

Finance and Administration Committee Meeting - May 18, 2022

1. Agenda Packet

Documents:

[220518 FA AGENDA PACKET - POSTED 220513.PDF](#)



SWEETWATER AUTHORITY

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GOVERNING BOARD

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CARLOS QUINTERO
GENERAL MANAGER

JENNIFER H. SABINE
ASSISTANT GENERAL MANAGER

FINANCE AND ADMINISTRATION COMMITTEE

AGENDA

DATE: Wednesday, May 18, 2022

TIME: 4:30 p.m.

Notice: This meeting will be held pursuant to Assembly Bill 361, which provides waivers to certain Brown Act provisions during a proclaimed state of emergency when state or local officials have imposed or recommended measures to promote social distancing, and allows some or all of the Sweetwater Authority Board of Directors to attend this meeting telephonically or via video conference. Additionally, there will be no physical location from which members of the public may participate. Instead, the public may listen and/or view the meeting proceedings and provide public comment and comments on agenda items by following these instructions:

**To join via Zoom Webinar from a computer, tablet, or smartphone,
click on the link below:**

<https://zoom.us/j/91458023440>

To join this meeting via telephone, please dial:

1-669-900-6833 or 1-253-215-8782

Meeting ID: 914 5802 3440

If you are unable to access the meeting using this call-in information, please contact the Board Secretary at (619) 409-6703 for assistance.

Public comments on non-agenda items or on any item of the agenda may be submitted in writing before the meeting OR provided verbally during the meeting via call-in option or an internet-based service option, as described below:

Providing written comments before the meeting:

- Go to www.sweetwater.org; click on the "HOW DO I..." at the top of the page; and then click on the "Public Comment" link in the Contact section.

OR

- Physically deposit your public comment in the Authority's payment drop box located in the public parking lot at the Authority's Administrative Office at 505 Garrett Avenue, Chula Vista.

OR

- Mail your comments to 505 Garrett Avenue, Chula Vista, CA 91910 [Attention: Public Comment].

All written public comment submissions must be received 1 hour in advance of the meeting and will be read aloud to the Board during the appropriate portion of the meeting with a reading limit of 3 minutes for each comment.



Providing verbal comments during the meeting:

The Chair will inquire prior to Board discussion if there are any comments from the public on each item.

- Via Zoom Webinar go to Participants List, hover over your name and click on “Raise Hand.” This will notify the moderator that you wish to speak during Oral Communication or during a specific item on the agenda.
- Via phone, you can raise your hand by pressing *9 to notify the moderator that you wish to speak during the current item.

Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the Board Secretary at (619) 409-6703 at least forty-eight (48) hours before the meeting, if possible. The above public comment procedures supersede any Authority standard public comment policies and procedures to the contrary.

1. CALL MEETING TO ORDER AND ROLL CALL

2. ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED IN THE AGENDA.

3. PUBLIC COMMENT.

Opportunity for members of the public to address the Committee. (Government Code Section 54954.3).

4. ACTION AGENDA.

The following items on the Action Agenda call for discussion and action by the Committee. All items are placed on the Agenda so that the Committee may discuss and take action on the item if the Committee is so inclined, including items listed for information.

A. Consideration of Award of Contract for the Purchase of a Meter Test Bench

B. Consideration to Approve the South Bay Irrigation District FY 2022-23 Budget, pursuant to the Fund Transfer and Reimbursement Agreement between Sweetwater Authority and South Bay Irrigation District

5. DIRECTORS’ COMMENTS.

Directors’ comments are comments by Directors concerning Authority business that may be of interest to the Committee. Directors’ comments are placed on the Agenda to enable individual Board members to convey information to the Board and the Public. There is no discussion or action taken on comments made by Board members.

6. NEXT MEETING DATE: Wednesday, June 1, 2022 at 4:30 p.m.

7. ADJOURNMENT.

This agenda was posted at least seventy-two (72) hours before the meeting in a location freely accessible to the Public on the exterior bulletin board at the main entrance to the Authority’s office and it is also posted on the Authority’s website at www.sweetwater.org. No action may be taken on any item not appearing on the posted agenda, except as provided by California Government Code Section 54954.2. Any writings or documents provided to a majority of the members of the Sweetwater Authority Governing Board regarding any item on this agenda will be made available for public inspection at the Authority Administration Office, located at 505 Garrett Avenue, Chula Vista, CA 91910, during normal business hours. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the Board Secretary at (619) 409-6703 at least forty-eight (48) hours before the meeting, if possible.

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BOARD ACTION

TO: Governing Board (Finance and Administration Committee)

FROM: Carlos Quintero, General Manager
Jennifer Sabine, Assistant General Manager
Dina Yorba, Director of Administrative Services
Gregg Harpenau-Parks, Customer Service Manager

DATE: May 13, 2022

SUBJECT: Consideration of Award of Contract for the Purchase of a Meter Test Bench

SUMMARY

At its December 8, 2021 meeting, the Board approved a Request for Quotes (RFQ) for a Meter Test Bench to replace the current one that has been in service since the 1970s. Staff issued the RFQ and received three quotes. Staff reviewed the bids and contacted vendors for clarification on warranties and costs for maintenance plans prior to making a recommendation.

