

**SPECIAL MEETING OF THE CAPITAL IMPROVEMENT PROJECTS (CIP)
COMMITTEE OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
4040 PARAMOUNT BLVD., LAKEWOOD, CALIFORNIA 90712
2:00 P.M., MONDAY, APRIL 4, 2016**

AGENDA

EACH ITEM ON THE AGENDA, NO MATTER HOW DESCRIBED, SHALL BE DEEMED TO INCLUDE ANY APPROPRIATE MOTION, WHETHER TO ADOPT A MINUTE MOTION, RESOLUTION, PAYMENT OF ANY BILL, APPROVAL OF ANY MATTER OR ACTION, OR ANY OTHER ACTION. ITEMS LISTED AS "FOR INFORMATION" MAY ALSO BE THE SUBJECT OF AN "ACTION" TAKEN BY THE BOARD OR A COMMITTEE AT THE SAME MEETING.

- 1. DETERMINATION OF A QUORUM**
- 2. PUBLIC COMMENT**
Pursuant to Government Code Section 54954.3.
- 3. PROCUREMENT ADVISORY TEAM REPORT**
Staff Recommendation: For discussion and possible action.
- 4. ASSET MANAGEMENT PHASE 1 PILOT- COMPUTERIZED MAINTENANCE MANAGEMENT SYSTEM (CMMS) SOFTWARE SELECTION**
Staff Recommendation: For discussion and possible action.
- 5. COST OF SERVICE REPORT**
Staff Recommendation: For discussion and possible action.
- 6. DEPARTMENT REPORT**
Staff Recommendation: For discussion and possible action.
- 7. ADJOURNMENT**
Agenda posted by Scott M. Ota, Chief Financial Officer on April 3, 2016.

In compliance with the Americans with Disabilities Act (ADA), if special assistance is needed to participate in the meeting, please contact Chief Financial Officer Scott Ota at (562) 921-5521 for assistance to enable the District to make reasonable accommodations.

All public records relating to an agenda item on this agenda are available for public inspection at the time the record is distributed to all, or a majority of all, members of the Board. Such records shall be available at the District office located at 4040 Paramount Boulevard, Lakewood, California 90712.

Agendas and minutes are available at the District's website, www.wrd.org.

EXHAUSTION OF ADMINISTRATIVE REMEDIES – If you challenge a District action in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Chief Financial Officer at, or prior to, the public hearing. Any written correspondence delivered to the Chief Financial Officer before the District's final action on a matter will become a part of the administrative record.



MEMORANDUM

ITEM NO. 3

*Prepared by: Abbie Andom
Reviewed by: Ken Ortega
Approved by: Robb Whitaker*

DATE: APRIL 4, 2016

TO: CAPITAL IMPROVEMENT PROJECTS (CIP) COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: PROCUREMENT ADVISORY TEAM REPORT

SUMMARY

The GRIP AWTF project schedule includes numerous critical path milestones that must be managed and attained to meet the overall CY2018 project completion objective, including completion of the selection and execution of an agreement (Contract) with a design-build entity (DBE). The District received Design-Build (DB) Final-Proposal and Fixed-Price submittals from the two DB short-listed respondents before the scheduled deadline of February 7, 2016. The Owner's Engineer/Owner's Agent (OE/OA) and Procurement Advisory Team (PAT) members have been reviewing the voluminous submittal packages since that time.

The PAT will provide a report to the CIP regarding the results of their submittal reviews and scoring.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

For discussion and possible action.



MEMORANDUM

ITEM NO. 4

<i>Prepared by:</i>	Esther Rojas
<i>Reviewed by:</i>	Ken Ortega
<i>Approved by:</i>	Robb Whitaker

DATE: APRIL 4, 2016

TO: CAPITAL IMPROVEMENT PROJECTS COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: ASSET MANAGEMENT MASTER PLAN COMPUTERIZED MAINTENANCE MANAGEMENT SYSTEM (CMMS) SOFTWARE SELECTION

BACKGROUND

On April 20, 2015, the District's Board approved the development of an Asset Management Master Plan (AM) and Phase 1 Pilot project, which includes the selection of a computerized maintenance management system (CMMS). A CMMS is a core system critical to effective planning, service delivery, performance monitoring and decision making with respect to assets. It allows all stakeholders to have up-to-date, complete, consistent, and readily accessible information for decision-making. The CMMS is intended to be piloted at the Leo J. Vander Lans Advanced Water Treatment Facility. Staff initiated a streamlined process to select a pilot CMMS software.

