

**AGENDA**  
**June 20, 2019**  
**4:00 p.m.**

**Sacramento Suburban Water District and San Juan  
Water District**

**2x2 Water Management / Re-Organization Committee  
Meeting**

**Location:**

Sacramento Suburban Water District  
3701 Marconi Avenue  
Sacramento, CA 95821

**Public Comment**

1. 2X2 Committee Structure/Participation
2. Notes from the December 10, 2018 SSWD/SJWD Water Management/Re-organization Meeting
3. SSWD/SJWD Water Management/Re-organization Update
4. Next Meeting



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## **Agenda Item: 1**

**Date:** June 20, 2018

**Subject:** 2X2 Committee Structure/Participation

**Staff Contact:** Dan York, General Manager, SSWD  
Paul Helliker, General Manager, SJWD

**Recommended Committee Action:**

Discuss the structure and participation of the 2X2 Committee if the proposed Sacramento Region Water Utility Collaboration / Integration Study is implemented. Provide direction as appropriate.

**Sacramento Suburban Water District and San Juan Water District  
2x2 Water Management / Re-Organization Committee Meeting Notes**

**San Juan Water District  
9935 Auburn Folsom Road  
Granite Bay, CA**

**December 10, 2018  
4:30 p.m.**

**Call to Order**

Director Hanneman called the meeting to order at 4:30 p.m.

**Roll Call**

Committee Members: Marty Hanneman, SJWD Director  
Ted Costa, SJWD Director  
Craig Locke, SSWD Director (arrived at 4:42 p.m.)  
Dave Jones, SSWD Director

Staff Present: Paul Helliker, SJWD General Manager  
Dan York, SSWD General Manager  
Teri Grant, SJWD Board Secretary/Administrative Assistant

Public Present: Steve Nugent, CWD General Manager  
Hilary Straus, CHWD General Manager  
David Gordon, CHWD Operations Manager  
Debra Sedwick, DPMWD General Manager  
Michael Nisenboym, FOWD Operations Manager  
Joe Duran, OVWC General Manager  
Mark DuBose, OVWC Operations Manager  
Greg Zlotnick, SJWD Water Resources & Strategic Affairs  
Mike Huot, SSWD Assistant General Manager  
Bill Eubanks, SSWD Ratepayer

**1. Public Comment**

There were no public comments.

**2. Update From GM Discussions**

SJWD's General Manager Paul Helliker (GM Helliker) and SSWD's General Manager Dan York (GM York) provided a staff report which will be attached to the meeting minutes. GM Helliker reminded the committee that the last meeting was October 3<sup>rd</sup> wherein the committee directed the SSWD and SJWD general managers to meet with the other water agencies' general managers. GM Helliker stated that there were two meetings with the general managers from Citrus Heights Water District (CHWD), Fair Oaks Water District (FOWD), City of Folsom, Orange Vale

Water Company (OVWC), Rio Linda/Elverta Community Water District, Carmichael Water District (CWD), and Del Paso Manor Water District (DPMWD).

GM Helliker reported that, at the first meeting of the general managers, they reviewed the background and the two reports that were provided from the studies. He stated that, at the second meeting, they reviewed the problem statements that were presented to the committee at the October meeting then discussed some revisions to the problem statements, goals and possible tasks, which are included in the staff report.

GM York reviewed the six problem statements which includes the water supply issues in the American River, infrastructure needs, capacity in the system, financial and operational challenges, and legislative and regulatory issues.

Director Costa voiced concern regarding the Bureau draining Folsom Reservoir and wanted to know if that was discussed. GM Helliker explained that is covered under Problem Statement 1 regarding variability and risk of water supplies. In response to another question from Director Costa, GM Helliker replied that the Phase 2a study was the foundation for the discussions with the general managers. In response to Director Costa's third question, GM York explained that he used the Cooperative Transmission Pipeline as an example of a facility being under-utilized by SSWD.

GM York reviewed the goals that the participating agencies would collaborate on which includes enhancing water supply reliability by optimizing the use of surface water and groundwater supplies; repair, replace and improve water supply infrastructure; provide excellent service and the best value to customers; and achieve more effective advocacy and the best outcomes possible on legislation and regulations in both Sacramento and Washington, D.C..

GM York commented that this was a collaboration from the general managers who attended the last two meetings. He stated that the next meeting with the general managers is scheduled for January 8<sup>th</sup> at Citrus Height Water District.

GM Helliker stated that the problem statements were extracted from the Phase 1 and Phase 2a reports and then were updated and go beyond what was defined in the two studies. He stated that the items that were highlighted in the first two studies were focused on water supplies and optimizing the ability to use the water supplies in a manner to protect them and provide as much reliability as possible. In addition, he stated that the two studies included some infrastructure investment needs, operational costs, staffing, and highlighted being more politically influential.

GM Helliker commented that the goals define the purpose of addressing the problem statements, and the alternative methods of doing so range from status quo to conducting projects cooperatively to potential joint powers agreements to full integration, i.e., merger. This compares to the previous Phase 1 & 2a options of

business as usual, more inter-agency agreements and merger. He explained that these goals are not focused specifically on SSWD and SJWD, but are defined more broadly, so that they can apply to specific problems faced jointly by the various water agencies in the SSWD/SJWD neighborhood. In response to Director Hanneman's question regarding governance, GM York explained that governance was analyzed in the Phase 2a study. GM Helliker explained that governance and some other issues pertain specifically to a merger and, while that is a potential solution to the problem statements as a way to achieve the goals, the general managers were trying to define alternatives to consider other than those defined in the other two studies.

