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PALMDALE WATER DISTRICT

2029 East Avenue Q • Palmdale, California 93550 • Telephone (661) 947-4111
Fax (661) 947-8604
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ALESHIRE & WYNDER LLP
Attorneys

June 9, 2016

Agenda for a Meeting
of the Facilities Committee of the Palmdale Water District
Committee Members: Vincent Dino-Chair, Marco Henriquez
to be held at the District's office at 2029 East Avenue Q, Palmdale

Monday, June 13, 2016

11:00 a.m.

NOTE: To comply with the Americans with Disabilities Act, to participate in any Board meeting please contact Dawn Deans at 661-947-4111 x1003 at least 48 hours prior to a Board meeting to inform us of your needs and to determine if accommodation is feasible.

Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the District's office located at 2029 East Avenue Q, Palmdale (Government Code Section 54957.5). Please call Dawn Deans at 661-947-4111 x1003 for public review of materials.

PUBLIC COMMENT GUIDELINES: **The prescribed time limit per speaker is three-minutes. Please refrain from public displays or outbursts such as unsolicited applause, comments, or cheering. Any disruptive activities that substantially interfere with the ability of the District to carry out its meeting will not be permitted and offenders will be requested to leave the meeting. (PWD Rules and Regulations, Appendix DD, Sec. IV.A.)**

Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance to take action on any item.

1) Roll call.
2) Adoption of agenda.
3) Public comments.
4) Action Items: (The public shall have an opportunity to comment on any action item as each item is considered by the Committee prior to action being taken.)

4.1) Consideration and possible action on approval of minutes of regular meeting held May 19, 2016.

4.2) Consideration and possible action on lease options for the District's lighter duty vehicles. ($10,000.00 – Non-budgeted – Facilities Manager Moore/Finance Manager Williams)

4.3) Consideration and possible action to purchase used equipment authorized by Board action on May 25, 2016 prior to receiving the proceeds from surplus equipment sales. ($18,000.00 – Budgeted – Facilities Manager Moore)

5) Information Items.

5.1) Vehicle/Equipment List. (Committee Member Henriquez/Facilities Manager Moore)

5.2) Other.

6) Board members' requests for future agenda items.

7) Adjournment.



DENNIS D. LaMOREAUX,
General Manager

DDL/dd

P A L M D A L E W A T E R D I S T R I C T

B O A R D M E M O R A N D U M

DATE:	June 8, 2016	**June 13, 2016**
TO:	FACILITIES COMMITTEE	**Committee Meeting**
FROM:	Michael Williams, Finance Manager/CFO	
VIA:	Mr. Dennis D. LaMoreaux, General Manager	
RE:	***AGENDA ITEM NO. 4.2 – CONSIDERATION AND POSSIBLE ACTION ON LEASE OPTIONS FOR LIGHT DUTY VEHICLES***	

Recommendation:

Staff recommends approval by the Committee and recommendation to the Board of Directors the authorization to enter into a Master Lease Agreement with Enterprise Fleet Management for the leasing of our light duty utility fleet vehicles.

Alternative Options:

The alternative is to purchase the vehicle and depreciate over the five year useful life of the vehicle when cash flow and budget considerations permit.

Impact of Taking No Action:

The impact of taking no action will keep the current fleet of light duty utility vehicles as is and call for the District to purchase replacement vehicles as cash flow and budget considerations permit.

Background:

Staff has been exploring alternative ways of replacing its aging light duty utility vehicle fleet that will not have a huge impact on cash flows. The District has 18 vehicles that are 2005 and older that have exhausted their useful life and are in need of replacing. Our normal process of replacing these vehicles is to purchase the vehicles with an outlay of cash and depreciate the vehicles over their useful life, which is usually five years, thus spreading the expense of that purchase over a five year period.

The District's recent budget constraints has not allowed this type of asset replacement since 2007, in which nine vehicles were purchased. Our most recent acquisition of vehicles was in 2015 in which four vehicles were purchased; as you can see, we are falling behind in replacements.