In January 2015 four software submittals were provided in response to a Request for Information (RFI) for CMMS selection. All four submittals were asked to provide a three-hour demonstration of their software to the CMMS Selection Committee, which included WRD staff from various departments. Key considerations during the CMMS demonstrations included the ability to support a robust Geographic Information System (GIS), integration with a Supervisory Control and Data Acquisition (SCADA) and other systems like OnBase document management and Abila MIP finance system.

Based on the four software products submitted through the RFI process and demonstrated to WRD staff, Cityworks provides the best match for WRD's work and asset management requirements. Cityworks also complements WRD's initiative to centralize an asset repository and share the data to other systems. In addition, Cityworks provides web-based and mobile platforms that can be accessed with laptop computers, tablets, and smartphones (IOS and Android).

Following the completion of the pilot, the CMMS is expected to be expanded to the Robert W. Goldsworthy Desalter, maintenance tracking for groundwater monitoring wells, water production wells, and upon completion, the GRIP advanced water treatment facility.

FISCAL IMPACT

None at this time.

STAFF RECOMMENDATION

Discussion and possible action



MEMORANDUM

ITEM NO. 5

<i>Prepared by:</i>	Ted Johnson
<i>Reviewed by:</i>	Scott Ota
<i>Approved by:</i>	Robb Whitaker

DATE: APRIL 4, 2016

TO: CAPITAL IMPROVEMENT PROJECTS COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: 2016 COST OF SERVICE REPORT

SUMMARY

Consistent with the proportionality requirements of Article XIII D, Section 6 of the California Constitution, the District recently completed the draft 2016 Cost of Service (CoS) Report. The Report describes the projects, programs, administration, and other work efforts that are necessary to support the District's operation to provide water replenishment, monitoring, and related services. The preliminary cost estimates for the different projects, programs, and other work efforts are summarized in the Report; the cost estimates are subsequently allocated proportionally for the purpose of calculating the Replenishment Assessment (RA).

The CoS Report is intended for use in the Fiscal Year 2016/17 (FY16/17) budget review and public input process. Depending on the recommendations from the various committees and public inputs, the estimates contained in the CoS Report will be revised to show the approved budget line item amounts and corresponding levels of services. Consequently, the RA will be adjusted accordingly to reflect the revised cost estimates.

The Draft CoS report will be presented at the Committee meeting. Also attached is a supplementary memorandum from the WRD General Manager to the Board of Directors describing the CoS Report and justification for the RA for the WRD Service Area.

FISCAL IMPACT

None at this time.

STAFF RECOMMENDATION

Discussion and possible action



MEMORANDUM

DATE: APRIL 4, 2016
TO: FINANCE COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: COST OF SERVICE REPORT – SUPPLEMENTAL INFORMATION

This memorandum is intended to accompany the Cost of Service Report dated April 7, 2016 to inform and support the Board's decision making in connection with its April 28, 2016 hearing on the District's 2016-17 replenishment assessment.

The April 28 hearing will be conducted pursuant to Article XIII D, Section 6 of the California constitution, which was added to the Constitution in 1996 by the adoption of Proposition 218.¹ Proposition 218 imposes a number of substantive requirements on property-related fees. These substantive requirements are found in Article XIII D, Section 6(b) of the California Constitution. This memorandum sets forth each of those requirements, and summarizes how the proposed \$322.00 per acre-foot replenishment assessment complies with these requirements. This memorandum should not be interpreted to be an admission that the replenishment assessment is a property-related fee or that the replenishment assessment is subject to the requirements of Article XIII D, Section 6(b) of the California Constitution

Requirement 1: "Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service."

The service being provided by the District is the management of the Central and West Coast Basins (the "Basins"). The District manages the Basins to ensure that the Basins are available to pumpers as a reliable and low-cost source of safe, high-quality water.