GM Helliker stated that the comments received from the participants at the October committee meeting suggested that the committee take a good look at what the problems are that the committee is trying to identify, what the best alternatives are to consider to address those problems, and how they will be analyzed.

Director Locke commented that the discussion in the past was focused on the best utilization of the water rights in the region. He voiced concern that problem statement 1 contains several issues that could be broken down into more problem statements but he believes that the most compelling argument is securing the water supply and making the best use of water supply for the region.

Director Jones questioned what the end goal is and suggested that the first goal should be where the agencies want to end up at in order to provide a roadmap. He would like to see the pros and cons of doing agreements versus a merger.

GM Helliker commented that a concern that was heard was that they did not want to start with the solution but instead define the alternatives which need to be evaluated and then develop the criteria to evaluate the alternatives. GM York commented that the SSWD Board wanted to look at the other alternatives first before diving into the merger discussions.

Director Costa commented that the agencies have hired two consultants to perform two separate studies and SJWD accepted the studies and was waiting for SSWD to take a position on the second study. He commented that if other alternatives need to be looked at then they should be included; however, he feels that the document provided by the general managers is broad and vague. Director Hanneman also feels that the document is vague and nebulous and there is no direction.

Director Costa suggested that if the other water agencies want to participate in the discussions with SJWD and SSWD then they should have their boards send a letter to the two agencies so that their Board position is understood.

CHWD's General Manager Hilary Straus (GM Straus) commented that he felt today was just a check-in with the committee to show the committee where the general managers are with the discussions to date and make sure that the general managers

are on track with the committee's direction. In addition, he stated that there are some agencies participating in the discussions who are new to the information being discussed. Therefore, he believes that the process needs to slow down a bit in order for the other agencies to get up to speed. He commented that the process is starting out broad with all the problem statements and goals, then all the practical alternatives will be identified before the alternatives are narrowed down.

CWD's General Manager Steve Nugent (GM Nugent) commented that this is a great opportunity to look for opportunities and believes that this is a starting point to a final solution. He stated that CWD is interested in watching the process and in opportunities to work with other agencies.

DPMWD's General Manager Debra Sedwick (GM Sedwick) commented that SSWD and SJWD are familiar with the original studies; however, her agency is not and her board is changing in 2019 so they are unfamiliar with these activities. She would appreciate that the committee not go too fast so it will allow the other agencies to get up to speed with this process.

GM Helliker commented that there were a number of comments in 2015 regarding the analysis and plans that were being proposed. He stated that there was concern about what the analysis meant and if the alternatives were fully evaluated. He stated that merger was identified as the solution but that might not have been the best solution for the problems that were identified. He agreed that the proposed problem statements are more general but feels that they more accurately characterize the challenges that local water agencies face. He commented that the original Phase 1 and 2A studies solely addressed solutions for SSWD and SJWD. He commented that the choice now is to broaden the project to include other agencies or continue with just the original two agencies (SSWD and SJWD).

Director Costa commented that, when the Cooperative Transmission Pipeline (CTP) was constructed, the agreement was that Northridge Water District would merge with SJWD eventually; however, that did not happen. He commented that the SJWD Board conducted a workshop and set a policy that if another water agency was interested in merging with SJWD that they would need to submit a letter and then discussions could be instigated, which is what happened with SSWD. He suggested that other water agencies, that want to be included in the process, go to their board of directors and then send SJWD a letter of their intent.

Director Hanneman commented that from the October 3<sup>rd</sup> committee meeting the position was that the process would be inclusive and that all the general managers would meet to discuss the problem statements so that they reflect all the agencies that are interested in this topic.

Director Locke commented that he agreed with Director Costa and that the other agencies should bring back their boards' positions on the topic.

GM Straus commented that the direction that he received from the CHWD board is that they are interested in an interest-based process versus a position-based process. In other words, they are interested in looking at the full range of options not just one to the exclusion of all others. He commented that it may take some time to come to agreement on the shared problem statements and goals, and if there is genuine interest to bring on additional partners then they need to be given the opportunity and time to participate.

Director Locke commented that more specific problem statements such as extra capacity in the treatment plant or under-utilized transmission pipelines are problem statements that can be addressed versus issues like climate change. GM Straus commented that there was discussion regarding turning the problem statements into SMART objectives - Specific, Measurable, Achievable, Relevant, Time bound.

Director Locke commented that he knows the interest of his board and of San Juan's board but not the other agencies. GM Straus commented that he is hoping to see if they can collaborate around shared goals and objectives. In response to Director Hanneman, GM Straus commented that the CHWD board has discussed this issue. GM Sedwick commented that she has a new board starting in January and will bring this to their attention after their first meeting in January. Representatives from CWD, FOWD and OVWC stated that their boards have discussed the issue and directed them to attend the meetings.

GM Helliker commented that the tasks that are listed in the document cover the basis of what needs to be done at this point. He commented that a lot of the work was completed with respect to just SSWD and SJWD, with the same level of analysis not yet completed for the other agencies. He reviewed the tasks that were included in the document and explained that the general managers would like to put more detail in the list then have each board review the list. He commented that once the list is provided to the boards then it would be reasonable to ask each board if they would be participating in the effort.

GM York commented that one of the issues in 2015 was that the other agencies were not allowed to be at the table; however, GM Helliker commented that he was told that they were invited. Director Costa commented that the smaller water agencies would need to request to participate and that the larger agency would not be seeking out the smaller agencies to join.

Mr. Eubanks, a SSWD ratepayer, addressed the committee and voiced his concern regarding some issues. He commented that if the boards want to make some progress then they should pick something out and go for it; otherwise, these meetings will continue on endlessly.