Enterprise Fleet Management offers a program in which the District can lease replacement vehicles on a five year term for each vehicle and then at the end of the lease return the vehicle and retain the end of term equity to be applied to a replacement lease. This would ultimately allow the District to replace a set number of light duty utility vehicles every five years.

Staff has selected six vehicles that would be perfect candidates for this replacement program. If we were to move forward with the program the replacement of these vehicles would cost the District just over $10,000 for the remainder of 2016 and $31,000 annually for the next four and two-thirds years. It is basically doing the same as depreciating the vehicles over the five year period but without an outlay of $160,000 cash up front.

The fleet management program also includes the maintenance of the vehicles. This too will be an advantage and savings to the District. Staff has determined that in 2015, the District spent $3,071 in parts and $10,926 in labor for maintenance of the six vehicles selected as candidates for the program. Of course the labor costs were in house, but staff's time could have been better utilized elsewhere rather than repairing and maintaining an old asset. The year model vehicles selected are: (1) 1996; (2) 2002; (1) 2005; (2) 2007, all certainly past their useful life.

Strategic Plan Initiative:

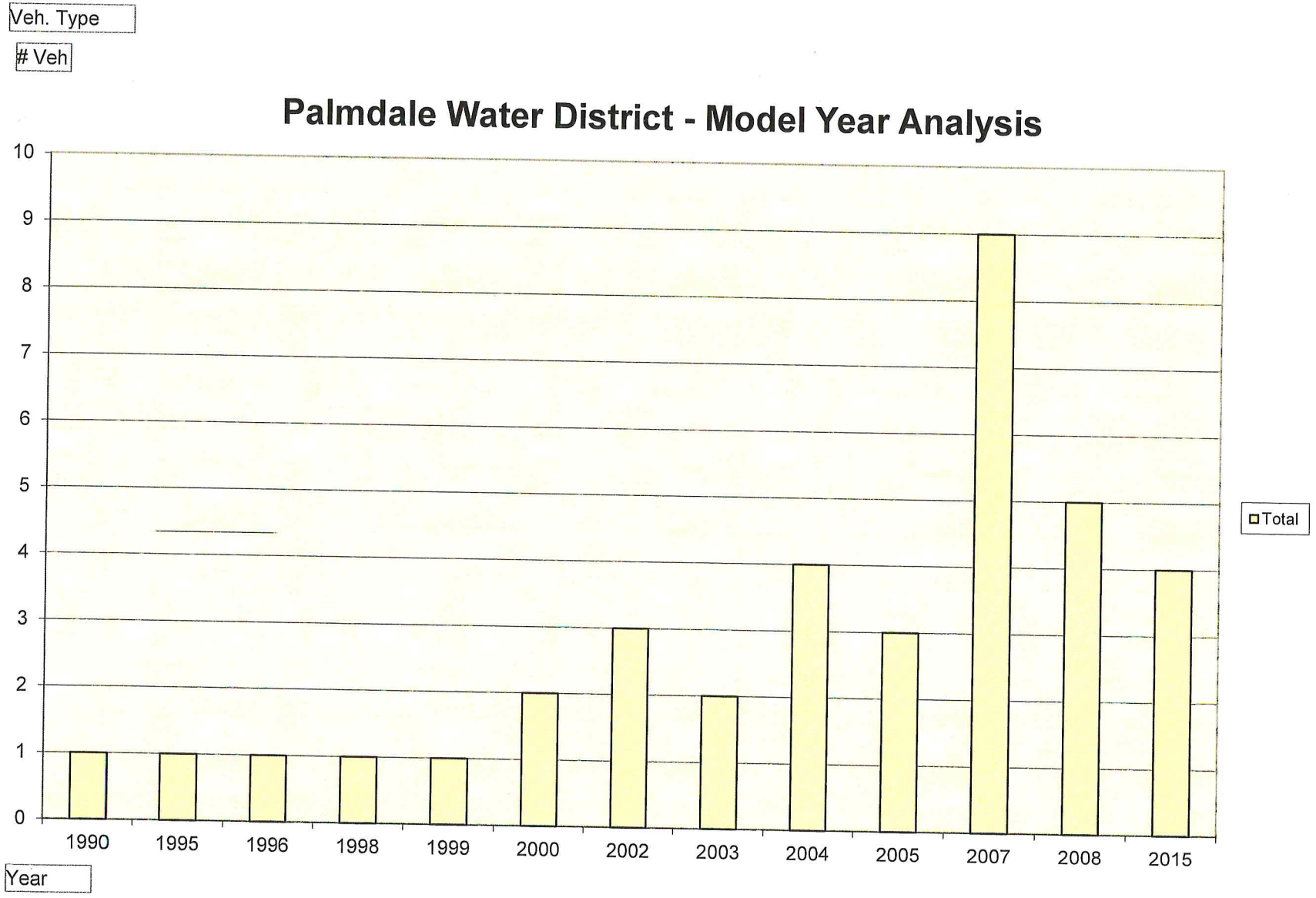
This work is part of Strategic Initiative No. 2, Organizational Excellence by optimizing outsourcing opportunities; Strategic Initiative No. 3, Systems Efficiency by replacing aging infrastructure; and Strategic Initiative No. 4, Financial Health & Stability by maintaining adequate reserve levels.