PAST BOARD ACTIONS

- December 8, 2021 The Governing Board directed staff to issue the Request for Quotes to the vendors identified in the direct mail list.
- June 9, 2021 The Governing Board adopted Resolution 21-14, adopting a budget for FY 2021-22, which included \$148,000 for the purchase of a Meter Test Bench.

FISCAL IMPACT

There is \$149,000 budgeted in the Capital Investment Plan to purchase the Meter Test Bench. The three bids received are as follows:

Vendor	Bid Amount
Mars	\$170,136.00 – Includes a \$10,258.00 per year maintenance plan.
Ferguson	\$228,500.44 – Includes a lifetime maintenance plan.
Main and Core	\$228,500.44 – Includes a lifetime maintenance plan.

Mars submitted a quote for a Mars Meter Test Bench, and Ferguson and Main and Core submitted a quote for a Ford Meter Test Bench.

Memo to: Governing Board (Finance and Administration Committee)
Subject: Consideration of Award of Contract for the Purchase of a Meter Test Bench
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Although the cost for the Mars Meter Test Bench is the lowest quote initially, in the seventh year, the cost for the Mars Meter Test Bench would exceed both quotes from Ferguson and Main and Core. It would cost the Authority an additional \$10,258 annually to renew the maintenance contract. Therefore, considering the initial purchase and future maintenance costs, the true lowest bid is from either Ferguson or Main and Core (tied bids).

In evaluating the bids, staff determined that the bid that provided the best overall value to the Authority was from Ferguson for the following reasons:

- Ferguson has the lowest total cost bid
- Ford handles all maintenance, calibrations, and upgrades for the lifetime of the Meter Test Bench
- The Otay Water District recommends the Ford Meter Test Bench
- The Authority has a working relationship with Ferguson as we use their Neptune products for water meters, meter reading software, and the Neptune 360 technology for water meters with cellular technology

All quotes for the initial purchase of the Meter Test Bench exceed the funds budgeted for the project as follows:

- Funding deficit of \$22,136.00 to purchase the Mars Meter Test Bench.
- Funding deficit of \$80,500.44 to purchase the Meter Test Bench from Ferguson or Main and Core

The deficit can be covered by allocating the remaining capital contingency funds in the amount of \$25,388 and reallocating the remaining unused funds from the completed FY 2021-22 Pipeline Replacement Program - Trench Pavement (Distribution) project in the amount of \$54,162.

POLICY / STRATEGIC PLAN

The Authority's Procurement Policy states that all purchases greater than \$75,000 require approval by the Governing Board.

Strategic Plan Goal 3: Financial Viability (FV) - Ensure long-term financial viability of the agency through best practices, operational efficiency, and maximizing assets

- Objective FV3 Conduct a program to replace water meters at the point a meter becomes operationally inefficient based on industry standards.
 - 001.00 - Replace existing Meter Test Bench (circa 1970s) with a new meter testing system that includes a recirculating tank.

Memo to: Governing Board (Finance and Administration Committee)
Subject: Consideration of Award of Contract for the Purchase of a Meter Test Bench
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ALTERNATIVES

1. Award a contract to Mars in the amount of \$170,136.00 for the purchase of a Mars Meter Test Bench; and allocate \$22,136.00 from the capital contingency.
2. Award a contract to Ferguson in the amount of \$228,500.44 for the purchase of a Ford Meter Test Bench; allocate \$25,388 from the capital contingency; and reallocate the remaining unused funds from the completed FY 2021-22 Pipeline Replacement Program - Trench Pavement (Distribution) project in the amount of \$54,162.
3. Award a contract to Main and Core in the amount of \$228,500.44 for the purchase of a Ford Meter Test Bench; allocate \$25,388 from the capital contingency; and reallocate the remaining unused funds from the completed FY 2021-22 Pipeline Replacement Program - Trench Pavement (Distribution) project in the amount of \$54,162.
4. Other direction as determined by the Governing Board.

RECOMMENDATION

Staff recommends that the Governing Board award a contract to Ferguson in the amount of \$228,500.44 for the purchase of a Ford Meter Test Bench; allocate \$25,388 from the capital contingency; and reallocate the remaining unused funds from the completed FY 2021-22 Pipeline Replacement Program - Trench Pavement (Distribution) project in the amount of \$54,162.