Director Hanneman commented that he didn't see reference to inter-agency agreements in the goals. GM Helliker explained that improving inter-agency agreements would be an alternative to try to achieve the goals as defined in the Phase 1 study.

Director Jones commented that there needs to be defined goals as the ones provided were more general, and talking points might be helpful. The committee voiced concurrence regarding defined goals.

GM Helliker conducted a brief presentation on projects that are similar to the current topic. A copy of the presentation will be attached to the meeting minutes. He explained that the Tri-Valley Agencies project included five agencies (California Water Service – Livermore, City of Livermore, City of Pleasanton, Dublin San Ramon Services District, and Zone 7 Water Agency) that collaborated on an effort to look at all the range of options that they had regarding the challenges they had in 2011. Their goals were to improve all operations in their various arenas, save customers money, and optimize their operations.

GM Helliker explained that their options ranged from inter-agency agreements/contracts to creating one water agency. He stated that out of the ten options, the group selected two options to look at further, then broke that down to the operational and support opportunities that they would consider in their next study.

GM Helliker informed the committee that, in northern Los Angeles County, Castaic Lake Water Agency (wholesaler), Santa Clarita Water Division, and Newhall County Water District (Santa Clarita Valley Agencies) created one agency at the beginning of 2018. He reviewed their challenges, opportunities, and cost savings. He explained that they are one agency that manages all the surface water and groundwater in the basin. He explained that they have separate divisions and haven't completely integrated all their functions, but over time will probably do so.

GM Helliker commented that these were two previous examples of collaboration with different results, which could inform the committee's deliberations. He commented that the work done by the agencies in the other examples could complement the work that we have already completed.

The committee would like to know the cost and length of time of the Tri-Valley Agencies and Santa Clarita Valley Agencies projects. In addition, they would like to know what happened to the water rates. GM Helliker will report back to the committee with the information.

### **3. Next Steps**

GM Helliker commented that the general managers are proposing an inclusive approach, looking at the issues and bringing all the agencies together to identify what the best solutions are for the issues. He commented that the problem



statements, goals, and tasks need to be developed in more detail, and a scope developed during the next couple of months for the expanded project. This information would then be presented to each agency, who would then decide whether or not they are interested in joining the effort.

Director Hanneman commented that the general managers are meeting on January 8<sup>th</sup> at CHWD then the committee can meet in February/March at SSWD. GM Helliker commented that by February/March each of the other agencies should be able to inform the committee of their level of participation in this effort. GM Sedwick requested that the committee meet in March/April so that she has time to address this issue with her new board.

The meeting was adjourned at 5:35 p.m.

DRAFT



## Agenda Item: 3

**Date:** June 20, 2018

**Subject:** SSWD/SJWD Water Management/Re-organization Update

**Staff Contact:** Dan York, General Manager, SSWD  
Paul Helliker, General Manager, SJWD

**Recommended Committee Action:**  
Information only. Provide direction as appropriate.

**Background:**  
The SSWD/SJWD 2x2 Committee last met on December 10, 2018. At that meeting, the Committee discussed the problem statements and goals that the General Managers group had developed in meetings that the SSWD/SJWD 2x2 Committee had directed their General Managers to organize. These problem statements had been extracted from the 2014/15 SSWD-SJWD Phase 1 and Phase 2A studies. The Committee also received a presentation on two other collaboration/integration efforts that had been conducted in the Tri-Valley area (Livermore) and the Santa Clarita area.

At the meeting, representatives of San Juan's wholesale customer agencies and other water agencies interested in the deliberations attended and presented their perspectives on the topic. The committee directed the SSWD and SJWD General Managers to continue to work with the other General Managers/Utility Directors to develop a proposed scope for a broad collaboration/integration project that would analyze all of the projects and programs of participating agencies, and recommend those that would be better managed through contracts, a joint powers authority or full merger into a single organization.

The General Managers/Utility Directors group includes the following organizations: Carmichael Water District, Citrus Heights Water District, City of Folsom, Del Paso Manor Water District, Fair Oaks Water District, Orange Vale Water Company, Rio Linda/Elverta Community Water District, Sacramento Suburban Water District and San Juan Water District.

There have been a total of six meetings among these agencies (four since the December 10, 2011 2x2 committee meeting), with the most recent meeting held on June 11, 2019. During those meetings, the group developed a draft Sacramento Region Water Utility Collaboration/Integration Study Request for Proposal (RFP)(see Attachment 1 ).

At the June 11 meeting, the group reviewed the final draft RFP that will allow the agencies to determine a final scope of work and then each agency board will review the scope and make a decision regarding participation. The GMs/Utility Directors plan to bring the draft RFP to their Boards/Councils in June and July, to determine whether or not each organization would be interested in participating in the project. Orange Vale Water Company has made the decision to no longer participate in this particular endeavor. It is unknown at this time if Del Paso Manor Water District will be participating due to a major change in their management staff.

The intent of the analysis is to identify opportunities for coordinating or integrating policies, programs, services, projects and activities to create efficiencies, improve results and achieve an overall cost benefit to the agencies' customers. The Scope of Work is intended to determine a range of alternatives, which include potential integration of selected projects, programs and services, up to and including integration or consolidation of two or more of the Agencies into a single organization.

The cost of the project and the cost per agency are currently unknown, however, the group anticipates the analysis may be in the \$250,000 range. The group is continuing to develop a cost per agency scenario. A Cost Allocation spreadsheet has been developed with three different scenarios, operating budget, connections and tier. As you will see in Attachment 2, the range for SSWD is \$63,750- \$89,953 and for SJWD is \$20,753-\$63,750. Note: Currently there are seven agencies in the cost allocation. The cost for participating agencies may increase based on the final number of participating agencies.