Budget:

This is a non-budgeted item for 2016, however, $10,000 can be allocated from other areas. This will become an expense line item in future budgets in the amount of $31,000.

Supporting Documents:

- District's current fleet analysis
- Enterprise Open-End Lease Proposal


Veh. Type
Veh
Palmdale Water District - Model Year Analysis
10
9
8
7
6
5
4
3
2
1
0
1990
1995
1996
1998
1999
2000
2002
2003
2004
2005
2007
2008
2015
Total
Year

Palmdale Water District

Fleet Profile

Vehicle Type	# of Type	Average Age (years)	Average Annual Mileage	Average Monthly Maintenance
Compact Pickup Ext 4x2	4	9.4	7,000	$195
1/2 Ton Pickup Reg 4x2	15	12.2	7,500	$195
3/4 Ton Pickup Reg 4x4	7	6.5	8,000	$195
1 Ton Pickup Reg 4x2	6	18.0	5,000	$195
3/4 Ton Van Cargo	1	9.4	5,000	$195
Full-size Sedan	1	14.4	5,500	$195
1 1/2 Ton Cab Chassis	3	8.3	4,000	$195
Totals/Averages	37	11.4	6,500	$195

Fleet Replacement Schedule

2016	2017	2018	2019	2020	Under-Utilized
		4			
3	7	4	1		
1	2			4	
4			1		1
		1			
1					
			3		
9	9	9	5	4	1

Replacement Criteria:

* Fiscal Year 2016 = Model Year 2002 and older, or odometer over 150,000
* Fiscal Year 2017 = Model Year 2005 and older, or odometer over 143,500
* Fiscal Year 2018 = Model Year 2008 and older, or odometer over 137,000
* Fiscal Year 2019 = Model Year 2010 and older, or odometer over 130,500
* Fiscal Year 2020 = Remaining Vehicles
* Underutilized = Annual Mileage less than 2,000

