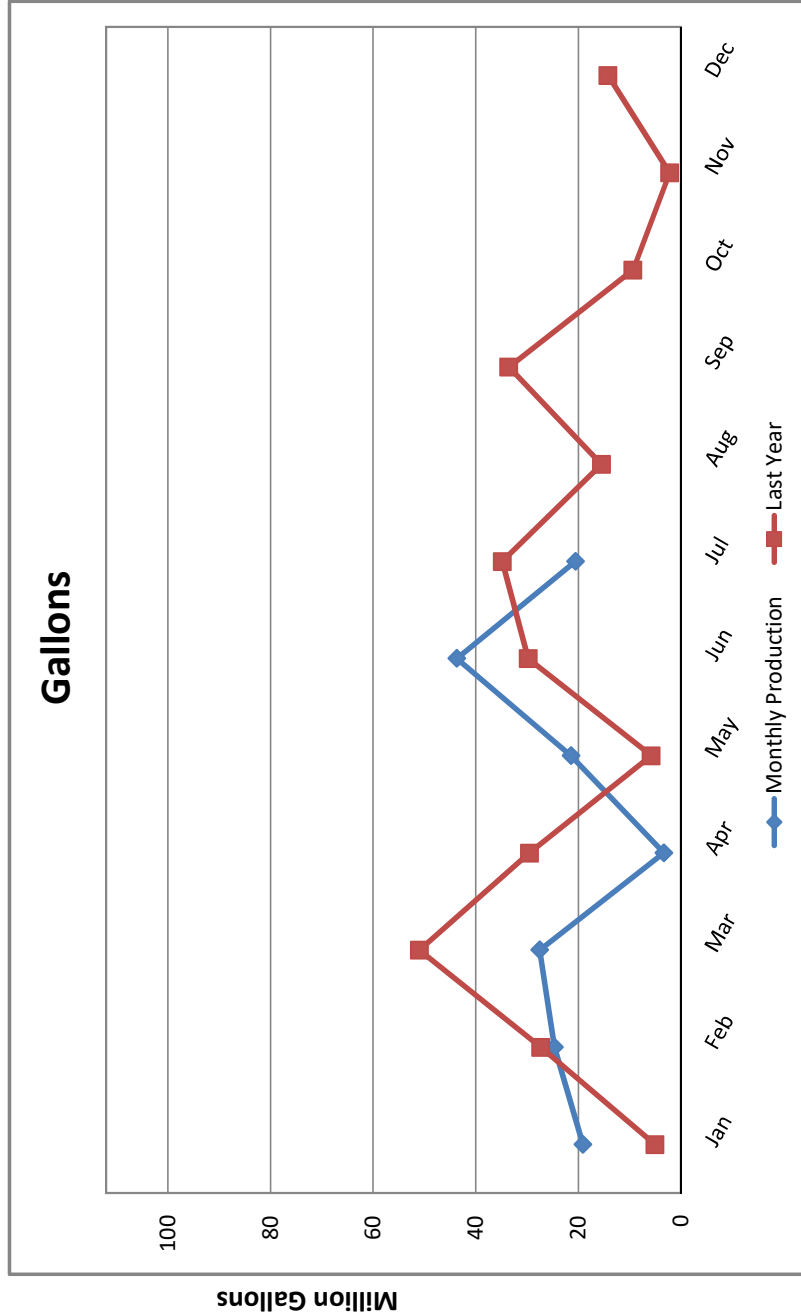
Motor Temp: 168.4 F
 Hour Meter: 201.20
 KW Hour Total: 26,340.00

Chlorine:

Dosing: 1.6 mg/L
 Demand: 0.6 mg/L
 Residual: 1 mg/L

Vibration Reading:

Base Line: 0.05 in/sec
 Current: 0.03 in/sec





Elk Grove Water District

Monthly Production

Well 14D Railroad -- July 2018

Selected Month Production
30,490,097 Gallons

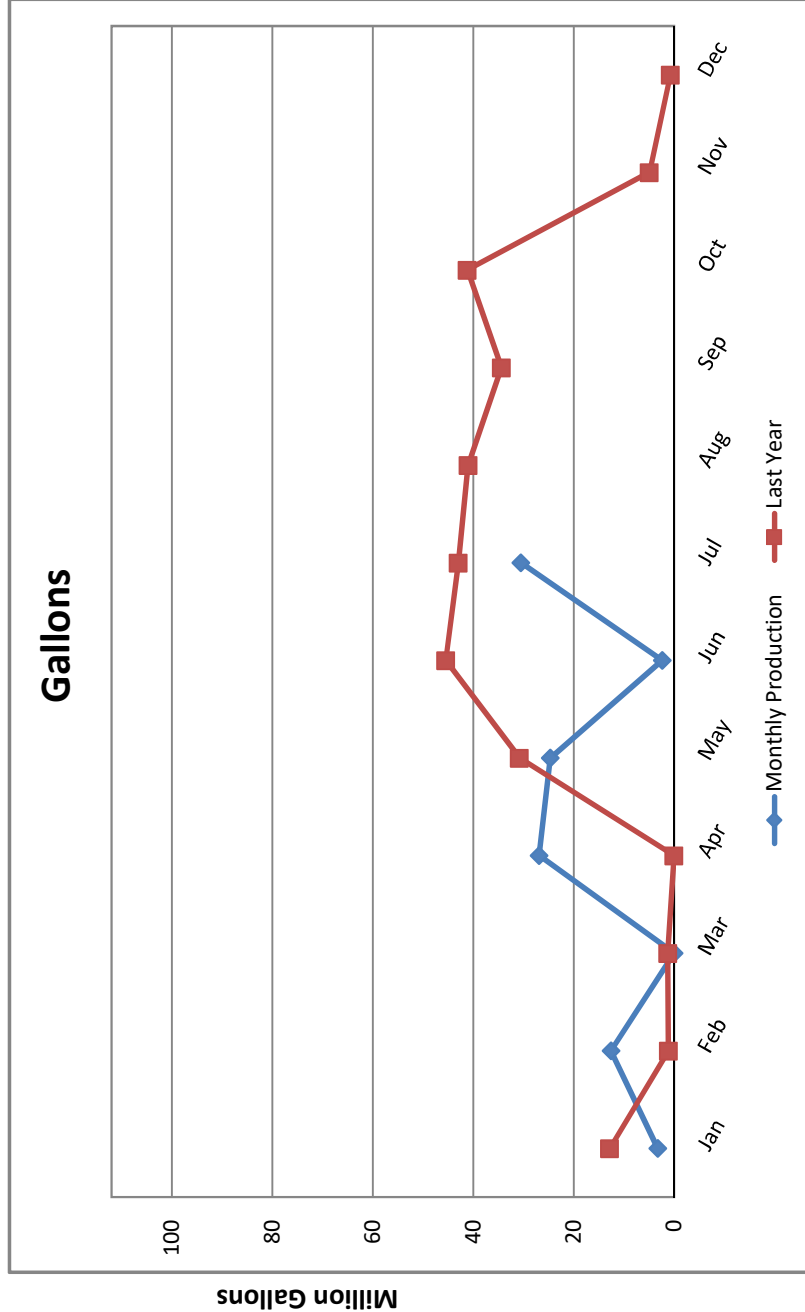
Average GPM:
1,578

Motor:
Volts: 478
Volts (Rated): 460
RPM: 1781
RPM (Rated): 1785
Amps A: 164
Amps A (Rated): 171
Amps B: 162
Amps B (Rated): 171
Amps C: 156
Amps C (Rated): 171

Motor Temp.: 127.5 F
Hour Meter: 322.00
KW Hour Total: 105,280.00
(KWH total is for the entire facility)

Chlorine:
Dosing: 1.72 mg/L
Demand: 0.49 mg/L
Residual: 1.23 mg/L

Vibration Reading:
Base Line: 0.02 in/sec
Current: 0.04 in/sec





Elk Grove Water District

Monthly Production

Well 3 Mar-Val -- July 2018

Selected Month Production
7,466,000 Gallons

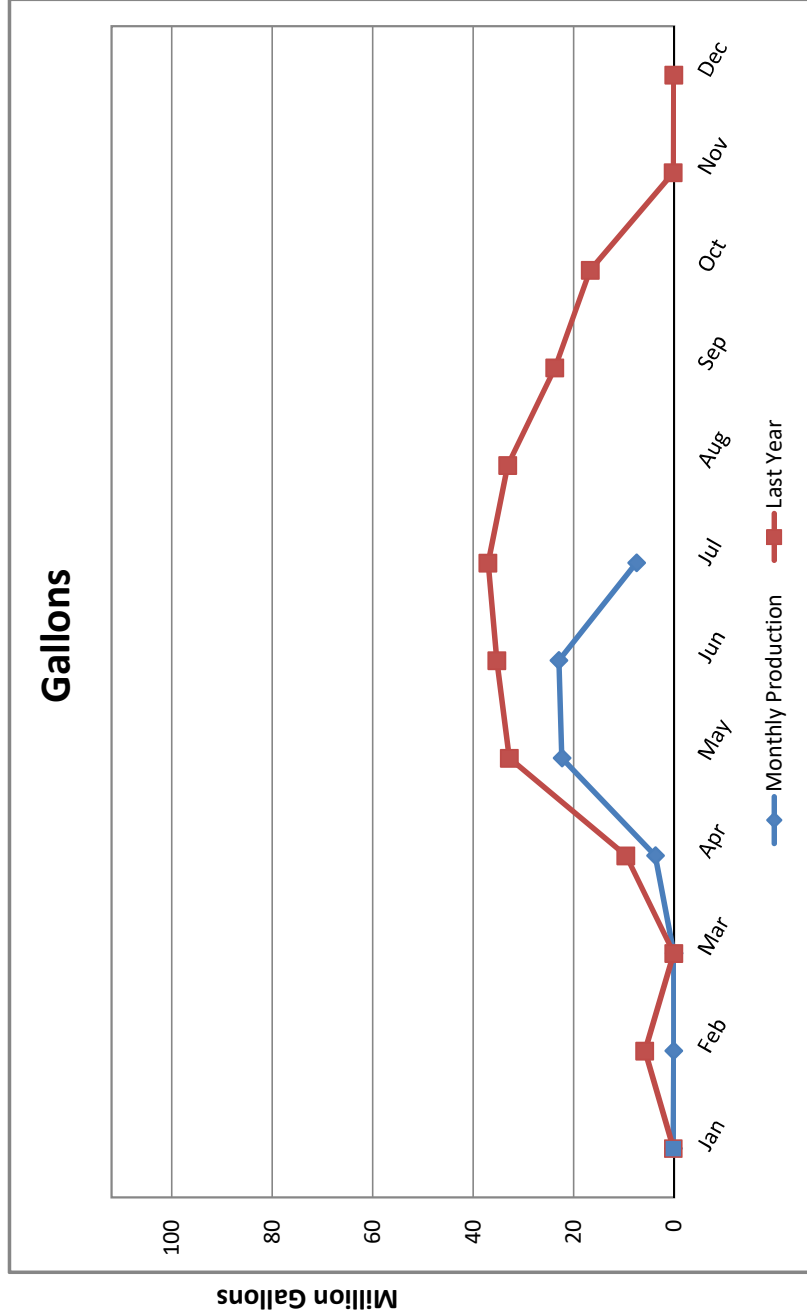
Average GPM: 843

Motor:
Volts: 478
Volts (Rated): 460
RPM: 1772
RPM (Rated): 1983
Amps A: 89
Amps A (Rated): 88
Amps B: 86
Amps B (Rated): 88
Amps C: 89
Amps C (Rated): 88

Motor Temp.: 216.3 F
Hour Meter: 147.50
KW Hour Total: 8,986.00

Chlorine:
Dosing: 1.2 mg/L
Demand: 0.31 mg/L
Residual: 0.89 mg/L

Vibration Reading:
Base Line: 0.02 in/sec
Current: 0.08 in/sec





Elk Grove Water District

Monthly Production

Well 8 Williamson -- July 2018
(Submersible)

Selected Month Production
22,812,410 Gallons

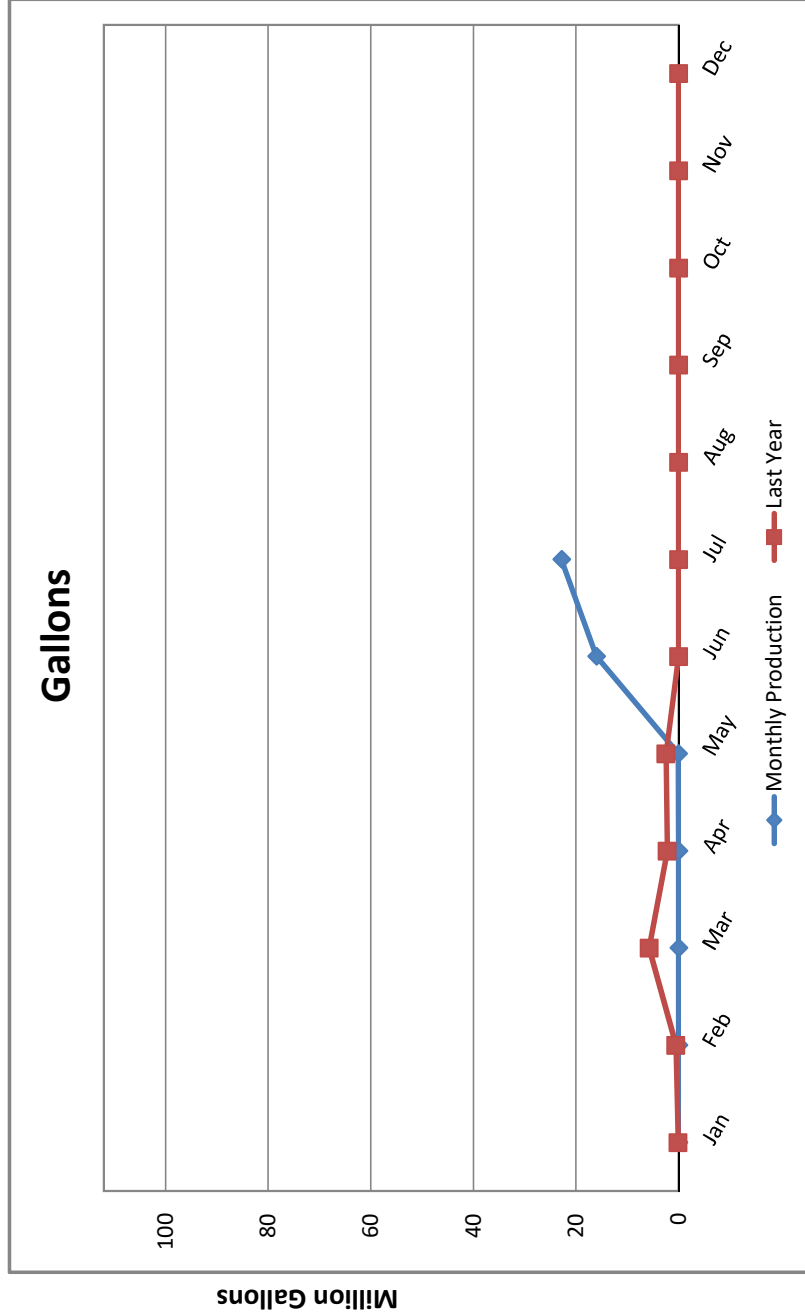
Average GPM: 541

Motor:
Volts: 460
Volts (Rated): 460

Amps A: 60
Amps A (Rated): 65
Amps B: 59
Amps B (Rated): 65
Amps C: 60
Amps C (Rated): 65

Hour Meter: 702.90
KW Hour Total: 28,132.00

Chlorine:
Dosing: 1.23 mg/L
Demand: 0.46 mg/L
Residual: 0.77 mg/L





Elk Grove Water District

Monthly Production

Well 9 Polhemus -- July 2018
(Submersible)

Selected Month Production
20,927,000 Gallons

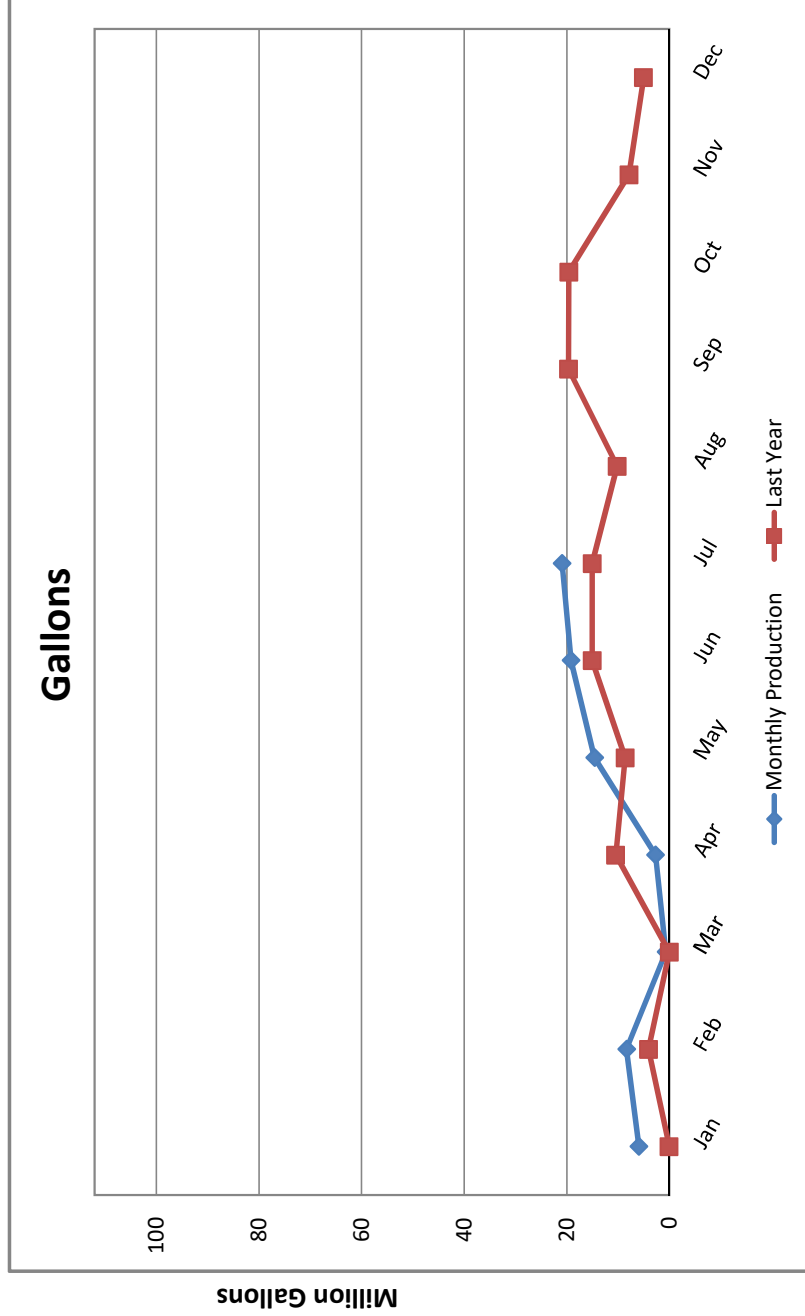
Average GPM: 474

Motor:
Volts: 480
Volts (Rated): 460

Amps A: 59
Amps A (Rated): 65
Amps B: 57
Amps B (Rated): 65
Amps C: 61
Amps C (Rated): 65

Hour Meter: 735.60
KW Hour Total: 28,977.00

Chlorine:
Dosing: 1.25 mg/L
Demand: 0.24 mg/L
Residual: 1.01 mg/L





Elk Grove Water District

Monthly Production

Well 13 Hampton -- July 2018

Selected Month Production
41,474,121 Gallons

Average GPM: 972

Motor:

- Volts: 476
- Volts (Rated): 460
- RPM: 1786
- RPM (Rated): 1785
- Amps A: 102
- Amps A (Rated): 141
- Amps B: 104
- Amps B (Rated): 141
- Amps C: 106
- Amps C (Rated): 141

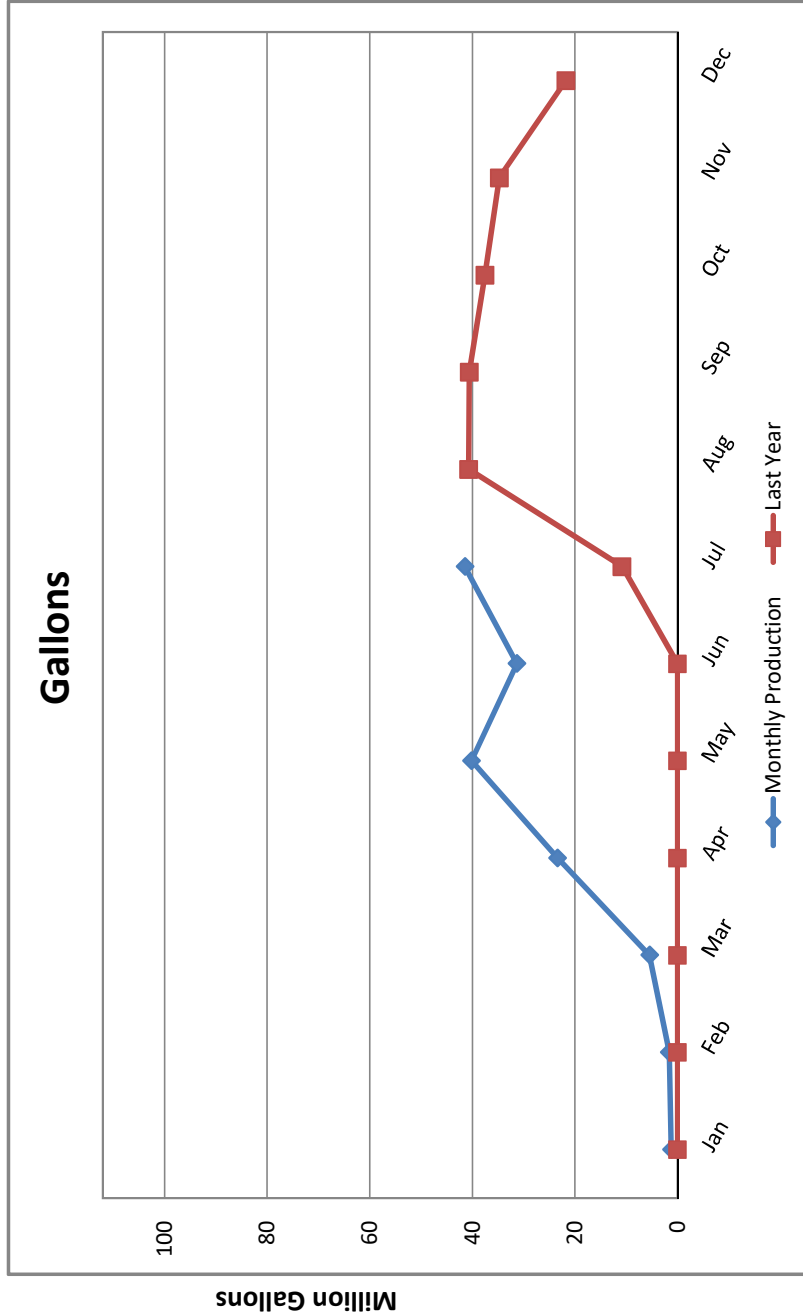
Motor Temp.: 137.6 F
 Hour Meter: 711.20
 KW Hour Total: 52,140.00

Chlorine:

- Dosing: 1.77 mg/L
- Demand: 0.9 mg/L
- Residual: 0.87 mg/L

Vibration Reading:

- Base Line: 0.02 in/sec
- Current: 0.03 in/sec





Elk Grove Water District

Combined Total Production

Service Area 1

Jul-2018

Current Month Production:

181,467,446 Gallons

Highest Day Demand of the Month:

6,301,971

Date of Occurrence

20-Jul-18

Highest Day Demand of the Calendar Year:

6,301,971

Date of Occurrence

20-Jul-18

"Water Year" Rainfall: (Oct-17 to Sep-18)

Current Month: 0.00 in

Year To Date: 15.96 in

"Water Year" Rainfall: (Oct-16 to Sep-17)

July 2017: 0.00 in

Year To Date: 33.08 in

Last Year Total: 33.08 in

Temperature:

This Month High: 104 F

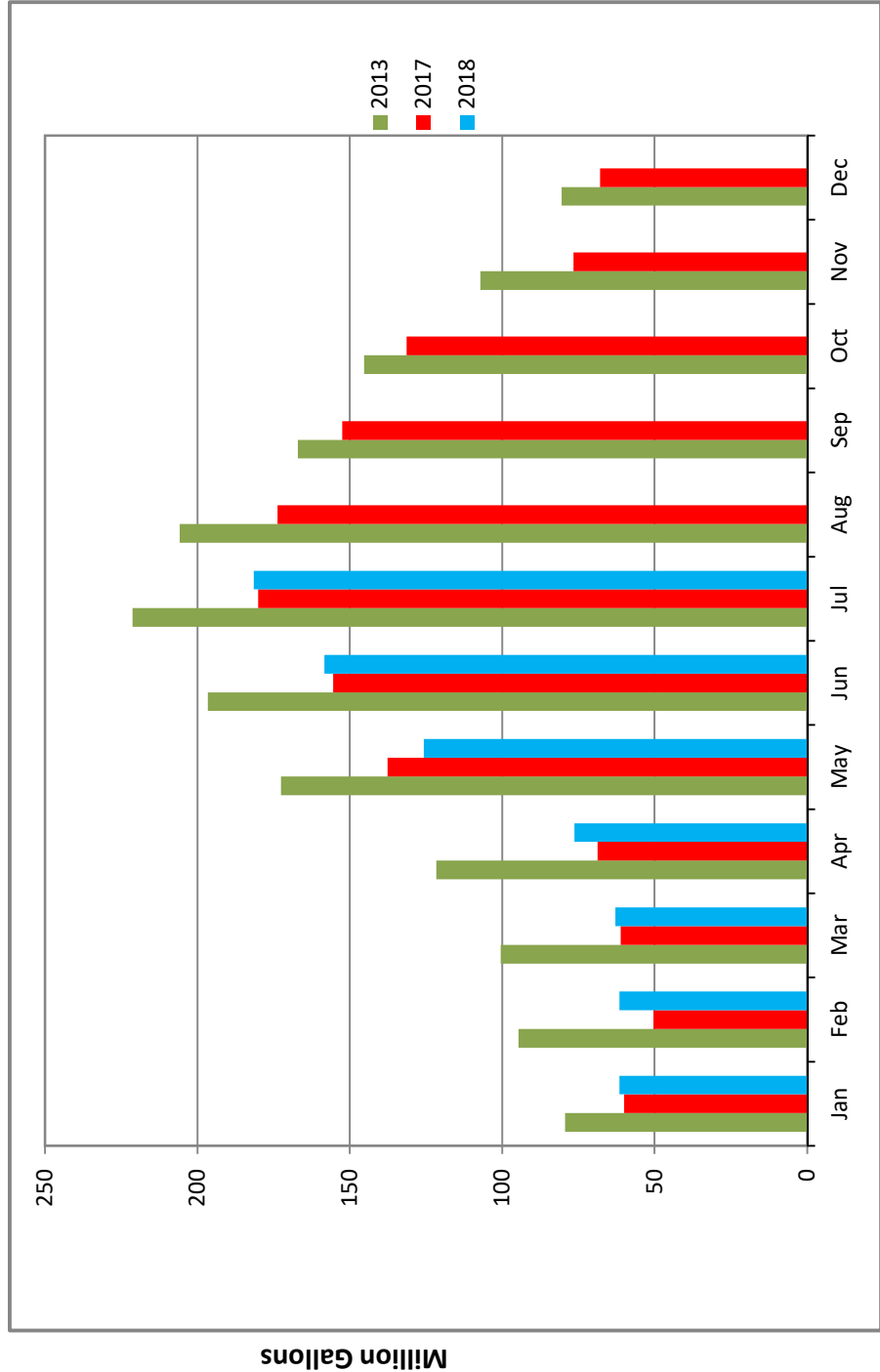
This Month Low: 55 F

This Month Average: 77.75 F

JULY-17 High: 109 F

JULY-17 Low: 56 F

JULY-17 Average: 78.35 F

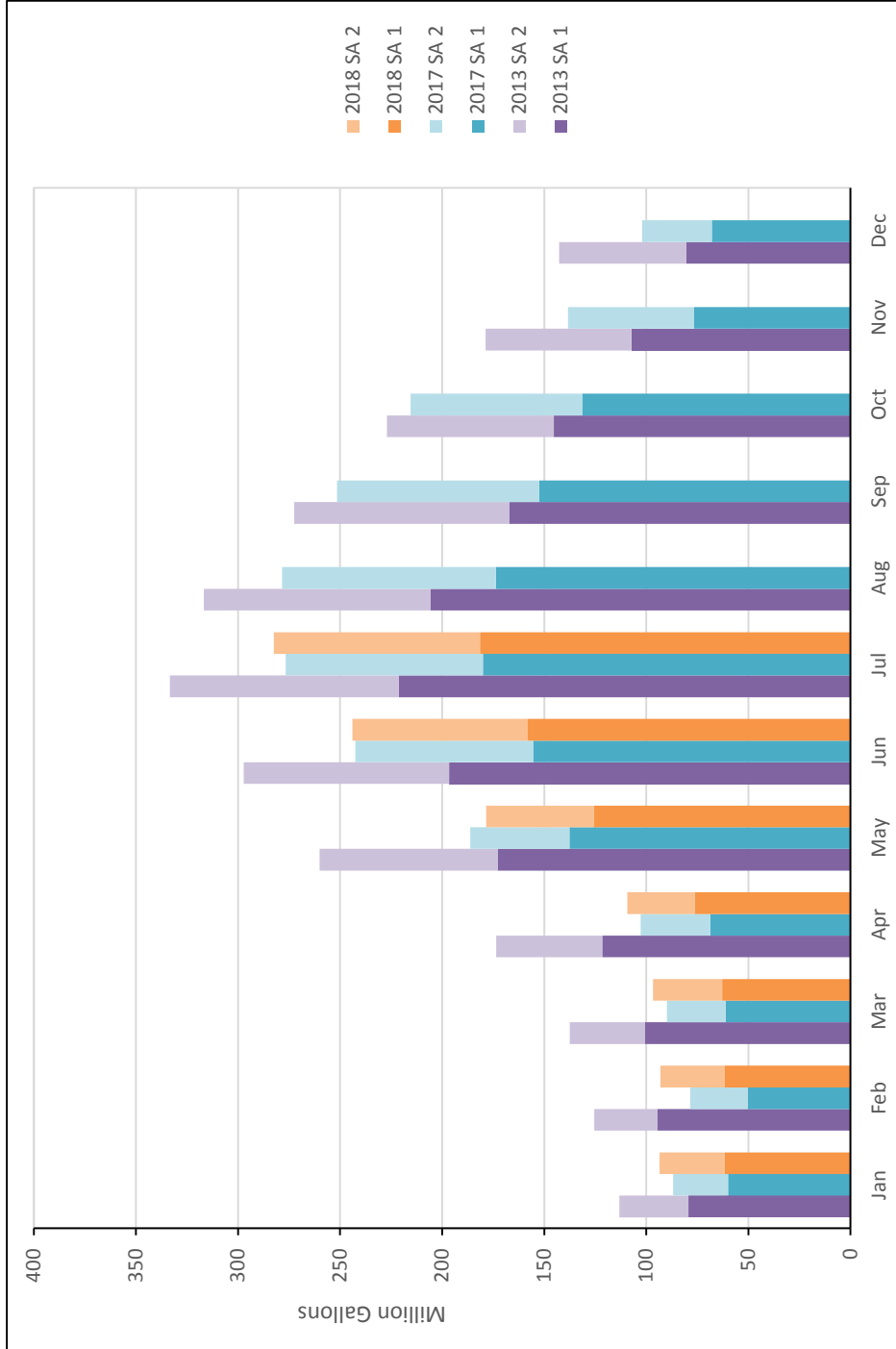




Elk Grove Water District

Total Demand/Production

Jul-2018



Current Month Demand/Production:
282,499,058 Gallons

Reduction From July 2013: 15.28%

GPCD: 203.2 Gallons per Day

R-GPCD: 158.5 Gallons per Day

Service Area 1

Active Connections: 7,924

Current Month Demand/Production:
181,467,446 Gallons

Reduction From July 2013: 18.01%

GPCD: 205.3 Gallons per Day

R-GPCD: 164.3 Gallons per Day

Service Area 2

Active Connections: 4,415

Current Month Demand/Production:
101,031,612 Gallons

Reduction From July 2013: 9.90%

GPCD: 199.4 Gallons per Day

R-GPCD: 149.5 Gallons per Day

Elk Grove Water District Water Usage

		Monthly Production (gallons)											
		January	February	March	April	May	June	July	August	September	October	November	December
2013	GW (SA1)	68,254,916	81,368,191	100,542,522	121,613,523	172,623,839	196,557,137	221,335,388	205,830,850	166,997,536	145,352,530	107,186,459	80,494,167
	Purchased (SA2)	33,769,956	30,929,052	36,942,972	51,911,200	87,470,372	100,709,224	112,128,192	110,885,764	105,417,136	81,665,892	71,505,060	62,165,532
	Total	102,024,872	112,297,243	137,485,494	173,524,723	260,094,211	297,266,361	333,463,580	316,716,614	272,414,672	227,018,422	178,691,519	142,659,699
2015	GW (SA1)	62,684,574	57,365,413	86,489,437	88,984,850	106,158,389	114,555,359	127,038,586	125,052,315	117,883,208	99,385,733	64,079,715	57,508,787
	Purchased (SA2)	28,648,400	30,029,208	36,876,400	51,626,212	52,734,000	62,368,240	71,273,928	75,055,068	70,123,504	63,526,892	46,873,420	34,399,772
	Total	91,332,974	87,394,621	123,365,837	140,611,062	158,892,389	176,923,599	198,312,514	200,107,383	188,006,712	162,912,625	110,953,135	91,908,559
2016	GW (SA1)	54,579,679	53,455,693	56,776,025	80,317,655	110,937,338	148,518,660	164,758,463	159,501,571	140,200,584	99,019,629	63,087,762	59,635,559
	Purchased (SA2)	27,516,676	26,507,624	27,531,636	34,054,196	51,071,196	75,541,268	96,246,656	93,992,184	86,904,136	75,682,640	37,088,084	28,894,492
	Total	82,096,355	79,963,317	84,307,661	114,371,851	162,008,534	224,059,928	261,005,119	253,493,755	227,104,720	174,702,269	100,175,846	88,530,051
2017	GW (SA1)	59,973,881	50,320,832	61,080,559	68,658,752	137,599,305	155,472,951	180,086,739	173,684,119	152,475,400	131,390,808	76,619,642	67,874,741
	Purchased (SA2)	26,951,188	28,184,640	28,756,860	34,167,892	48,653,660	87,003,620	96,535,384	104,766,376	98,979,848	84,154,488	61,788,540	34,228,480
	Total	86,925,069	78,505,472	89,837,419	102,826,644	186,252,965	242,476,571	276,622,123	278,450,495	251,455,248	215,545,296	138,408,182	102,108,221
2018	GW (SA1)	61,547,751	61,558,850	62,848,303	76,267,144	125,703,221	158,313,394	181,467,446					
	Purchased (SA2)	31,925,388	31,512,492	33,779,680	32,989,792	52,692,860	85,679,660	101,031,612					
	Total	93,473,139	93,071,342	96,627,983	109,256,936	178,396,081	243,993,054	282,499,058	0	0	0	0	0

% Reduction from 2013 8.38% 17.12% 29.72% 37.04% 31.41% 17.92% 15.28% 100.00% 100.00% 100.00% 100.00% 100.00%

*Notes

2013 January and February production numbers do not match actually recorded production because of an open intertie delivering water to SA2. Information below is further details.