**Fiscal Impact:**

Unknown at this time.

## REQUEST FOR PROPOSAL

### **CONSULTANT SERVICES FOR A SACRAMENTO REGION WATER UTILITY COLLABORATION/INTEGRATION STUDY**

#### **A. INTRODUCTION:**

A consortium of nine water supply agencies in the Sacramento Region is seeking a consultant for professional services to assist with the preparation of a Sacramento Region Water Utility Collaboration/Integration Study (Study). The nine agencies consist of Carmichael Water District, Citrus Heights Water District, City of Folsom, Del Paso Manor Water District, Fair Oaks Water District, Orange Vale Water Company, Rio Linda/Elverta Community Water District, Sacramento Suburban Water District (SSWD) and San Juan Water District (SJWD) (Agencies). For organizational purposes, SSWD will serve as the lead or coordinating agency for an evaluation of collaboration/integration opportunities considered in this feasibility and planning study.

**STUDY OBJECTIVE:** Identify ways the Agencies can become more efficient in working together to minimize cost to their customers and optimize the use of their water supplies, personnel, equipment, infrastructure and other resources, as well as improve their ability to influence state and federal policies. As part of the Study, the selected consultant should identify opportunities for coordinating or integrating policies, programs, services, projects and activities to create efficiencies, improve results and achieve an overall cost benefit to the Agencies' customers. The Scope of Work is a threshold study of the range of alternatives, which include potential integration of selected projects, programs and services, up to and including integration or consolidation of two or more of the Agencies into a single organization.

#### Background

In 2013, SSWD and San Juan Water District entered into an agreement to begin identifying opportunities to improve collaboration and potentially merge operations into one consolidated district. A Phase 1 Study, focused on high-level evaluation of three options, was completed in 2014. A Phase 2A Study, focused on governance and organizational design of one alternative, was completed in 2015.

At the June 2015 Joint Board Meeting, the SSWD Board of Directors made a decision to suspend all work on the consolidation analysis until SSWD coordinated with the SJWD Wholesale Customer Agencies (Citrus Heights Water District, Fair Oaks Water Districts, Orange Vale Water Company, and City of Folsom) to ensure that a process be developed whereby Wholesale Customer Agencies' issues and concerns can be addressed, and evaluate the independent research on SJWD water rights that SSWD commissioned. SSWD has determined that the design of this proposed Study will address these concerns, and SSWD is ready to move forward with further analysis as proposed in this RFP.

In March 2018, SSWD received correspondence from the SJWD General Manager, on behalf of the Board of Directors of SJWD, inquiring about the status of the merger discussions previously conducted by SSWD and SJWD. At SSWD's March 2018 regular Board meeting, the Board approved implementation of a 2X2 Committee to meet with SSWD's General Manager and develop goals and discussion points.

Due to interests of other local water agencies to move forward in discussions pertaining to collaboration/integration opportunities, it has now evolved into a broader level of involvement in the Sacramento Region.

### Structure and Meetings

As noted, SSWD will be responsible for administration of the project, and will be the primary contact for the consultant. The project will be overseen by a Steering Committee, composed of at least one executive from each of the Agencies. The consultant will meet with the Steering Committee as necessary, but at least once to initiate the project, and then at the end of each Activity phase. In addition, during the analysis phase of the consultant's work, the consultant will need to communicate with each agency's subject matter expert staff as required.

The consultant will also need to plan to present the results of each Activity phase to a facilitated joint meeting of the Boards of Directors/City Councils of the Agencies (a maximum of 4 meetings total for the Boards/Councils).

The consultant needs to identify in the proposal the intersection points with Agency personnel throughout the Study.

## **B. REQUESTED SCOPE OF WORK:**

### 1. SERVICES DESIRED:

The following is a requested scope of work to be utilized in submitting a response.

*Scope of Work Activity 1: Describe the current environment*

#### **(a) Describe the utilities, background**

Document the operational responsibilities of the various Agencies related to water services. Document the service standards, policies, procedures and organizational staffing for each agency. Provide an overview of how customers receive their water supplies in the areas served by the Agencies.

#### **(b) Inventory services offered by each Agency**

Create a template to be completed by the Agencies to identify the services offered by each Agency (i.e. water treatment and distribution, meter reading and billing, water efficiency on system and per customer basis, budgeting and accounting, etc.) Identify program/service operating goals, operating costs, water supply costs, performance data and key projects that are either planned or in execution.

Inventory Agency Capital Improvement Programs and Advanced Planning Efforts for Infrastructure and Significant Asset Management, including expected future costs.

**(c) Inventory current collaborations**

Create an inventory of current collaborations between/among the Agencies

**(d) Describe existing financial approaches**

Prepare a description of the current financial environment of the Agencies, including debt capacity and obligations, credit ratings, rate structure, financial policies, asset base, reserve levels, number of customers, annual revenues, property tax receipts, operating rates and connection fees and other relevant factors. Create a template to be completed by the Agencies to obtain information.

**(e) Identify stakeholders**

Identify current stakeholders of the Agencies and their interests (including customers (particularly those in Disadvantaged Communities), developers, employees and other stakeholders).

**(f) Review and Revise Problem Statements**

Evaluate the problem statements defined by the Agencies and recommend any additions or edits. The problem statements will help inform the scope of the Study. The draft list of problem statements accompanies this RFP as Attachment C.

*Scope of Work Activity 2: Conduct benchmarking*

**(a) Conduct peer benchmarking**

Conduct a peer benchmarking study to compare key indicators for the Agencies, such as staffing, functions provided, organization structure, and collaborative efforts. Consult with the Agencies in establishing criteria for choosing the peer agencies.

