SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-C**

FROM: Steve Mack, General Manager

Meeting Date : July 1, 2010

SUBJECT: DISCUSSION/ACTION SWEETWATER SPRINGS WATER DISTRICT (SSWD) RESPONSE TO THE SONOMA COUNTY COMMUNITY DEVELOPMENT COMMISSION (CDC) RUSSIAN RIVER AREA NEEDS ASSESSMENT

RECOMMENDED ACTION: Receive a staff presentation regarding SSWD response to the CDC Russian River Area Needs Assessment and provide direction on the appropriate response to the CDC.

FISCAL IMPACT: no significant additional costs expected.

DISCUSSION:

CDC is reaching out to the community to find out what projects are being planned for the Russian River Redevelopment Project Area. Special districts in the area, including Sweetwater Springs Water District, have been asked to provide a list of planned projects for the next 10 years, through Fiscal Year 2020. The deadline for getting the projects into CDC is July 9, 2010.

We don't have a list of projects for the next 10 years, but we have been identifying needed projects. The District has an approved Capital Improvement Program (CIP) for 2010 through 2015. The 2010 and 2011 CIP projects are currently under construction (2010, CIP IV-B, Project 1) or under contract for construction (2011, CIP (IV-B, Project 2). Staff has planned to revisit the CIP next fall to extend it to 2017 or 2018.

At the June Board meeting staff presented a list of possible projects with approximate costs. Since then staff has put more effort into project identification and cost approximation. Exhibit 1 is an update of last month's exhibit with better cost approximations. This exhibit shows that the District has approximately $4.4 million of projects left on the approved CIP (through 2015). The list of additional projects has an approximate cost of $4.8 million. In our submittal to the CDC for the CIP IV-B grant funding, the District stated that the CDC grant would allow the District to complete the approved CIP – list of projects left on the 2010-2015 CIP list estimated at $4.4 million. At that time, however District reserves will be close to the Reserve Policy level.

Assuming that the District can continue to accumulate revenue in the range of $300,000 per year for capital improvements (our current average) from ratepayer revenue, the District rates will accumulate approximately $1.5 million in the 5 years represented by the additional projects (through 2020). With an approximate cost of $4.8 million for these projects, the District would need the assistance of $3.3 million to complete the identified projects by 2020.

The list of projects in Exhibit 1 is not a CIP. Staff will be bringing back the projects, along with the projects in the approved CIP in November 2010 to update the current CIP. We will be requesting that the available projects be reviewed and a new 2012-2017 or 2018 CIP be approved. At that time we will have a more complete discussion of these projects and in what priority they should be completed.

It's also important to note that the list of needed capital projects contained in Exhibit 1 will change over time. Over time, it is likely that staff will notice other parts of the District systems that need repair, replacement, or upgrading, and those projects will be added to the District's capital project needs. And it's very unlikely the list will grow smaller – none of the problem areas will fix themselves and the list can only grow longer.

For now, staff recommend sending the projects listed in Exhibit 1 to CDC as part of their needs survey, using the survey forms, and identifying an amount of approximately $3.3 million that will be needed above ratepayer funds to complete the projects by the end of FY 2020, using the logic stated above.

Exhibit 1. Future Sweetwater Springs Water District Capital Improvement Projects

July 2010

Capital improvements are an important element of the District's work effort. The District has an aging infrastructure, an unacceptable amount of unaccounted for water and District staff spend too much time reacting to leaks in the distribution system. The District approved the 2010-2015 Capital Improvement Program (CIP) in September 2009 but needs to identify projects with a further out time horizon. The approved CIP projects have costs identified by B&R Engineers. The non-approved future CIP project costs are based on $400/lineal foot of water main replacement, the projects have not been prioritized, and, of course, are subject to further review and change.

Prospective capital projects were identified using the following criteria:

- Number of leaks.
- District time dedicated to repair the leaks.
- Costs per Customer.
- Potential Liability to the District.
- Storage and booster stations based upon system requirements for fire flow, and storage requirements.
- Impacts to the optimum operation of the system.
- Elimination of as many dead-end lines as possible, which affect both water quality and pressure.