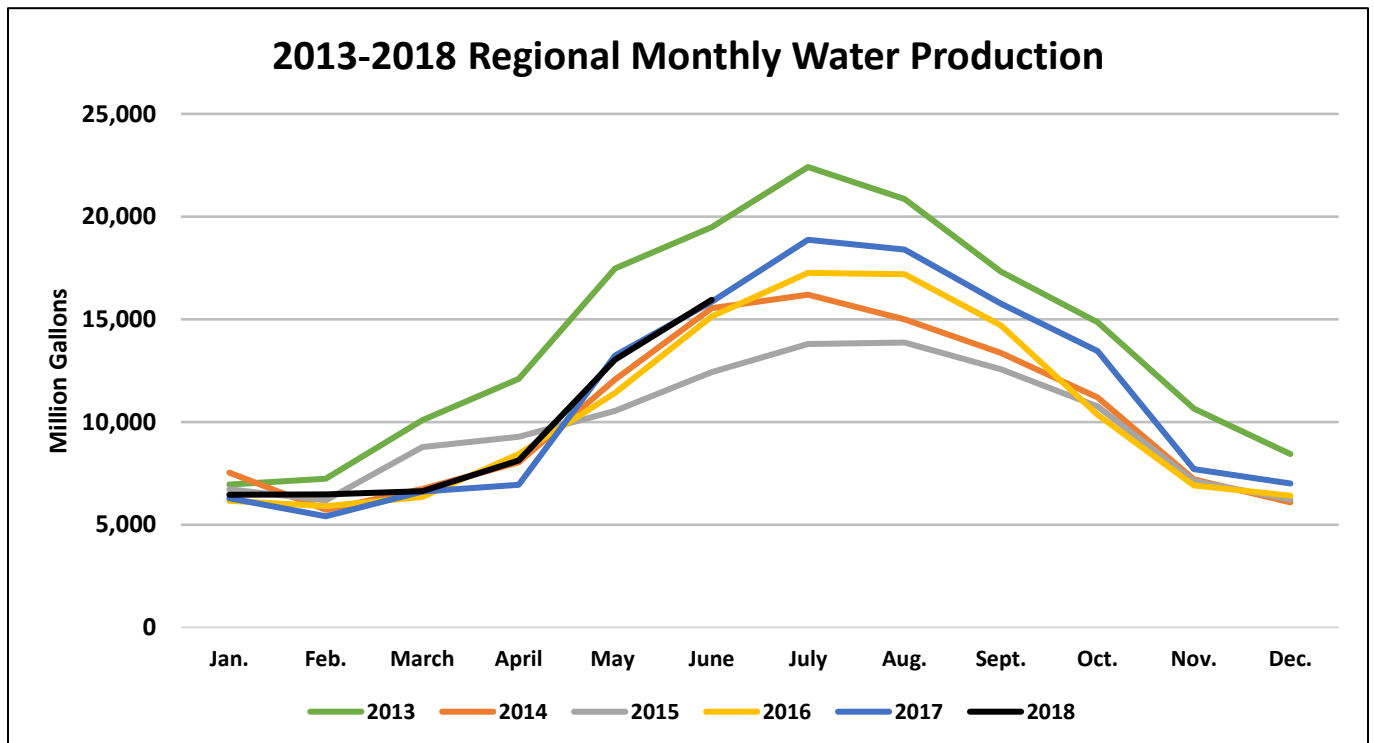
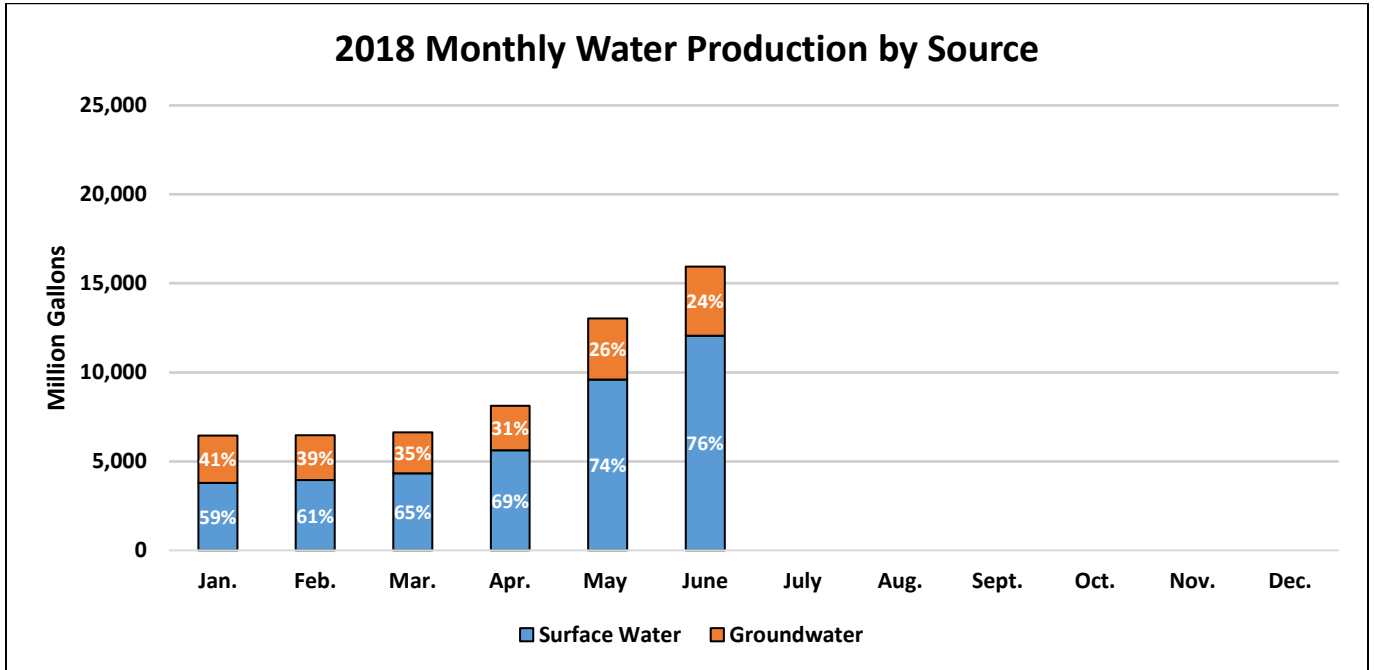
SA1 = Service Area 1, SA2 = Service Area 2. SA1 is all groundwater (GW) production. SA2 is all purchased water from SCWA.
 Actual Recorded Prod. (Jan. 2013) - Service Area 1 79,361,342 gallons (Includes water delivered to SA2 due to open intertie. Intertie closed end of Feb. 2013)
 Actual Recorded Prod. (Feb. 2013) - Service Area 1 94,608,406 gallons (Includes water delivered to SA2 due to open intertie. Intertie closed end of Feb. 2013)
 To determine estimate of Feb. 2013 production delivered to Service Area 1, use multiplier from March data which is seasonally similar.)

Service Area 1 Multiplier = 1.39 (calculated from March 2013 Prod. Data/March 2014 Prod. Data)
 Calc'd Feb. 2013 Prod. = Feb. 2014 Prod. Data x 1.39 = 79,737,924
 To determine estimate of Jan. 2013 production, use prorated amount from Feb. 2013 data. (This method due to Jan. 2014 being unseasonably hot.)
 Calc'd Jan. 2013 Prod. = (Feb. 2013 Prod. Data Calc'd / Feb. 2013 Prod. Data Actual) x Jan. 2013 Prod. Data Actual = 68,254,916

Service Area 2		Consumption	
2018	# Accts	CCF	Gallons
Jan	4,408	42,681	31,925,388
Feb	4,408	42,129	31,512,492
Mar	4,408	45,160	33,779,680
Apr	4,408	44,104	32,989,792
May	4,408	70,445	52,692,860
Jun	4,408	114,545	85,679,660
Jul	4,408	135,069	101,031,612
Aug			0
Sep			0
Oct			0
Nov			0
Dec			0

June 2018 Data Summary

2018 Monthly Water Production by Source (Million Gallons)													
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
SW	3,793	3,949	4,331	5,625	9,595	12,062							39,355
GW	2,663	2,521	2,297	2,504	3,436	3,885							17,305
Total	6,456	6,469	6,627	8,129	13,031	15,947							56,660

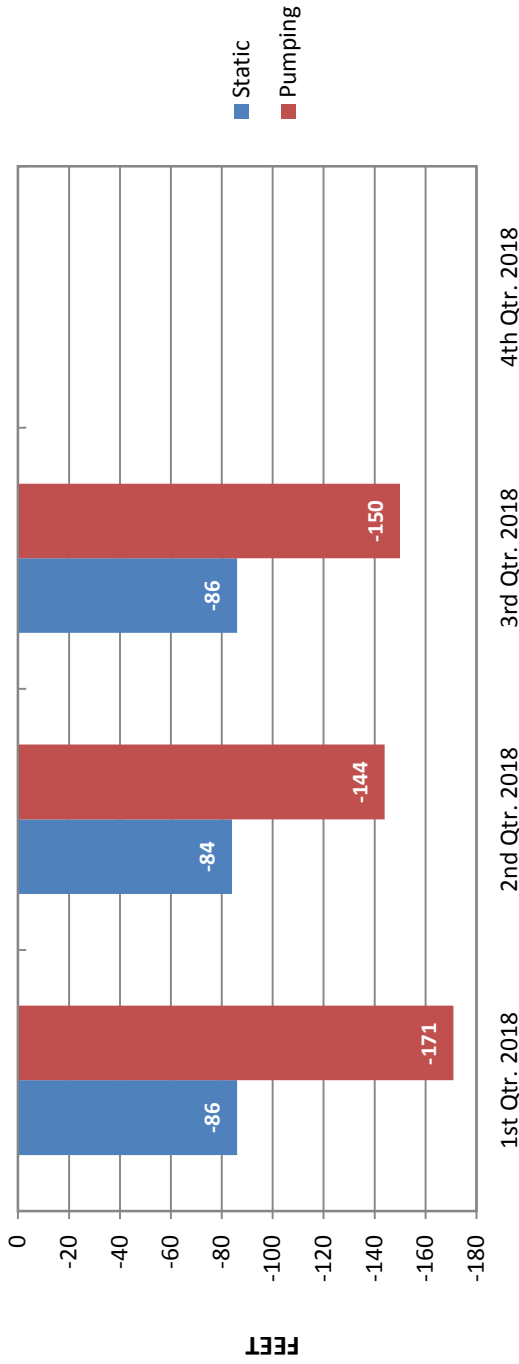




Elk Grove Water District

Static and Pumping Levels

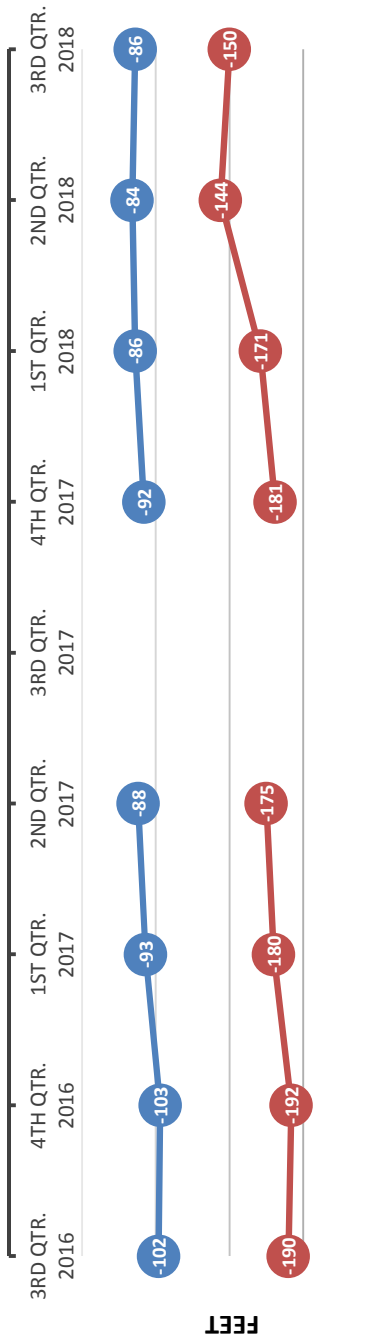
Well 1D School St



Latest Well Sounding

Static: 86 Ft
 Pumping: 150 Ft
 Drawdown: 64 Ft
 GPM: 1,778
 Specific Capacity: 27.781

Sounding Quarter/Year



Latest Sand Tester Results:

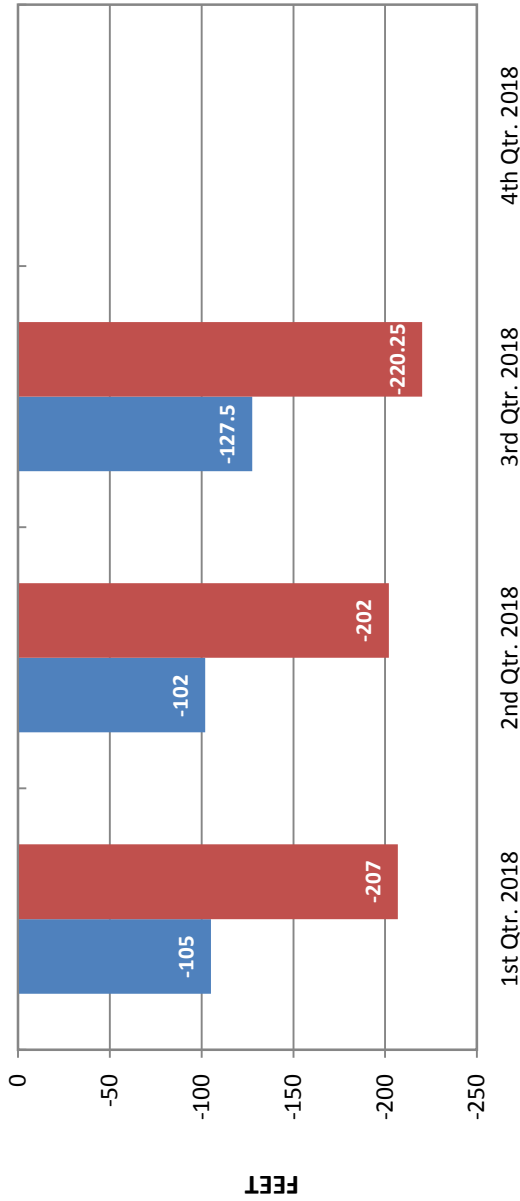
15 Min: < 5 ppm



Elk Grove Water District

Static and Pumping Levels

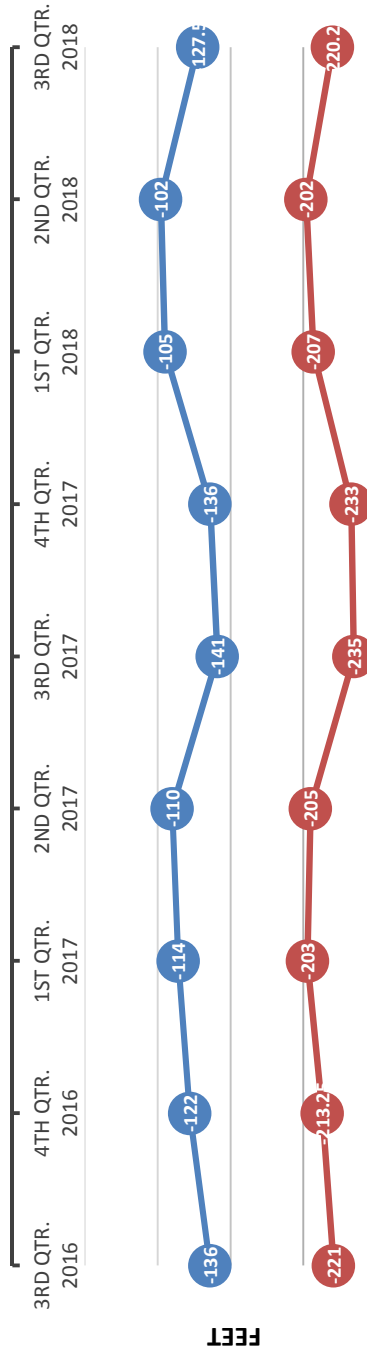
Well 4D Webb St



Latest Well Sounding

Static: 127.5 Ft
 Pumping: 220.25 Ft
 Drawdown: 92.75 Ft
 GPM: 1,665.00
 Specific Capacity: 17.951

Sounding Quarter/Year



Latest Sand Tester Results:

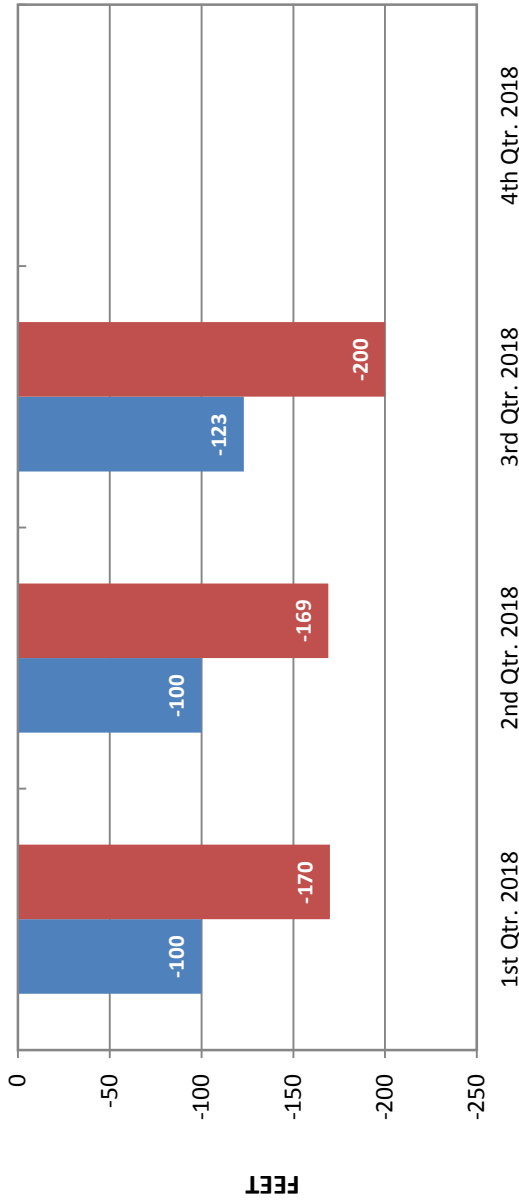
15 Min: < 5 ppm



Elk Grove Water District

Static and Pumping Levels

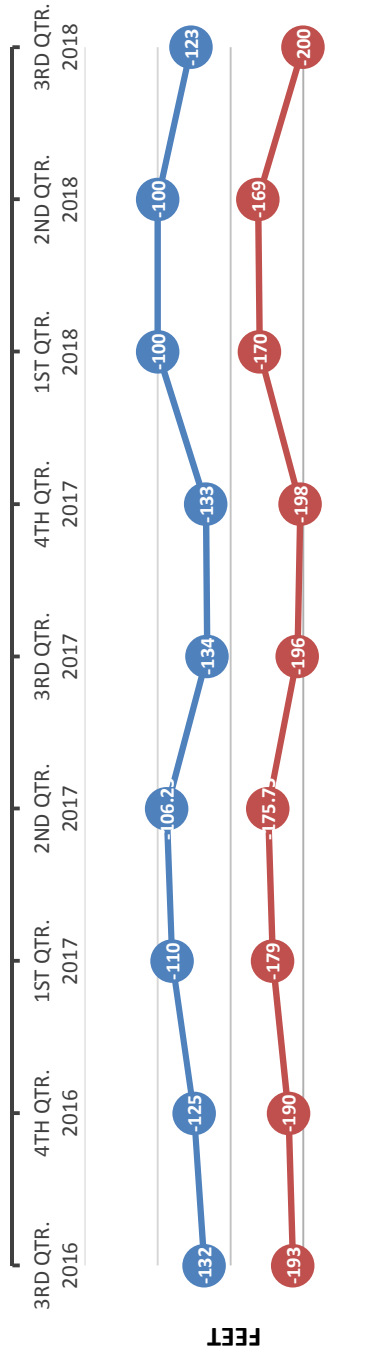
Well 11D Dino



Latest Well Sounding

Static: 123 Ft
Pumping: 200 Ft
Drawdown: 77 Ft
GPM: 1,727.00
Specific Capacity: 22.429

Sounding Quarter/Year



Latest Sand Tester Results:

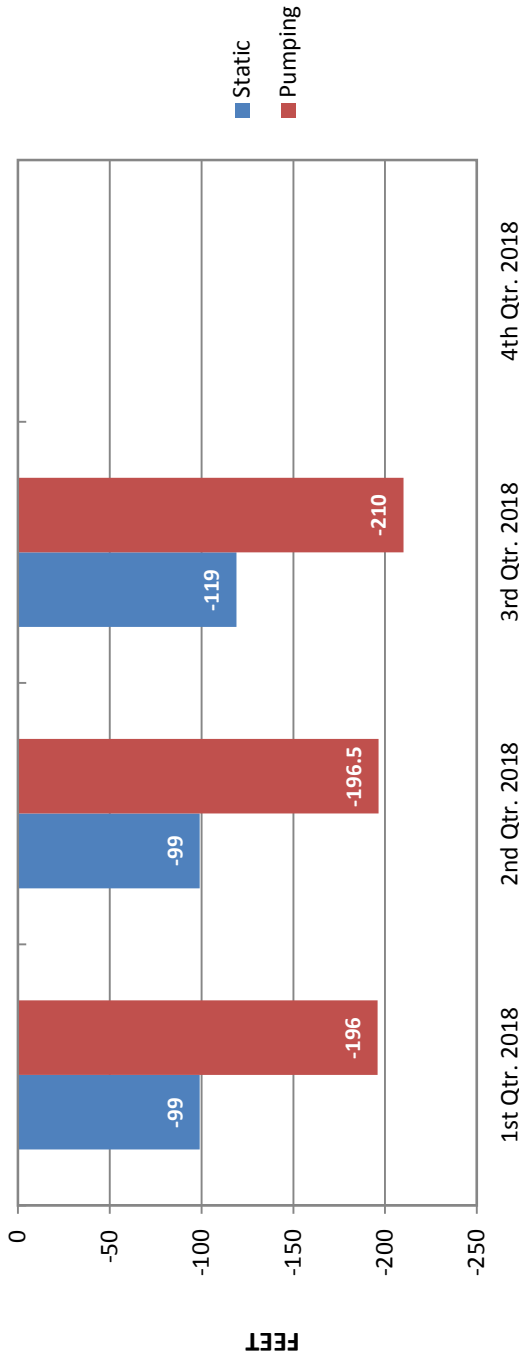
15 Min: < 5 ppm



Elk Grove Water District

Static and Pumping Levels

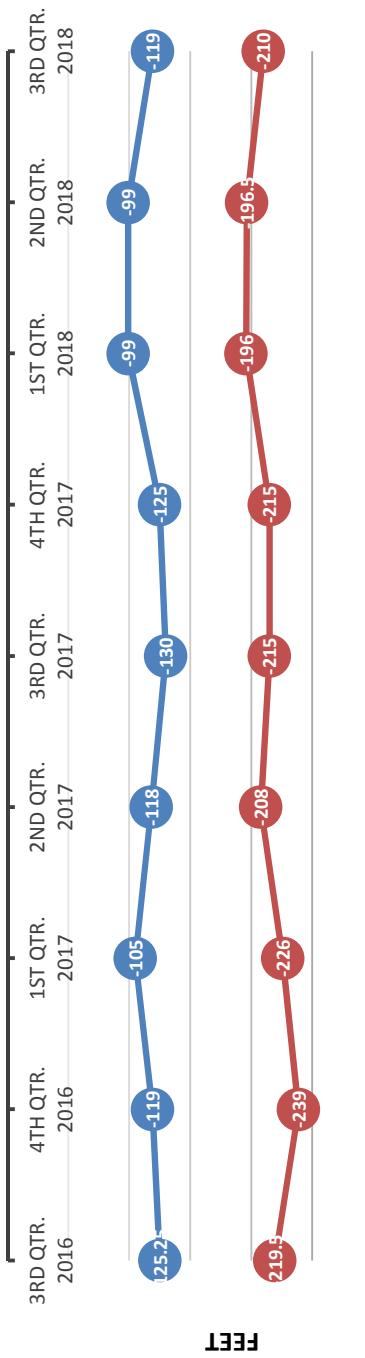
Well 14D Railroad



Latest Well Sounding

Static: 119 Ft
Pumping: 210 Ft
Drawdown: 91 Ft
GPM: 1,623.00
Specific Capacity: 17.835

Sounding Quarter/Year



Latest Sand Tester Results:

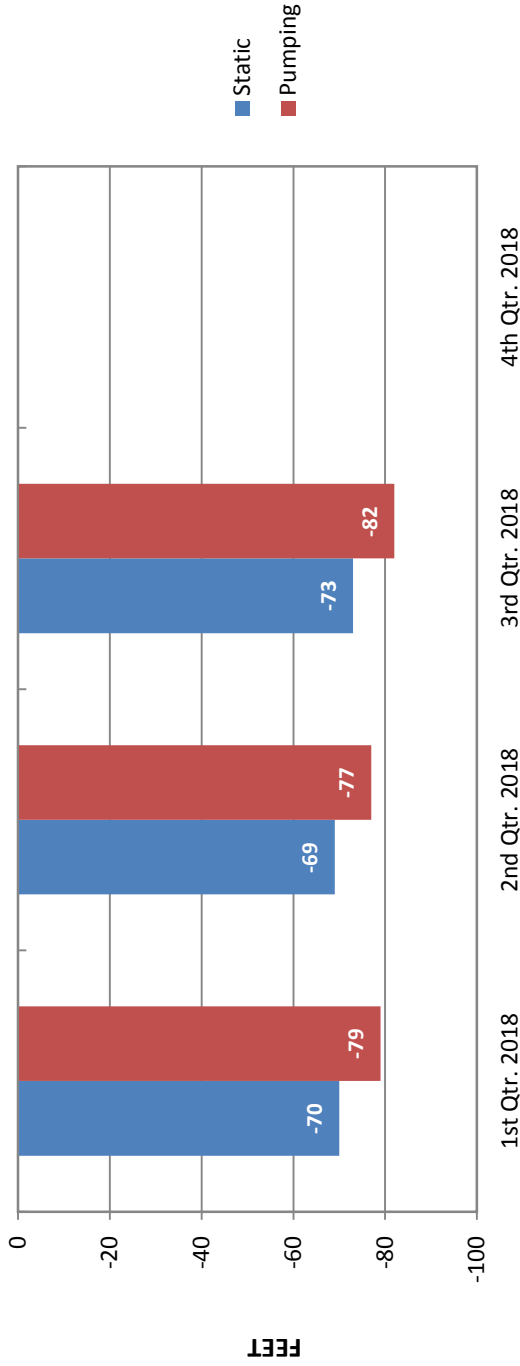
15 Min: < 5 ppm



Elk Grove Water District

Static and Pumping Levels

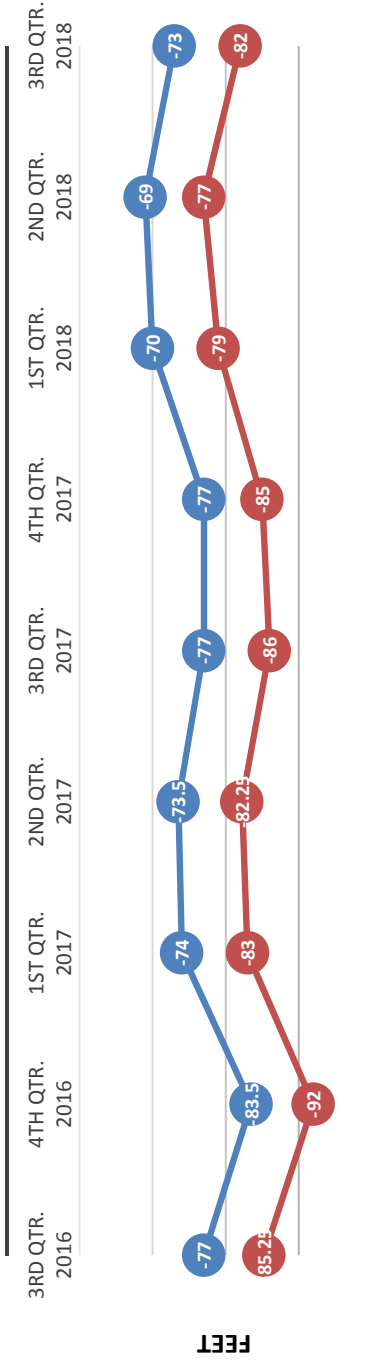
Well 3 Mar-Val



Latest Well Sounding

Static: 73 Ft
 Pumping: 82 Ft
 Drawdown: 9 Ft
 GPM: 820.00
 Specific Capacity: 91.111

Sounding Quarter/Year



Latest Sand Tester Results:

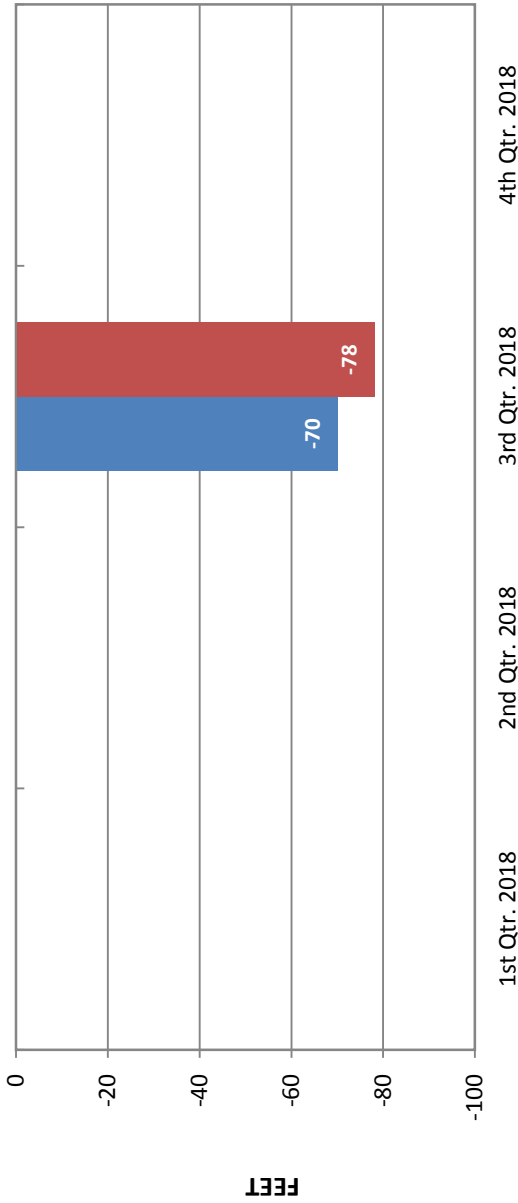
15 Min: 7.044 ppm



Elk Grove Water District

Static and Pumping Levels

Well 8 Williamson



Latest Well Sounding

Static: 70 Ft

Pumping: 78 Ft

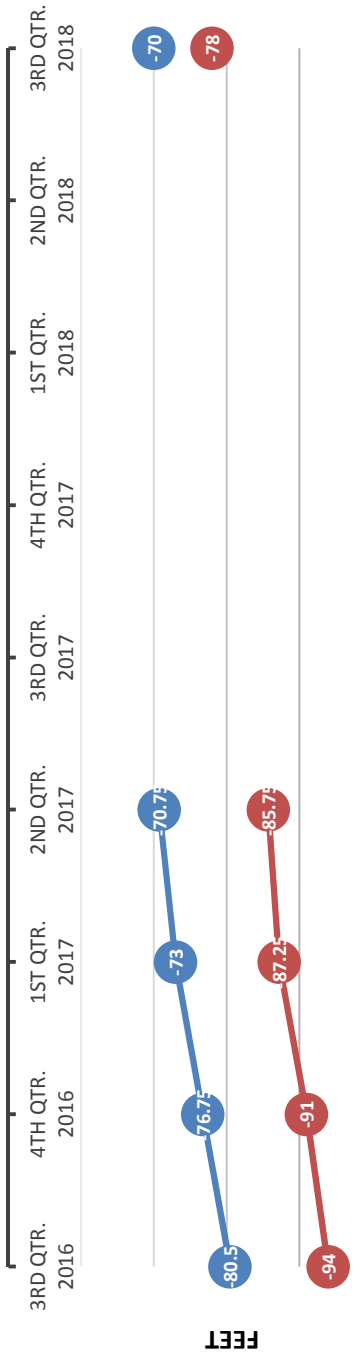
Drawdown: 8 Ft

GPM: 527.00

Specific Capacity: 65.875

■ Static
■ Pumping

Sounding Quarter/Year



Latest Sand Tester Results:

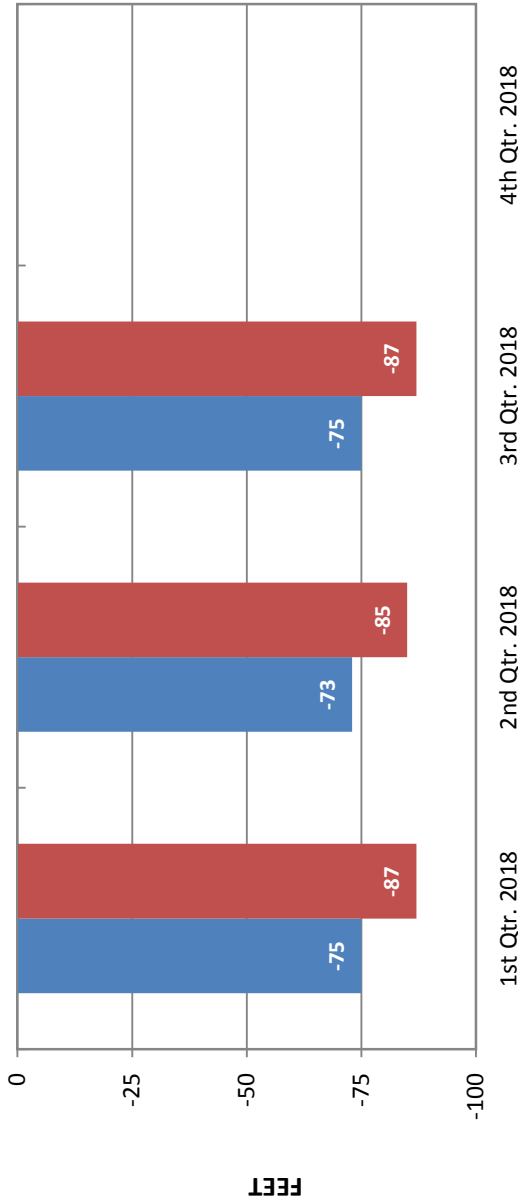
15 Min: 3.52 ppm



Elk Grove Water District

Static and Pumping Levels

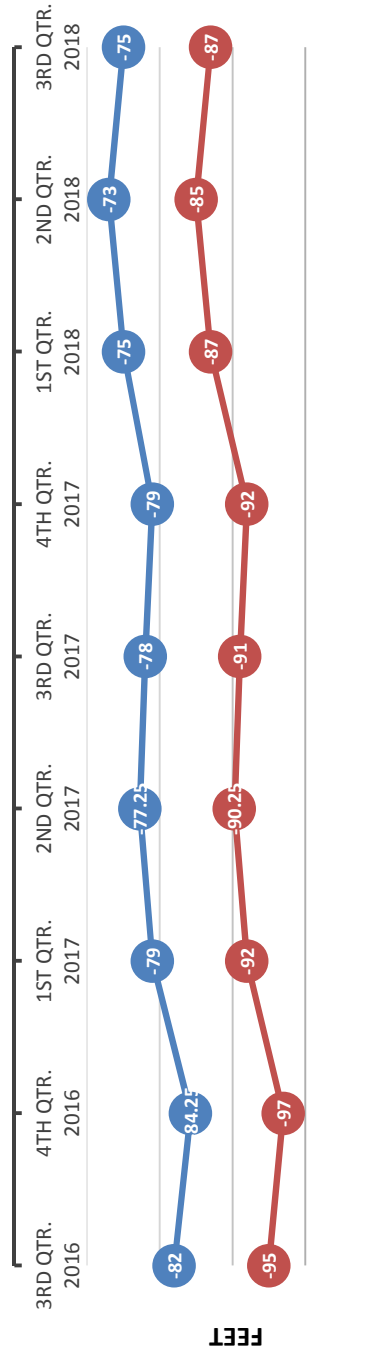
Well 9 Polhemus



Latest Well Sounding

Static: 75 Ft
 Pumping: 87 Ft
 Drawdown: 12 Ft
 GPM: 470.00
 Specific Capacity: 39.167

Sounding Quarter/Year



Latest Sand Tester Results:

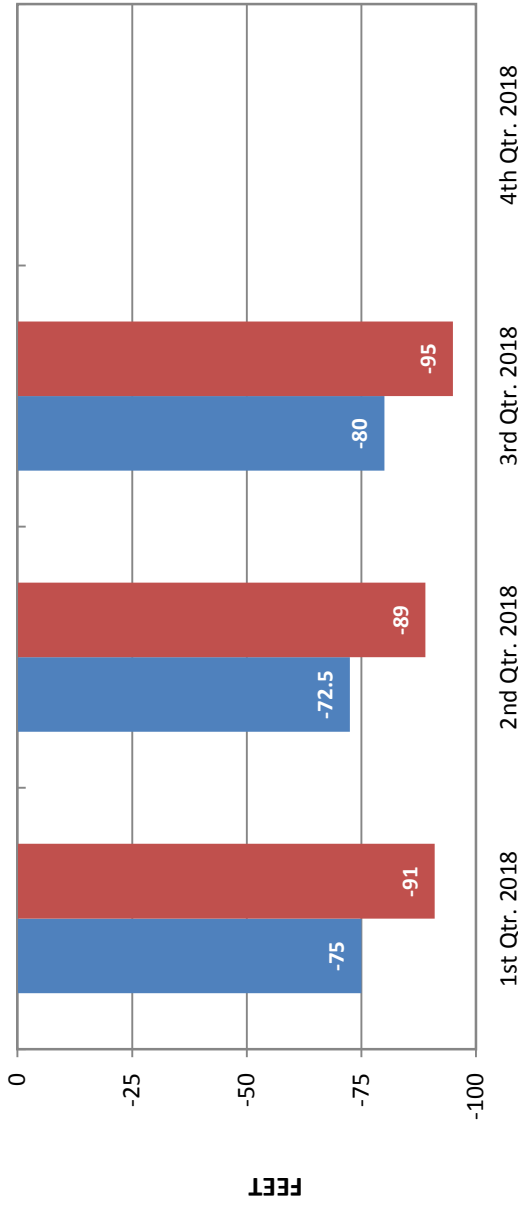
15 Min: < 5 ppm



Elk Grove Water District

Static and Pumping Levels

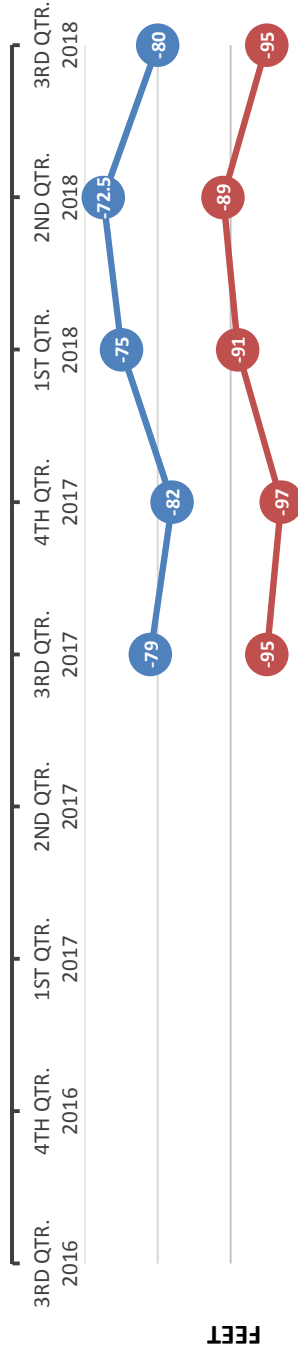
Well 13 Hampton



Latest Well Sounding

Static: 80 Ft
 Pumping: 95 Ft
 Drawdown: 15 Ft
 GPM: 971
 Specific Capacity: 64.733

Sounding Quarter/Year



Latest Sand Tester Results:

15 Min: < 5 ppm

Monthly Sample Report - July 2018
Water System: Elk Grove Water System

Sampling Point: 01 - 8693 W. Camden			
Sample Date	Sample Class	Sample Name	Collection Occurrence
7/3/2018	Distribution System	Bacteriological	Week
7/10/2018	Distribution System	Bacteriological	Week
7/17/2018	Distribution System	Bacteriological	Week
7/24/2018	Distribution System	Bacteriological	Week
7/31/2018	Distribution System	Bacteriological	Week
7/3/2018	Distribution System	TTHM / HAA5	Quarterly

Sampling Point: School Well 01D - Raw Water			
Sample Date	Sample Class	Sample Name	Collection Occurrence
7/17/2018	Source Water	3 mo - Bacteriological	Quarterly
7/17/2018	Source Water	3 mo - Fe,Mn,As Total	Quarterly
7/17/2018	Source Water	3 mo - Fe,Mn,As Dissolved	Quarterly
7/17/2018	Source Water	3 mo - 1,2,3, TCP	Quarterly
7/17/2018	Source Water	Annual Nitrate	Annual

Sampling Point: 02 - 9425 Emerald Vista			
Sample Date	Sample Class	Sample Name	Collection Occurrence
7/3/2018	Distribution System	Bacteriological	Week
7/10/2018	Distribution System	Bacteriological	Week
7/17/2018	Distribution System	Bacteriological	Week
7/24/2018	Distribution System	Bacteriological	Week
7/31/2018	Distribution System	Bacteriological	Week

Sampling Point: - Mar-Val Well 3 Raw Water			
Sample Date	Sample Class	Sample Name	Collection Occurrence
7/10/2018	Source Water	3 mo - Bacteriological	Quarterly
7/10/2018	Source Water	3 mo - Fe,Mn,As Total	Quarterly
7/10/2018	Source Water	3 mo - Fe,Mn,As Dissolved	Quarterly
7/10/2018	Source Water	3 mo - 1,2,3, TCP	Quarterly
7/10/2018	Source Water	Annual Nitrate	Annual

Sampling Point: 03 - 8809 Valley Oak			
Sample Date	Sample Class	Sample Name	Collection Occurrence
7/3/2018	Distribution System	Bacteriological	Week
7/10/2018	Distribution System	Bacteriological	Week
7/17/2018	Distribution System	Bacteriological	Week
7/24/2018	Distribution System	Bacteriological	Week
7/31/2018	Distribution System	Bacteriological	Week

Sampling Point: Webb Well 04D - Raw Water			
Sample Date	Sample Class	Sample Name	Collection Occurrence
7/3/2018	Source Water	3 mo - Bacteriological	Quarterly
7/3/2018	Source Water	3 mo - Fe,Mn,As Total	Quarterly
7/3/2018	Source Water	3 mo - Fe,Mn,As Dissolved	Quarterly
7/3/2018	Source Water	3 mo - 1,2,3, TCP	Quarterly
7/10/2018	Source Water	Annual Nitrate	Annual

Sampling Point: 04 - 10122 Glacier Point			
Sample Date	Sample Class	Sample Name	Collection Occurrence
7/3/2018	Distribution System	Bacteriological	Week
7/10/2018	Distribution System	Bacteriological	Week
7/17/2018	Distribution System	Bacteriological	Week
7/24/2018	Distribution System	Bacteriological	Week
7/31/2018	Distribution System	Bacteriological	Week

Sampling Point: 05 - 9230 Amsden Ct.

Sample Date	Sample Class	Sample Name	Collection Occurrence
7/3/2018	Distribution System	Bacteriological	Week
7/10/2018	Distribution System	Bacteriological	Week
7/17/2018	Distribution System	Bacteriological	Week
7/24/2018	Distribution System	Bacteriological	Week
7/31/2018	Distribution System	Bacteriological	Week
7/3/2018	Distribution System	TTHM / HAA5	Quarterly

Sampling Point: 06 - 9227 Rancho Dr.

Sample Date	Sample Class	Sample Name	Collection Occurrence
7/3/2018	Distribution System	Bacteriological	Week
7/10/2018	Distribution System	Bacteriological	Week
7/17/2018	Distribution System	Bacteriological	Week
7/24/2018	Distribution System	Bacteriological	Week
7/31/2018	Distribution System	Bacteriological	Week

Sampling Point: 07 - AI Gates Park Mainline Dr.

Sample Date	Sample Class	Sample Name	Collection Occurrence
7/3/2018	Distribution System	Bacteriological	Week
7/10/2018	Distribution System	Bacteriological	Week
7/17/2018	Distribution System	Bacteriological	Week
7/24/2018	Distribution System	Bacteriological	Week
7/31/2018	Distribution System	Bacteriological	Week
7/3/2018	Distribution System	Fluoride	Monthly

Sampling Point: - Williamson Well 8 Raw Water

Sample Date	Sample Class	Sample Name	Collection Occurrence
7/24/2018	Source Water	3 mo - Bacteriological	Quarterly
7/24/2018	Source Water	3 mo - Fe,Mn,As Total	Quarterly
7/24/2018	Source Water	3 mo - Fe,Mn,As Dissolved	Quarterly
7/24/2018	Source Water	3 mo - 1,2,3, TCP	Quarterly
7/31/2018	Source Water	Annual Nitrate	Annual

Sampling Point: 09 - 9436 Hollow Springs Wy.

Sample Date	Sample Class	Sample Name	Collection Occurrence
7/3/2018	Distribution System	Bacteriological	Week
7/10/2018	Distribution System	Bacteriological	Week
7/17/2018	Distribution System	Bacteriological	Week
7/24/2018	Distribution System	Bacteriological	Week
7/31/2018	Distribution System	Bacteriological	Week
7/3/2018	Distribution System	TTHM / HAA5	Quarterly

Sampling Point: Polhemus Well 9 Raw Water

Sample Date	Sample Class	Sample Name	Collection Occurrence
7/24/2018	Source Water	3 mo - Bacteriological	Quarterly
7/24/2018	Source Water	3 mo - Fe,Mn,As Total	Quarterly
7/24/2018	Source Water	3 mo - Fe,Mn,As Dissolved	Quarterly
7/24/2018	Source Water	3 mo - 1,2,3, TCP	Quarterly
7/31/2018	Source Water	Annual Nitrate	Annual

Sampling Point: 09 - 8417 Blackman Wy.

Sample Date	Sample Class	Sample Name	Collection Occurrence
7/3/2018	Distribution System	Bacteriological	Week
7/10/2018	Distribution System	Bacteriological	Week
7/17/2018	Distribution System	Bacteriological	Week
7/24/2018	Distribution System	Bacteriological	Week
7/31/2018	Distribution System	Bacteriological	Week

Sampling Point: 10 - 9373 Oreo Ranch Cir.

Sample Date	Sample Class	Sample Name	Collection Occurrence
7/3/2018	Distribution System	Bacteriological	Week
7/10/2018	Distribution System	Bacteriological	Week
7/17/2018	Distribution System	Bacteriological	Week
7/24/2018	Distribution System	Bacteriological	Week
7/31/2018	Distribution System	Bacteriological	Week

Sampling Point: Dino Well 11D - Raw Water			
Sample Date	Sample Class	Sample Name	Collection Occurrence
7/3/2018	Source Water	3 mo - Bacteriological	Quarterly
7/3/2018	Source Water	3 mo - Fe,Mn,As Total	Quarterly
7/3/2018	Source Water	3 mo - Fe,Mn,As Dissolved	Quarterly
7/3/2018	Source Water	3 mo - 1,2,3, TCP	Quarterly
7/10/2018	Source Water	Annual Nitrate	Annual

Sampling Point: Hampton Well 13 - Raw Water			
Sample Date	Sample Class	Sample Name	Collection Occurrence
7/3/2018	Source Water	Fe, Mn, As, Total	Weekly
7/3/2018	Source Water	Bacteriological	Weekly
7/10/2018	Source Water	Fe, Mn, As, Total	Weekly
7/10/2018	Source Water	Bacteriological	Weekly
7/17/2018	Source Water	Fe, Mn, As, Total	Weekly
7/17/2018	Source Water	Bacteriological	Weekly
7/24/2018	Source Water	Fe, Mn, As, Total	Weekly
7/24/2018	Source Water	Bacteriological	Weekly
7/31/2018	Source Water	Fe, Mn, As, Total	Weekly
7/31/2018	Source Water	Bacteriological	Weekly
7/31/2018	Source Water	3 mo - 1,2,3, TCP	Quarterly
7/31/2018	Source Water	Annual Nitrate	Annual

Sampling Point: Hampton WTP Effluent			
Sample Date	Sample Class	Sample Name	Collection Occurrence
7/3/2018	Treated Effluent	Fe, Mn, As, Total	Weekly
7/10/2018	Treated Effluent	Fe, Mn, As, Total	Weekly
7/17/2018	Treated Effluent	Fe, Mn, As, Total	Weekly
7/24/2018	Treated Effluent	Fe, Mn, As, Total	Weekly
7/31/2018	Treated Effluent	Fe, Mn, As, Total	Weekly

Sampling Point: Hampton WTP Backwash Tank		
Sample Date	Sample Class	Sample Name

Sampling Point: Railroad Well 14D - Raw Water		
Sample Date	Sample Class	Sample Name
7/17/2018	Source Water	3 mo - Bacteriological
7/17/2018	Source Water	3 mo - Fe,Mn,As Total
7/17/2018	Source Water	3 mo - Fe,Mn,As Dissolved
7/17/2018	Source Water	3 mo - 1,2,3, TCP
7/17/2018	Source Water	Annual Nitrate
7/18/2018	Source Water	Threshold Oder

Sampling Point: Railroad WTP Effluent		
Sample Date	Sample Class	Sample Name
7/3/2018	Treated Plant Effluent	WTP Eff - Fe,Mn,As,Al Total
7/3/2018	Treated Plant Effluent	WTP Eff - Fe,Mn,As,Al Dissolved

Sampling Point: Railroad WTP Backwash Tank		
Sample Date	Sample Class	Sample Name

Sampling Point: Special Distribution/Construction Samples		
Sample Date	Sample Class	Sample Name
7/6/2018	Distribution System	Bacteriological
7/11/2018	Distribution System	Bacteriological
7/11/2018	Distribution System	Bacteriological
7/24/2018	Distribution System	Hardness, Calcium, Magnesium

Colors	Monthly Total	Yearly Total
Black = Scheduled	101	499
Green = Unscheduled	12	59
Red = Incomplete Sample	0	0



August 6, 2018

Sacramento Regional County
Sanitation District
Environmental Specialist
10060 Goethe Rd.
Sacramento, CA. 95827

MONTHLY COMPLIANCE REPORT

Enclosed is the Monthly Compliance Report Form from Elk Grove Water District for July 2018.

If you have any further questions, you may contact me at 916-585-9386

A handwritten signature in blue ink, appearing to read "Steve Shaw", is written over a light blue horizontal line.

STEVE SHAW
WATER TREATMENT SUPERVISOR

COMPLIANCE REPORT FORM

Attn: Neal Stallions	E-mail: stallionsn@sacsewer.com	Wastewater Source Control Section
Phone (916) 875-6656		Fax (916) 875-6374
From: Steve Shaw		
Company: Elk Grove Water District		Permit # WTP010

The following reports and information are attached (check all that apply):

Month:	July	Year:	2018
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Water use/flow meter report
 Hampton WTP – 1,120,595
 Railroad WTP – 0

	Date	Time	pH
Hampton WTP			
Railroad WTP			

Monitoring results/analytical report

Discharge Rate

Check the statement below that applies to this report:

- Based on a review of this facility's flow data, discharge rate limit was exceeded.
 I certify that this facility is in compliance with the discharge rate limit.

- Attached is a description of anticipated changes that may significantly alter the nature, quality, or volume of the wastewater discharged.
- Flow monitoring equipment certification (Flow or pH meter, etc.)
- Other (describe):

Domestic Calculation

Domestic Usage	Number of Employees	Business Days per Month	Allowance (gallons per day)	Gallons
Production	3	19	15	855
Office	4	19	10	760
Drivers/Field	19	19	3	1083
Total				2698

Certification Statement

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment for knowing violations".

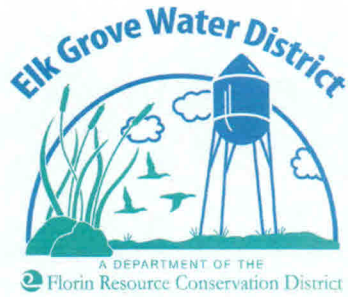
SIGNATURE of Authorized Representative:

PRINTED NAME, TITLE:

Steve Shaw Water Treatment Supervisor
 (Name) (Title)

DATE:

8-6-2018



August 6, 2018

State Water Resources Control Board
Division of Drinking Water
1001 I Street
13th Floor
Sacramento, CA. 95814

MONTHLY SUMMARY OF DISTRIBUTION SYSTEM COLIFORM MONITORING

Enclosed is the Monthly Summary of Distribution System Coliform Monitoring report from Elk Grove Water District for July 2018.

If you have any further questions, you may contact me at 916-585-9386.

A handwritten signature in blue ink, appearing to read "Steve Shaw". The signature is fluid and cursive, with a long horizontal stroke at the top.

STEVE SHAW
WATER TREATMENT SUPERVISOR

MONTHLY SUMMARY OF DISTRIBUTION SYSTEM COLIFORM MONITORING (including triggered source monitoring for systems subject to the Groundwater Rule)

System Name <p style="text-align: center; font-size: 1.2em;">Elk Grove Water District</p>	System Number <p style="text-align: center; font-size: 1.2em;">3410008</p>
Sampling Period <p style="text-align: center; font-size: 1.2em; color: blue;">July</p>	Year <p style="text-align: center; font-size: 1.2em;">2018</p>

	Number Required	Number Collected	Number Total Coliform Positives	Number Fecal/ E.coli Positives
1. Routine Samples (see note 1)	50	50	0	0
2. Repeat Samples following Samples that are Total Coliform Positive and Fecal/E.coli <i>Negative</i> (see notes 5 and 6)		0	0	<input type="text"/>
3. Repeat Samples following Routine Samples that are Total Coliform <i>Positive</i> and Fecal/E.coli Positive (see notes 5 and 6)		0	<input type="text"/>	<input type="text"/>
4. MCL Computation for Total Coliform Positive Samples				
a. Totals (sum of columns)		50	0	
b. If 40 or more samples collected in month, determine percent of samples that are total coliform positive [(total number positive/total number collected) x 100] =	0	%		
c. Is system in compliance. ...with fecal/E. coli MCL? (see notes 2 and 3)	<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	
...with monthly MCL? (see note 4)	<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	
5. Source Samples Triggered by Routine Samples that are Total Coliform Positive (This applies only to systems subject to the Groundwater Rule - see notes 7 and 8)		0	0	<input type="text"/>
6. Invalidated Samples (Note what samples, if any, were invalidated; who authorized the invalidation; and when replacement samples were collected. Attach additional sheets, if necessary.)				
7. Summary Completed By: Steve Shaw				

Signature 	Title <p style="text-align: center; font-size: 1.2em;">Water Treatment Supervisor</p>	Date <p style="text-align: center; font-size: 1.2em; color: blue;">8/6/18</p>
---------------	--	--

NOTES AND INSTRUCTIONS:

1. Routine samples include:
 - a. Samples required pursuant to 22 CCR Section 64423 and any additional samples required by an approved routine sample siting plan established pursuant to 22 CCR Section 64422.
 - b. Extra samples are required for systems collecting less than five routine samples per month that had one or more total coliform positives in previous month;
 - c. Extra samples for systems with high source water turbidities that are using surface water or groundwater under direct influence of surface water and do not practice filtration in compliance with regulations;
2. Note: For a repeat sample following a total coliform positive sample, any fecal/*E.coli* positive repeat (boxed entry) **constitutes an MCL violation and requires immediate notification to the Department** (22, CCR, Section 64426.1).
3. Note: For repeat sample following a fecal/*E.coli* positive sample, any total coliform positive repeat (boxed entry) **constitutes an MCL violation and requires immediate notification to the Department** (22, CCR, Section 64426.1).
4. Total coliform MCL (**Notify Department within 24 hours of MCL violation**):
 - a. For systems collecting less than 40 samples, if two or more samples are total coliform positive, then the MCL is violated.
 - b. For systems collecting 40 or more samples, if more than 5.0 percent of samples collected are total coliform positive, then the MCL is violated.
5. Positive results and their associated repeat samples are to be tracked on the Coliform Monitoring Worksheet.
6. Repeat samples must be collected within 24 hours of being notified of the positive results. For systems collecting more than one routine sample per month, three repeat samples must be collected for each total coliform positive sample. For systems collecting one or fewer routine samples per month, four repeat samples must be collected for each total coliform positive sample.
7. For systems subject to the Groundwater Rule: Positive results and the associated triggered source samples are to be tracked on the Coliform Monitoring Worksheet.
8. For triggered sample(s) required as a result of a total coliform routine positive sample, an *E.coli*, enterococci, or coliphage positive triggered sample (boxed entry) **requires immediate notification to the Department, Tier 1 public notification, and corrective action.**



August 6, 2018

State Water Resources Control Board
Division of Drinking Water
1001 I Street
13th Floor
Sacramento, CA. 95814

MONTHLY SUMMARY OF THE HAMPTON GROUNDWATER TREATMENT PLANT

Enclosed is the Monthly Summary of the Hampton GWTP report from Elk Grove Water District for July 2018.

If you have any further questions, you may contact me at 916-585-9386.

A handwritten signature in blue ink, appearing to read "STEVE SHAW". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

STEVE SHAW
WATER TREATMENT SUPERVISOR

Elk Grove Water District

Hampton GWTP Monthly Report

PWS Number 3410008-013
 GWTP Name Hampton Water Treatment Plant
 Month: July

Date	Meter Reading	Production	Backwash Meter	Reclaim Water	Weekly In-House Monitoring (mg/L) R (Raw) T (Treated) As (ug/L)							Weekly Average	
last day	405040966		6235423	541975	Date	Fe, R	Fe, T	Mn, R	Mn, T	As, R	As, T	Inf. pH	Eff. pH
1	406456097	1415131	6267875	541975	7/3/2018	0	0.015	0.046	0	12	2.5	7.0	7.2
2	407885095	1428998	6299543	541975	7/10/2018	0.007	0.014	0.053	0.002	10	2		
3	409283199	1398104	6329102	541975	7/17/2018	0.016	0.013	0.113	0.01	10	2	Cl2	0.78
4	410683663	1400464	6361521	541975	7/24/2018	0	0.011	0.064	0.021	10	2		7.3
5	412018960	1335297	6390271	541975	7/31/2018	0.001	0.039	0.099	0.001	10	2	Cl2	0.83
6	413459001	1440041	6422849	541975									
7	414930399	1471398	6455350	541975									
8	416295455	1365056	6487778	541975									
9	417699119	1403664	6520177	541975									
10	418359890	660771	6538163	541975									
11	419720011	1360121	6566945	541975									
12	420911670	1191659	6595668	541975									
13	422324716	1413046	6631715	541975									
14	423727332	1402616	6664043	541975									
15	425125255	1397923	6696326	541975									
16	426491559	1366304	6725599	541975									
17	427912034	1420475	6758188	541975									
18	429357098	1445064	6793136	541975									
19	430764905	1407807	6821924	541975									
20	432173374	1408469	6854006	541975									
21	433474610	1301236	6879096	541975									
22	434902185	1427575	6911341	541975									
23	435388199	486014	6922070	541975									
24	436819878	1431679	6965100	541975									
25	438137298	1317420	6990241	541975									
26	439572629	1435331	7026167	541975									
27	440953620	1380991	7054864	541975									
28	442344060	1390440	7083525	541975									
29	443725208	1381148	7115917	541975									
30	445154403	1429195	7148220	541975									
31	446515087	1360684	7180561	541975									
Total		41,474,121	945,138	0									

Total Gallons Sodium Hypochlorite:	452.7 Gal
Pounds per day	18.25 Lbs/Day
Dosage (Milligrams Per Liter @ 12.5% Cl)	1.8 mg/L
Total Gallons Ferric Chloride:	253.9 Gal
Dosage (Milligrams Per Liter @ 38% FeCl)	.65mg/L
Total Gallons Sodium Hydroxide:	298.7 Gal
Dosage (Gallons Per Hour @ 50% NaOH)	0.48 Gal/Hr
Total Gallons Sulfuric Acid :	253.9 Gal
Dose (Gallons Per Hour @ 93%)	0.33 Gal/Hr
Total Backwashed	945,138 Gal
Total Reclaim	0 Gal
Total Water Pumped	41,474,121 Gal
Total Water Treated	41,474,121 Gal

Reporting Limits/Units	Maximum Contaminant Levels (MCLs)
Iron = 0.100 mg/L	Iron (Fe) = 0.300 mg/L (Secondary)
Manganese = 0.010 mg/L	Manganese (Mn) = 0.050 mg/L (Secondary)
Arsenic = 1.0 µg/L	Arsenic (As) = 10 µg/L (Primary)

Prepared By: Steve Shaw Date: 8/6/2018



August 6, 2018

State Water Resources Control Board
Division of Drinking Water
1001 I Street
13th Floor
Sacramento, CA. 95814

MONTHLY SUMMARY OF DISTRIBUTION SYSTEM FLUORIDATION MONITORING

Enclosed is the Monthly Summary of Distribution System Fluoridation Monitoring report from Elk Grove Water District for July 2018.

If you have any further questions, you may contact me at 916-585-9386.

A handwritten signature in blue ink, appearing to read "Steve Shaw", is written over a horizontal line.