**(b) Identify and performance measures to evaluate collaboration/integration alternatives/options**

Ascertain evaluative benchmarks for the peer agencies and compare with the Agencies. At a minimum, benchmarks need to cover the following aspects of the projects/programs/organizations being assessed: 1) Legal; 2) Financial; 3) Management/Governance; and 4) Operational.

*Scope of Work Activity 3: Identify opportunities for the future*

**(a) Identify economies of scale**

Identify services or purchases that are amenable to savings due to scale. Describe the potential benefits and challenges of combining such services.

**(b) Identify opportunities and challenges for service integration**

Identify opportunities and challenges for integrating services within the Agencies. Specify which services could be integrated, the associated costs and benefits, and key factors that would need to be addressed. Recognize that there will be a growth in service connections in the future. Provide a framework for next steps and phasing of implementation.

**(c) Identify opportunities and challenges for facilities integration**

Identify opportunities and challenges for combining or integrating facilities (i.e., buildings and grounds, but not water treatment and distribution) that would create cost savings to the Agencies and their customers. Describe the potential benefit and the factors that would need to be addressed in integrating such facilities. Recognize that there will be a growth in service connections in the future. Provide a framework for next steps and phasing of implementation.

**Deliverables**

It is understood that the consultant will begin the Study by completing the scope of work activity #1, followed by activity #2 and finish with activity #3. The consultant shall provide to the Steering Committee a report at the completion of each of the three activities in the scope of work, detailing the information collected, the analysis conducted and any results or recommendations. The consultant shall also provide the Steering Committee a final report, integrating the results of the three activities and a summary of the complete project.

**2. MINIMUM QUALIFICATIONS OF CONSULTANT:**

It is expected that the proposer will have experience with public sector projects of similar nature and scope, including the ability (whether directly or through a subconsultant) to address relevant legal, financial, management/governance and operational issues. The successful proposer will demonstrate experience with a minimum of three municipally-directed projects pertaining specifically to evaluation of utility services.

**3. INSURANCE REQUIREMENTS:**

The firm or individual selected to perform the work will be required to provide with the contract insurance and indemnification in the amount shown in Exhibit B within Attachment A.

## **C. THE PROPOSAL:**

### **1. FORMAT AND REQUIREMENTS:**

The Proposal shall be 8-1/2" by 11", with the pages numbered sequentially, and double-sided. 1" margins shall be provided on all pages. Statements shall be in a 12-point font and may be single or double-spaced.

Statements of Qualifications shall be submitted in electronic format using Adobe Acrobat (.pdf).

### **2. PROPOSAL CONTENTS:**

The Proposal shall include the following:

- A. Letter of Transmittal. Identify the individual or parties, and provide its (their) address along with the name of a contact person and a telephone number (one page maximum).
- B. Include a general statement of the consultant's approach to conducting a financial and operational review of public utilities (two pages maximum).
- C. Describe the Firm's experience with public sector projects of a similar nature and scope. Emphasis should be placed on projects undertaken within the past three years.
- D. Identify all personnel who will be assigned to work on this project. Include brief summaries of their background and experience, as well as the assigned responsibilities for this project.
- E. A general statement of the consultant's approach to conducting the required Study. This discussion should estimate the total cost for the Study (two pages maximum).
- F. Identify any sub-consultants and include the same information as described in "D".
- G. Provide a budget, broken down by each scope of work activity and subtask.
- H. Provide a timeline for completion of the project. Any assumptions regarding turnaround time for review should be clearly noted.
- I. Provide references for your firm's three most representative projects. Include the following:
  - 1) Name of public agency
  - 2) Name and title of contact person.
  - 3) Telephone number of contact person.



- 4) Brief description of the project including start and completion dates and your firm's role in the project.
  - 5) The telephone number and contact names of private firms involved in the project.
- J. Provide a summary of all past projects involving any Agency. This summary shall include
- 1) Name of public agency
  - 2) Name and title of contact person.
  - 3) Telephone number of contact person.
  - 4) Brief description of the project including start and completion dates and your firm's role in the project.
  - 5) The telephone number and contact names of private firms involved in the project.

### 3. PROJECT APPROACH:

Include a brief discussion describing your firm's approach to preparing the Study. Detail your strategy and include your vision for the final deliverable resulting from this Study.

#### **D. THE PROCESS:**

##### Mandatory Proposers Meeting:

A mandatory proposers meeting will be held (**Date/time/location**), to provide all consulting teams with information concerning the Scope of the Study and to ask any questions. Moreover, any written questions should be submitted to Heather Hernandez via email to: hhernandez@sswd.org by no later than **4:00 p.m. on DAY, MONTH AND DATE, 2019**. All questions and answers will be distributed via email by **DAY, MONTH AND DATE, 2019** as well as posted on the (SSWD website?). The name of the consulting team submitting questions will not be identified.

Submittal of the Proposal: The Proposal shall be submitted using Adobe Acrobat (.pdf format) to Heather Hernandez via email hhernandez@sswd.org by no later than **4:00 p.m. on DAY, MONTH AND DATE, 2019**.

Proposal Review: Qualifications will be evaluated by a Steering Committee comprised of staff from the Agencies. Submittals will be evaluated according to project understanding by the consultant, and the qualifications of your firm in providing services of a similar nature and how relevant that experience is to this project.

The top two to six proposals will be invited for one or more interviews during the weeks of (DATES). The interviewing panel will be comprised of a representative from each agency participating in the study.