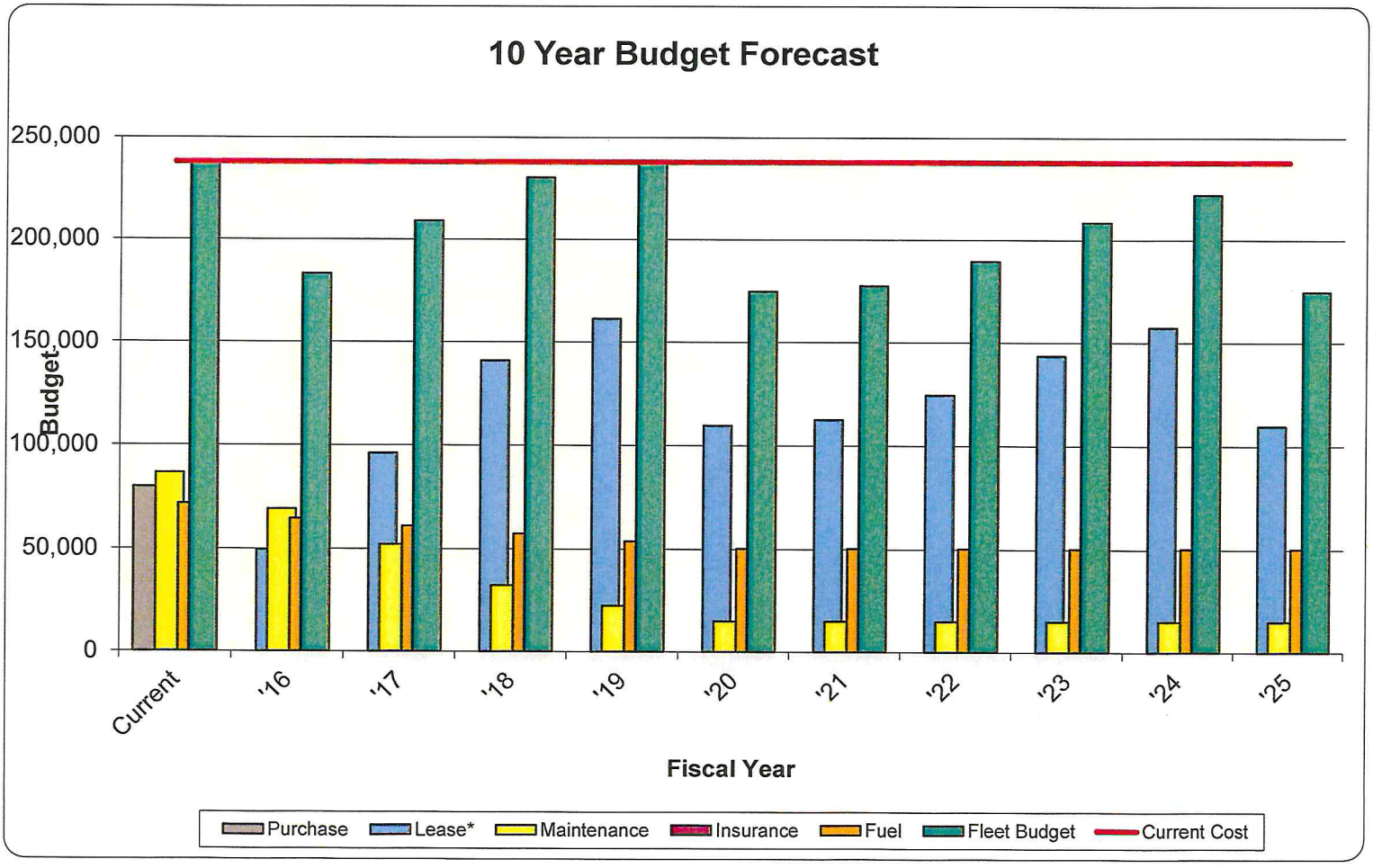
Palmdale Water District - Fleet Planning Analysis

enterprise FLEET MANAGEMENT

Current Fleet	37	Fleet Growth	-0.62%	Proposed Fleet	36
Current Cycle	*12.00*	Annual Miles	7,300	Proposed Cycle	5.00
Current Maint.	*$195.00*	Insurance	$0.00	Proposed Maint.	$34.28
Fuel Info	-	MPG	*11*	Price/Gallon	*$3.00*