STEVE SHAW
WATER TREATMENT SUPERVISOR

Elk Grove Water District Area 2

DISTRIBUTION SYSTEM

MONTHLY FLUORIDATION MONITORING REPORT

Water System Name: Elk Grove Water District System Number: 3410008

Contact Name: Steve Shaw Telephone: (916) 585-9386

Month/Year: July 2018

Week	Location of samples taken*	Monitoring Results (mg/L)		
		Date	Time	Result
1	Hollow Springs	7-3-2018	9:05	.62
1	Al Gates Park	7-3-2018	9:20	.66
1	Oreo Ranch	7-3-2018	10:01	.65
1	Blackman	7-3-2018	11:05	.61
2	Hollow Springs	7-10-2018	10:15	.65
2	Al Gates Park	7-10-2018	10:31	.59
2	Oreo Ranch	7-10-2018	10:45	.70
2	Blackman	7-10-2018	12:15	.69
3	Hollow Springs	7-17-2018	9:41	.67
3	Al Gates Park	7-17-2018	9:57	.49
3	Oreo Ranch	7-17-2018	10:12	.56
3	Blackman	7-17-2018	12:06	.69
4	Hollow Springs	7-24-2018	10:37	.68
4	Al Gates Park	7-24-2018	10:51	.59
4	Oreo Ranch	7-24-2018	11:02	.61
4	Blackman	7-24-2018	1:18	.69
5	Hollow Springs	7-31-2018	10:21	.54
5	Al Gates Park	7-31-2018	10:37	.58
5	Oreo Ranch	7-31-2018	10:56	.58
5	Blackman	7-31-2018	11:55	.73

Monthly fluoride split sample results:

Date: 7-3-2018

Water system personnel: .66 mg/L

Approved laboratory: .67 mg/L

*Samples must be taken pursuant to approved sampling plan

Elk Grove Water District

Preventative Maintenance Program

Groundwater Wells

		Monthly												Semi-annual		Annual		
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Refer.	1ST 6-MO.	2ND 6-MO.	Refer.	2018
Well 14D Railroad	Initials	WQ	WQ	WQ	WQ	WQ	WQ	WQ						Sect: 7.1	AH/WQ		Sect: 7.3	
	Date	1/9/18	2/6/18	4/9/18	4/9/18	5/11/18	6/14/18	7/6/18							6/20/18			
	W.O.#	15483	15581	15673	15779	15900	16020	16142							16033			
Well 4D Webb	Initials	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	Sect: 8.1	AH/WQ		Sect: 8.3	
	Date	1/4/18	2/27/18	3/9/18	4/9/18	5/23/18	6/13/18	7/9/18							6/20/18			
	W.O.#	15484	15582	15674	15780	15901	16021	16143							16034			
Well 11D Pino	Initials	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	Sect: 9.1	AH/WQ		Sect: 9.3	
	Date	1/2/18	2/13/18	3/7/18	4/3/18	5/16/18	6/13/18	7/10/18							6/20/18			
	W.O.#	15485	15583	15675	15781	15902	16022	16144							16035			
Well 1D School	Initials	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	Sect: 13.1	AH/WQ		Sect: 13.3	
	Date	1/9/18	2/22/18	3/6/18	4/3/18	5/22/18	6/21/18	7/6/18							6/20/18			
	W.O.#	15486	15584	15676	15782	15903	16023	16145							16036			
Well 3 MarVal	Initials	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	Sect: 12.1	AH/WQ		Sect: 12.4	
	Date	1/11/18	2/16/18	3/9/18	4/10/18	5/11/18	6/7/18	7/3/18							6/20/18			
	W.O.#	15487	15585	15677	15783	15904	16024	16147							16037			
Well 8 Williamson	Initials	AH	AH	AH	AH	AH	WQ	WQ	WQ	WQ	WQ	WQ	WQ	Sect: 11.1	AH		Sect: 11.4	
	Date						6/25/18	7/2/18							6/20/18			
	W.O.#	15488	15586	15678	15784	15905	16025	16148							16038			
Well 9 Polhemus	Initials	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	Sect: TBD	WQ		Sect: TBD	
	Date	1/10/18	2/16/18	3/9/18	4/19/18	5/21/18	6/8/18	7/9/18							6/22/18			
	W.O.#	15489	15587	15679	15785	15906	16026	16146							16038			
Well 13 Hampton	Initials	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	WQ	Sect: TBD	WQ		Sect: TBD	
	Date	1/11/18	2/6/18	3/5/18	4/9/18	5/21/18	6/5/18	7/11/18							6/22/18			
	W.O.#	15490	15588	15680	15786	15907	16027	16149							16038			

Year: 2018

Elk Grove Water District

Preventative Maintenance Program

Railroad Water Treatment and Storage Facility

Item	Monthly												Quarterly			Semi-annual			Annual					
	Refer.	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	1st	2nd	3rd	4th	Refer.	1st	2nd	3rd	4th	Refer.	2018
Cor-Tec System	Section: 4.2	WQ 1/25/18 15472	WQ 2/6/18 15593	WQ 3/5/18 15685	WQ 4/11/18 15768	WQ 5/8/18 15892	WQ 6/28/18 16011	AH 7/18/18 16155						WQ 3/13/18 15689	AH/WQ 6/28/18 15923			Section: 4.3	WQ 3/13/18 15689	6- MO. 15923	6- MO. 15923	Section: 4.4	4.4	
Filter System	Section: 5.1	WQ 1/25/18 15473	AH 2/27/18 15594	WQ 3/6/18 15686	WQ 4/4/18 15769	WQ 5/7/18 15893	AH 6/11/18 16012	AH 7/18/18 16156						WQ 3/14/18 15708				Section: 5.1	WQ 3/14/18 15708			Section: 5.3	5.3	
Backwash System	Section: 2.1	WQ 1/18/18 15474	WQ 2/21/18 15595	WQ 3/5/18 15687	WQ 4/12/18 15770	WQ 5/16/18 15894	WQ 6/12/18 16013	WQ 7/18/18 16157						WQ 3/14/18 15709				Section: 2.1	WQ 3/14/18 15709			Section: 2.3	2.3	
Booster Pumps	Section: 3.1	WQ 1/18/18 15475	WQ 2/21/18 15596	WQ 3/8/18 15688	WQ 4/11/18 15771	WQ 5/14/18 15895	AH 6/14/18 16014	WQ 7/18/18 16158						WQ 3/15/18 15690	WQ 6/28/18 16040			Section: 3.1	WQ 3/15/18 15690	WQ 6/28/18 16040		Section: 3.2	3.2	
LAB																		Section: 1.1					Section: 1.2	1.2
Clear Wells																							Section: 2.4	2.4
MCC																							Section: 1.2	1.2

Elk Grove Water District

Preventative Maintenance Program

Standby Generators

Item	Monthly												Annual		
	Refer.	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Refer.	2018
	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #	Section: Initials Date W.O. #
Railroad	TBD	WQ 1/19/18 15479	WQ 2/14/18 15589	WQ 3/9/18 15681	WQ 4/9/18 15775	WQ 5/14/18 15896	WQ 6/12/18 16016	AH 7/18/18 16159						Section: TBD	
Webb	TBD	WQ 1/4/18 15480	WQ 2/27/18 15590	AH 3/9/18 15682	WQ 4/9/18 15776	WQ 5/23/18 15897	WQ 6/13/18 16017	AH 7/9/18 16161						Section: TBD	
Dino	TBD	WQ 1/2/18 15481	WQ 2/13/18 15591	WQ 3/7/18 15683	WQ 4/3/18 15777	WQ 5/16/18 15898	WQ 6/13/18 16018	WQ 7/10/18 16162						Section: TBD	
Hampton	Section: Initials Date W.O. #													Section: TBD	
Admin.	TBD	WQ 1/31/18 15482	WQ 2/27/18 15592	WQ 3/9/18 15684	AH 4/5/18 15778	AH 5/18/18 15899	AH 6/14/18 15019	AH 7/20/18 16163						Section: TBD	
		= Load Test													

Elk Grove Water District
Backflow Prevention Program 2018

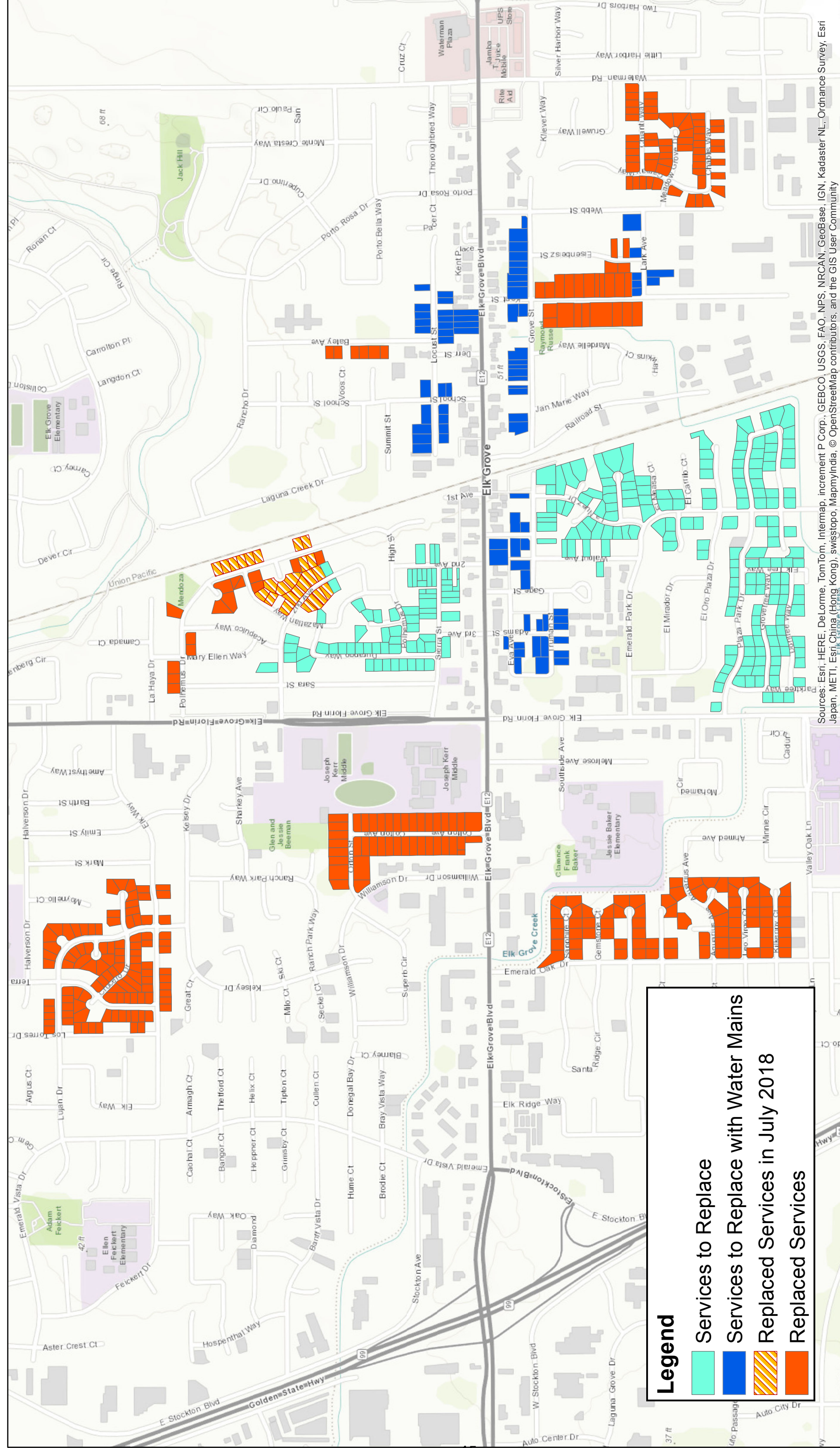
Backflow Device Reports	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
CURRENT												
Notices Issued	42	40	80	15	60	66	151					
Assemblies Tested	35	37	49	1	31	24	68					
Passed Initial Test	31	30	46	1	31	24	64					
Failed Initial Test	4	7	3				4					
Failed Devices Retested----Passed	3	7	2				4					
Investigations or Address Change					2							
Inactivated Devices												
Schedule Code Changed												
Devices Turned Off												
2nd Notices Issued	5	3	32	14	27	42	83	0	0	0	0	0

Monthly Outstanding Delinquents	0	0	0	0	0	0	47	0	0	0	0	0
---------------------------------	---	---	---	---	---	---	----	---	---	---	---	---

Total Outstanding Delinquents	47
--------------------------------------	-----------

**Elk Grove Water District
Safety Meetings/Training
July 2018**

Date	Topic	Attendees	Hosted By
7/9/2018	Horseplay	Jose Carrillo, David Frederick, Aaron Hewitt, Sean Hinton, Jose Mendoza, Mike Montiel, Chris Phillips, Wilfredo Quintero, William Sadler, Richard Salas, Steve Shaw, John Vance, Brandon Wagner	Sarah Jones
7/19/2018	Line Locator	Alan Aragon, Jose Carrillo, David Frederick, Sean Hinton, Sarah Jones, Justin Mello, Jose Mendoza, Sal Mendoza, Mike Montiel, Chris Phillips, William Sadler, Richard Salas, John Vance, Brandon Wagner	Bob L. Tyner
7/23/2018	Heat Illness Emergency Procedures	Alan Aragon, Jose Carrillo, David Frederick, Aaron Hewitt, Sean Hinton, Justin Mello, Jose Mendoza, Sal Mendoza, Mike Montiel, Chris Phillips, William Sadler, Richard Salas, Steve Shaw, John Vance, Brandon Wagner	Sarah Jones
7/26/2018	Effective Communication	Alan Aragon, Aurelia Camilo, Jose Carrillo, Travis Franklin, David Frederick, Aaron Hewitt, Sean Hinton, Bruce Kamilos, Patrick Lee, Mark Madison, Denise Maxwell, Justin Mello, Jose Mendoza, Sal Mendoza, Mike Montiel, Donella Murillo, Stefani Phillips, Cindy Robertson, William Sadler, Richard Salas, Steve Shaw, John Vance, Tonia Williams	Sarah Jones



Legend

- Services to Replace
- Services to Replace with Water Mains
- Replaced Services in July 2018
- Replaced Services

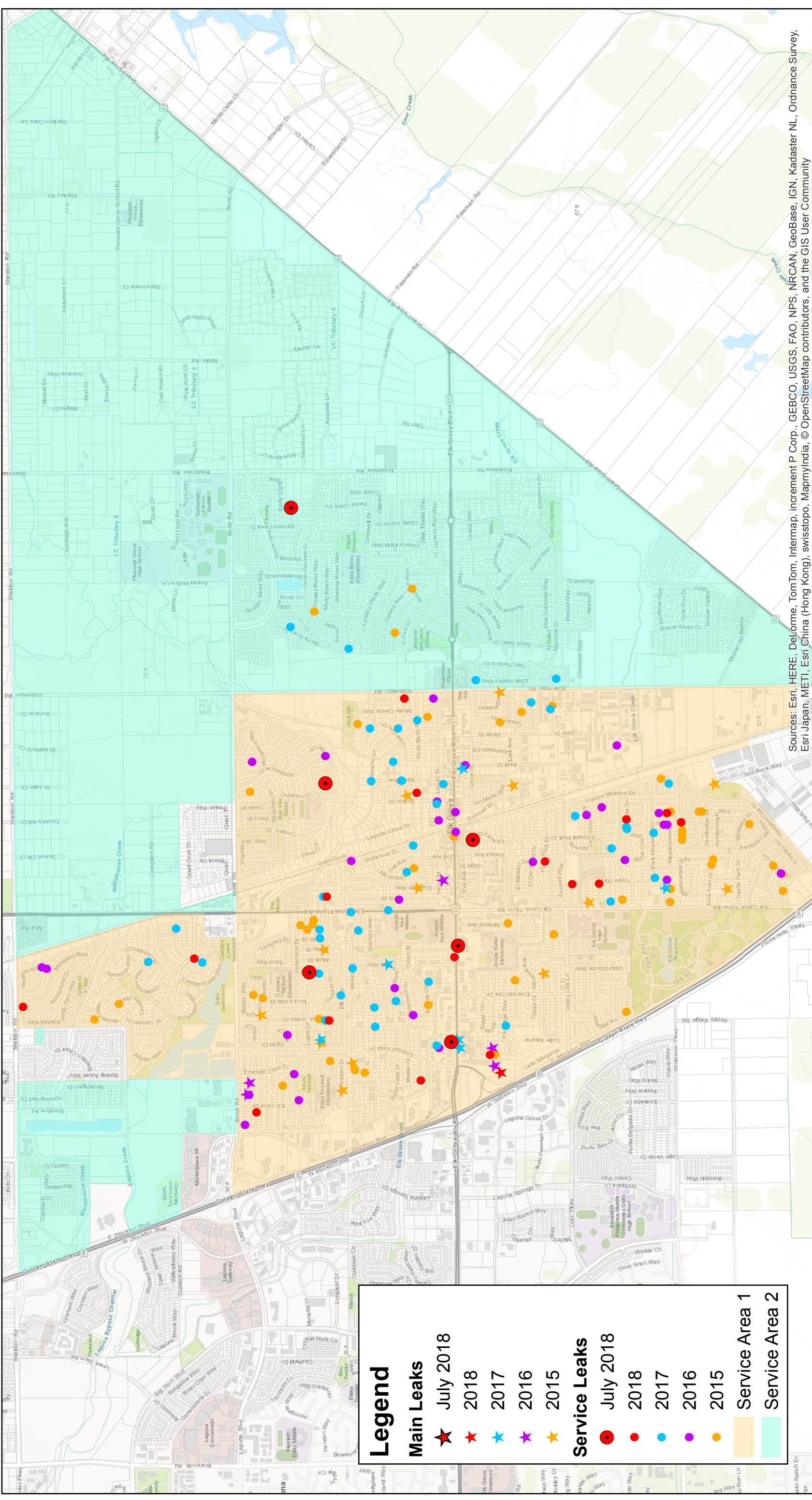
Services to Replace: 231
 Services Replaced in July 2018: 25
 Total Service Replaced: 344



**Elk Grove Water District
 Service Line Replacement**

Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri, China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

Projected Coordinate System: NAD 83 State Plane, California II, FIPS 0420
 Source: City of Elk Grove, EGWD and Sacramento County GIS databases
 Created by: Travis Franklin
 Date: August 3, 2018



Legend

Main Leaks

- ★ July 2018
- ★ 2018
- ★ 2017
- ★ 2016
- ★ 2015

Service Leaks

- July 2018
- 2018
- 2017
- 2016
- 2015

■ Service Area 1

■ Service Area 2

Elk Grove Water District	
Service / Main Leaks	
Created by: Travis Franklin	
Date: August 3, 2018	

Elk Grove Water District

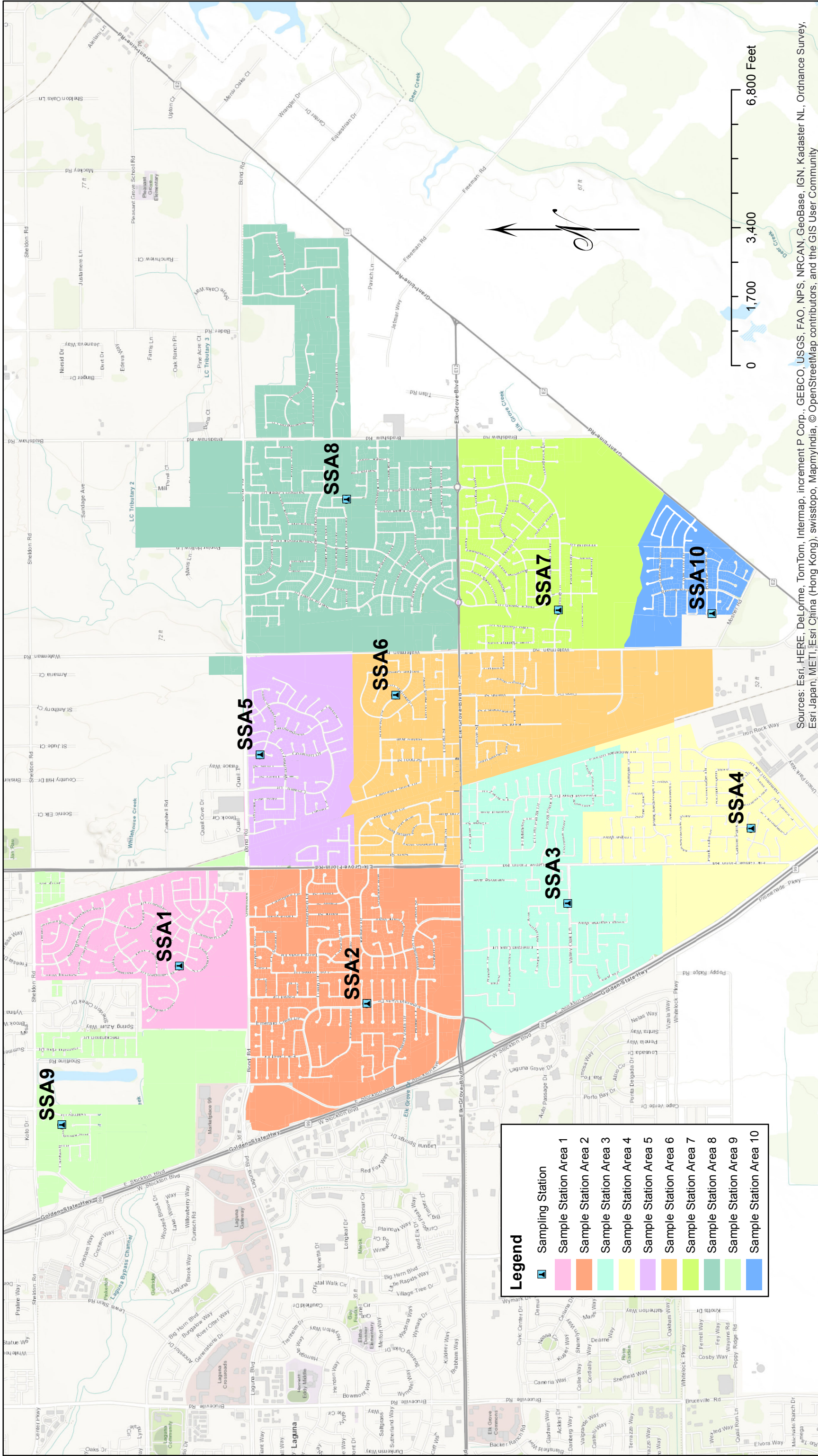
Main and Service Line Leaks Map

0 3,000 6,000 Feet

North Arrow

Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

July 2018	
Main Line Leaks: 0	YTD: 1
Service Line Leaks: 6	YTD: 22
Total Leaks: 6	YTD: 23



Legend

- Sampling Station
- Sample Station Area 1
- Sample Station Area 2
- Sample Station Area 3
- Sample Station Area 4
- Sample Station Area 5
- Sample Station Area 6
- Sample Station Area 7
- Sample Station Area 8
- Sample Station Area 9
- Sample Station Area 10

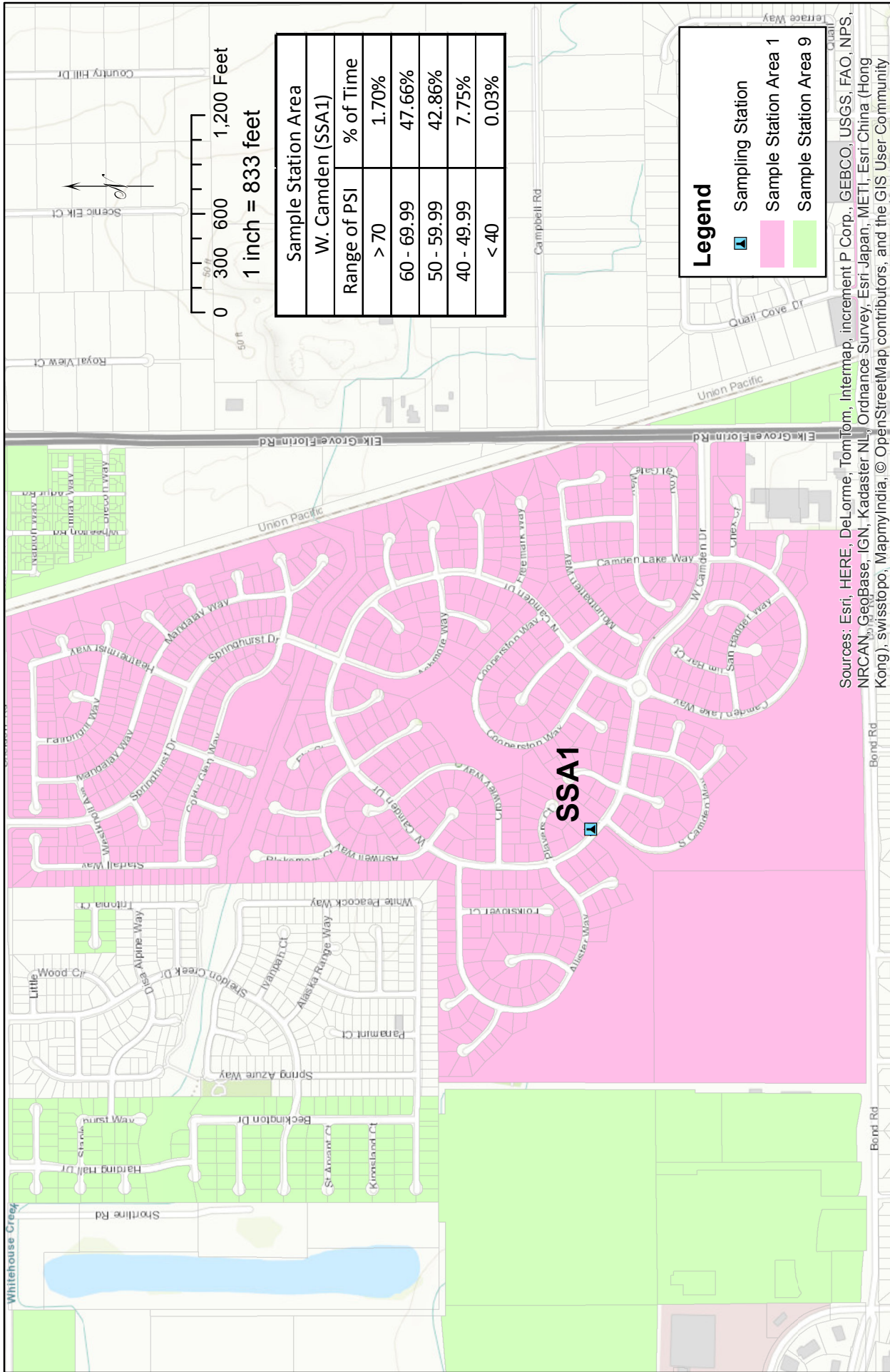
Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

Projected Coordinate System: NAD 83 State Plane CA II FIPS 0402
Source: EGWD GIS database
Modified by: Travis Franklin
August 6, 2018

Elk Grove Water District

Sample Station Areas

Sample Stations: 10

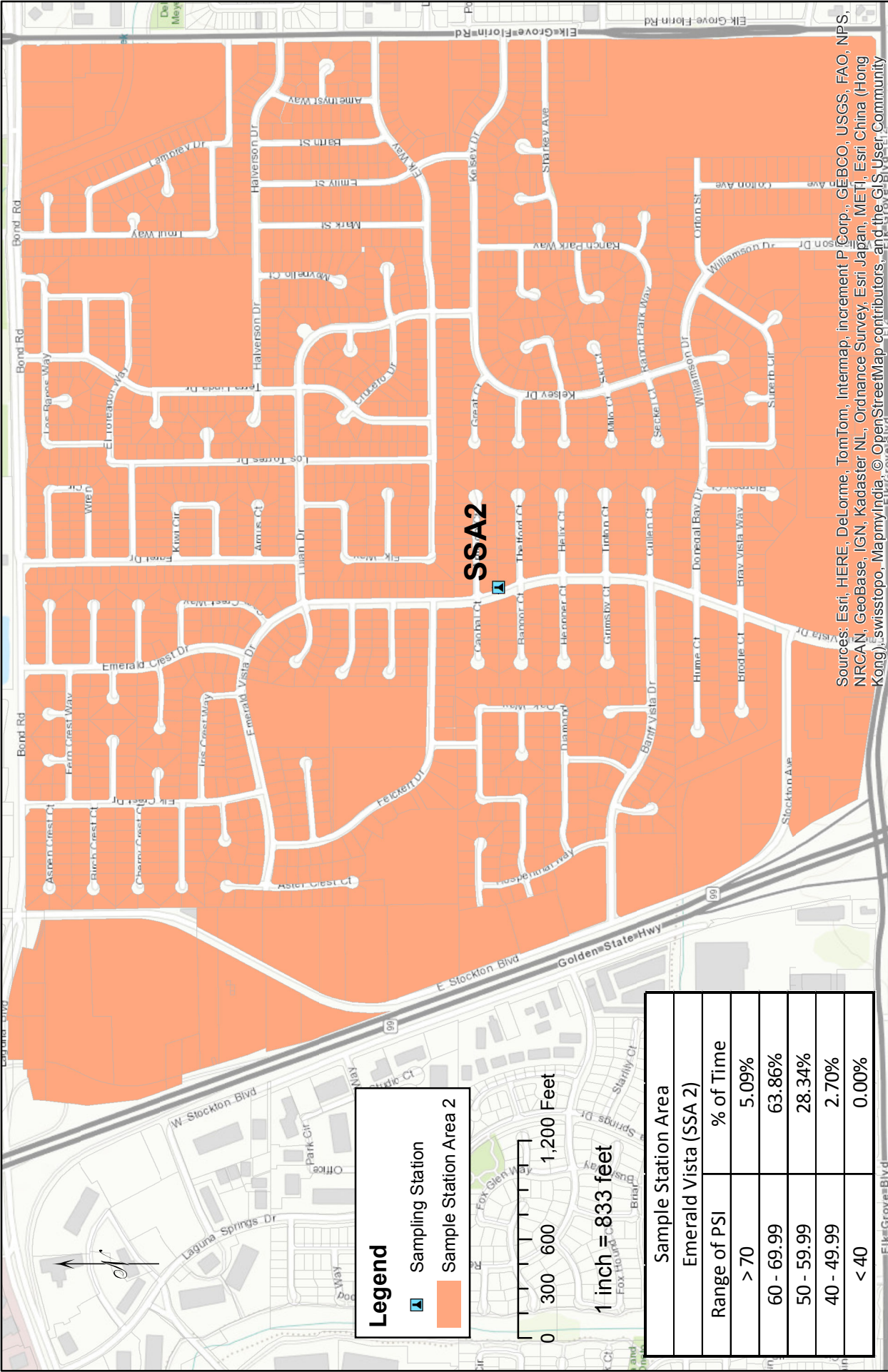


Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swissltopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community



Elk Grove Water District
System Pressure Monitoring

Projected Coordinate System:
 NAD 83 State Plane CA II FIPS 0402
 Source:EGWD GIS database
 Created by: Travis Franklin
 August 6, 2018

Sample Station #1
 Note: Sample Station takes a reading every 5 minutes.
 July 2018



Legend

-  Sampling Station
-  Sample Station Area 2

0 300 600 1,200 Feet
 1 inch = 833 feet

Sample Station Area	Emerald Vista (SSA 2)
Range of PSI	> 70
% of Time	5.09%
	63.86%
	28.34%
	2.70%
	0.00%

Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), Swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community



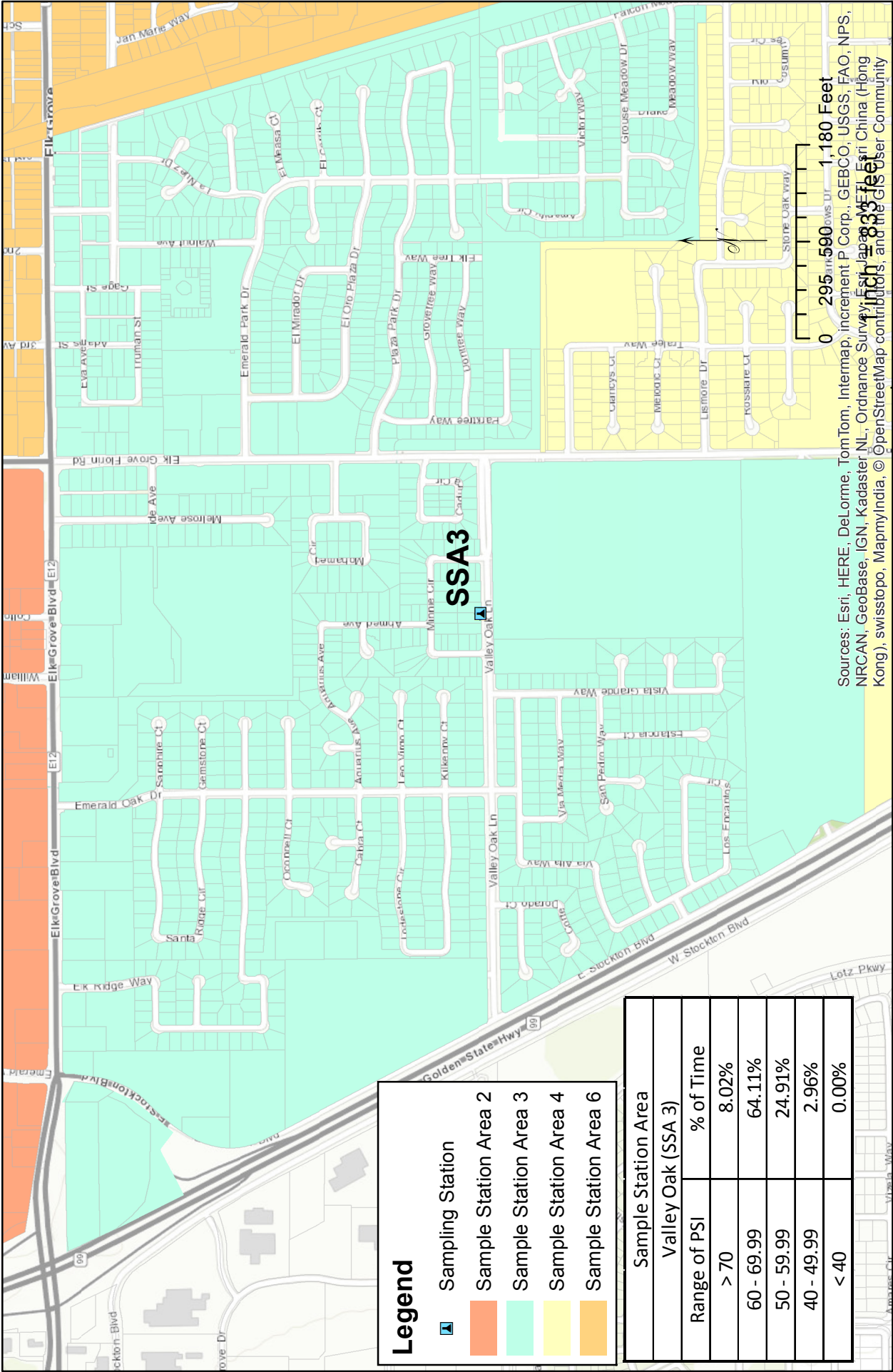
Elk Grove Water District System Pressure Monitoring

Sample Station #2

Note: Sample Station takes a reading every 5 minutes.