The Section 5 of the Cost of Service Report explains why stakeholders in the Basins chose to establish the District in 1959 to provide continuous active management of the Basins. Section 6 of the Cost of Service Report describes how the Basins would be unable to support adjudicated levels of pumping without the District's active management. Sections 7 and 9 of the Cost of Service Report describe the activities of the District and the cost of those activities. Every activity of the District is a part of the management services provided by the District.

¹ The Los Angeles County Superior Court has made an interlocutory ruling that the District's RA is a "property-related fee" subject to the requirements of Proposition 218. The District disagrees with the Court's ruling and will appeal it when a final judgment is entered. However, the District will be holding the May 1, 2014 hearing subject to the District's reservation of rights to challenge on appeal the Court's ruling.

The vast majority of pumping from the Basins is done by water retailers serving the water demands of customers not located at the well sites. In lieu of purchasing water at wholesale or retail, each pumper chooses to meet all or some water demand by pumping water from the Basins. The District facilitates this pumping by recharging the Basins with imported water and recycled water and by undertaking activities that protect and preserve the quality of water in the Basins. In effect, the District uses the Basins as a giant natural reservoir through which water is delivered to wells operated by the pumpers. Activities such as groundwater monitoring, resource planning, desalting, and water quality improvement are necessary to maintain the Basins as an effective delivery system. Education and conservation efforts leverage the effectiveness of this system. By recharging the basins in a strategic manner, using both spreading grounds and injection wells, the District is able to ensure that water is available throughout the Basins, allowing pumpers access to the water introduced into the Basins by the District and to the naturally occurring water with which it is mixed.

Section 9 of the Cost of Service Report determines that the total cost of management services, net of revenues from water sales, will be \$70,917,000 for Fiscal Year 2016-17. It is estimated that 231,000 acre-feet of water will be removed from the Basins by pumpers in Fiscal Year 2016-17. If a \$322.00 per acre-foot replenishment assessment is collected from pumpers of 231,000 acre-feet of water, the replenishment assessment will generate \$70,917,000. Therefore, the revenues from the replenishment assessment will not exceed the cost of providing management services.

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Requirement 2: "Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed."

All of the District's activities are part of the District's management services. The District does not use replenishment assessment revenues for any other purpose.

Requirement 3: "The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel."

As demonstrated in Section 6 of the Cost of Service Report, activities that remove or replenish water anywhere in the Basins have an effect on water levels and water quality throughout the Basins. Section 5 of the Cost of Service Report amply evidences that the interdependent nature of the uses of the Basins was a primary reason for the formation of the District in 1959, and was the reason why a single entity was created to manage all parts of the Basins. Section 8 of the Cost of Service Report summarizes the reasons why it would be inaccurate to allocate some District costs to some users of the Basins and other costs to other users of the Basins.

Therefore, it is appropriate to treat the entirety of the District as a single service area, so each acre-foot of water removed from the Basins is allocated an equal share of the costs of managing the Basins. The proposed \$322.00 per acre-foot replenishment assessment allocates to each pumper a share of the costs of management services that is proportional to the amount of water the pumper removes from the Basins. The amount of the replenishment assessment upon each pumper is therefore proportional to the cost of serving that pumper.

Requirement 4: "No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of a service are not permitted."

Only those who pump or otherwise remove water from the Basins pay a replenishment assessment. The District's management services enable the water extraction and the District's services are immediately available to any person or entity that legally removes water from the Basins.

Requirement 5: "No fee or charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners."

The District's management services are not general government services, because the services are provided to ensure the availability in the Basins of safe, high-quality water for removal by those who by court judgment have groundwater extraction rights and who pay the replenishment assessment. Many pumpers sell water from the Basins to their customers, and may pass through the replenishment assessment cost to those customers. While the public may participate in, or be targeted by, certain educational and water conservation programs of the District, these programs are provided for the benefit of pumpers, as they are part of the efficient management of the Basins and are intended, over time, to reduce the cost of managing the Basins by reducing the need for artificial replenishment to augment naturally occurring processes.