10 yr Savings
$373,687
Long Term Avg. Savings
$43,585/yr
18.3%

	Fleet Mix				Fleet Cost						Annual
Fiscal Year	Fleet Size	Annual Needs	Owned	Leased	Purchase	Lease* Incl. Tax	Maintenance	Insurance	Fuel	Fleet Budget	Savings
Current	37	3.1	37	0	79,791	0	86,580	0	71,673	238,044	0
'16	37	9	28	9	0	49,475	69,161	0	64,506	183,142	54,902
'17	37	9	19	18	0	96,175	51,958	0	60,923	209,057	28,988
'18	36	9	9	27	0	140,897	32,194	0	57,338	230,429	7,615
'19	36	5	4	32	0	161,235	22,251	0	53,755	237,241	803
'20	36	4	0	36	0	109,612	14,810	0	50,171	174,592	63,452
'21	36	9	0	36	0	112,495	14,810	0	50,171	177,475	60,569
'22	36	9	0	36	0	124,516	14,810	0	50,171	189,496	48,548
'23	36	9	0	36	0	143,509	14,810	0	50,171	208,490	29,554
'24	36	5	0	36	0	157,259	14,810	0	50,171	222,239	15,805
'25	36	4	0	36	0	109,612	14,810	0	50,171	174,592	63,452



*** Lease Rates are conservative estimates**

Prepared For: Palmdale Water District

Open-End (Equity) Lease Proposal

6/7/2016

	Vehicle Number	Year	Make	Model	Vehicle Style	Current Odometer	Replacement	Term	Annual Miles	MSRP	Invoice (1)	Incentive	Est. Equity Roll Over (2)	Delivered Price	Monthly Lease Pymnt.	Monthly Full Maintenance (3)	Initial Cost for Geotab Device (4)	Geotab Monthly Cost	Total Monthly Payment	Total Cost for 2016 (5)	Total Annual Payments	Reduced Book Value at Term	Estimated Future Value (6)	Estimated Equity at Term	Effective Monthly Payment
1	105	2007	Chevrolet	Silverado	1/2 Ton Pickup Truck Extended Cab WT	113,342	2016 Ford F-150 XL Reg Cab Long Bed	60 Months	10,000	$28,385.00	$27,015.00	$5,815.00	$2,500.00	$18,985.00	$369.10	$38.29	$50.00	$29.99	$437.38	$1,799.52	$5,248.56	$3,607.00	$13,644.00	$10,037.00	$270.10
2	98	2007	Chevrolet	Silverado	1/2 Ton Pickup Truck Extended Cab WT	125,320	2016 Ford F-150 XL Reg Cab Long Bed	60 Months	10,000	$28,385.00	$27,015.00	$5,815.00	$2,500.00	$18,985.00	$369.10	$38.29	$50.00	$29.99	$437.38	$1,799.52	$5,248.56	$3,607.00	$13,644.00	$10,037.00	$270.10
3	90	2005	Chevrolet	Silverado	1/2 Ton Pickup Truck Regular Cab WT	100,234	2016 Ford F-150 XL Reg Cab Long Bed	60 Months	10,000	$28,385.00	$27,015.00	$5,815.00	$2,500.00	$18,985.00	$369.10	$38.29	$50.00	$29.99	$437.38	$1,799.52	$5,248.56	$3,607.00	$13,644.00	$10,037.00	$270.10
4	35	2002	Ford	F-150	1/2 Ton Pickup Truck Regular Cab XL	102,164	2016 Ford F-150 XL Reg Cab Long Bed	60 Months	10,000	$28,385.00	$27,015.00	$5,815.00	$2,500.00	$18,985.00	$369.10	$38.29	$50.00	$29.99	$437.38	$1,799.52	$5,248.56	$3,607.00	$13,644.00	$10,037.00	$270.10
5	7	2002	Ford	F-150	1/2 Ton Pickup Truck Regular Cab XL	103,678	2016 Ford F-150 XL Reg Cab Long Bed	60 Months	10,000	$28,385.00	$27,015.00	$5,815.00	$2,500.00	$18,985.00	$369.10	$38.29	$50.00	$29.99	$437.38	$1,799.52	$5,248.56	$3,607.00	$13,644.00	$10,037.00	$270.10
6	22	1996	Ford	F-150	1/2 Ton Pickup Truck Regular Cab XL	95,410	2016 Ford F-150 XL Reg Cab Long Bed	60 Months	10,000	$28,385.00	$27,015.00	$5,815.00	$2,500.00	$18,985.00	$369.10	$38.29	$50.00	$29.99	$437.38	$1,799.52	$5,248.56	$3,607.00	$13,644.00	$10,037.00	$240.11
																			Total	$10,797.12	$31,491.36			$60,222.00	