July 2018

Projected Coordinate System:
 NAD 83 State Plane CA II FIPS 0402
 Source: EGWD GIS database
 Created by: Travis Franklin
 August 6, 2018



Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, Swisstopo, Esri China (Hong Kong), swisstopo, MapmyIndia, ©OpenStreetMap contributors, and the GIS User Community

Legend

- Sampling Station
- Sample Station Area 2
- Sample Station Area 3
- Sample Station Area 4
- Sample Station Area 6

Sample Station Area	
Valley Oak (SSA 3)	
Range of PSI	% of Time
> 70	8.02%
60 - 69.99	64.11%
50 - 59.99	24.91%
40 - 49.99	2.96%
< 40	0.00%

Sample Station #3

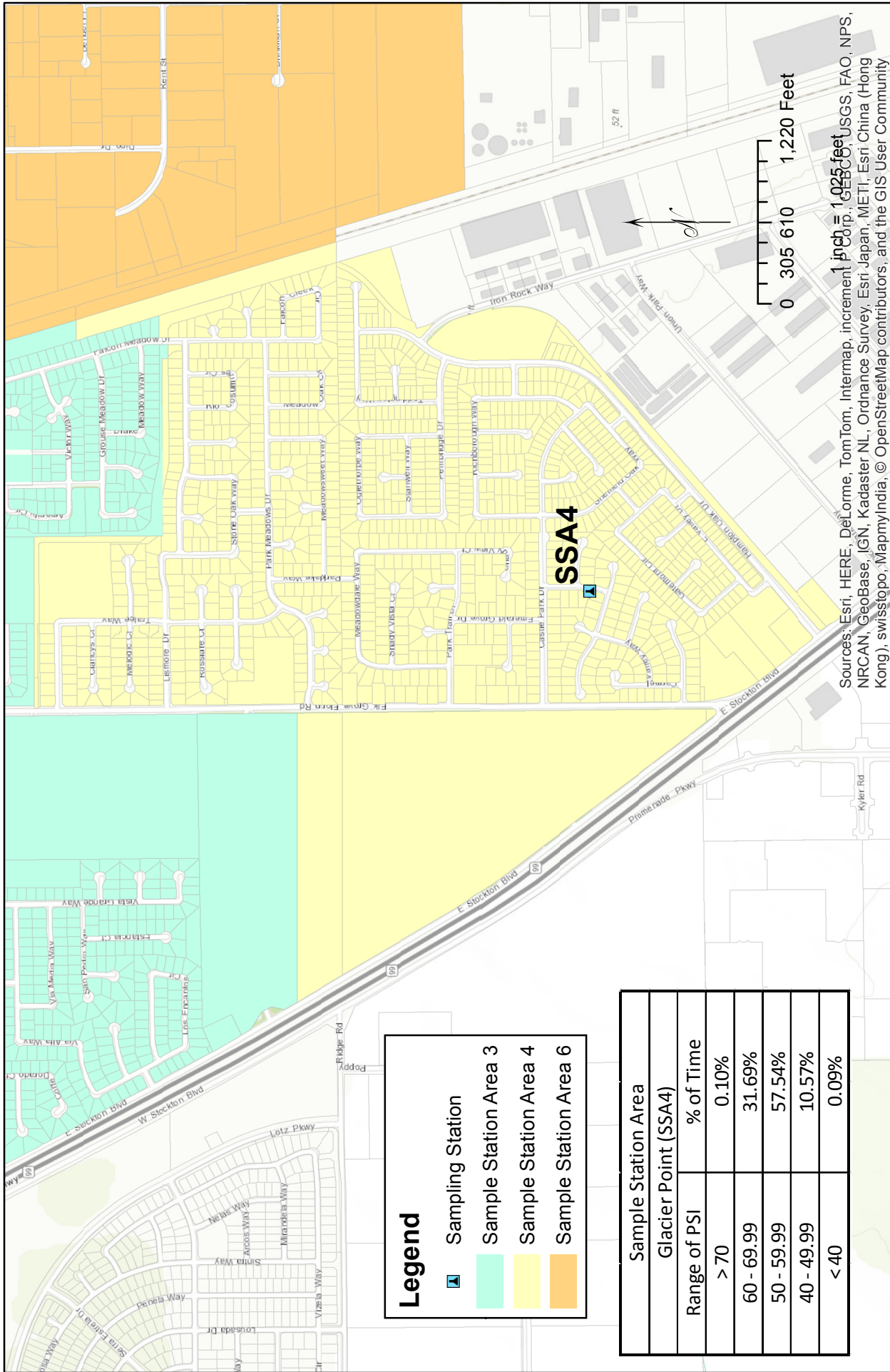
Note: Sample Station takes a reading every 5 minutes.

July 2018



Elk Grove Water District
System Pressure Monitoring

Projected Coordinate System:
NAD 83 State Plane CA II FIPS 0402
Source: EGWD GIS database
Created by: Travis Franklin
August 6, 2018



1 inch = 1,025 feet
 Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

Legend

- Sampling Station
- Sample Station Area 3
- Sample Station Area 4
- Sample Station Area 6

Sample Station Area	Glacier Point (SSA4)	Range of PSI	% of Time
		> 70	0.10%
		60 - 69.99	31.69%
		50 - 59.99	57.54%
		40 - 49.99	10.57%
		< 40	0.09%



Elk Grove Water District

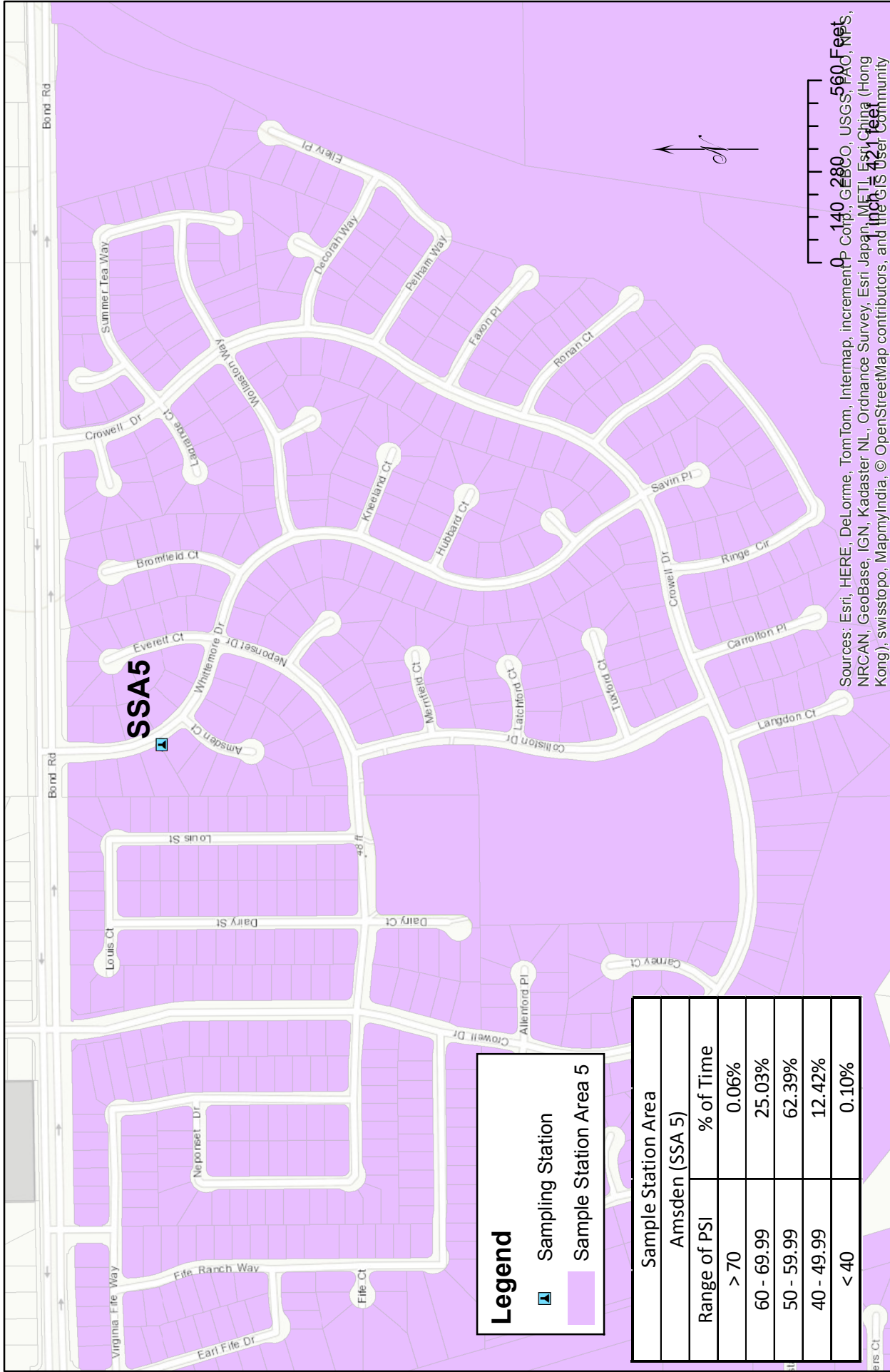
System Pressure Monitoring

Projected Coordinate System:
 NAD 83 State Plane CA II FIPS 0402
 Source: EGWD GIS database
 Created by: Travis Franklin
 August 6, 2018

Sample Station #4



Note: Sample Station takes a reading every 5 minutes.

July 2018



Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, Aero, FRS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

Legend

-  Sampling Station
-  Sample Station Area 5

Sample Station Area	Amsden (SSA 5)	Range of PSI	% of Time
		> 70	0.06%
		60 - 69.99	25.03%
		50 - 59.99	62.39%
		40 - 49.99	12.42%
		< 40	0.10%



Elk Grove Water District

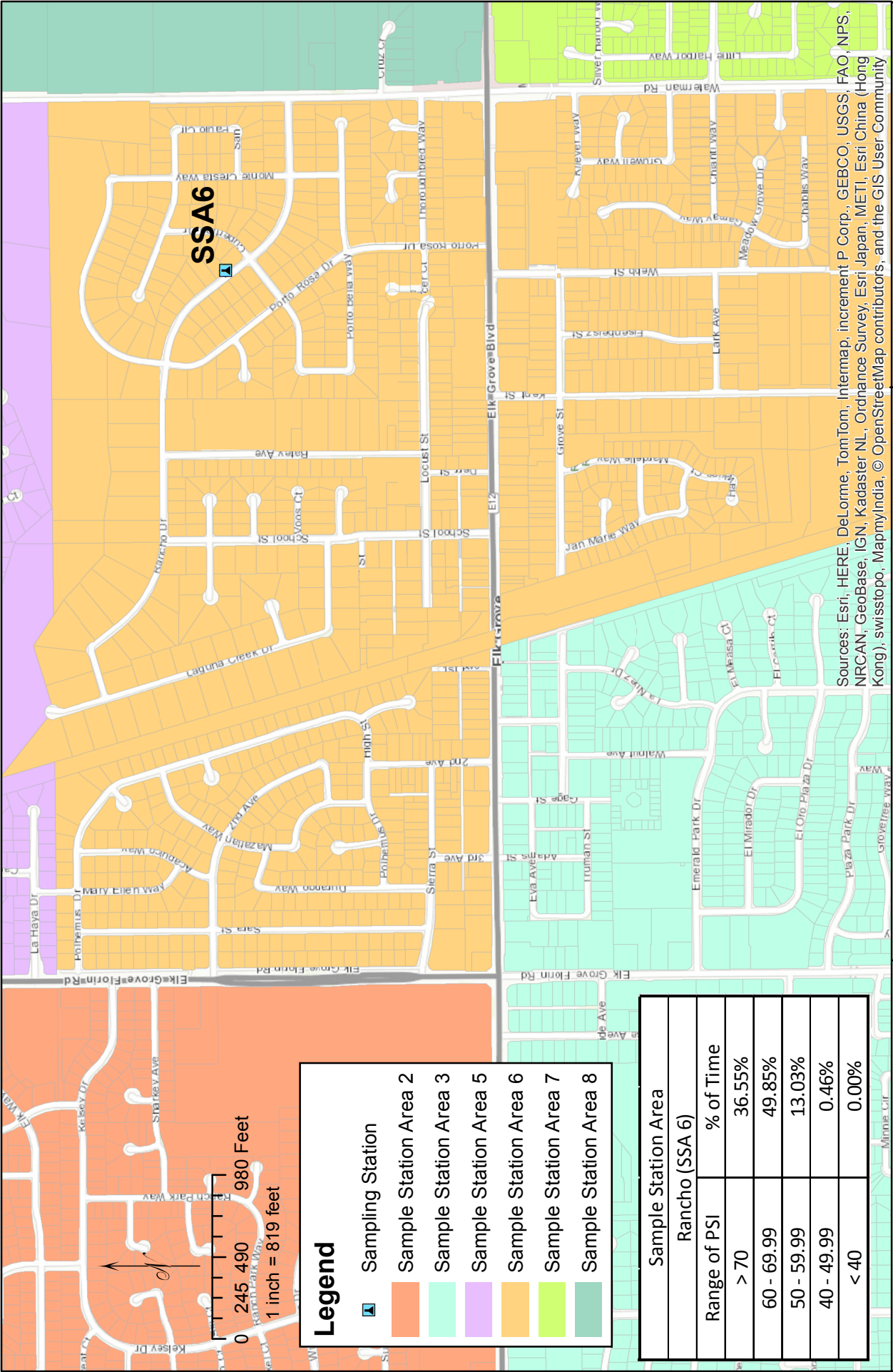
System Pressure Monitoring

Projected Coordinate System:
 NAD 83 State Plane CA II FIPS 0402
 Source: EGWD GIS database
 Created by: Travis Franklin
 August 6, 2018

Sample Station #5

Notes: Sample Station takes a reading every 5 minutes.

July 2018



Legend

- Sampling Station
- Sample Station Area 2
- Sample Station Area 3
- Sample Station Area 5
- Sample Station Area 6
- Sample Station Area 7
- Sample Station Area 8

Sample Station Area	Range of PSI	% of Time
Rancho (SSA 6)	> 70	36.55%
	60 - 69.99	49.85%
	50 - 59.99	13.03%
	40 - 49.99	0.46%
	< 40	0.00%

Sample Station #6

Note: Sample Station takes a reading every 5 minutes.

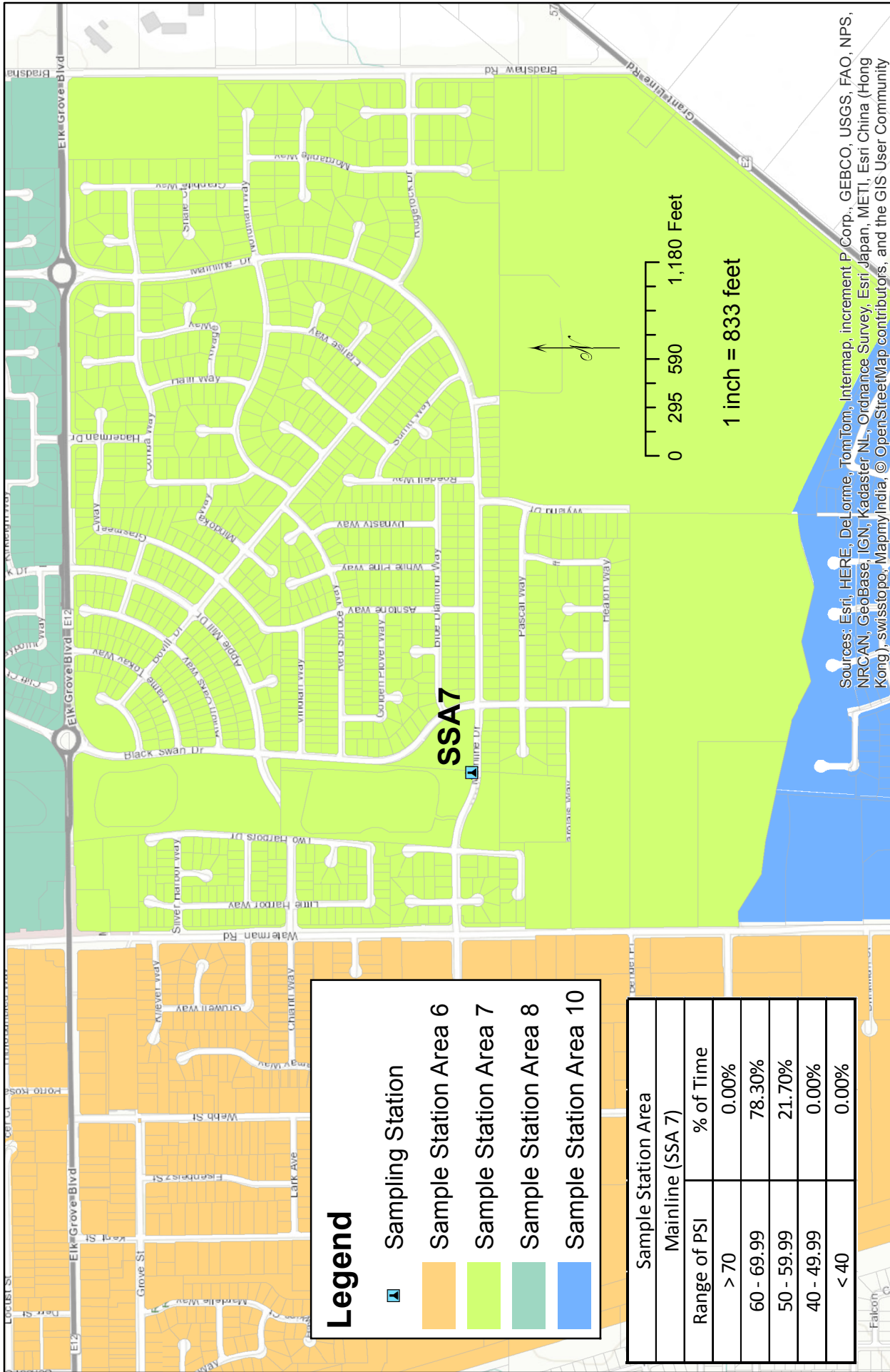
July 2018



Elk Grove Water District
System Pressure Monitoring

Projected Coordinate System:
NAD 83 State Plane CA II FIPS 0402
Source: EGWD GIS database
Created by: Travis Franklin
August 6, 2018

Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community



Legend

- Sampling Station
- Sample Station Area 6
- Sample Station Area 7
- Sample Station Area 8
- Sample Station Area 10

Sample Station Area	% of Time
Mainline (SSA 7)	
Range of PSI	
> 70	0.00%
60 - 69.99	78.30%
50 - 59.99	21.70%
40 - 49.99	0.00%
< 40	0.00%

Projected Coordinate System:
 NAD 83 State Plane CA II FIPS 0402
 Source: EGWD GIS database
 Created by: Travis Franklin
 August 6, 2018

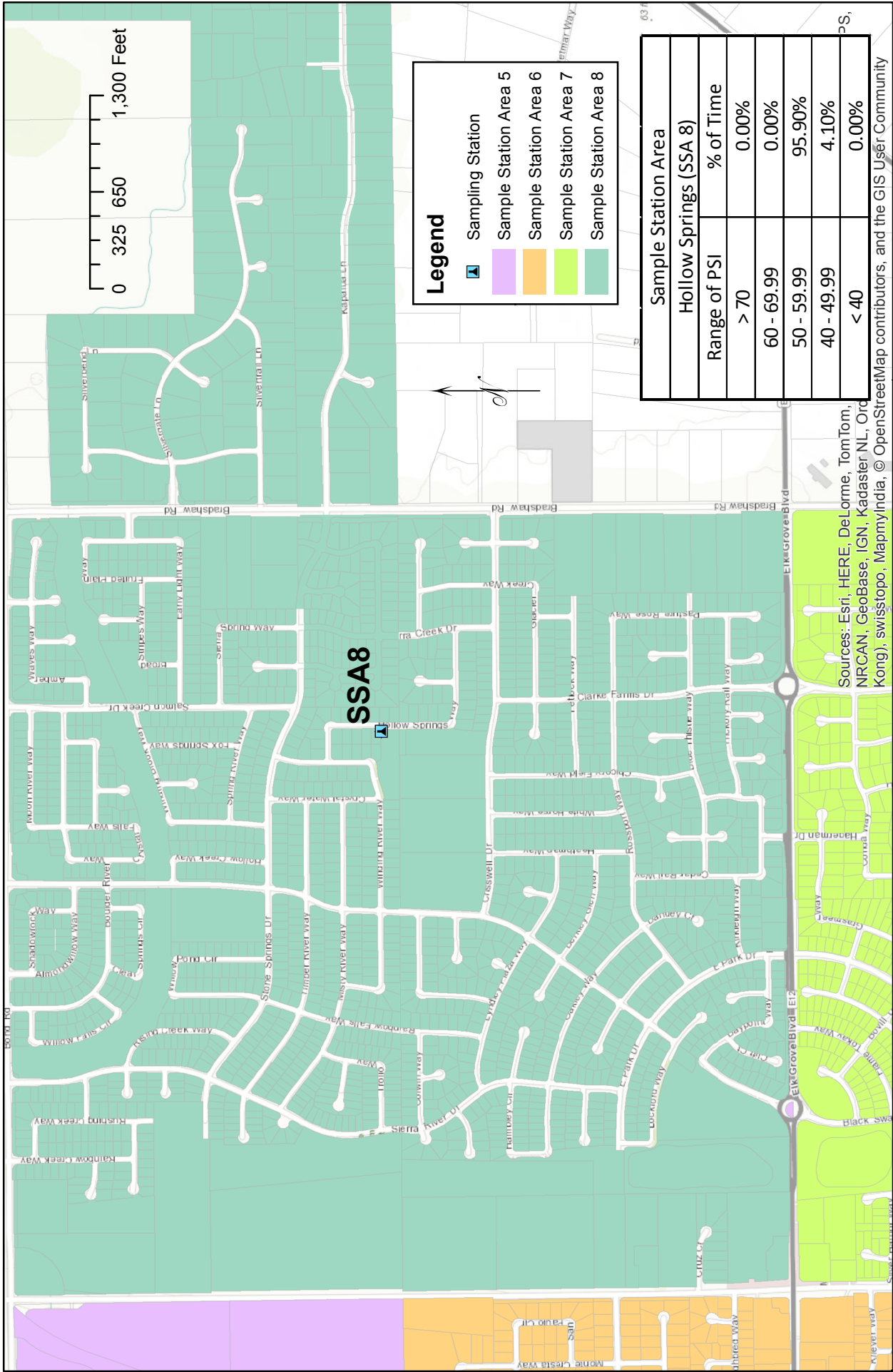
Elk Grove Water District
 System Pressure Monitoring



Sample Station #7

Note: Sample Station takes a reading every 5 minutes.

July 2018



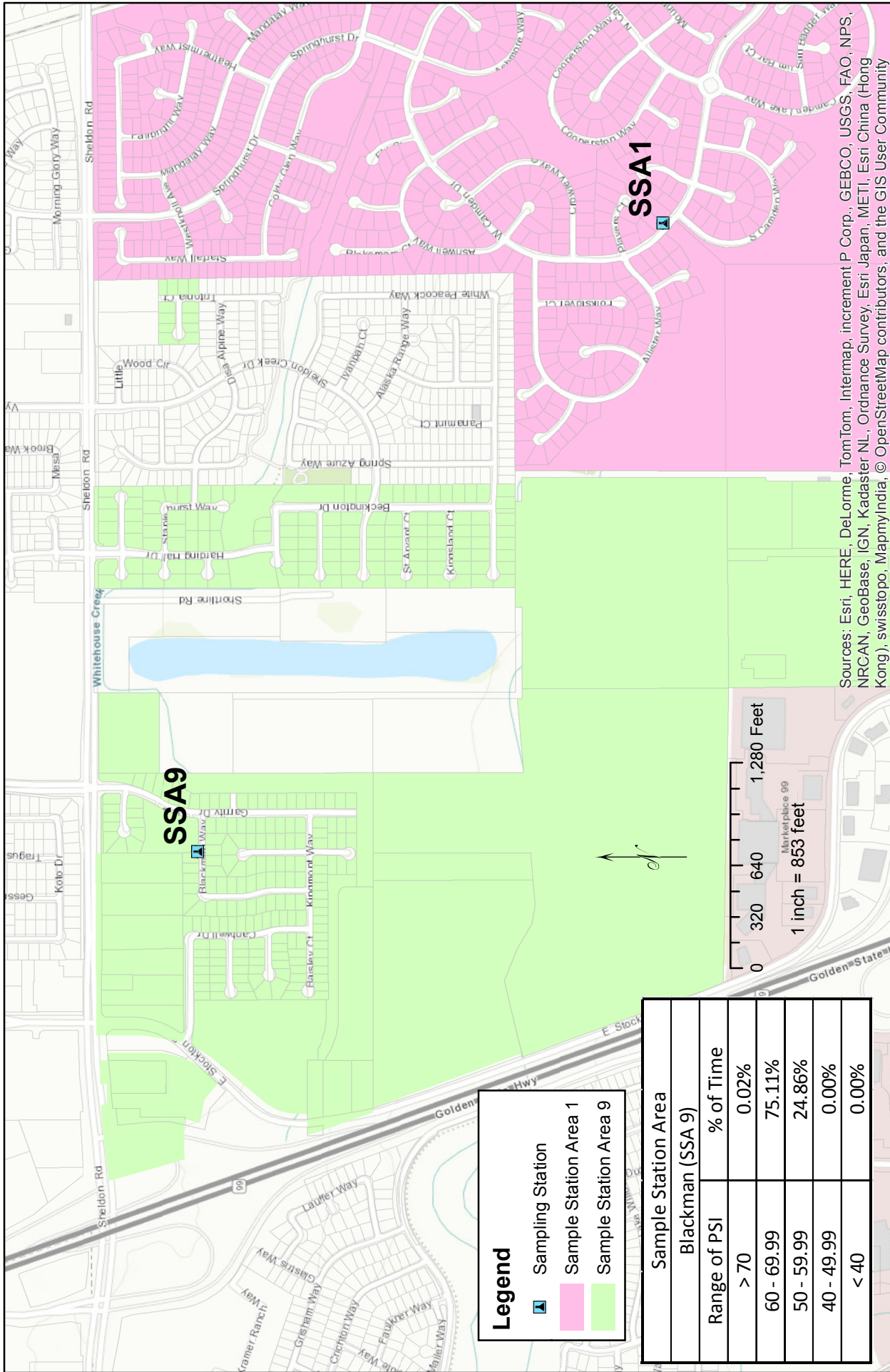
Projected Coordinate System:
 NAD 83 State Plane CA II FIPS 0402
 Source: EGWD GIS database
 Created by: Travis Franklin
 August 6, 2018

Elk Grove Water District

System Pressure Monitoring



Sample Station #8
 Note: Sample Station takes a reading every 5 minutes.
 July 2018



Legend

- Sampling Station
- Sample Station Area 1
- Sample Station Area 9

Sample Station Area	Blackman (SSA 9)	Range of PSI	% of Time
> 70	0.02%	60 - 69.99	75.11%
50 - 59.99	24.86%	40 - 49.99	0.00%
< 40	0.00%		

Sample Station #9

Note: Sample Station takes a reading every 5 minutes.

July 2018



Elk Grove Water District
System Pressure Monitoring

Projected coordinate system:
NAD 83 State Plane CA II FIPS 0402
Source: EGWD GIS database
Created by: Travis Franklin
August 6, 2018

Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community



Legend


- Sampling Station
- Sample Station Area 4
- Sample Station Area 6
- Sample Station Area 7
- Sample Station Area 10

Sample Station Area	Range of PSI	% of Time
Oreo Ranch (SSA 10)	> 70	42.44%
	60 - 69.99	57.55%
	50 - 59.99	0.01%
	40 - 49.99	0.00%
	< 40	0.00%

Sample Station #10

Note: Sample Station takes a reading every 5 minutes.

July 2018



Elk Grove Water District

System Pressure Monitoring

Projected Coordinate System:
NAD 83 State Plane CA II FIPS 0402

Source: EGWD GIS database

Created by: Travis Franklin

August 6, 2018

Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

August 15, 2018

TO: Chairperson and Directors of the Florin Resource Conservation District

FROM: Patrick Lee, Finance Manager/Treasurer

SUBJECT: **PUBLIC HEARING AND CONSIDERATION OF THE 2018 CONNECTION FEE STUDY AND ADOPTION OF NEW WATER CONNECTION FEES**

RECOMMENDATION

It is recommended that the Florin Resource Conservation District Board of Directors adopt Ordinance 08.15.18.01, approving the 2018 Connection Fee Study Report and revising the Elk Grove Water District water connection fees as prescribed by the study.

SUMMARY

In January 2018, the Florin Resource Conservation District (District) initiated a review of the Elk Grove Water District's (EGWD) financial requirements and the preparation of a new five-year water connection fee study. This study, referred to as the 2018 Connection Fee Study, is now complete and is presented to the Board of Directors for consideration.

The 2018 Connection Fee Study recommends certain adjustments to the capacity and meter charges, generally increasing the combined fees for new connections. The Board will hold a public hearing to receive comments on the Connection Fee Study. Following the public hearing, the Board will consider adoption of an ordinance which will include final approval of the 2018 Connection Fee Study and revising the current connection fees to reflect the fee amounts as prescribed in the study.

DISCUSSION

Background

The term "Water Connection Fee" is defined in the AWWA M1 Manual as "system development charges (connection fees) that are one-time charges paid by new development to finance construction of public facilities needed to serve them." Simply stated, connection fees are a contribution of capital to either reimburse current customers for the available capacity in the existing system, or help finance planned future growth-related capacity improvements necessary to provide service to new customers connecting to the District's system.

For the District, water connection fees are comprised of two components. The first component is the capacity charge which is a one-time assessment, collected as a

**PUBLIC HEARING AND CONSIDERATION OF THE 2018 CONNECTION FEE STUDY
AND ADOPTION OF NEW WATER CONNECTION FEES**

Page 2

condition of connecting to the District's water system, for new and existing water facilities, that are of proportional benefit to the new connection. The second component is a meter installation charge intended to reimburse the District for the time and materials to physically install a meter. This charge is also a one-time assessment, collected when a new connection is made to the District's water system.

In January 2012, the Board retained Willdan Financial Services to conduct a review of the EGWD's financial requirements and to prepare a new water connection fee study, which was approved by the Board on April 24, 2013. Water utilities such as the EGWD typically conduct financial plans and fee studies about every five years to ensure that water rates and fees are adequate and equitable. On October 2017, the Board retained HDR Engineering, Inc. to conduct a current review of the EGWD's connection fees to ensure the fees are adequate and equitable for the next 5 years.

Present Situation

The attached 2018 Connection Fee Study presents an analysis of the cost of water facilities to accommodate new development within the EGWD. From this analysis, new capacity and meter charges are recommended.

The District worked collaboratively with the Building Industry Association (BIA) to obtain input regarding the 2018 Connection Fee Study. There have been four meetings where the BIA has had an opportunity to provide input and comments to the District. The BIA has contributed valuable assistance and input to ensure that the information and work products reflect an accurate and equitable study.

In developing the new proposed capacity charge, the analysis used a "combined approach" methodology of the "buy-in method" and the "incremental cost method". The "buy-in" method is based on the value of the existing system's capacity and is typically used when the existing system has sufficient capacity to serve new development now and into the future. The "incremental cost method" is based on the value or cost to expand the existing system's capacity and is typically used when the existing system has limited or no capacity to serve new development now and into the future. The value of the District's assets and future projects related to providing service to new customers is determined and then divided by the determination of an equivalent dwelling unit (EDU), which is defined as a 1-inch meter equivalent. The result is the maximum allowed total connection fee for an EDU.

PUBLIC HEARING AND CONSIDERATION OF THE 2018 CONNECTION FEE STUDY AND ADOPTION OF NEW WATER CONNECTION FEES

Page 3

The proposed meter charges remain unchanged at \$926 for a 1-inch meter, and time and material (T&M) for all meters larger than 1-inch. The meter charges are derived from actual costs incurred by the district, including the meter, the cost of labor to install the meter, and a 6% administrative fee to recover administrative expenses associated with new meter installations.