Table 1. Sweetwater Springs Water District Possible Future CIP Projects by Year		
	Approved CIP	
Year	**Projects**	**Estimated Cost**
2012		
	Western, Eastern and Northern Avenues and Orchard Lane (GV) **-** Replace 3,100 lf of existing main and appurtenances.	$684,000
	Foothill Drive (MR) **–** Install 1,000 lf of new 8 – inch main and appurtenances from B Street northwesterly to end of existing 8 – inch main and make connection to other side of Foothill where section of road is closed to through traffic.	$671,000
	2012 Total	**$1,355,000**
2013		

	Old Monte Rio Road (GV) – Replace 5,800 lf of existing main and appurtenances commencing at the Handy Andy Booster and proceeding westerly.	$936,000
	Canyon Seven Rd (GV) – Eliminate dead end mains and create loops by installing 1,950 lf of new main and appurtenances in Canyon Seven Rd between Sequoia Rd and Paradise Ln.	$329,000
	2013 Total	**$1,265,000**
2014		
	Hidden Valley Rd (GV) – Replace 3,900 lf of existing main and appurtenances on Hidden Valley Rd.	$656,000
	Guernewood Lane (GV) - – Replace 1,800 lf of existing main and appurtenances and abandon 200 lf of redundant 4 – inch main along Hwy 116.	$318,000
	2014 Total	**$974,000**
2015		
	Upper Summit Tank - Construct a storage tank with a nominal capacity of approximately 120,000 gallons at the District–owned site on McLane Avenue. Project to include relocation/ construction of the existing hydro-pneumatic pump station.	$490,000
	Natoma Tank – Replace the existing 10,000 gallon storage tank with a 30,000 storage tank. 2005 cost estimate	$190,000
	Schoeneman Tank– Replace the existing 10,000 gallon tank with a 30,000 gallon storage tank. 2005 cost estimate	$127,000
	2015 Total	**$807,000**
	Total Approved Post 2011 CIP	**$4,401,000**
	Possible Future Projects through FY2020 Not Prioritized	**Approximate Cost**
	Schoeneman pressure zone- main line replacement. **(GV)** Replace approximately 2,200 ft of existing mainline and 31 associated services along Highland Way, Sunset Ave, Woodland Dr, Laurel Way. (requires completion of Schoeneman Tank)	**$525,000**
	Woodland Drive – mainline replacement. (GV) Replace approximately 1,900 ft of existing	**$400,000**

	mainline and 27 associated services along Woodland Dr in the main pressure zone. (requires completion of Schoeneman Tank)	
	Wright Drive upper pressure zone. – (GV) Replace approximately 3,280 ft of existing mainline and 47 associated services along Wright Dr, Glenda Dr, Natoma Dr. (requires completion of Natoma Tank)	**$800,000**
	Wright Drive main pressure zone. – (GV) Replace approximately 1,120 ft of existing mainline and 18 associated services along Wright Dr. and Wright Ln. (requires completion of Natoma Tank)	**$275,000**
	Canyon 1 (Rio Nido) Replace approximately 3,900 ft of existing mainline and 75 services along Canyon 1 Rd., Memory Ln., Memory Park Rd.	**$890,000**
	Main St (MR) Replace approximately 800 ft of mainline along Main St.	**$180,000**
	Highway 116 (MR) Replace approximately 850 ft of main line.	**$280,000**
	Starrett Hill Road (MR) Replace approximately 1760 ft of main line, 24 services.	**$380,000**
	Middle Terrace (MR) Replace approximately 1,375 ft of main line, 17 services.	**$290,000**
	Park Ave., Cherry St., and Lovers Lane (GV) replace approximately 3300 lf of main line, 38 services.	**$790,000**
	Total Approximate Cost of Future, Unapproved Projects	**$4,810,000**