Note:

1. Vehicles for Palmdale Water District will be factory ordered and thus priced at invoice rather than the higher MSRP price found at dealers.
2. The Equity Roll Over is from the Equity generated by the sale of Palmdale Water's six selected trucks. These six trucks are conservatively going to sell for a total of $15,000 and this amount is spread equally across the six new trucks.
3. Full Maintenance includes all prevantative and non-prevantative items as well as 24 hour roadside service. Does not include brakes and tires for these are wear items that are not forecasted for replacement within the term.
4. This represents the initial cost for the actual Geotab device. The device is plug and play, plugging right into the OBD 2 Port. This is a one time cost.
5. The new truck orders will be placed by the end of June (before the order cutoff) and have an estimated delivery time of 8-10 weeks. Therefore monthly payments will not start until September of 2016. This calculation shows an estimated 4 months of monthly payments on these vehicles for the remainder of 2016 and also includes the Geotab device cost.
6. Estimated Future Value is based off ALG.com confirmed by resale team as an accurate estimate assuming 5 years hold and 10,000 annual miles/year.

Quote is Subject to Customer's Credit Approval

Enterprise FM Trust will be the owner of the vehicle covered by this Quote. Enterprise FM Trust (not Enterprise Fleet Management) will be the Lessor of such vehicle under the Mater Open-End (Equity) Lease Agreement and shall have all rights and obligations of the Lessor under the Mater Open-End (Equity) Lease Agreement with respect to such vehicle.

Lessee hereby authorizes this vehicle order, agrees to finance the vehicle on the terms set forth herein and in the Master Equity Lease Agreement and agrees that Lessor shall have the right to collect damages in the event Lesse fails or refuses to accept delivery of the ordered vehicles. Lessee certifies that it intends that more than 50% of the use of the vehicle is to be in a trade or business of the Lessee.

COMPANY: Palmdale Water District

BY _____

[1] Delivered Price of Vehicle May be Adjusted to Reflect Final Manufacturer's Invoice. Lessee Hereby Assigns to Lessor any Manufactuerer Rebates And/Or Manufacturer Incentives Intended for the Lessee, Which Rebates And/Or Incentives Have Been Used By Lessor to Reduce the Capitlaized Price of the Vehicle.

[2] Monthly Lease Charge Will Be Adjusted to Reflect the Interest Rate on the Delivery Date (Subject to a Floor).

Customer _____

P A L M D A L E W A T E R D I S T R I C T

B O A R D M E M O R A N D U M

DATE:	June 8, 2016	**June 13, 2016**
TO:	BOARD OF DIRECTORS	**Board Meeting**
FROM:	Mr. Tim M. Moore, Facilities Manager	
VIA:	Mr. Dennis D. LaMoreaux, General Manager Mr. Matt Knudson, Assistant General Manager	
RE:	***AGENDA ITEM NO. 4.3 – CONSIDERATION AND POSSIBLE ACTION TO PURCHASE USED EQUIPMENT AUTHORIZED BY BOARD ACTION ON MAY 25, 2016 PRIOR TO RECEIVING THE PROCEEDS FROM SURPLUS EQUIPMENT SALES.***	

Recommendation:

Staff recommends the purchase of an asphalt zipper machine in the amount of $18,000.00.

Background:

This purchase will utilize funds generated from the sale of all surplus equipment to reinvest in the asphalt zipper machine used to cut and grind asphalt for pipeline trenches. Staff recommends moving forward with purchasing now and to reimburse once the surplus sale is complete.