The proposed new capacity and meter charges are as follows:

Table 4 - 4 Proposed Water Connection Fee by Meter Size				
Meter Size	1" Meter Equivalent (EDU)	Meter Charge	Connection Fee (CF; \$/EDU)	Total Meter Charge and Connection Fee
1"	1.0	\$926	\$4,479	\$5,405
1-1/2"	2.0	T&M*	8,958	8,958 + T&M*
2"	3.2	T&M*	14,333	14,333 + T&M*
3"	6.0	T&M*	26,874	26,874 + T&M*
4"	10.0	T&M*	44,790	44,790 + T&M*
6"	20.0	T&M*	89,580	89,580 + T&M*

*Cost of Time and Materials to Install Meter

Connection Fees apply to Service Area 1 only.

ENVIRONMENTAL CONSIDERATIONS

CEQA does not apply to the District's adoption of these rates since the Board specifically finds the rates are for the purpose of one or more of the following:

- (1) Meeting operating expenses, including employee wage rates and fringe benefits,
- (2) Purchasing or leasing supplies, equipment, or materials,
- (3) Meeting financial reserve needs and requirements, and/or
- (4) Obtaining funds for capital projects, necessary to maintain service within existing service areas.

PUBLIC HEARING AND CONSIDERATION OF THE 2018 CONNECTION FEE STUDY AND ADOPTION OF NEW WATER CONNECTION FEES

Page 4

STRATEGIC PLAN CONFORMITY

Completion of the 2018 Connection Fee Study complies with the Financial Stability goals of the 2012-2017 Strategic Plan.

FINANCIAL SUMMARY

The recommended fee structure will generate the following amounts in additional revenue to cover future CIP costs related to expansion, the total buy-in component costs, and meter installation charges, over the next five years if total build out is achieved and assuming all future connections are 1-inch meters (a conservative assumption):

• Future CIP costs related to expansion (270 EDU's)	\$ 139,590
• Buy-in component (270 EDU's)	\$ 1,069,740
• Meters – 270 new connections	<u>\$ 250,020</u>
Total	\$ 1,459,350

Respectfully submitted,



PATRICK LEE
FINANCE MANAGER/TREASURER

Attachments

ORDINANCE NO. 08.15.18.01

**AN ORDINANCE OF THE FLORIN RESOURCE
CONSERVATION DISTRICT BOARD OF DIRECTORS
APPROVING THE 2018 CONNECTION FEE STUDY REPORT
AND REVISING THE ELK GROVE WATER DISTRICT WATER CONNECTION
FEES AS PRESCRIBED IN THE STUDY**

WHEREAS, Government Code sections 66013 and 66016 authorize the Florin Resource Conservation District (the "District") to adopt a resolution or ordinance to establish and impose water connection fees and capacity charges; and

WHEREAS, the District's connection fee has two components; a capacity charge and a meter installation charge; and

WHEREAS, the District Board of Directors ("Board of Directors") adopted Ordinance 12.14.16.01 on December 14, 2016, establishing Water Connection Fees; and

WHEREAS, the District Board of Directors ("Board of Directors") caused to have prepared the Elk Grove Water District 2018 Connection Fee Study Report, dated May 23, 2018, which recommends changes to the existing water connection fees; and

WHEREAS, the Board of Directors wishes to adjust the capacity charge component of its water connection fee to reflect the recommended fees per the 2018 Connection Fee Study Report; and

WHEREAS, pursuant to Government Code sections 66016 and 66018, the District held a public hearing on August 15, 2018, as part of a regularly scheduled meeting of its Board of Directors, during which the District gave members of the public the opportunity to make oral or written presentations to the Board of Directors on the proposed changes to the water capacity charge; and

WHEREAS, the District published notice of the time and place of the August 15, 2018 public hearing, including a general explanation of the matter to be considered, at least ten days before the hearing as required by Government Code section 6062a and 66018; and

WHEREAS, at least ten days before the public hearing, the District made data publicly available that indicates (1) the estimated cost required to provide the services for which the District proposes to levy the capacity charge and meter installation charge and (2) the revenue sources anticipated to provide such services, all according to Government Code section 66016; and

WHEREAS, the above-described data sets forth reasonable cost estimates for the District's provision of the water connection fees and establishes that the proceeds generated by the fees do not exceed the total of the estimated costs.

NOW, THEREFORE, THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS HEREBY DETERMINES AND ORDAINS AS FOLLOWS:

Section 1. Recitals. The above recitals are true and correct and incorporated herein.

Section 2. Final Approval of Water Connection Fee Study. The Elk Grove Water District 2018 Connection Fee Study Report dated May 23, 2018 is hereby approved.

Section 3. Water Connection Fees. Water Connection fees are the fees recommended in the “Elk Grove Water District 2018 Connection Fee Study Report” dated May 23, 2018 and attached as Exhibit A. Beginning November 1, 2018 and continuing annually thereafter on that same month and day, the minimum total connection fee will be automatically increased according to the most recent index values published in the Engineering News-Record Magazine’s Construction Cost Index.

Section 4. California Environmental Quality Act Compliance.

(a) Pursuant to California Public Resources Code section 21080(b)(8), the District’s adjustments to the water capacity charges and meter installation charges are not subject to the requirements of the California Environmental Quality Act. In accordance with Section 21080(b)(8), the District finds and determines that these adjustments constitute the modification of charges to meet operating expenses and for obtaining funds for capital projects necessary to provide and maintain water services within the District’s service area.

(b) District staff is hereby directed to file a Notice of Exemption with the Sacramento County Clerk within three (3) business days after adoption of this Ordinance.

Section 5. Ordinance Effective Date. This ordinance shall take effect upon its adoption.

PASSED AND ADOPTED by the Florin Resource Conservation District Board of Directors on this 15th day of August 2018 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Tom Nelson
Chairperson of the Board of Directors

ATTEST:

Stefani Phillips
Board Secretary



FINAL REPORT



**Florin Resource Conservation
District/Elk Grove Water District
Connection Fee Study
May 2018**



May 23, 2018

Mr. Mark Madison, P.E.
General Manager
Florin Resource Conservation District/ Elk Grove Water District
9257 Elk Grove Blvd.
Elk Grove, CA 95624

Subject: Water Connection Fee Final Report

Dear Mr. Madison:

HDR Engineering, Inc. (HDR) was retained by the Florin Resource Conservation District (FRCD) to update the water connection fees for its water enterprise the Elk Grove Water District (District). Enclosed please find HDR's final report on this topic. The conclusions and recommendations contained within this report should enable the District to implement cost-based water connection fees that meet the District's objectives for their water system.

This report has been prepared using "generally accepted" financial and engineering principles. The District's financial, budgeting and engineering data were the primary sources for much of the data contained in this report. This report was developed with significant participation and input by District management and staff. Prior to adoption of the proposed water connection fees, HDR recommends that the District have its legal counsel review the report to ensure compliance with California law.

HDR appreciates the opportunity to assist the District in this matter. We also would like to thank you and your staff for the assistance provided to us. If you have any questions, please call.

Sincerely,
HDR Engineering, Inc.

A handwritten signature in black ink, appearing to read "Shawn Koorn". The signature is fluid and cursive, with the first name being the most prominent.

Shawn Koorn
Associate Vice President



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1 Introduction

1.1 Introduction

HDR Engineering, Inc. (HDR) was retained by the Florin Resource Conservation District to conduct a connection fee study for its water enterprise the Elk Grove Water District (District). The purpose of connection fees is to recover the costs of public facilities in existence at the time the fee is imposed or for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged. These fees are charged to new customers connecting to the system, or to existing customers increasing their demands (i.e., capacity use).

“The purpose of connection fees is to recover the costs of public facilities in existence at the time the fee is imposed or for new public facilities to be acquired or constructed in the future ... to new customers connecting to the system, or to existing customers increasing their demands.”

Water connection fees provide the means of balancing the cost requirements for new utility infrastructure between existing customers and new customers. The portion of existing infrastructure and future capital improvements that will provide service (capacity) to new customers is included in the connection fees. In contrast to this, the District has future capital improvement projects that are related to renewal and replacement of existing infrastructure in service. These future renewal and replacement project costs are included within the rates charged to the District’s customers, and are not included within the calculation of the connection fee.

The District has invested significant funds to build the majority of the system, therefore many of the future connections will benefit from assets already in place. For purposes of this study, the component of the connection fee associated with existing infrastructure is referred to as the “buy-in component” and the component of the connection fee associated with future capital costs is referred to as the “expansion component”. District debt which was used to finance the purchase and construction of District facilities is referred to as the “debt service component”. By establishing cost-based water connection fees, the District will take a position of having “growth pays for growth” and existing utility customers should, for the most part, be sheltered from the financial impacts of growth.

“By establishing cost-based connection fees, the District will take a position of having “growth pay for growth” and existing utility customers should, for the most part, be sheltered from the financial impacts of growth.”

1.2 Organization of Report

This report documents the methodology, approach and technical analysis undertaken by HDR and the District to develop the District’s water connection fees. The report is divided into four sections: Section 1 provides a brief introduction and overview of the study; given this brief introduction, Section 2 provides an overview of connection fees and the criteria and general methodology that should

be used to calculate and establish cost-based connection fees; Section 3 provides an overview of the requirements under California law for determining connection fees; and Section 4 reviews the District specific calculations of the cost-based water connection fees and provides a summary of the analyses and the “allowable” connection fees.

1.3 Disclaimer

HDR, in its calculation of the water connection fees presented in this report, has used “generally accepted” engineering and ratemaking principles. This should not be construed as a legal opinion with respect to California law. HDR recommends that the District have its legal counsel review the connection fees as set forth in this report to ensure compliance with California law.

2 Overview of Connection Fees

2.1 Introduction

An important starting point in establishing water connection fees is to have a basic understanding of the purpose of these fees, along with the criteria and general methodology that is used to establish cost-based connection fees. Presented in this section of the report is an overview of water connection fees and the criteria and general methodology that is used to develop cost-based water connection fees.

2.2 Defining Connection Fees

The first step in establishing cost-based water connection fees is to gain a better understanding of the definition of a system development charge (SDC) or connection fee. For the purposes of this report, a connection fee is defined as follows:

“System development charges (connection fees) are one-time charges paid by new development to finance construction of public facilities needed to serve them.”¹

Simply stated, connection fees are a contribution of capital to either reimburse current customers for the available capacity in the existing system, or help finance planned future growth-related capacity improvements necessary to provide service to new customers connecting to the District’s system. At some utilities, connection fees may be referred to as system development charges, impact fees, infrastructure investment fees, capacity reserve fees, etc. Regardless of the label used to identify them, their objective is the same. That is, these charges are intended to provide funds to the utility to finance all or a part of the capital improvements needed to serve and accommodate new customer growth. Absent those fees, many utilities would likely be unwilling to build growth-related facilities (i.e., burden existing rate payers with the entire cost of growth-related capacity expansion).

2.3 Economic Theory and Connection Fees

Connection fees are generally imposed as a condition of service. The objective of a connection fee is not merely to generate funds for a utility, but to ensure that all customers seeking to connect to the utility’s system bear an equitable share of the cost of excess capacity that current customers have invested in the existing system and any future growth-related expansions. Through the implementation of fair and equitable connection fees, current customers will not be unduly burdened with the cost of new development.

By establishing cost-based connection fees, the District will be taking an important step in providing adequate infrastructure to meet growth-related needs, and more importantly, providing this required infrastructure to new customers in a cost-based, fair, and equitable manner.

¹ Arthur C. Nelson, System Development Charges for Water, Wastewater, and Stormwater Facilities, Lewis Publishers, New York, 1995, p. 1,

2.4 Connection Fee Criteria

In the determination and establishment of the water connection fees, a number of different criteria are often utilized. The criteria often used by utilities to establish connection fees are as follows:

- Customer understanding
- System planning criteria
- Financing criteria, and
- State/local laws

The component of customer understanding implies that the fee is easy to understand. This criterion has implications on the way that the fee is implemented and assessed to the customer. For water systems, the fee is generally based on the customer meter size providing service, or specific customer usage for meter sizes over 2-inches given the flow variability in these larger meter sizes. The other implication of this criterion is that the methodology is clear and concise in its calculation of the amount of infrastructure necessary to provide service.

“The use of system planning criteria is one of the more important aspects in the determination of the connection fees. System planning criteria provide a “rational nexus” between the amount of infrastructure necessary to provide service and the fee to the customer.”

The use of system planning criteria is one of the more important aspects in the determination of the connection fees. System planning criteria provides a “rational nexus” between the amount of infrastructure necessary to provide service and the fees charged to the customer. The terms rational nexus and essential nexus are used interchangeably in this report. Industry manuals on connection fees generally use the term rational nexus while laws and court cases use the term essential nexus. In general

terms, the rational nexus test requires that there be a connection (nexus) established between new development and the new or expanded facilities required to accommodate new development, and appropriate apportionment of the cost to the new development in relation to benefits reasonably to be received.

The rational nexus test contemplates the following:

1. “A connection be established between new development and the new or expanded facilities required to accommodate such development. This establishes the rational basis of public policy.
2. Identification of the cost of these new or expanded facilities needed to accommodate new development. This establishes the burden to the public of providing new facilities to new development and the rational basis on which to hold new development accountable for such costs. This may be determined using the so-called Banberry factors. [Banberry Development Company v. South Jordan City (631 P.2d 899, Utah 1981)].
3. Appropriate apportionment of that cost to new development in relation to benefits it reasonably receives. This establishes the nexus between the fees being paid to finance

new facilities that accommodate new development and benefit new development receives from such new facilities.”²

The first element of the rational nexus test contemplates the establishment of a rational basis for the policy being implemented through the fees. This implies that planning and capital improvement studies are used to establish the need for new facilities to accommodate anticipated growth. Adopted capital improvement plans, asset records, and financial reports satisfy this first element since these plans and reports assess existing facilities and capacity, projected future capacity requirements, and determine the future capital infrastructure and new facilities needed to accommodate anticipated growth.

“Adopted capital improvement plans, asset records, and financial reports satisfy this first element since these plans assess existing facilities and capacity, projected future capacity requirements and determine the future capital infrastructure and new facilities” needed to accommodate growth.”

The second element of the rational nexus test examines the seven Banberry factors the court used “...to determine the proportionate share of costs to be borne by new development:

- The cost of existing facilities
- The means by which existing facilities have been financed
- The extent to which new development has already contributed to the cost of providing existing excess capacity
- The extent to which existing development will, in the future, contribute to the cost of providing existing facilities used community wide or nonoccupants of new development
- The extent to which new development should receive credit for providing at its cost facilities the community has provided in the past without charge to other development in the service area
- Extraordinary costs incurred in serving new development
- The time-price differential inherent in fair comparisons of amount of the money paid at different times.”³

The final element of the rational nexus test is the reasonable apportionment of the cost to new development in relation to benefits it will reasonably receive. This is accomplished in the basic methodology to establish the connection fees, which is generally discussed within this section.

One of the driving forces behind establishing cost-based connection fees is that “growth pays for growth.” Therefore, connection fees are typically established as a means of having new customers pay an equitable share of the cost of their required infrastructure. The financing criteria for establishing connection fees relates to the method used to finance infrastructure on the system and assures that customers are not paying twice for infrastructure – once through connection fees and again through rates. The financing criteria used in the calculation of the

² Ibid, p. 16 and 17. From a legal perspective, of course, the water connection fees are governed by Government Code section 66013 and California case law, not the *Banberry* case, which was decided in Utah.

³ Ibid, P. 18 and 19.

water connection fees assures that the customer is not charged for infrastructure that was provided (contributed) by developers.

Many state and local communities have enacted laws which govern the calculation and imposition of connection fees. These laws must be followed in the development of the connection fees. Most statutes require a “reasonable relationship” between the fee charged and the cost associated with providing service capacity to the customer. The fees do not need to be mathematically exact, but must bear a reasonable relationship, or be roughly proportional to the cost burden imposed. As discussed above, the utilization of the planning criteria and the actual costs of construction and the planned costs of construction establish compliance with the reasonable relationship requirement.

2.5 Overview of the Connection Fee Methodology

There are “generally-accepted” methodologies that are used to establish connection fees. The AWWA M-1 Manual discusses three generally accepted SDC methods;

- ✓ “The *buy-in method* is based on the value of the existing system’s capacity. This method is typically used when the existing system has sufficient capacity to serve new development now and into the future.
- ✓ The *incremental cost method* is based on the value or cost to expand the existing system’s capacity. This method is typically used when the existing system has limited or no capacity to serve new development now and into the future.
- ✓ The *combined approach* is based on a blended value of both the existing and expanded system’s capacity. This method is typically used where some capacity is available in parts of the existing system (e.g. source of supply), but new or incremental capacity will need to be built in other parts (e.g., treatment plant) to serve new development at some point in the future.”⁴

For the development and calculation of the District’s connection fees the “combined approach” was used since there is available capacity in the existing system, but there is a need for future (capacity) expansion to meet future customer growth on the system. Accordingly, the value of the District’s assets and future projects related to providing service to new customers will be determined and then be divided by the determination of an equivalent dwelling unit (EDU). The result will be the maximum allowed total connection fee for an EDU (1-inch meter). The connection fee for larger meter sizes will be based on the capacity of the meter multiplied by the EDU (1-inch) charge.

Regardless of the overall methodology selected, a common denominator of the technical analysis is the various steps undertaken. Within the “generally accepted” connection fee methodologies, there are a number of different steps undertaken. These steps are as follows:

- Determination of system planning criteria

⁴ AWWA M-1 Manual, 6th Edition, p. 265-266.

- Determination of equivalent dwelling unit (EDUs)
- Calculation of system component costs
- Determination of any credits

The first step in establishing the water connection fees is the determination of the system planning criteria. This implies calculating the amount of water required by a single-family residential customer. For water systems, water demand per EDU is most often used, since this represents the basis for system design. For the District’s existing EDUs, an EDU is defined as a 1-inch meter equivalent. A 1-inch meter is typically used for residential connections. The American Water Works Association (AWWA) has a standardized method for determining meter equivalency for larger meter sizes.

Once the system planning criteria is determined, the number of future equivalent dwelling units or EDUs can be determined. For a water system, one reasonable and rational method to determine the number of EDUs is to divide the future land use based water demand by the average day usage per EDU. The land use based water demand is based on future land uses as defined in the local General Plans and historical and current water demands per land use type. This provides the linkage between the amounts of infrastructure necessary to provide service to a set number of customers.

Once the number of EDUs has been determined, a component by component analysis is undertaken to determine the portion of the connection fee attributable to each component in dollars per EDU. The calculation of the component connection fee includes existing assets, planned future assets, and the debt issued to pay for historical assets. The District provided asset replacement costs for their assets and then depreciation applied assuming a straight-line method based on the useful life of each historical asset, respectively. Once the total costs of the existing and future infrastructure and debt service are determined, they are divided by the respective number of EDUs the infrastructure will serve to develop the cost per EDU for the specific infrastructure component.

After each infrastructure component is analyzed and a cost per EDU is determined, the cost per EDU for each of the infrastructure components is added together to determine the “gross connection fee.” The last step in the calculation of the connection fee is the determination of any credits. This is generally a calculation to assure that customers are not paying twice – once through connection fees and again within the water rates. Additional discussion of the debt component and incorporation into the fee calculation is included later in this report.

2.6 Summary

This section of the report has provided an overview of water connection fees; the basis for establishing the fees, considerations in establishing water connection fees, the burden development places on the system, and the steps typically taken in the development of the technical analyses.

In the development of the District’s water connection fee study, the issues identified in this section of the report have been addressed and will be discussed in more detail in later sections of the report. The next section of the report provides a brief overview of the legal considerations in establishing connection fees, particularly as they relate to California law.

3 Legal Considerations for Connection Fees

3.1 Introduction

An important consideration in establishing connection fees is any legal requirements at the Federal, state or local level. The legal requirements often establish the methodology around which the connection fees must be calculated or how the funds must be used. Given that, it is important for the District to understand these legal requirements and develop and adopt their connection fees in compliance with those legal requirements. This section of the report provides an overview of the Court Cases relevant to connection fees and legal requirements for establishing capacity charges, or connection fees, under California law. A discussion of the applicability of Proposition 218 and Proposition 26, as it relates to connection fees, is also provided.

The discussion within this section of the report is intended to be a summary of the relevant Court cases and California law as it relates to establishing connection fees and in no way constitutes a legal interpretation of California law by HDR.

3.2 Court Cases

Court decisions have shaped what may be considered a legal connection fee. *Nollan v. California Coastal Commission* held that there must be an “essential nexus” between the extraction (of real property) and the impact created by the development. In a later U.S. Supreme court decision *Dolan v. City of Tigard* upheld the *Nollan* decision relating to the “essential nexus” standard and also stipulated that the extraction be “roughly proportional” to the project or development’s impacts. The California appellate court case of *Ehrlich v. City of Culver City* decision ruled impact fees or other similar monetary fees are subject to the *Nollan/Dolan* standards of “essential nexus” and “roughly proportional” which makes these standards apply to fees such as the District’s connection fee.

The results of the court decisions for connection fees are that there be a logical connection between the fee charged and the benefit received to meet the “essential nexus” test. The “roughly proportional” test however means that the fee not be mathematically precise but instead approximate the impact of the development.

3.3 Requirements under California Law

In establishing connection fees, an important requirement is that they be developed and implemented in conformance with state and local laws. In particular, many states have established specific laws regarding the establishment, calculation and implementation of connection fees. The main objective of most state laws is to assure that these fees are established in such a manner that they are fair, equitable and cost-based. In other cases, state legislation may have been needed to provide the legislative powers to the utility to establish the fees.

“The laws for the enactment of connection fees in California are found in California Government Code sections 66013, 66016, and 66022 within the ‘Mitigation Fee Act.’”

The laws for the enactment of connection fees in California are codified in California Government Code sections 66013, 66016, and 66022, which are interspersed within the ‘Mitigation Fee Act.’ The Mitigation Fee Act is comprehensive legislation dealing mainly with development impact fees, although the above sections set forth the various requirements for imposition of connection fees in California: calculation of the fees, noticing, accounting and reporting requirements, and processes for judicial review.

A summary of the relevant statutes required in the calculation of connection fees is as follows:

“66013 (a) Notwithstanding any other provision of law, when a local agency imposes fees for water connections or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount of the fee or charge imposed in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.”

“66013 (b) (3) ‘Capacity charge’ means a charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities. A “capacity charge” does not include a commodity charge.”

The District’s proposed water connection fees are “capacity charges” as defined in the preceding provision. In addition to the determination of “the estimated reasonable cost of providing the service for which the fee is imposed,” California law also requires the following:

- That notice (of the time and place of the meeting, including a general explanation of the matter to be considered) and a statement that certain data is available to be mailed to those who filed a written request for such notice,
- That certain data (the estimated cost to provide the service and anticipated revenue sources) be made available to the public,
- An opportunity for public input at an open and public meeting to adopt or modify the fee, and
- That revenue in excess of actual cost be used to reduce the fee creating the excess.

The basic principle that needs to be followed under California law is that the charge be based on a proportionate share of the costs of the system required to provide service and that the requirements for adoptions and accounting be followed in compliance with California law.

3.4 Proposition 218 and 26 and Connection Fees

In 1996, the voters of California approved Proposition 218, which required that the imposition of certain fees and assessments by municipal governments require a vote of the people to change or increase the fee or assessment. Of interest in this particular study is the applicability of Proposition 218 to the establishment of connection fees for the District.

In *Richmond v. Shasta Community Services Dist.*, 32 Cal.4th 409 (2004), the California Supreme Court held that water connection fees and capacity charges are not “assessments” under Proposition 218 because they are imposed only on those who are voluntarily seeking water service, rather than being charged to particular identified parcels, and therefore such fees are not subject to the procedural or substantive requirements of Proposition 218. The court also held that such fees can properly be enacted by either ordinance or resolution.

In November 2010 the voters of California passed Proposition 26, an initiative based state constitutional amendment that provided a new definition of the term “tax” in the California Constitution. Under Proposition 26 a fee or charge imposed by a public agency is a tax unless it meets one of seven exceptions. “Capacity fees” fall within exception 2 – i.e., it is a charge imposed for a specific government service. Provided that a capacity fee does not charge one fee payer more in order to charge another fee payer less (i.e., a cross-subsidy), and it does not exceed the reasonable costs to the local government of providing the service, the fee is not a tax within the meaning of Proposition 26. Under Proposition 26, the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payer bear a fair or reasonable relationship to the payer’s burdens on, or benefits received from, the governmental activity.

3.5 Summary

This section of the report has provided an overview of the legal requirements under California law and relevant court decisions for the establishment of connection fees. As was noted above, an important legal requirement is that the fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed. The next section of the report provides the District’s calculation of the fees, which provides the basis for the establishment of a reasonable cost (i.e. connection fee).

4 Determination of the Connection Fee

4.1 Introduction

This section of the report presents the details and key assumptions in the calculation of the District's water connection fee. The calculation of the District's water connection fees is based upon District specific accounting and planning information. Specifically, the connection fees are based upon the District's fixed asset records; capital improvement plan, Urban Water Management Plan and other planning documents. As was noted in Section 2 of this report, these planning documents and projections of future EDUs provide the required "*rationality based public policy*" support for the imposition of connection fees.

To the extent that the cost and timing of future capital improvements change, the water connection fees presented in this section of the report should be updated to reflect the changes.

4.2 Overview of the District's Water System

The Elk Grove Water District (EGWD) is a Department of the Florin Resource Conservation District (FRCD). The FRCD acquired the Elk Grove Water Works in 1999 from a local family who had owned and operated the water utility as a private water company for 103 years. This acquisition changed the governance of the water utility from private ownership to a publicly owned and operated agency. The FRCD also structured this agency as an enterprise-funded department of the FRCD thereby keeping all financial activities of the water utility separate from other activities of the FRCD. In the early 2000's the Elk Grove Water Works was renamed as the Elk Grove Water District and is classified as a medium sized water purveyor serving approximately 45,000 people.

The District serves two service areas, in service area one (1), the District owns and operates a water supply, transmission, and distribution system, while in service area two (2) the district owns the distribution system while the transmission and supply system is owned and operated by Sacramento County Water Agency (SCWA). Since service area 2 does not utilize treatment facilities owned by the district and transmission assets in service area 2 are owned and maintained by the SCWA, the connection fee developed here in only applies to service area 1. It should be noted that new development within service area 2 pay a connection charge to SCWA while Service area 1 does not.

The District's methodology for calculating the water connection fee takes into consideration both the existing available capacity (existing infrastructure) and needed future capacity (expansion infrastructure) using the previously discussed "combined method."⁵

Future capital projects are defined in the adopted Capital Improvement Program (CIP) prepared annually by the District. In general, the District adopts a new CIP when the budget is adopted. In the CIP, capital projects are scheduled to meet the needs of future development based upon

⁵ See Section 2.5 for overview discussion

updated growth projections. The cost of future projects are updated in the CIP. The facility size is also updated in the CIP if there are any major changes.

4.3 Present Water Connection Fees

The District’s present connection fees as of 2013 are shown below in Table 4 - 1.

Table 4 - 1 Present Water Connection Fee by Meter Size				
Meter Size	1" Meter Equivalent (EDU)	Meter Charge	Present Connection Fee (CF; &/EDU)	Total Meter Charge and Connection Fee
1"	1.0	\$926	\$3,206	\$4,132
1-1/2"	2.0	T&M*	6,413	6,413 + T&M*
2"	3.2	T&M*	10,260	10,260 + T&M*
3"	6.0	T&M*	19,238	19,238 + T&M*
4"	10.0	T&M*	32,063	32,063 + T&M*
6"	20.0	T&M*	64,125	64,125 + T&M*

*Cost of Time and Materials to Install Meter

As shown, the District’s current charge is based on the safe operating capacity of a 1-inch meter (or 1 EDU) as compared with the respective safe operating capacities of other meter sizes.

4.4 Calculation of the District’s Water Connection Fee

As was discussed in Section 2, the process of calculating connection fees is based upon a four-step process. These steps were as follows:

- Determination of system planning criteria
- Determination of equivalent dwelling unit(EDUs)
- Calculation of the connection fee for system component costs
- Determination of any connection fee credits

Each of these areas is discussed in more detail below.

4.5 System Planning Criteria

System planning criteria typically involves establishing the amount of existing and future capacity which is usually measured as an EDU. There are different ways to determine the EDU basis, some involve establishing a level of consumption that reflects a typical single-family home or to consider the predominant meter size as the basis of the EDU. For the District’s analysis, a 1” meter is considered to be one EDU. AWWA meter equivalencies were used to establish the number of EDUs for meters larger than 1”. As an example, a 1-1/2” meter is equal to 2 EDUs under this method.

4.6 Equivalent Dwelling Units

The current and projected number of dwelling units is important for the study in that certain costs may be proportionally assigned to existing or future EDUs. The planning period utilized in the District’s 2015 Urban Water Management Plan extended through 2045, which is expected to be the year in which development anticipated within the District’s service area 1 would be completed (commonly referred to as “build out”). Therefore, the planning horizon of this water connection fee study is also through 2045.

As described above, to support this study, a projection of the number of new EDUs through 2045 for service area 1 was based on the District 2015 Urban Water Management Plan (UWMP) and adjusted for anticipated changes in projected land use. A summary of the projected total EDUs used in the development of the study are presented in Table 4 - 2. Details of the projected EDUs, by year, are provided on Exhibit 5 of the Technical Appendix.

Description	Equivalent Dwelling Units (EDUs)
Existing EDUs	8,482
Future EDUs	<u>270</u>
Projected 2045 Total EDUs (build out)	8,752

As will be seen later in the connection fee analysis, the various EDU figures in Table 4 - 2 are key time frames for determining the appropriate number of EDUs to be applied to establish a reasonable and proportional allocation of costs per EDU. As an example, future CIP projects that provide expansion capacity will be divided by the future EDUs for 2016 – 2045 to determine a fee per EDU. The facilities to be built during that time frame benefit those specific customers. Another way to think about it is, absent the projected future customer growth from 2016 – 2045, the portion of the future facilities attributed to growth would not need to be built.

4.7 Calculation of the Connection Fee

The next step of the analysis is to review each major functional infrastructure component in service and determine the connection fee for that component. In calculating the connection fees for the District, existing components, debt service for existing facilities, and planned future capital projects were included. The major components of the District’s water system that were reviewed for purposes of calculating connection fees were as follows:

- Buildings and associated components
- Water Treatment
- Electrical
- Water Production
- Water Distribution

- SCADA
- General Plant

For purposes of this study, the component of the connection fee associated with existing infrastructure is referred to as the “buy-in component,” the component of the connection fee associated with future capital projects is referred to as the “expansion component,” and the component of the connection fee associated with the debt service for existing facilities is referred to as the “debt service component.”

4.7.1 Buy-in Component

To calculate the value of the existing assets for the buy-in component, the District’s methodology considered the replacement cost of each asset. The replacement cost of each asset was then depreciated for the remaining useful life (i.e. replacement cost less depreciation). A replacement cost method “is appropriate when the system has been completely built out, or possesses substantial excess capacity to accommodate new development on a fill-in basis...”⁶

The District provided service area one asset listing for the various existing components and their corresponding installation date. Then, based on the installation date and an estimated useful life provided by the District for each asset, the escalated cost for each asset was depreciated.

Given the value of the service area one assets, the next step was to determine the portion of the project costs that were deemed eligible to be included in the calculation of the connection fee. The term “connection fee eligible” simply describes the amount of the asset to be included within the calculation of the fee. Within this study, contributed assets were not included in the connection fee calculation. It was concluded that water mains with diameter less than eight inch be excluded since they would not provide capacity to new connections. Eight inch mains serving cul-de-sacs or dead end were also excluded from the calculation because it would provide no benefit for new connections. In contrast to this, non-contributed assets were included as 100 percent (%) eligible. Given the value of the “connection fee eligible” assets, they were summed for each system component and divided by the appropriate number of EDUs.

A common practice for determining the buy-in component is to include unrestricted reserve balance into the fee. The argument for including reserves in the fee calculation is that those reserves may be used to maintain the existing service level and reduce the need for future rate increases to the benefit of new customers connecting to the system. Conversely, if a utility had low or no unrestricted reserves the utility would be more likely to increase rates in the future to maintain the existing service level. The District has approximately \$12 million dollars in reserves which some proportion, close to 60%, would be allocable to service area 1. However, the District’s reserves were left out of the buy-in calculation so that the fee would be a conservative estimate of the maximum fee allowable.

⁶ Arthur C. Nelson, *System Development Charges for Water, Wastewater, and Stormwater Facilities*, Lewis Publishers, New York, 1995, P. 77

4.7.2 Expansion Component

To determine the expansion component, the District’s future capital improvement needs were reviewed to determine what portion of planned future projects is required to serve future growth. The growth related portion of each project was summed to determine the total eligible future project value, which was then divided by projected EDUs through build out (270) [2015 – 2045]. This approach is equitable and proportional in that these facilities will be built to serve the customers connecting during this time. As noted previously, the District closely examined their CIP in order to identify the percent (%) growth related in order to calculate the expansion component.