ATTACHMENT

Bid tabulation

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RFQ S2021-21 Water Meter Test Bench

Meter Test Bench Preliminary Bid Tabulation

Manufacture	Ferguson	Main and Core	Mars	Price difference
Initial Cost	\$228,500.44	\$228,500.44	\$159,878.00	
Maintenance and training per year	\$0.00	\$0.00	\$10,258.00	
1st year total cost	\$228,500.44	\$228,500.44	\$170,136.00	\$58,364.44
2nd year total cost	\$228,500.44	\$228,500.44	\$180,394.00	\$48,106.44
3rd year total cost	\$228,500.44	\$228,500.44	\$190,652.00	\$37,848.44
4th year total cost	\$228,500.44	\$228,500.44	\$200,910.00	\$27,590.44
5th year total cost	\$228,500.44	\$228,500.44	\$211,168.00	\$17,332.44
6th year total cost	\$228,500.44	\$228,500.44	\$221,426.00	\$7,074.44
7th year total cost	\$228,500.44	\$228,500.44	\$231,684.00	-\$3,183.56
8th year total cost	\$228,500.44	\$228,500.44	\$241,942.00	-\$13,441.56
9th year total cost	\$228,500.44	\$228,500.44	\$252,200.00	-\$23,699.56
10th year total cost	\$228,500.44	\$228,500.44	\$262,458.00	-\$33,957.56

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BOARD ACTION

TO: Governing Board (Finance and Administration Committee)

FROM: Carlos Quintero, General Manager
Jennifer Sabine, Assistant General Manager
Rich Stevenson, Director of Finance

DATE: May 13, 2022

SUBJECT: Consideration to Approve the South Bay Irrigation District FY 2022-23 Budget, pursuant to the Fund Transfer and Reimbursement Agreement between Sweetwater Authority and South Bay Irrigation District

SUMMARY

At its May 11, 2022 meeting, the South Bay Irrigation District (SBID) Board of Directors approved its FY 2022-23 Budget. The budget includes estimated revenue funding of \$300 from interest earnings and a \$41,430 payment from the Sweetwater Authority (Authority). The increase in Authority contribution for FY 2022-23 is for the upcoming election costs. -Based on a previous mutual agreement between the SBID and the Authority, the agreement requires the Authority's Governing Board to approve the SBID budget annually.

PAST BOARD ACTION

May 26, 2021 The Governing Board approved the South Bay Irrigation District FY 2021-22 Budget.

FISCAL IMPACT

The Authority will reimburse SBID approximately \$41,430 for FY 2022-23 operating expenditures. SBID will invoice the Authority the actual funding requirement upon the final accounting of FY 2022-23.

POLICY / STRATEGIC PLAN

Reimbursement Agreement between the Sweetwater Authority and South Bay Irrigation District dated October 9, 2018.

Memo to: Governing Board (Finance and Administration Committee)
Subject: Consideration to Approve the South Bay Irrigation District FY 2022-23 Budget,
pursuant to the Fund Transfer and Reimbursement Agreement between
Sweetwater Authority and South Bay Irrigation District

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ALTERNATIVES

1. Approve the South Bay Irrigation District FY 2022-22 Budget.
2. Renegotiate the Reimbursement Agreement with South Bay Irrigation District.

RECOMMENDATION

Staff recommends that the Governing Board approve the South Bay Irrigation District FY 2022-23 Budget.

ATTACHMENT

South Bay Irrigation District FY 2022-23 Budget

South Bay Irrigation District

FY 2022-23 Budget

	Actual FY 2019-20	Actual FY 2020-21	Budget FY 2021-22	Est. Actual FY 2021-22	Budget FY 2022-23
Revenues					
Interest	8,119	15	350	200	300
Sweetwater Authority Funding Agreement (1)	17,917	40,036	29,858	28,663	41,130
Total Revenues	26,036	40,051	30,208	28,863	41,430
Expenses					
Sweetwater Authority Staff	4,080	4,080	4,080	4,080	4,080
Office Supplies & Expenses	15	21	40	0	0
Conferences & Meetings	92	2	6	0	10
Membership Fees & Dues	648	947	950	970	1,000
Directors Fees (2)	4,600	8,200	6,600	7,000	7,000
Payroll Expense	352	627	584	528	600
Legal Fees & Costs	6,035	7,823	7,200	10,777	8,200
Audits & Accounting	3,000	4,000	3,000	3,000	3,000
Telephone	228	103	160	0	0
Elections & Public Info (3)	4,937	11,753	0	0	10,000
General & Property Insurance	1,986	2,419	2,512	2,471	2,500
Workers Compensation Ins	63	75	76	38	40
Community Outreach			5,000	0	5,000
Total Expenses	26,036	40,051	30,208	28,863	41,430
Net Revenues	0	0	0	0	0
General Fund					
Beginning Balance	100,556	100,556	100,556	100,556	100,556
Transfers In/(Out)	0	0	0	0	0
Ending Balance	100,556	100,556	100,556	100,556	100,556

Notes:

1. Per October 9, 2018 agreement, Sweetwater Authority commits to funding SBID's annual operating costs in perpetuity. Funding amount is based on actual year-end tabulated costs.
2. Per Policy 119, Director's fee is \$100 per day.
3. FY 2022-23 is an election year for Division 1 and 4