Strategic Plan Element:

Strategic Initiative No. 3 – Systems Efficiency

PALMDALE WATER DISTRICT

Unit #	Year	Make	Model	
004	1991	FORD	F800	Dumptruck
007	2002	FORD	F150	1/2 T P/U
017	1995	FORD	F350	Utility
022	1996	FORD	F150	1/2 T P/U
027	2000	CHEV	C30	Utility
033	2000	CHEV	C30	Utility
035	2002	FORD	F150	1/2 T P/U
040	2002	BUICK	LeSABRE	Car
043	1990	GMC	C30	Flatbed
060	1998	GMC	C30	Utility
067	1999	CHEV	C7500	Water truck
068	1999	CHEV	C20	Utility
080	2003	CHEV	1500	1/2 T P/U
081	2003	CHEV	1500	1/2 T P/U
082	2004	CHEV	1500	1/2 T P/U
083	2004	CHEV	1500	1/2 T P/U
084	2004	CHEV	1500	1/2 T P/U
085	2004	CHEV	1500	1/2 T P/U
086	2004	CHEV	TC7500	Dumptruck
088	2005	PETERBILT	PB335	Utility
089	2005	PETERBILT	PB335	Utility
090	2005	CHEV	1500	1/2 T P/U
092	2005	CHEV	2500	Utility
093	2005	CHEV	2500	Utility
098	2007	CHEV	1500	1/2 T P/U
099	2007	CHEV	1500	1/2 T P/U
100	2007	CHEV	1500	1/2 T P/U
105	2007	CHEV	SILVERADO 1500	1/2 T P/U
106	2007	CHEV	COLORADO	P/U
107	2007	CHEV	COLORADO	P/U
108	2007	CHEV	COLORADO	P/U
109	2007	CHEV	EXPRESS	VAN
110	2007	CHEV	COLORADO	P/U
113	2008	FORD	F150	P/U
114	2008	FORD	F550	Utility
115	2008	FORD	F550	Utility
116	2008	FORD	F550	Utility
117	2008	DODGE	3500	Utility
121	2000	STERLING	ACTERRA	Dumptruck
122	1993	FORD	F450	Utility
123	2005	FORD	F650	Dumptruck
124	2015	FORD	F250	Utility
125	2015	FORD	F250	Utility
126	2015	FORD	F250	Utility

127	2015	FORD	F250	Utility
128	2016	DODGE	DURANGO	SUV
129	2015	FORD	F650	Utility
130	2015	FORD	F550	Valve Turner Truck

Unit #	Year	Make	Model	
002	1991	JOHN DEER	410D	Backhoe
003	2000	CAT	416C	Backhoe
011	1978	MILLER	MILLER	Trailer - Welder 47
016	1990	SIGNA	TRAILER	Arrowboard
024	1988	FORD	F8000	Crane
025	1992	SOUTHWEST	VAN TRAILER	HAZ MAT TRAILER
032		MITSUBISHI	F17A	Forklift
038	1989	INGERSOLL-RAND	TRAILER	Air Compressor
039	1990	TCM	FG20N2S	Forklift
044	1986	SPCNS	TRAILER	Utility Trailer
046	1952	SHPBLT	4AXLE	Trailer
050		VERMEER	TRAILER	Woodchipper
057	1993	TRAILKING	2AXLE	Trailer
058	1988	HMDE	2AXLE	Trailer, Water
059	1996	GREGOR		Pontoon Boat
	2000	HONDA	BF50A	Outboard Motor-48
			2AXLE	Boat Trailer
061	1998	TRAILKING	2AXLE	Trailer
066	1989	JOHN DEER	644G	Loader
070		ONAN	STATIONARY	Generator
071	1989	MULTIQUIP		Generator
		BALZER	3AXLE	Trailer
073	1999	VOLVO		Generator
			2AXLE	Trailer
074	1999	VOLVO		Generator
			2AXLE	Trailer
075			2AXLE	Trailer, Fuel
076	2001	PACIFIC TEK	1AXLE	Vacuum Trailer
077	1986	CAT	R80	Forklift
078	2002	JOHN DEER	250	Skid Steer
079	2002	JOHN BEAN		Weed Sprayer
087	2004	MILLER	1AXLE	Trailer - Welder
095	1971	HMDE	1AXLE	Hose Reel
097	1990	Stone	1AXLE	Mixer
101	2007	CAT	420E	BACKHOE
103	2006	INTERSTATE	2 AXLE	TRAILER
104	2006	KUBOTA		Utility Vehicle
111	2008	WELLS CARGO	TC581H	Utility Trailer
112	2007	TRAILMAX	T-12-UT	Utility Trailer
118	2005	ALLMAND	NLPRO	Light Tower
119	2008	CAT	420E	Backhoe