4.7.3 Debt Service Component

In addition to the buy-in and expansion fee components, a third fee component, debt service, was also determined. This component accounts for the principal and interest on outstanding debt on existing assets that were built to accommodate future expansion. By segregating the debt service out, the cost can be clearly identified and calculated appropriately. To avoid double-counting of the assets financed with debt, the future principal associated with those assets was deducted from the existing infrastructure calculation before the buy-in component was calculated. Refer to Exhibits 1 and 2 in the Technical Appendix for additional information.

The District’s outstanding debt service is a refunding of debt issued to purchase the water utility and build the Railroad Water Treatment Facility Plant. Since the outstanding debt is for the entire system including Service area 2, 63% of the debt was deemed eligible for the service area 1 connection fee.

4.8 Allowable Water Connection Fees

Based on the sum of the component costs calculated above, the allowable water connection fee can be determined. “Allowable” refers to the concept that the calculated connection fee shown on Table 4 - 3 is the District’s cost-based water connection fees. The District, as a matter of policy, may charge any amount up to the allowable connection fee, but not over that amount. Charging an amount greater than the allowable connection fee would not meet the nexus test of a cost-based connection fee. Details are provided in Exhibit 6 of the Technical Appendix.

Table 4 - 3
Service Area 1, Equivalent Dwelling Units (EDUs)

Component	Per EDU
Existing System	
Buildings and Associated Components	\$263
Water Treatment	520
Electrical	206
Water Production	637
Water Distribution	6,899
SCADA	22
General Plant	0
Total Existing Fee per EDU	\$8,549
Less Contributed Capital	(\$1,262)
Net Existing Component	\$7,287
Less Debt Service Credit (60% of outstanding principal)	(\$3,324)
Future Water Projects	\$517
Total Existing and Future Connection Fee per EDU	\$4,479

*Totals may not foot due to rounding.

As can be seen in Table 4 - 3, the maximum allowable water connection fee is \$4,479 per EDU. From the calculated allowable connection fee, the fee is then placed in the context of the size and type of meter. The connection fee varies based upon the safe operating capacity of the customer's meter.

The connection fee for the larger meter sizes are determined by multiplying the connection fee for a 1" meter by the meter capacity weighting factors. The weighting factors are determined based on the American Water Works Association (AWWA) safe operating capacities for the type and size of meter. The safe operating capacity of each meter is divided by the safe operating capacity for a 1" displacement type meter to determine the weighting factor for each meter. For example, the safe operating flow capacity of a 2" displacement meter is 3.2 times the safe operating flow capacity of a 1" meter. Stated another way, the capacity of a customer with a 2" displacement meter has the equivalent capacity of 3.2 single-family homes (i.e. a 1" customer).

Table 4 - 4 provides a summary of the calculated and allowable connection fee by meter type and size.

**Table 4 - 4
Proposed Water Connection Fee by Meter Size**

Meter Size	1" Meter Equivalent (EDU)	Meter Charge	Connection Fee (CF; \$/EDU)	Total Meter Charge and Connection Fee
1"	1.0	\$926	\$4,479	\$5,405
1-1/2"	2.0	T&M*	8,958	8,598 + T&M*
2"	3.2	T&M*	14,333	14,333 + T&M*
3"	6.0	T&M*	26,874	26,874 + T&M*
4"	10.0	T&M*	44,790	44,790 + T&M*
6"	20.0	T&M*	89,580	89,580 + T&M*

*Cost of Time and Materials to Install Meter

4.9 Key Assumptions

In the development of the water connection fees for the District’s water system, a number of key assumptions were utilized. These are as follows:

- The District’s water system is a pressurized, integrated system with many redundancies for system reliability. Given that, the District has viewed its connection fee from a unified system perspective.
- The District’s connection fees were developed on the basis of planning documents, anticipated future connections (stated in terms of EDUs) and the needed capital improvements to serve those future connections.
- District staff developed their projections of future EDUs based upon a detailed analysis of available land area and type of development.
- The District’s asset records were used to determine the existing infrastructure assets.
- The District provided the most recent CIP for future expansion improvements.
- The District determined the portion of future improvements that were growth-related.
- The District’s most recent Urban Water Management plan was completed in late 2015.
- The calculation of the debt service component included only current outstanding expansion related debt service.

4.10 Implementation of the Water Connection Fees

The methodology used to calculate the water connection fees takes into account the cost of money or interest charges and inflation. Therefore, HDR recommends that the District adjust the water connection fees each year by an escalation factor to reflect the cost of interest and inflation. The most frequently used source to escalate connection fees is the Engineering News Record Construction Cost Index (ENR CCI) which tracks changes in construction costs for municipal utility projects. This method of escalating the District’s water connection fees should be used for no more than a four-year to five-year period. After this time period, it is recommended that the District update the charges based on the actual cost of infrastructure and any new planned facilities that would be contained in an updated master plan, capital improvement plan, or rate study.

4.11 Compliance with the Rational Nexus Test

In calculating the District’s water connection fees, significant thought and consideration was given developing a fair and reasonable methodology that would meet the critical legal elements for connection fees. These critical elements were previously discussed in Section 2. In summary form, the three tests to comply with the rational (essential) nexus test for the calculated fees require the following:

1. *A connection should be established between new development and the new or expanded facilities required to accommodate such development. This establishes the rational basis of the public policy being implemented through the fees.*

In the development of this study, the District’s connection fees were based upon District specific accounting and planning information. Specifically, the connection fees are based upon the District’s fixed asset records; water system capital improvement plan and planning data from the 2015 Urban Water Management Plan in development of projection of future EDUs. The use of this data and information was the “best available” and “reasonable” information and provides the required evidentiary support for a “rationally based public policy” to support the imposition of connection fees.

2. *Identification of the cost of these new or expanded facilities needed to accommodate new development. This establishes the burden to the public of providing new facilities to new development and the rational basis on which to hold new development accountable for such costs. This may be evaluated using the so-called Banberry factors, which are among the factors that help inform such decisions. Banberry states that under Utah law, “consideration must be given to seven factors to determine the proportionate share of costs to be borne by new development:*

- *The cost of existing facilities.* The District’s analysis considers the existing assets with a buy-in component. The assets are valued using a depreciated replacement cost value.
- *The means by which existing facilities have been financed.* The District’s analysis considered the debt service component related to the expansion fund. The methodology provided a debt service credit for the principal related portion of the debt service.
- *The extent to which new development has already contributed to the cost of providing existing excess capacity.* The District’s methodology excluded contributed capital from the calculation of the buy-in component of the connection fee.
- *The extent to which existing development will, in the future, contribute to the cost of providing existing facilities used community wide or non-occupants of new development.* The District considers all future projects for the benefit of future expansion, for absent growth, the District’s existing facilities are sufficient to serve existing District customers.
- *The extent to which new development should receive credit for providing at its cost facilities the community has provided in the past without charge to other*

development in the service area. The District is not aware of any situation or condition to which this factor would apply. Accordingly, no credits have been included within the calculation of the District’s connection fee for new development providing at its cost facilities the community has provided in the past without charge to other development in the service area.

- *Extraordinary costs incurred in serving new development.* No extraordinary costs are assumed to have been incurred in the past, nor are any extraordinary costs assumed to be incurred in the future and included within the calculation of the District’s connection fee.
- *The time-price differential inherent in fair comparisons of amount of money paid at different times.* By using a depreciated replacement cost methodology for the buy-in component, the District has fully accounted for the age and remaining useful life of the facilities. The adjustment for the Engineering News Record appropriately takes into consideration the time-price differential as a customer connects to the system.”

3. *Appropriate apportionment of that cost to new development in relation to benefits it reasonably receives. This establishes the nexus between the fees being paid to finance new facilities that accommodate new development and benefit new development receives from such new facilities.*

The District’s methodology considered the value of existing and future assets to determine the fee. The value of those assets were divided by the number of EDUs that would be served by those assets. For example, expansion projects to be built between 2015 and 2045 were divided by the projected service area one EDUs for 2015 – 2045.

Based upon the above, HDR is of the opinion that the District’s calculated connection fee meets the rational nexus test. While different parties may agree or disagree on certain assumptions or approaches, the overall test is a reasonableness relationship between the fee imposed and the benefit derived.

The other perspective to consider is the following finding by the Florida Supreme Court. The court ruled the fees were valid when they:

- “Do not exceed that which is reasonably required to fund expansion to benefit future capacity reserves
- Are needed to finance expansion that accommodates new development
- Are earmarked for expansion”⁷

For the District, the answer to each of these tests is “yes.” As calculated, the proposed fees will be no greater than the calculated fees. The District’s calculated connection fees are needed to not only pay for existing debt on past expansion projects needed to serve growth, but also needed to fund future planned expansion projects. Finally, as this report has noted, the District

⁷ Florida Supreme Court, *Contractors and Builders Association of Pinellas County v. City of Dunedin* [329 So. 2nd 314 (Fla. 1976)]. From a legal perspective, of course, the water connection fees are governed by Government Code section 66013 and California case law, not the above case.

has a separate and segregated expansion fund and all connection fees collected will remain in the expansion fund and be used to fund existing expansion related debt and future expansions.

Finally, and more to the point, put in terms of California law, the water connection fees recommended in this report do “not exceed the estimated reasonable cost of providing the service for which the fee is imposed.”

4.12 Consultant Recommendations

Based on our review and analysis of the District’s water connection fees, HDR makes the following recommendations:

- The District should revise and update the water connection fees for new customers, or those customers looking to expand current capacity on the water system, that are no greater than the connection fees as set forth in this report.
- The District should include within its resolution, the provision for periodic (annual) adjustments to the connection fees based on changes in the Engineering News Record Construction Cost Index (ENR CCI).
- The District should update the actual calculations for the water connection fees based on the methodology as approved by the resolution or ordinance setting forth the methodology for connection fees at such time when a new capital improvement plan, public facilities plan, master plan or a comparable plan is approved or updated by the District.

4.13 Summary

The water connection fee developed and presented in this section of the report is based on the engineering design criteria of the District’s water system, the value of the existing assets, future capital improvements, current debt service on existing assets and “generally accepted” ratemaking principles. Adoption of the proposed connection fees will provide multiple benefits to the District and create equitable and cost-based charges for new customers connecting to the District’s water system.



5 Technical Appendix

Elk Grove Water District
Exhibit W-1

Development of the Water Connection Fee Per EDU

2018 CONNECTION FEE CALCULATION - ASSETS AT REPLACEMENT

Plant Description	Debt Replacement Cost Less Depreciation (3)
EXISTING WATER PLANT (1)	
Buildings	\$1,832,750
HVAC	54,000
Security	216,599
Grounds	201,100
Water Treatment	4,552,812
Electrical	1,806,366
Water Production	5,578,132
Water Distribution	60,379,997
SCADA	196,333
Vehicles & Mobile Equipment	0
Total Existing Water Plant	\$74,818,089
Less: Contributed Capital (4)	(\$11,044,557)
Total Existing Water Plant After Contributed Capital	\$63,773,532
Less: Outstanding Debt Principal, 63% of Total Based on Distribution lines(6)	(\$29,095,468)
Plus: Reserves (7)	\$0
Total Existing Water Plant	\$34,678,064

Elk Grove Water District
Exhibit W-1

Development of the Water Connection Fee Per EDU

2018 CONNECTION FEE CALCULATION - ASSETS AT REPLACEMENT

Plant Description	Debt Replacement Cost Less Depreciation (3)
Equivalent Dwelling Units, service area 1 (8)	8,752
Existing Water Connection Fee per EDU (9)	\$3,962

FUTURE PLANT (10)

Water Projects

Meter Replacement	\$0
Supply/Distribution	139,648
Treatment	0
Building & Site Improvements	0
Unforeseen Capital	0
Total Future Water Plant	\$139,648

Future Equivalent Dwelling Units (8) 270

Future Water Connection Fee per EDU (9) \$517

Total Existing and Future Connection Fee per EDU \$4,479

NOTES:

- (1) Asset list based on Elk Grove Water District asset reports at replacement cost.
- (2) Net of assets that are not capacity fee eligible. Vehicles and equipment eliminated as eligible.
- (3) Depreciation based on asset reports shown useful life and remaining life.
- (4) Includes all assets labeled as Contributed plus all Distribution lines less than 8" and Dead end 8" mains
- (5) No current CWIP detailed.
- (6) Outstanding principal balance as of current date. See Exhibit 2.
- (7) Cash reserves as of current date which are capacity fee eligible. See Exhibit 3.
- (8) Existing and future equivalent dwelling units, see Exhibit 5.
- (9) Based on "buy in" and "incremental" methodology established in AWWA M1, Sixth Edition, Table VI.2-4, page 269 & 270.
- (10) Based on existing capital improvement plan. See Exhibit 4.

Elk Grove Water District
 Exhibit W-2
 Development of Outstanding Debt Principal

Debt Name	2014 Series A Bonds Principal	2016 Series A Bonds Principal	Total Outstanding Principal
I. Debt Status:			
Original Debt	\$32,325,000	\$14,875,000	\$47,200,000
Water Capacity Fee Eligible (2)	63.1%	63.1%	
II. Outstanding Principal Payments:			
2017 (1)	\$31,610,000	\$14,525,000	\$46,135,000
Total Allocable	\$19,935,141	\$9,160,327	\$29,095,468

NOTES:

- (1) Original Debt from District CAFR page 44 ,Outstanding principal balance, page 42.
- (2) See Table Below

	SA 1 Allocation	Service Area 1	Service Area 1&2
Water Treatment	100.0%	4,552,812	4,552,812
Water Production	100.0%	5,578,132	5,578,132
Distribution	60.1%	60,379,997	100,506,982
Less Mains less than 8"	97.7%	(5,751,188)	(5,889,203)
Less Dead End 8"	48.3%	(4,245,442)	(8,794,682)
	63.1%	60,514,311	95,954,041
Allocable Outstanding Debt Principal			63.1%

Elk Grove Water District
 Exhibit W-3
 Development of Cash Reserves

Reserve Fund Balance (1)			
	June 1, 2017	% Eligible	Total \$ Eligible
Water			
Cash & Equivalents	\$12,871,285	0%	\$0
Total	\$12,871,285		\$0

Notes:

(1) Based on District 2017 CAFR, page 15.

Elk Grove Water District
Exhibit W-4

Development of Future Capital Improvements - Water Projects

	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	Total	% Eligible
Meter Replacement Program							
2 Water Meter Replacement Program pg. 10	\$0	\$0	\$0	\$0	\$300,000	\$300,000	0.0%
Supply/Distribution Improvements							
3 Truman St./Adams St. Water Main pg. 12	0	0	0	0	240,000	240,000	3.2%
3 School/Locust/Summit Alley Water Main pg. 14	0	0	495,000	0	0	495,000	3.2%
3 Elk Grove Blvd Grove St. Alley Water Main pg. 16	0	0	0	290,000	0	290,000	3.2%
3 Locust St.-Elk Grove Blvd Alley/Derr St. Water Main pg. 18	0	0	210,000	0	0	210,000	3.2%
4 Elk Grove Blvd Water Main pg. 20	0	0	0	500,000	0	500,000	3.2%
2 Lark St. Water Main pg. 22	0	0	225,000	0	0	225,000	3.2%
3 Grove St. Water Main pg. 24	0	0	0	0	275,000	275,000	3.2%
1 Well Rehabilitation Program pg. 26	0	98,000	0	103,000	0	201,000	0.0%
2 Railroad Corridor Water Line pg. 28	0	0	0	0	75,000	75,000	3.2%
3 Backyard Water Mains/Services Replacement pg. 30	734,000	950,000	0	0	0	1,684,000	3.2%
3 Cadura Circle Water Main Looping pg. 32	0	0	0	0	30,000	30,000	3.2%
3 Mormon Church Water Main Looping pg. 34	0	0	0	0	70,000	70,000	3.2%
3 Kilkenny Ct. Water Main pg. 36	0	0	0	135,000	0	135,000	3.2%
3 Leo Virgo Ct. Water Main pg. 38	0	0	0	0	135,000	135,000	3.2%
Treatment Improvements							
1 RRWTF Generator PLC / SCADA Upgrade pg. 40	35,000	0	0	0	0	35,000	0.0%
1 Well 3 Pump Replacement /VFD pg. 42	180,000	0	0	0	0	180,000	0.0%
5 Hampton WTP Generator Removal pg. 44	25,000	0	0	0	0	25,000	0.0%
Building & Site Improvements/Vehicles							
3 Truck Replacements pg. 46	115,000	160,000	160,000	120,000	145,000	700,000	0.0%
4 HWWTP Roof Replacement pg. 48	0	0	20,000	0	0	20,000	0.0%
2 RRWTF Parking Lot Repaving pg. 50	90,000	0	0	0	0	90,000	0.0%
2 Vacuum Excavator pg. 52	0	0	0	75,000	0	75,000	0.0%
2 Directional Drilling Machine pg. 54	0	0	150,000	0	0	150,000	0.0%
1 I.T. Servers pg. 56	35,000	30,000	0	0	0	65,000	0.0%
Unforeseen Capital Projects							
Unforeseen Capital Projects pg. 58	100,000	100,000	100,000	100,000	100,000	500,000	0.0%
	\$1,314,000	\$1,338,000	\$1,360,000	\$1,323,000	\$1,370,000	\$6,705,000	\$139,648
Meter Replacement	0	0	0	0	0	0	0
Supply/Distribution	23,488	30,400	29,760	29,600	26,400	139,648	0
Treatment	0	0	0	0	0	0	0
Building & Site Improvements	0	0	0	0	0	0	0
Unforeseen Capital	0	0	0	0	0	0	0
	23,488	30,400	29,760	29,600	26,400	139,648	

Notes:

Elk Grove Water District
Exhibit W-5

Development of Equivalent Dwelling Units For Year Ended June 30, 2015

Size of Meter	1"	1 1/2"	2"	3"	4"	6"	8"	10"	Total	% of Total
<i>Equivalency Factor [1]</i>	1.00	2.00	3.20	6.00	10.00	20.00	32.00	46.00		

Number of Existing EDUs (2)

	Number of Meters [2]									
Residential	11,759	3	3	0	0	0	0	0	0	11,765
Commercial	202	79	242	19	13	3	1	0	0	559
Irrigation	2	4	9	0	1	1	0	0	0	17
<i>Total Meters</i>	11,963	86	254	19	14	4	1	0	0	12,341

Equivalent Meters

Residential	11,759	6	10	0	0	0	0	0	0	11,774
Commercial	202	158	774	114	130	60	32	0	0	1,470
Irrigation	2	8	29	0	10	20	0	0	0	69
<i>Total Equivalent Meters</i>	11,963	172	813	114	140	80	32	0	0	13,314

Total Existing Equivalent Meters or EDUs

13,314

Service Area 1 Proportion of EDUs (4) (64.9%)

8,482 96.9%

Total Future Equivalent Meters or EDUs for Service Area 1 (4)

270 3.1%

Total Existing and Future Equivalent Meters or EDUs for Service Area 1

8,752 100.0%

Notes:

- (1) - Based on District equivalencies based on safe operating conditions from the AWWA M1 Manual.
- (2) - Number of meters based as of June 2017 and the current water rate study.
- (3) - Number of future EDUs based on 2013 Connection Report, page 5, which is based on land use data and District input.
- (4) - The Split of EDUs between service area 1 and 2 of is based on customer demand characteristics using the 2015 UWMP table 4-4 Existing Customers multiplying customer number by current demand.
- (5) - Future EDUs based 2015 Urban Water Management Plan adjusted by the District for known potential connections.

Elk Grove Water District
 Exhibit W-6
 Current and Proposed Water Connection Fee

Item	Current Connection Fee \$/EDU	Calculated Connection Fee \$/EDU	Difference
EDU Capacity	2013	2018	
Existing EDUs	12,947	13,314	367
Future EDUs **	672	270	(402)
Total Existing and Future EDUs	13,619	13,584	(35)
<i>**Existing EDUs for the 2013 Study were recalculated based on equivalent Meters to be consistent with the method used in this study.</i>			
Water Capacity Fee (1)			
Existing	\$2,934	\$3,962	\$1,028
Future			
Meter Replacement	0	0	0
Supply/Distribution	272	517	245
Treatment	0	0	0
Building & Site Improvements	0	0	0
Unforeseen Capital	0	0	0
Total Water Capacity Fee per EDU (3)	\$3,206	\$4,479	\$1,273

Meter Size (1)	Meter Ratio (2)	Current Connection Fee	Calculated Connection Fee (3)
1"	1.00	\$3,206	\$4,479
1 1/2"	2.00	6,413	8,958
2"	3.20	10,260	14,333
3"	6.00	19,238	26,874
4"	10.00	32,063	44,790
6"	20.00	64,125	89,580

Notes:

- (1) Recommended for meter sizes larger than 2-inch should be based on projected usage.
- (2) Based on AWWA meter equivalency from AWWA M1 Manual, Sixth Edition, Table VI.2-5, page 326.
- (3) Based on "Combined" methodology established in AWWA M1, Sixth Edition, Table VI.2-1, page 273.

August 15, 2018

TO: Chairperson and Directors of the Florin Resource Conservation District

FROM: Mark J. Madison, General Manager

SUBJECT: **PROFESSIONAL SERVICES AGREEMENT RENEWAL FOR INFORMATION TECHNOLOGY SERVICES**

RECOMMENDATION

It is recommended that the Florin Resource Conservation District Board of Directors adopt Resolution 08.15.18.01, waiving the competitive bidding process prescribed in Policy No. 3, Purchases of Goods and Services from Outside Vendors, and authorizing the General Manager to execute a professional services agreement with Solutions by BG, Inc. to provide information technology services, in an amount not-to-exceed \$477,325 over a three year term.

SUMMARY

The Elk Grove Water District, which is a department of the Florin Resource Conservation District (District), has received information technology services from Solutions by BG, Inc. (Consultant) since 2005. The Consultant continues to provide vital information technology (IT) services to the District through an outdated agreement.

To properly continue the services provided by the Consultant, it is necessary to execute a new Professional Services Agreement (PSA) between the District and the Consultant. The proposed PSA (attached), between the District and Consultant is recommended by staff and will provide continued IT services from the Consultant. This procurement is also being tendered as a sole-source procurement in accordance with the requirements in the District's Policy No. 3, Purchases of Goods and Services from Outside Vendors, Section 2(2)(b).

If approved by the Board, the District would retain Solutions by BG, Inc. to provide IT services, in an amount not to exceed \$477,325 over a three-year term.

DISCUSSION

Background

The Consultant has been providing IT services to the District since 2005. The Consultant, which is owned and led by Thomas Dainat, has essentially provided all of the District's IT

PROFESSIONAL SERVICES AGREEMENT RENEWAL FOR INFORMATION TECHNOLOGY SERVICES

Page 2

services until this past January when another PSA was executed with Infinite IT Solutions, Inc.

The PSA between the District and Infinite IT Solutions, Inc. was only intended to provide supplementary services as the workload of Mr. Dainat was excessive and the District was incurring risk. In fact, Mr. Dainat has continued to provide IT services expending, on average, 40 hours per week.

The importance of the services provided by the Consultant cannot be overstated. Mr. Dainat has been invaluable to the District in not only maintaining our hardware and software IT systems, but also in implementing and maintaining cyber security measures to protect the District and our customers.

In fact, on average, there are over 25,000 malicious attempts to infiltrate the District's computer systems each month. Mr. Dainat has been successful in implementing countermeasures that have defended us from these attacks and the liabilities presented by these attacks.

Present Situation

The Consultant has provided IT services to the District for approximately thirteen years under a dated professional services agreement. Staff recommends that a new PSA be executed to renew and establish terms and requirements for the next three years.

It is important to note that this procurement is being recommended as a sole-source procurement and, therefore, competitive solicitation is not required. In accordance with the requirements specified in the District's Policy No. 3, Purchases of Goods and Services from Outside Vendors, Section 2(2)(b), competitive bidding is required "unless the General Manager determines that there is sufficient sole-source justification."

I, as the General Manger have reviewed this matter and conclude that sufficient sole-source justification exists based on the following:

- Consultant is experienced and well qualified in providing IT services, and
- Consultant has unique and intimate knowledge of the District's IT systems which no other IT consultant has, and
- Consultant has an excellent track record of providing IT services to the District since 2005, and

PROFESSIONAL SERVICES AGREEMENT RENEWAL FOR INFORMATION TECHNOLOGY SERVICES

Page 3

- Consultant has provided, and will continue to provide, IT services to the District at competitive rates relative to others received for IT services earlier this year, and
- It would not be advantageous to the District to issue a Request for Proposal seeking competitive proposals for IT services.

The attached PSA includes the necessary requirements and responsibilities of both parties during the three-year term of the agreement. This PSA also references the proposal from Solutions by BG, Inc., dated August 3, 2018, which outlines the basic duties and general tasks to be provided. This proposal also lists the Consultant's required response times for various types of problems as well as the fee schedule.

Consequently, and based on the reasons as cited above, it is recommended that the Board waive the competitive bidding process prescribed in Policy No. 3 and authorize the General Manager to execute a professional services agreement with Solutions by BG, Inc. in an amount not-to-exceed \$477,325 over a three-year period, to provide IT services.

ENVIRONMENTAL CONSIDERATIONS

The professional services agreement with Solutions by BG, Inc. is for consulting services only and, therefore, does not require environmental considerations.

STRATEGIC PLAN CONFORMITY

This effort is not specifically identified as a goal or challenge in the 2012-2017 Florin Resource Conservation District/Elk Grove Water Strategic Plan. This effort, however, does generally conform to the challenges of maintaining Financial Stability and Customer Service, which are listed as key challenges enabling the District to carry out its mission.

FINANCIAL SUMMARY

This professional services agreement covers a span of three years and is proposed to not exceed \$152,500 in the first year, \$159,000 in the second year, and \$165,825 in the third year. This PSA, however, is a time and material based agreement and it is likely that the actual cost will be somewhat less. This not to exceed amount is also based on the costs outlined in Exhibit B which is incorporated into the proposal submitted by Solutions by BG, Inc., dated August 3, 2018.

August 15, 2018

**PROFESSIONAL SERVICES AGREEMENT RENEWAL FOR INFORMATION
TECHNOLOGY SERVICES**

Page 4

It is important to note that staff is not requesting the Board to appropriate additional money for this agreement during the remainder of FY 2018-19. Even though the cost of this agreement during FY 2018-19 is estimated to be as much as \$152,500, and the current IT budget for Solutions by BG, Inc. is \$128,960, staff does not recommend a budget amendment or appropriation of additional funding from reserves at this time.

The appropriation of funds for the remainder of this agreement in Fiscal Year (FY) 2019-20 and FY 2020-21 will be requested as part of the budget considerations for those fiscal years. In the event that any one of those future appropriation requests were to not be approved by the Board, this contract would be terminated through the termination provision included in the professional services agreement.

Respectfully submitted,



MARK J. MADISON, P.E.
GENERAL MANAGER

Attachments

RESOLUTION NO. 08.15.18.01

RESOLUTION OF THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS WAIVING THE COMPETITIVE BIDDING PROCESS PRESCRIBED IN POLICY NO. 3, PURCHASES OF GOODS AND SERVICES FROM OUTSIDE VENDORS, AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH SOLUTIONS BY BG, INC. TO PROVIDE INFORMATION TECHNOLOGY SERVICES IN AN AMOUNT NOT TO EXCEED \$477,325 OVER A THREE YEAR TERM

WHEREAS, the Florin Resource Conservation District (District), including its department named the Elk Grove Water District, utilizes information technology (IT) systems to provide water service to the community;

WHEREAS, IT systems require maintenance and support to ensure their use and reliability;

WHEREAS, Solutions by BG, Inc. is experienced and well qualified in providing IT services;

WHEREAS, Solutions by BG, Inc. has unique and intimate knowledge of the District's IT systems which no other company has;

WHEREAS, Solutions by BG, Inc. has an excellent track record of providing IT services to the District since 2005;

WHEREAS, Solutions by BG, Inc. has provided, and will continue to provide, IT services to the District at competitive rates relative to others proposals received for IT services earlier this year;

WHEREAS, it would not be advantageous to the District to issue a Request for Proposal seeking competitive proposals for IT services.

NOW, THEREFORE, BE IT RESOLVED BY THE FLORIN RESOURCE CONSERVATION BOARD OF DIRECTORS THAT:

SECTION 1. The Board of Directors hereby waiving the competitive bidding process prescribed in Policy No. 3, Purchases of Goods and Services from Outside Vendors.

SECTION 2. The Board of Directors hereby authorizes the General Manager to execute a professional services agreement with Solutions by BG, Inc. to provide IT services, in an amount not to exceed \$477,325, over a three-year term.

PASSED, APPROVED, AND ADOPTED this ____ day of _____.

AYES:

NOES:

ABSENT:

ABSTAIN:

Tom Nelson

Chairperson of the Board of Directors

ATTEST:

Stefani Phillips
Board Secretary

**FLORIN RESOURCE CONSERVATION DISTRICT
PROFESSIONAL SERVICES AGREEMENT
FOR INFORMATION TECHNOLOGY SERVICES**

1. PARTIES AND DATE.

This Agreement is made and entered into this _____ day of August, 2018, by and between the Florin Resource Conservation District, a resource conservation district organized under the laws of the State of California with its principal place of business at 9257 Elk Grove Boulevard, Elk Grove, California (“District”) and Solutions By BG, Inc., a California corporation, with its principal place of business at 5757 Cada Circle, Carmichael, CA 95608 (“Consultant”). District and Consultant are sometimes individually referred to herein as “Party” and collectively as “Parties.”

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of certain information technology services required by District on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing information technology services to public clients and is familiar with the plans of District.

2.2 Project.

District desires to engage Consultant to render such services for the Information Technology Services (“Project”) as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to District all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the information technology services necessary for the Project (“Services”). The Services are more particularly described in Exhibit “A” attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be from the date that the Agreement is executed by both Parties until August 16, 2021 or the Services are completed (whichever occurs first), unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. District retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of District and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

Notwithstanding any other District, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by District, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of District and entitlement to any contribution to be paid by District for employer contributions and/or employee contributions for PERS benefits.

Consultant shall indemnify, defend, and hold harmless District for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of District. Consultant and District acknowledge and agree that compensation paid by District to Consultant under this Agreement is based upon Consultant's estimated costs of providing the Services, including salaries and benefits of employees, agents and subcontractors of Consultant.

Consultant shall indemnify, defend, and hold harmless District from any lawsuit, administrative action, or other claim for penalties, losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, whether directly or indirectly, due to Consultant's failure to secure workers' compensation insurance for its employees, agents, or subcontractors.

Consultant agrees that it is responsible for the provision of group healthcare benefits to its fulltime employees under 26 U.S.C. § 4980H of the Affordable Care Act. To the extent permitted by law, Consultant shall indemnify, defend and hold harmless District from any penalty issued to District under the Affordable Care Act resulting from the performance of the Services by any employee, agent, or subcontractor of Consultant.

- 3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit “B” attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant’s conformance with the Schedule of Services, District shall respond to Consultant’s submittals in a timely manner. Upon request of District, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.
- 3.2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of District.
- 3.2.4 Substitution of Key Personnel. Consultant has represented to District that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of District. In the event that District and Consultant cannot agree as to the substitution of key personnel, District shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to District, or who are determined by District to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by Consultant at the request of District. The key personnel for performance of this Agreement are as follows: Thomas Dainat.
- 3.2.5 District’s Representative. District hereby designates Mark J. Madison, or his designee, to act as its representative for the performance of this Agreement (“District’s Representative”). District’s Representative shall have the power to act on behalf of District for all purposes under this Contract. Consultant shall not accept direction or orders from any person other than District’s Representative or his or her designee.
- 3.2.6 Consultant’s Representative. Consultant hereby designates Thomas Dainat, or his designee, to act as its representative for the performance of this Agreement (“Consultant’s Representative”). Consultant’s Representative shall have full authority to represent and act on behalf

of Consultant for all purposes under this Agreement. Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

- 3.2.7 Coordination of Services. Consultant agrees to work closely with District staff in the performance of Services and shall be available to District's staff, consultants and other staff at all reasonable times.
- 3.2.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and sub-consultants shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and sub-consultants have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a business license, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from District, any services necessary to correct errors or omissions which are caused by Consultant's failure to comply with the standard of care provided for herein. Any employee of Consultant or its sub-consultants who is determined by District to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to District, shall be promptly removed from the Project by Consultant and shall not be reemployed to perform any of the Services or to work on the Project.
- 3.2.9 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and such laws and regulations in connection with Services. If Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to District, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold District, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10 Insurance.

3.2.10.1. Time for Compliance. Consultant shall not commence work under this Agreement until it has provided evidence satisfactory to District that it has secured all insurance required under this section. In addition, Consultant shall not allow any sub-consultant to commence work on any subcontract until it has provided evidence satisfactory to District that the sub-consultant has secured all insurance required under this section.

3.2.10.2. Types of Required Coverages. As a condition precedent to the effectiveness of this Agreement for work to be performed hereunder and without limiting the indemnity provisions of the Agreement, Consultant in partial performance of its obligations under such Agreement, shall procure and maintain in full force and effect during the term of the Agreement, the following policies of insurance.