**The Consultant selected to perform the Study will be notified by DATE, 2019.**

Award: The top ranked party will be invited to enter into negotiations with the Agencies on the terms of a Consultant contract based on a final proposal to be submitted at that time. The negotiations will occur in MONTH of 2019. If a satisfactory agreement cannot be negotiated, then the same process will be undertaken with the next highest ranked

party on this list until a satisfactory agreement can be reached. The Agencies anticipate executing a contract in MONTH of 2019 to begin providing services immediately.

The Consultant, as an independent contractor, will report to the Steering Committee comprised of staff from the Agencies. SSWD staff will provide contract administration and project coordination. The Agencies reserve the right to reject all proposals, directly contract with any proposer or non-proposer and request additional information.

Conflict of Interest: By submitting a Proposal, the Respondent declares and warrants that no elected or appointed official, officer or employee of the Agencies has been or shall be compensated, directly or indirectly, in connection with the award of the Agreement or any work for the proposed project.

**E. CONCLUSION:**

If you have any questions, or need additional information, please contact Dan York at [dyork@sswd.org](mailto:dyork@sswd.org) or 916-679-3973.

Sincerely,

Dan York  
General Manager, SSWD

Attachments: A – Professional Services Agreement  
B – Conflict of Interest form  
C – Initial list of Problem Statements

**Attachment A  
PROFESSIONAL SERVICES AGREEMENT**

THIS AGREEMENT, made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the Sacramento Suburban Water District (hereinafter referred to as "SSWD"), in conjunction with eight neighboring water supply agencies in the Sacramento Region; Carmichael Water District, Citrus Heights Water District, City of Folsom, Del Paso Manor Water District, Fair Oaks Water District, Orange Vale Water Company, Rio Linda/Elverta Community Water District and San Juan Water District (collectively, "Agencies"), and \_\_\_\_\_, (hereinafter referred to as "Consultant").

**RECITALS**

SSWD requires the services of Consultant to: (insert finalized Scope of Work)

Consultant warrants it possesses the distinct professional skills, qualifications, experience, and facilities necessary to timely perform the services described in this Agreement. Consultant acknowledges that Agencies have relied upon said warranties to retain Consultant.

**AGREEMENT**

**NOW, THEREFORE,** SSWD and Consultant hereby agree that the aforementioned recitals are true and correct and further agree as follows:

- 1. Retention as Consultant.** SSWD hereby retains Consultant on behalf of Agencies, and Consultant hereby accepts such engagement, to perform the services described in Section 3 below and subject to the terms and conditions contained in this Agreement.
  
- 2. Relationship of Parties – Independent Contractors.** The relationship of the parties shall be that of independent contractors. In no event shall Consultant, or its agents, representatives, employees, consultants, contractors or subcontractors be considered an officer, agent, servant or employee of the SSWD or Agencies. Consultant shall be solely responsible for any workers compensation insurance, withholding taxes, unemployment insurance, and any other employer obligations associated with the performance of the services under this Agreement.

**3. Description of Services.** Consultant shall provide professional \_\_\_\_\_ services to identify ways the Agencies can become more efficient in working together to deliver water services to our communities; look for ways to expand coordination and cooperation as well as identify opportunities for integrating programs, services, and activities to create efficiencies, improve results and achieve an overall cost benefit to the community; and study the potential of service coordination and integration as more particularly set forth in Exhibit "A" attached hereto.

**4. Consultant's Responsibilities.** In the performance of services under this Agreement, Consultant shall:

(a) Diligently perform all services required under this Agreement and continuously furnish the necessary personnel to complete such services in a timely manner;

(b) Perform all services under this Agreement in a manner commensurate with industry, professional, and community standards;

(c) At its own cost and expense, comply with all statutes, ordinances, regulations and requirements of all governmental entities, including federal, state, county or municipal, whether now in force or hereinafter enacted;

(d) Obtain and keep in effect during the term of this Agreement, at its sole cost and expense, all necessary licenses, permits, qualifications, insurance, and approvals of whatsoever nature which are legally required of Consultant to practice its profession and to provide the services under this Agreement;

(e) Be readily available to the Steering Committee to answer any and all questions, inquiries and correspondence from Agencies or interested persons referred to Consultant by the Steering Committee related to the performance of the services under this Agreement;

(f) Discuss and review all matters related to the performance of services under this Agreement with the Steering Committee in advance of all critical decision points in order to ensure the work proceeds in a manner consistent with the Agencies' goals and policies; and,

(g) Consultant shall keep and maintain records and invoices related to services provided under this Agreement for a minimum period of three (3) years from the date of final payment to Consultant, or for a longer period as may be required by law. Such records and invoices shall include, but not be limited to, financial records, time sheets, work progress reports, bills and project records. All such records and invoices shall be clearly identifiable, and organized in a reasonable manner.

- (1) Consultant shall make such records and invoices immediately available to SSWD or Agencies upon delivery of a written request to examine, audit, or copy such records and invoices.
- (2) Within three (3) business days of the delivery of a written notice by the Steering Committee, Consultant shall prepare and submit a written report to SSWD, with copies for all of the Agencies, identifying the work in progress, charges incurred to date, and the anticipated cost of completion.
- (3) Consultant shall give SSWD thirty (30) days written notice of its intent to destroy or otherwise dispose of the records and invoices to allow SSWD or Agencies an opportunity to take possession.

**5. Compensation and Payment.**

(a) The total compensation payable by SSWD to Consultant for services described in this Agreement **SHALL NOT EXCEED** the sum of \$\_\_\_\_\_ (hereinafter "not to exceed amount"), except for such extra services as may be authorized pursuant to Section 6 below. Compensation shall be earned as provided in Exhibit "A."