120	2007	CAT	420E	Backhoe
131	2015	PJ	U8162	Flatbed Trailer

Vin#	Miles
1FDXF82J2MVA33233	71,831
1FTRF17W52NB40167	103,678
1FDLF47G9SEA55716	64,175
1FTEF15Y9TLB59790	95,410
1GCHC39R3YF468505	107,194
1GBGC34R1YF453802	124,402
1FTRF17W72NB40168	102,164
1G4HR54K22U215730	80,798
1GDHC34K4LE536816	45,452
1GDGC34RXWF019253	93,892
1GDM7H1B6XJ510039	47,308
1GCGC29R7XF072825	83,597
1GCEC14V93Z281725	54,510
1GCEC14VX3Z239421	95,511
1GCEC14T64Z315782	77,271
1GCEC14V44Z110950	74,544
1GCEC14VX4Z324180	83,472
1GCEC14V74Z326730	118,215
1GDM7C1CX4F515089	39,746
2NPLHD7X55M874928	22,061
2NPLHD7X75M874929	23,899
1GCEC14V15Z292463	100,234
1GBHC24U85E231763	74,904
1GBHC24U75E231978	112,949
1GCEC19V77Z154776	125,320
1GCEC19V87Z155662	66,158
1GCEC19VX7Z156831	74,098
1GCEC19037Z610017	113,342
1GBDS14E378238805	69,313
1GBDS14E278239783	83,833
1GBDS14E778237169	91,743
1GNFG15Z271229553	47,669
1GBDS14E678239849	33,246
1FTRF12W18KE27507	50,213
1FDAF56Y48EE22733	23,786
1FDAF56Y08EE22731	54,271
1FDAF56Y08EE59715	22,287
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2FZNAJBB1YAH19545	24,470
2FDLF47G6PCB38775	80,919
3FRXF75U55V118869	15,441
1FDBF2B67FEB96045	11,722
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1FDBF2A65FEC16472	7,067

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3FRNF6HD0FV618291	5,248
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Vin#	Hours
T0410DA777705	6,434
4ZN22238	5,534
5DLUW09194H004390	65
8419	1,667
1FDYW82A3JVA31409	2,650
1S9US2422M1232674	
F17A53198	3,579
177392U89317	398
A21B2398	4,085
56309501	?
DRT442542	
1VRC08126M1001049	2,192
1TKC02424PM084629	
	14
GBCC087D696	2,163
1TKC02421XM106117	
DW644GB554789	4,909
	177
	3,776
1B9FS1634K1218197	
	227
1E9GF1825WR153163	
	209
1E9GF1823WR153162	
CA873830	
16VAX081211A32139	147
49A00832	7,634
KV0250E450928	425
JB02815N	
CAL230879	467
DRF126327	
367026	85
CAT0420ELHLS02611	5,603
1JKDLA4076M007248	
	740
1WF200C1187016708	
5UCPU26267A000239	
1730PRO05	4,660
CAT0420EJPRA00327	3,789

CAT0420EEHLS04443	3,910