



STAFF REPORT

Meeting Type: Board of Directors
Title: Agreement with Stonecourt 365 Holdings, Inc for Remote Data Center Co-Locations Services
From: Bret Uppendahl, Finance Director
Through: Ben Horenstein, General Manager
Meeting Date: August 18, 2026

TYPE OF ITEM: X Action Information

RECOMMENDATION: Approve an agreement with Stonecourt 365 Holdings, Inc. for remote data center co-location services through July 31, 2027, for a total amount not to exceed \$60,000 and authorize the General Manager to execute the agreement

SUMMARY: The Stonecourt 365 Holdings (365 Data Center) facility in Rancho Cordova, CA, houses critical IT infrastructure on which much of the District's primary production IT services are hosted. This remote data center (formerly owned by Sunguard) has been utilized by the District since 2012. Originally used as a remote disaster recovery site, in 2021 the District IT team migrated much of the production workload on our systems from the Administration Building in Corte Madera to this facility around the same time that physical servers were migrated to a virtual platform. Subsequent agreements were entered into by the District with Sunguard. As this entity no longer exists and all rights to facility are now held by Stonecourt 365 Holdings, Inc., staff recommends that the District enter into a new agreement for these services with the current provider.

Staff recommends that the Board approve an agreement for all co-location services provided by 365 Data Centers through July 31st, 2027, with Stonecourt 365 Holdings, Inc. for a total not to exceed amount of \$60,000 and authorize the General Manager to execute the agreement.

DISCUSSION: This remote data center is currently hosting most of the District's IT production services and workloads. This includes all ERP support services, as well as production, development, and sandbox servers; the AutoCAD Vault supporting Engineering Design; all proprietary internet-facing MMWD services for backflow and encroachment permits; as well as numerous IT infrastructure services supporting identity management, certificate management and cloud federation. Nearly 80% of all virtual machines running in the District's IT infrastructure are housed at the 365 Data Center facility.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: Funding for this annual service is included in the approved FY 2026-27 Information Technology operating budget. This renewal will cover all co-location services including cabinet space, power, HVAC, network connectivity and WAN interconnect services in two full-height equipment cabinets.

The total cost for renewing this service for one year is \$60,000, which is an increase of \$5,000 compared to the prior year.

ATTACHMENT(S): None.

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Finance	 Bret Uppendahl Finance Director	 Ben Horenstein General Manager