(b) SSWD shall pay Consultant no later than 30 days after SSWD receives and verifies a written invoice from Consultant in a form satisfactory to the Steering Committee. At a minimum, Consultant's invoice shall contain a description of the services performed and/or the specific task completed from Exhibit "A". Consultant shall not submit invoices to SSWD more frequently than once a calendar month.

(c) The compensation set forth in this Agreement shall constitute the total compensation for all costs of the services provided by Consultant, including, but not limited to, direct costs of labor of employees engaged by Consultant, travel expenses, telephone charges, typing, duplication, computer time, and any and all other costs, expenses, and charges incurred by Consultant, its agents and employees to provide the services described in this Agreement.

**6. Extra Services.** Consultant shall provide, and SSWD shall pay for, such extra services agreed to in writing by the parties that are not reasonably included within the services described in Section 3 above. The total cumulative compensation for all extra services under this Agreement shall not be more than 10% of the not to exceed amount.

**7. Term.** The term of this Agreement shall commence on date this agreement is executed by both parties.

**8. Termination by SSWD or Agencies.** Upon thirty (30) calendar days written notice to Consultant, SSWD or Agencies may terminate any portion or all of the services described in this Agreement. In the event of such termination, Consultant shall have the right and obligation to immediately assemble all work in progress for the purpose of winding up the terminated services. All compensation for actual work performed and charges outstanding at the time of termination shall be payable in accordance with Section 5(b) above.

**9. No Assignment.** No portion of this Agreement shall be assigned or subcontracted by Consultant without SSWD's or Agencies' express written consent. The term "assignment" shall include any sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or party to a joint venture, which results in a change of control of Consultant. Control means fifty percent or more of the voting power, or twenty-five percent or more of the assets of the corporation, partnership or joint-venture.

**10. Project Manager.** Consultant's services under this Agreement shall be performed under the general direction of a Steering Committee comprised of representatives from the Agencies, Dan York, or such person as the Agencies may designate.

**11. Ownership of Documents.** All drawings, designs, data, photographs, reports and other documentation prepared or obtained by Consultant in the performance of the services contemplated by this Agreement shall be the property of the Agencies and shall be delivered to the Agencies upon demand.

**12. Confidentiality.** Consultant shall not disclose confidential or proprietary information or knowledge received directly or indirectly from the Agencies to anyone other than Consultant's employees necessary to perform the services described in this Agreement. This obligation shall survive termination and remain in full force and effect until the records kept and maintained pursuant to Section 4(g)(3) above, and any copies thereof, are destroyed or returned to the Agencies.

**13. Hold Harmless and Indemnity.** Consultant agrees to defend, indemnify and hold Agencies, their elected officials, officers, directors, employees, agents and designated volunteers harmless from and against any and all loss, liability, damage, including but not limited to reasonable attorney, consultant and expert fees and/or court costs, arising out of or in connection with this Agreement, except for the gross negligence and willful misconduct of Agencies, their elected officials, officers, directors, employees, agents and designated volunteers.

In addition to the above indemnification obligations, Consultant shall correct, at its own expense, all errors in the services provided. Should Consultant fail to make such correction in a timely manner, Agencies shall make the correction and charge the cost thereof to Consultant.

**14. Insurance.** For the duration of this agreement, Consultant shall procure and maintain, at its own cost, insurance in the amounts and under the terms set forth in Exhibit "B" attached hereto against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work to provide the services described in this Agreement by Consultant, its agents, representatives, or employees. Consultant agrees to comply with any changes in the amounts and terms of such insurance as may be required from time to time by the Agencies, upon reasonable written notice.

**15. Acceptance of Final Payment.** Consultant's acceptance of final payment made under this Agreement, by negotiating SSWD's check or otherwise, shall release SSWD and Agencies from all claims and liabilities for compensation under this Agreement.

**16. Acceptance of Work.** The approval, payment and/or acceptance of the work or services performed under this Agreement by SSWD, shall not constitute or be deemed a release of the responsibility or liability of Consultant, its agents, employees, consultants, contractors, and/or subcontractors for the accuracy and competency of the services performed and/or information provided under this Agreement; nor shall such action be deemed an assumption of Consultant's responsibility or liability by SSWD or Agencies for any defect or error in Consultant's services.

**17. Waiver; Remedies.** A party's failure to insist upon the strict performance of any provision of this Agreement by the other party ("breaching party"), irrespective of the length of time for which such failure continues, shall not constitute a waiver of the non-breaching party's right to demand strict compliance in the future. A waiver shall not be effective or binding unless made in writing by the non-breaching party, and may not be implied from any omissions by the non-breaching party. A written waiver shall not constitute a continuing waiver of any subsequent breach of the same or a different provision of this Agreement.

All of the remedies permitted or available under this Agreement, or at law or in equity, shall be cumulative and alternative, and the invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other available right of remedy.





provisions will nevertheless continue in full force without being impaired or invalidated in any way.

In concurrence and witness whereof, and in recognition of the mutual consideration provided therefore, the parties have caused this Agreement to be executed on the date first written above.

**CONSULTANT:**

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

**SSWD**

\_\_\_\_\_  
Dan York  
General Manager

**APPROVED AS TO FORM:**

\_\_\_\_\_  
SSWD Attorney

**Attachments:**

- Exhibit A – Scope of Work
- Exhibit B – Insurance Coverage, Amounts and Terms

## Attachment B

### INSURANCE COVERAGE

Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, or employees.

#### **Minimum Scope of Insurance**

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 covering Automobile Liability, code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

#### **Minimum Limits of Insurance**

Consultant shall maintain limits no less than:

1. General Liability, including operations, products and completed operations, as applicable:  
**\$1,000,000** per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability:  
**\$1,000,000** per accident for bodily injury and property damage.
3. Employer's Liability:  
**\$1,000,000** per accident for bodily injury or disease.