- a) Commercial General Liability: Commercial General Liability Insurance which affords coverage at least as broad as Insurance Services Office “occurrence” form CG 0001, with minimum limits of at least \$1,000,000 per occurrence. Defense costs shall be paid in addition to the limits.

The policy shall contain no endorsements or provisions limiting coverage for (1) products and completed operations; (2) contractual liability; (3) third party action over claims; or (4) cross liability exclusion for claims or suits by one insured against another.

- b) Automobile Liability Insurance: Automobile Liability Insurance with coverage at least as broad as Insurance Services Office Form CA 0001 covering “Any Auto” (Symbol 1) with minimum limits of \$500,000 each accident.
- c) Workers’ Compensation: Workers’ Compensation Insurance, as required by the State of California and Employer’s Liability Insurance with a limit of not less than \$500,000 per accident for bodily injury and disease.
- d) Professional Liability: Professional Liability insurance for errors and omissions with minimum limits of \$1,000,000. Covered Professional Services shall specifically include all work to be performed under the Agreement.

If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the initial Agreement and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Agreement.

3.2.11 Endorsements.

The policy or policies of insurance required by Section 3.2.10.2 a) Commercial General Liability and b) Automobile Liability Insurance shall be endorsed to provide the following:

3.2.11.1 Additional Insured: The indemnified parties shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance of the Agreement. Additional Insured Endorsements shall not (1) be restricted to “ongoing operations”; (2) exclude “contractual liability”; (3) restrict coverage to “sole” liability of Consultant; or (4) contain any other exclusions contrary to the Agreement.

3.2.11.2 Primary Insurance and Non-Contributing Insurance: This insurance shall be primary and any other insurance, deductible, or self-insurance maintained by the indemnified parties shall not contribute with this primary insurance.

3.2.11.3 Severability: In the event of one insured, whether named or additional, incurs liability to any other of the insureds, whether named or additional, the policy shall cover the insured against whom claim is or may be made in the same manner as if separate policies had been issued to each insured, except that the limits of insurance shall not be increased thereby.

3.2.11.4 Cancellation: The policy shall not be canceled or the coverage suspended, voided, reduced or allowed to expire until a thirty (30) day prior written notice of cancellation has been served upon District except ten (10) days prior written notice shall be allowed for non-payment of premium.

3.2.11.5 Duties: Any failure by the named insured to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the indemnified parties.

3.2.11.6 Applicability: That the coverage provided therein shall apply to the obligations assumed by Consultant under the indemnity provisions of the Agreement, unless the policy or policies contain a blanket form of contractual liability coverage.

3.2.11.7 The policy or policies of insurance required by Section 3.2.10.2 c) Workers' Compensation shall be endorsed, as follows:

- a) Waiver of Subrogation: A waiver of subrogation stating that the insurer waives all rights of subrogation against the indemnified parties.
- b) Cancellation: The policy shall not be canceled or the coverage suspended, voided, reduced or allowed to expire until a thirty (30) day prior written notice of cancellation has been served upon District except ten (10) days prior written notice shall be allowed for non-payment of premium.

3.2.11.8 The policy or policies of insurance required by Section 3.2.10.2 d) Professional Liability shall be endorsed, as follows:

- a) Cancellation: The policy shall not be canceled or the coverage suspended, voided, reduced or allowed to expire until a thirty (30) day prior written notice of cancellation has been served upon District except ten (10) days prior written notice shall be allowed for non-payment of premium.

3.2.11.9 Deductible. Any deductible or self-insured retention must be approved in writing by District and shall protect the indemnified parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

3.2.11.10 Evidence of Insurance. Consultant, concurrently with the execution of the Agreement, and as a condition precedent to the effectiveness thereof, shall deliver either certified copies of the required policies, or original certificates and endorsements on forms approved by District. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with District. If such coverage is cancelled or reduced, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with District evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

3.2.11.11 Failure to Maintain Coverage. Consultant agrees to suspend and cease all operations hereunder during such period of time as the required insurance coverage is not in effect and evidence of insurance has not been furnished to District. District shall have the right to withhold any payment due Consultant until Consultant has fully complied with

the insurance provisions of this Agreement. In the event that Consultant's operations are suspended for failure to maintain required insurance coverage, Consultant shall not be entitled to an extension of time for completion of the Work because of production lost during suspension.

3.2.11.12 Acceptability of Insurers. Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

3.2.11.13 Insurance for Sub-consultants. All sub-consultants shall be included as additional insureds under Consultant's policies, or Consultant shall be responsible for causing sub-consultants to purchase the appropriate insurance in compliance with the terms of this Agreement, including adding District as an Additional Insured to the sub-consultant's policies.

3.2.12 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and sub-consultants, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed Four Hundred Seventy Seven Thousand Three Hundred Twenty Five Dollars (\$477,325) without written approval of District's General Manager. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

- 3.3.2 Payment of Compensation. Consultant shall submit to District a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. District shall, within 30 days of receiving such statement, review the statement and pay all approved charges thereon.
- 3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by District.
- 3.3.4 Extra Work. At any time during the term of this Agreement, District may request that Consultant perform Extra Work. As used herein, “Extra Work” means any work which is determined by District to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from District’s Representative.

3.4 Accounting Records.

- 3.4.1 Maintenance and Inspection. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of District during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1 Termination of Agreement.

3.5.1.1. Grounds for Termination. District may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to District, and Consultant shall be entitled to no further compensation. Consultant may by written notice to District terminate the whole or any part of this Agreement at any time and without cause by giving written notice to District with at least thirty (30) days before the effective date of such termination.

3.5.1.2. Effect of Termination. If this Agreement is terminated as provided herein, District may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.5.1.3. Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, District may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant:

Solutions By BG, Inc.
5757 Cada Circle,
Carmichael, CA 95608
Attn: Thomas Dainat

District:

Florin Resource Conservation District
9257 Elk Grove Boulevard
Elk Grove, CA 95624
Attn: Mark J. Madison

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1. Records Created as Part of Consultant's Performance. All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Consultant (or any sub-consultant) prepares or obtains pursuant to this Agreement and that release to the matters covered hereunder ("Documents & Data") shall be the property of the District.

3.5.3.2. Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall

not, without the prior written consent of District, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use District's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of the District.

- 3.5.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.
- 3.5.5 Attorneys' Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorneys' fees and all other costs of such action.
- 3.5.6 Indemnification. Consultant shall defend, indemnify and hold District, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged acts, omissions, negligence or willful misconduct of Consultant, its officials, officers, employees, agents, subcontractors and sub-consultants arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation the payment of all consequential damages and attorney's fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against District, its directors, officials, officers, employees, agents or volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against District or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse District and its directors, officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by District, its directors, officials, officers, employees, agents or volunteers. Consultant's obligations to defend, hold harmless, and indemnify the District shall not

apply to the extent the liabilities are caused by the sole or gross negligence of the District.

- 3.5.7 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.
- 3.5.8 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Sacramento County.
- 3.5.9 Time of Essence. Time is of the essence for each and every provision of this Agreement.
- 3.5.10 District's Right to Employ Other Consultants. District reserves right to employ other consultants in connection with this Project.
- 3.5.11 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.
- 3.5.12 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of District. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.
- 3.5.13 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and sub-consultants of Consultant, except as otherwise specified in this Agreement. All references to District include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.
- 3.5.14 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.
- 3.5.15 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed

by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

- 3.5.16 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.
- 3.5.17 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- 3.5.18 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, District shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of District, during the term of his or her service with District, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.
- 3.5.19 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any sub-consultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of any minority business enterprise program, affirmative action plan or other related programs or guidelines currently in effect or hereinafter enacted.
- 3.5.20 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.
- 3.5.21 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.22 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6 Subcontracting.

3.6.1 Prior Approval Required. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of District. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

[Signature page follows]

Florin Resource Conservation District

Solutions By BG, Inc.

By: _____
Mark J. Madison
General Manager

By: _____
Thomas Dainat
Owner

Attest:

By: _____
Stefani Philips
District Clerk

Approved as to Form:

By: _____
Richard E. Nosky, Jr.
Attorney for Florin Resource Conservation District

Please forward all invoices to accountspayable@egwd.org

The Consultant has provided a proposal which combines the scope of services, schedule of services and compensation into one document. Therefore, references to Exhibit A, Exhibit B and Exhibit C in the contract shall refer to the Consultant's proposal dated August 3, 2018(attached).

EXHIBIT "A"
SCOPE OF SERVICES

EXHIBIT "B"
SCHEDULE OF SERVICES

EXHIBIT "C"
COMPENSATION

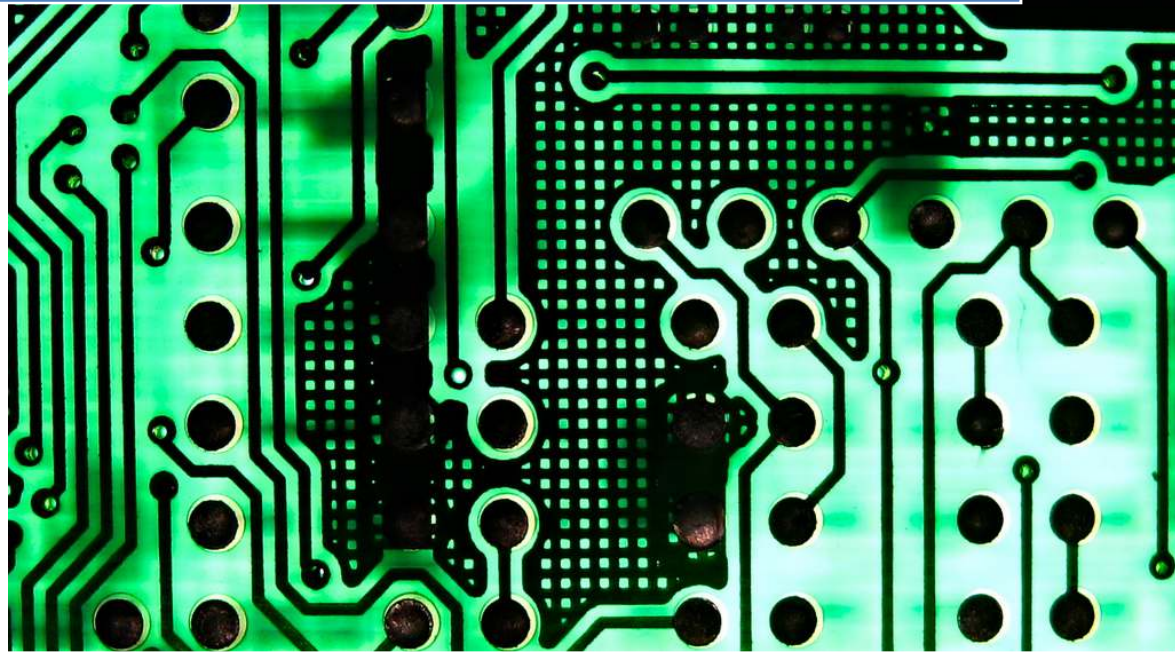


Solutions By BG, Inc.

<https://www.solutionsbybg.com>

2018

INFORMATION TECHNOLOGY SERVICES PROPOSAL



Prepared For:
Florin Resource Conservation
District / Elk Grove Water
District
9257 Elk Grove Blvd.
Elk Grove, CA 95624

Thomas Dainat
Solutions By BG, Inc.
8/3/2018

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Purpose

The purpose of this document is to lay out the scope of Information Technology (IT) services that Solutions by BG, Inc (herein after known as the contractor) will provide for the Elk Grove Water District, which is a department of the Florin Resource Conservation District.

Basic Duties:

Basic duties include, but are not limited to:

- Database Administration
- Systems Administration – HELP Desk
- Exchange Server Administration
- Server Administration
- Switch/Networking administration
- Repairing/Replacing older computers
- Backup, on-site and off-site
- Firewall and Network Security
- Remote Administration and Technical Support
- Remote 24x7 public systems monitoring for uptime and responsiveness
- Interactive Voice Response system maintenance

The following items will be done on an as needed basis:

- Systems documentation
- Training
- On site programming

General Tasks:

Some of the work the contractor will perform includes (but is not limited to):

a) Monthly patch of all servers, desktops, laptops. Laptop patching will require on-site support

The district has:

- Server systems (mix of Windows and Unix/Linux), both physical and virtual

- Laptops (mix of Windows and Linux)

- Workstations (all Windows)

Network Switches, Firewalls and devices. This includes applying firmware upgrades to any switches, WIFI devices or printers, etc. as needed.

b) Upgrading servers and software as needed (done on a per project or per case basis)

c) Provide Help Desk Ticket support (using EGWD's help desk system) for end users, maintenance tasks and security.



d) Perform daily routine tasks such as verifying all backups, checking system logs (syslog). Daily backup and replication is done through Veeam Backup and Replication to an Offsite Facility

e) Travelling to the client's site to assist with system outages. This could be from replacing failed hard drives to troubleshooting network issues, desktop issues or in rare instances printer issues (printer maintenance is already done through contract to third party vendors or contractors).

Applications the contractor may need to troubleshoot or provide assistance to:

- i. TruePoint – Utility Billing software
- ii. Cityworks – Asset Maintenance software
- iii. ArcGIS
- iv. Wonderware InTouch (Mission Critical SCADA system)
- v. Sage Abra (HRMS)
- vi. Sage 100 (Accounting)
- vii. XC2 – Backflow Management software
- viii. Invensys AutoRead – Meter Reading software
- ix. Exchange 2010
- x. SharePoint 2010
- xi. SQL Server (various flavors)
- xii. MySQL

The contractor will also act as a liaison between staff and technical support for any of the software/services used by the District. For example if a program starts acting up and the contractor is unable to troubleshoot locally, the contractor may need to contact Product Tech Support to have the issue resolved.

f) Assist in fixing security vulnerabilities discovered by the Qualys Vulnerability Scanner. This may require installing missing patches, removing/updating obsolete/EOL software, etc.

g) Create a weekly backup of DVR images to a USB drive (requires on-site visit)

It is understood that the District runs a 24x7x365 operation and though it is unusual, there may be times when the contractor staff will be tasked with support issues after hours or into the early hours of the morning.



Schedule of Services

Problem Severity	Initial Response Time	Escalation
Emergency, Business stopped	Less than 2 hours	N/A
Critical, Business is at low efficiency	Less than 2 hours	1 hour
Annoyance, Minor business impact	Less than or equal to 4 hours	1 hour
Normal, Minimal business impact	8 hours or next business day	2 hours
Cosmetic, Preferences	16 hours, 2 nd Business day	4 hours

Background and Experience

Full profile of the principal consultant can be found here:

<https://www.linkedin.com/in/thomas-dainat-079a246>

Knowledge Summary:

- Experience as a Systems Administrator administering Windows, Linux and FreeBSD Servers and Cisco SG small business switches.
- Knowledgeable with C#, Visual Basic/VBA/VB Script and Powershell Programming to create custom applications/automation and Asp.Net sites, SharePoint and Sysadmin automation.
- Knowledgeable as a web developer (php/MySQL, HTML, XML, .Net)
- Experience in managing Web Servers (Apache & IIS 5/6/7/7.5) on Windows Servers (NT/2000/2003/2008/2008R2/2012) and Linux (Centos).
- Knowledge in deploying and managing Virtual Local Area Networks (vLANS) using Cisco SG small business switches
- Has 12 years of management and managerial experience, in addition to 18 years in Information Technology
- Possess strong written and oral communications skills along with a positive attitude.
- Reputation as dependable, accountable and able to work under minimal supervision

Fee Schedule

Services Offered	Component Cost
Normal Hourly Rate	\$65/hour (includes travel time)
Normal Hourly Rate IT Technician	\$45/hour (includes travel time)
After Hours non-request support (5pm to 10pm)	Normal Hourly Rate
Overnight/Emergency (10pm to 7am) & Holiday hours	\$125/hour - Principal \$90/hour - Technician
Request for Support during non-business hours (5:00pm to 10:00pm)	\$100/hour – Principal \$65/hour - Technician

The normal hourly rates shall be subject to a 5% rate adjustment on July 1st of each year of this agreement.

Invoices shall be submitted to the District bi-weekly as performance of the Services progresses. All work performed by the contractor will be document in the form of help desk tickets. It is expected that the District review and pay the charges on such invoices within the time period as specified in its Professional Services Agreement, after receipt thereof.

August 15, 2018

TO: Chairperson and Directors of the Florin Resource Conservation District
FROM: Stefani Phillips, Human Resources Administrator
SUBJECT: **CONFLICT OF INTEREST CODE**

RECOMMENDATION

It is recommended that the Florin Resource Conservation District Board of Directors adopt Resolution 08.15.18.02, amending the Conflict of Interest Code Pursuant to the Political Reform Act of 1974.

Summary

The Political Reform Act requires that state and local government agencies review their Conflict of Interest Code every two years (biennially). After the Florin Resource Conservation District Board of Directors (Board) has adopted the proposed Conflict of Interest Code, it is forwarded to the County of Sacramento Board of Supervisors. The County of Sacramento Board of Supervisors is the code-reviewing body for Sacramento County. The Florin Resource Conservation District is wholly contained within the boundaries of the County of Sacramento, and therefore, the Conflict of Interest Code must be submitted to them for reviewing. The effective date of the Conflict of Interest Code will be 30 days after the date of approval by the Board of Supervisors.

By this action, the Board will adopt Resolution 08.15.18.02, which amends the Conflict of Interest Code to include the addition of the GIS Technician II position.

DISCUSSION

Background

In August 2010, staff worked with Best, Best, & Krieger to develop a Conflict of Interest Code. The Conflict of Interest Code accurately designates officials and employees that make or participate in the making of governmental decisions; the disclosure categories assigned to those positions accurately require the disclosure of all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding the designated positions; and the code includes all other provisions required by Government Code Section 87302.

CONFLICT OF INTEREST CODE

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The Board adopted the first Conflict of Interest Code on September 22, 2010 and it was forwarded to the County of Sacramento Board of Supervisors, who adopted it on January 12, 2011.

The Conflict of Interest Code has been reviewed biennially and amended as necessary in 2012, and 2014. The last legal review was completed in 2016 and at that time, there were several non-substantive changes made in addition to the following amendments.

The following amendments were made to Exhibit A in 2016:

- Addition of the Assistant General Manager position
- Addition of the Human Resources Administrator position
- Addition of Program Manager position
- Position title change from Water Distribution Foreman to Supervisor
- Position title change from Water Treatment Foreman to Supervisor
- Removal of Financial Consultants

Present Situation

During the current biennial review of the Conflict of Interest Code only one notable change has been made to Exhibit A (Attachment 1).

The following amendment was made to Exhibit A:

- Addition of the GIS Technician II position

ENVIRONMENTAL CONSIDERATIONS

There are no direct environmental considerations associated with this report.

STRATEGIC PLAN CONFORMITY

The biennial review of the Conflict of Interest Code meets the Regulatory Compliance section of the 2012-2017 Strategic Plan.

August 15, 2018

CONFLICT OF INTEREST CODE

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FINANCIAL SUMMARY

There is no direct financial impact associated with this item at this time.

Respectfully submitted,



STEFANI PHILLIPS
HUMAN RESOURCES ADMINISTRATOR

Attachments

RESOLUTION NO. 08.15.18.02

**RESOLUTION OF THE FLORIN RESOURCE
CONSERVATION DISTRICT BOARD OF DIRECTORS
AMENDING THE CONFLICT OF INTEREST CODE
PURSUANT TO THE POLITICAL REFORM ACT OF 1974**

WHEREAS, the State of California enacted the Political Reform Act of 1974, Government Code Section 81000 et seq. (the “Act”), which contains provisions relating to conflicts of interest which potentially affect all officers, employees and consultants of the Florin Resource Conservation District (the “District”) and requires all public agencies to adopt and promulgate a conflict of interest code; and

WHEREAS, the Board of Directors adopted a Conflict of Interest Code (the “Code”) which was amended on September 28, 2016, in compliance with the Act; and

WHEREAS, subsequent changed circumstances within the District have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update the District’s Code; and

WHEREAS, the potential penalties for violation of the provisions of the Act are substantial and may include criminal and civil liability, as well as equitable relief which could result in the District being restrained or prevented from acting in cases where the provisions of the Act may have been violated; and

WHEREAS, notice of the time and place of a public meeting on, and of consideration by the Board of Directors of, the proposed amended Code was provided each affected designated employee and publicly posted for review at the offices of the District; and

WHEREAS, a public meeting was held upon the proposed amended Code at a regular meeting of the Board of Directors on August 15, 2018 at which all present were given an opportunity to be heard on the proposed amended Code.

NOW, THEREFORE, BE IT RESOLVED by the Florin Resource Conservation District Board of Directors that the Board of Directors does hereby adopt the proposed amended Conflict of Interest Code, a copy of which is attached hereto and shall be on file with the Board Secretary, and available to the public for inspection and copying during regular business hours;

BE IT FURTHER RESOLVED that the said amended Conflict of Interest Code shall be submitted to the Board of Supervisors of Sacramento County for approval and said Code shall become effective 30 days after the Board of Supervisors approves the proposed Conflict of Interest Code as submitted.

PASSED AND ADOPTED by the following vote on August 15, 2018.

AYES:

NOES:

ABSENT:

ABSTAIN:

Tom Nelson
Chairperson of the Board of Directors

ATTEST:

Stefani Philips
Board Secretary

**CONFLICT OF INTEREST CODE
OF THE
FLORIN RESOURCE
CONSERVATION DISTRICT**

CONFLICT OF INTEREST CODE OF THE FLORIN RESOURCE CONSERVATION DISTRICT (Amended _____, 2018)

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 2 Cal. Code of Regs. Section 18730 which contains the terms of a standard conflict of interest code which can be incorporated by reference in an agency's 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 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This incorporation page, regulation and the attached Appendix designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the **Florin Resource Conservation District** (the "**District**").

All Officials and Designated Positions required to submit a statement of economic interests shall file their statements with the **Board Secretary** as the District's Filing Officer. The **Board Secretary** shall make and retain a copy of all statements filed by Members of the Board of Directors and the General Manager, and forward the originals of such statements to the Clerk of the Board of Supervisors in the County of Sacramento. The **Board Secretary** shall retain the originals of the statements of all other Officials and Designated Position and shall make all retained statements available for public inspection and reproduction during regular business hours. (Gov. Code Section 81008.)

APPENDIX
CONFLICT OF INTEREST CODE
OF THE
FLORIN RESOURCE CONSERVATION DISTRICT

(Amended _____, 2018)

EXHIBIT "A"

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

District Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18701(b), are NOT subject to the District's Code, but must file disclosure statements under Government Code Section 87200 et seq. [Regs. § 18730(b)(3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments¹:

Members of the Board Directors

Treasurer

¹ Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by § 87200.

DESIGNATED POSITIONS

GOVERNED BY THE CONFLICT OF INTEREST CODE

<u>DESIGNATED POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Assistant General Manager	1, 2
Associate Civil Engineer	2, 3, 5
Finance Manager	1, 2, 4
Finance Services Specialist II	2, 3, 5
Finance Supervisor	2, 3, 5
General Counsel	1, 2
General Manager	1, 2
GIS Technician I	5
GIS Technician II	5
Human Resources Administrator	5
Human Resources Specialist	5
Management Analyst	2, 4
Operations Manager	5
Program Manager	4
Water Distribution Supervisor	5
Water Treatment Supervisor	5
Consultant and New Positions ²	

² Individuals providing services as a Consultant defined in Regulation 18701, or in a new position created since this Code was last approved that makes or participates in making decisions shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:

The General Manager may determine that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.). The General Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

EXHIBIT “B”

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic interests that the Designated Position must disclose for each disclosure category to which he or she is assigned.³

Category 1: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that do business in or own real property within the jurisdiction of the District.

Category 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the District.

Category 3: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of the District.

Category 4: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type utilized by the District.

Category 5: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the Designated Position’s department, unit or division.

³ This Conflict of Interest Code does not require the reporting of gifts from outside this agency’s jurisdiction if the source does not have some connection with or bearing upon the functions or duties of the position. (Reg. 18730.1)

August 15, 2018

TO: Chairperson and Directors of the Florin Resource Conservation District
FROM: Sarah Jones, Program Manager
SUBJECT: **PEPPER SPRAY POLICY**

RECOMMENDATION

It is recommended that the Florin Resource Board of Directors adopt Resolution No. 08.15.18.03, amending the 2014 Elk Grove Water District Employee Policy Manual with the addition of Section 7.1.5 Pepper Spray.

SUMMARY

Staff had drafted a proposed pepper spray policy to authorize its use in response to several incidents involving aggressive animal behavior toward field crew members.

If adopted by the Board, the staff will amend the 2014 Elk Grove Water District Employee Manual by adding Section 7.1.5 Pepper Spray and implement the policy immediately.

DISCUSSION

Background

The Elk Grove Water District (District) is concerned with the welfare and safety of its employees in the field, especially in situations where employees may be confronted by a stray and/or aggressive animal. Several incidences of aggressive behavior by animals toward field staff prompted the creation of a pepper spray policy to authorize the use of pepper spray by EGWD employees for self-defense purposes against aggressive animals.

Present Situation

Staff has drafted a proposed pepper spray policy in response to several incidents involving aggressive animal behavior toward field crew members. The pepper spray policy was reviewed and is recommended by the Ad-hoc Policy Review Committee as well as General Counsel.

The proposed policy includes provisions that require each user to be trained and certified for the safe use of pepper spray and states the pepper spray is only for use on aggressive

PEPPER SPRAY POLICY

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animals, not humans. Authorization for employees to carry and use pepper spray is at the discretion of the General Manager.

ENVIRONMENTAL CONSIDERATIONS

There are no direct environmental considerations associated with this report.

STRATEGIC PLAN CONFORMITY

Tracking active legislation complies with the District's Regulatory Compliance goals of the 2012-2017 Strategic Plan.

FINANCIAL SUMMARY

The financial impact to EGWD is minimal. The cost of a pepper spray canister is approximately \$15 and the training is \$40 per person. Funds are available in the current fiscal year 2018/19 safety training and equipment budget.

Respectfully submitted,



SARAH JONES
PROGRAM MANAGER

Attachments

RESOLUTION NO. 08.15.18.03

**A RESOLUTION OF THE FLORIN RESOURCE
CONSERVATION DISTRICT BOARD OF
DIRECTORS AMENDING THE 2014 ELK GROVE
WATER DISTRICT EMPLOYEE POLICY MANUAL
WITH THE ADDITION OF SECTION 7.1.5 PEPPER SPRAY**

WHEREAS, The Elk Grove Water District (District) is concerned with the welfare and safety of its employees in the field, especially in situations where employees may be confronted by a stray and/or aggressive animal; and

WHEREAS, Pepper spray has been proven to be an effective form of self-protection when encountering dangerous animals; and

WHEREAS, the Elk Grove Water District Employee Policy Manual "Manual" does not include a policy that provides guidelines for pepper spray use; and

WHEREAS, the District's Board of Directors wishes to amend the Manual to add a policy that establishes guidelines, policies and procedures for the use of pepper spray by authorized employees.

NOW, THEREFORE, BE IT RESOLVED by the Florin Resource Conservation District Board of Directors that:

Section 1. 7.1.5. is hereby added to the Manual and reads, in its entirety, as follows:

7.1.5 Pepper Spray

Purpose

The Elk Grove Water District (District) is concerned with the welfare and safety of its employees in the field, especially in situations where employees may be confronted by a stray and/or aggressive animal. To address potential encounters with potentially dangerous animals, the District supports field staff's use of pepper spray for self-defense purposes. Pepper spray has been proven to be an effective form of self-protection when encountering dangerous animals. The spray does not kill the animal, but when properly applied, stops the animal and provides the user with time to safely leave the area.

Policy

Pepper spray is a chemical with an active ingredient derived from the cayenne pepper plant. Exposure to pepper spray in aerosol form has physiological effects including inflammation and swelling of the mucus membranes of the eyes, nose, and throat and involuntary closure of the eyes. Pepper spray, also known as oleoresin capsicum (OC), is available commercially in containers that can be used

for self-defense purposes. Use of pepper spray solely for self-defense purposes is allowed by state law in accordance with Penal Code Section 12403.7.

Permanent and temporary employees working in the field who have completed the required training and have District approval are authorized to carry and use pepper spray as a self-defense measure while on duty. Occupational use of pepper spray must be in accordance with the guidelines and procedures set forth in this document. Pepper spray is considered an available self-defense option to facilitate an employee's withdrawal from an assault or attack by an animal.

Authorization

1. Employees may request authorization by the General Manager to carry pepper spray while on duty.
2. Only employees who have completed the required training are authorized to carry pepper spray.
3. The Elk Grove Water District will supply the pepper spray container.
4. Training will be performed by the Safety Program Manager or approved instructor. Training will include review of this Policy and Procedures document, the instructions accompanying the pepper spray container, and Penal Code Section 12403.7.

Employees must demonstrate a thorough understanding of these three items in order to receive authorization to carry pepper spray in addition to usage training.

Procedures

A. Usage Criteria

1. Pepper spray may be used for self-defense when an employee reasonably believes that it is necessary to protect him- or herself from an imminent physical threat posed by an animal. Pepper spray may be used to incapacitate an attacking animal, in order to avoid physical harm and facilitate escape from danger.
2. Employees should use verbal techniques to de-escalate a confrontation, if possible, before resorting to deployment of pepper spray.
3. Once the attacking animal is incapacitated, use of pepper spray is no longer justified.

B. Usage Procedures

1. Whenever possible, employees should be upwind from the attacking animal before using pepper spray, and should avoid entering the spray area.
2. Employees should maintain a safe distance from the attacking animal of between four and six feet.
3. A single spray burst of between one and three seconds should be directed at the attacking animal's eyes, nose, and mouth. Additional burst(s) may be used if the initial or subsequent burst proves ineffective.

C. Effects of Pepper Spray and Staff Response

1. Within several seconds of being sprayed with pepper spray, the animal will normally display symptoms of temporary blindness and have difficulty breathing, and will have a burning sensation in the throat and lungs.
2. Employees should retreat to a safe distance from the attacking animal and immediately call 9-1-1 to request law enforcement assistance.
3. Employees should encourage bystanders to move to a safe location, as applicable.

D. Reporting Procedures

1. Any intentional use of pepper spray shall be reported to the supervisor on the day of the incident, either by phone or in person.
2. A written Incident Report shall be completed by the end of the next work day.

E. Inspection and Replacement

1. Pepper spray devices shall be maintained in an operational and charged state by authorized employees or vendors.
2. Employees are responsible for following the manufacturer's instructions for care and storage of the pepper spray container.
3. Employees are responsible for requesting replacement of a damaged, inoperable, or empty device.
4. District issued pepper spray must be properly stored at the District while employees are not on shift.

Section 2. The Secretary to the Board shall certify to the passage and adoption of this resolution and the same shall take effect and be in force upon its adoption.

PASSED AND ADOPTED by the Board of Directors of the Florin Resource Conservation District on this 15th day of August 2018 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Tom Nelson
Chairperson of the Board of Directors

ATTEST:

Stefani Phillips
Board Secretary

August 15, 2018

TO: Chairperson and Directors of the Florin Resource Conservation District
FROM: Mark J. Madison, General Manager
SUBJECT: **OUTSIDE AGENCY MEETINGS REPORT**

RECOMMENDATION

This item is presented for information only. No action by the Florin Resource Conservation District Board of Directors is proposed at this time.

SUMMARY

The Outside Agency Meetings Report has been recently requested by the Board and will be included as a standing item on the regular board meeting agenda.

Staff and Board Members attended numerous outside agency meetings since the last regular Board meeting. This report is intended to inform the Board of any content included in those meetings that potentially affects the Elk Grove Water District.

DISCUSSION

Background

Per the Board's direction during the February 21, 2018 Board meeting, staff will report on the outside agency meetings that occurred since the previous Board meeting. This report has been designed to list the notable meetings attended, by either staff or Board Members, and the report will be given orally by the staff or Board Members in attendance.

Present Situation

The outside agency meetings attended since July 17, 2018 were as follows:

7/31	EGWD/Sac County Water Agency Meeting	(Madison, Kamilos, Lee)
8/2	Sacramento Regional Safety Forum	(Jones)
8/8	SCGA Regular Board Meeting	(Madison & Kamilos)
8/8	RWA regional Water Reliability Planning Meeting	(Kamilos)

Staff will orally present the major content items addressed in these meetings during the regular Board meeting.

AGENDA ITEM No. 9

OUTSIDE AGENCY MEETINGS REPORT

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ENVIRONMENTAL CONSIDERATIONS

There are no direct environmental considerations associated with this report.

STRATEGIC PLAN CONFORMITY

The District's Strategic Plan addresses responsible business practices and the importance of providing the community with safe drinking water. Specifically, the Plan recommends an ongoing goal of partnering with RWA and other regional organizations. Attendance at these meetings, and this monthly report, assists the District in maintaining sound business practices, delivering safe drinking water, and meeting all regulatory and legal requirements.

FINANCIAL SUMMARY

There is no financial impact associated with this report.

Respectfully Submitted,



MARK J. MADISON
GENERAL MANAGER

MJM/mm