#### **Deductibles and Self-Insured Retention**

Any deductibles or self-insured retention must be declared to and approved by SSWD. At the option of the Agencies, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agencies, their officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to SSWD guaranteeing payment of losses and related investigations, claim administration and defense expenses.

#### **Other Insurance Provisions**

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The Agencies, their officers, officials, employees and designated volunteers are to be covered as insureds as respects: liability arising out of activities performed by or on behalf of the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the Agencies, their officers, officials, employees or volunteers.
2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the Agencies, their officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agencies, their officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Any failure to comply with reporting or other provisions of the policy including breaches of warranties shall not affect coverage provided to the Agencies, their officers, officials, employees or volunteers.
4. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agencies.

### ***Acceptability of Insurers***

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to SSWD.

### **Verification of Coverage**

Consultant shall furnish SSWD certificates of insurance and endorsement(s) effecting coverage to the Agencies for approval. The endorsements shall be on forms acceptable to SSWD. All certificates and endorsements are to be received and approved by SSWD before work commences. The Agencies reserve the right to require complete, certified copies of all insurance policies required by this sect

## **Attachment C Initial List of Problem Statements**

### **Problem Statements**

1. Water supplies in the American River basin are becoming more variable and likely less reliable than in the past, due in part to climate change, environmental regulatory requirements and competing demands.
2. The areas served by the participating agencies were extensively developed during the second half of the last century and the water supply infrastructure installed at that time is in need of repair and replacement.
3. During normal to wet years, various water agencies in the Sacramento region have more water available under their water rights and contracts than necessary to meet customer demands, and use of this surplus water is not optimized.
4. Water supply infrastructure among the agencies in this analysis has varying levels of underutilized collection, treatment, storage and delivery capacity.
5. The agencies in this analysis face various financial and operational challenges in providing services to their customers and performing business functions.
6. The agencies in this analysis face increasing operational costs.
7. The sizes of the agencies in this analysis limit their ability to dedicate staff time to legislative, policy and regulatory issues.

### **Goals**

The participating agencies will collaborate to:

1. Enhance water supply reliability by optimizing the use of surface water and groundwater supplies. Plan for and develop resilient responses to changes in water supplies that result from climate change and new regulatory requirements.
2. Repair, replace and improve water supply infrastructure and related agency assets in the most efficient and cost-effective manner possible.

3. Provide excellent service and the best value to customers.
4. Achieve more effective advocacy and the best outcomes possible on legislation and regulations in both Sacramento and Washington, D.C.

# ATTACHMENT 2

**Regional Collaboration/Integration Project  
Cost Allocation**

6/12/2019

Total Project Cost: \$ 250,000

Agency - retail only	No. Connections	Operating Budget	% Share by Connections	% Share by Operating Budget	Cost for Agency - by Connections	Cost for Agency - by Budget	Tier	% Share by Tier	Cost for Agency - by Tier
Carmichael Water District	11,912	\$ 7,869,668	9.26	9.91	\$ 23,162	\$ 24,786	2	9	\$ 22,500
Citrus Heights Water District	19,934	\$ 13,073,299	15.50	16.47	\$ 38,761	\$ 41,176	3	18	\$ 45,000
City of Folsom	21,052	\$ 14,201,768	16.37	17.89	\$ 40,935	\$ 44,730	3	18	\$ 45,000
Fair Oaks Water District	14,031	\$ 7,325,500	10.91	9.23	\$ 27,283	\$ 23,072	2	9	\$ 22,500
Rio Linda/Elverta CSD	4,700	\$ 2,200,000	3.66	2.77	\$ 9,139	\$ 6,929	1	2.5	\$ 6,250
Sacramento Suburban WD	46,268	\$ 23,241,000	35.99	29.28	\$ 89,967	\$ 73,200	4	25.5	\$ 63,750
San Juan Water District	10,673	\$ 11,463,700	8.30	14.44	\$ 20,753	\$ 36,106	3	18	\$ 45,000
Totals			100.00	100.00	\$ 250,000	\$ 250,000		100.00	\$ 250,000

Agency - retail and wholesale	No. Connections	Operating Budget	% Share by Connections	% Share by Operating Budget	Cost for Agency - by Connections	Cost for Agency - by Budget	Tier	% Share by Tier	Cost for Agency - by Tier
Carmichael Water District	11,912	\$ 7,869,668	9.26	8.84	\$ 23,159	\$ 22,107	2	8	\$ 20,000
Citrus Heights Water District	19,934	\$ 13,073,299	15.50	14.69	\$ 38,755	\$ 36,724	3	15	\$ 37,500
City of Folsom	21,052	\$ 14,201,768	16.37	15.96	\$ 40,929	\$ 39,894	3	15	\$ 37,500
Fair Oaks Water District	14,031	\$ 7,325,500	10.91	8.23	\$ 27,279	\$ 20,578	2	8	\$ 20,000
Rio Linda/Elverta CSD	4,700	\$ 2,200,000	3.66	2.47	\$ 9,138	\$ 6,180	1	3	\$ 7,500
Sacramento Suburban WD	46,268	\$ 23,241,000	35.98	26.11	\$ 89,953	\$ 65,287	4	25.5	\$ 63,750
San Juan Water District	10,693	\$ 21,084,900	8.32	23.69	\$ 20,789	\$ 59,230	4	25.5	\$ 63,750
Totals			100.00	100.00	\$ 250,000	\$ 250,000		100.00	\$ 250,000