

Minutes

Carmichael Water District/Sacramento Suburban Water District 2x2 Ad Hoc Committee Meeting

Wednesday, July 7, 2021

Location:

3701 Marconi Avenue, Suite 100, Sacramento, CA 95821, and Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting Id #817 1159 5801

Call to Order – Videoconference/Audioconference Meeting

Director Jones called the meeting to order at 3:00 p.m.

Roll Call

SSWD Directors

Present: Craig Locke (joined in person at 3:09) and Dave Jones.

SSWD Directors

Absent: None.

CWD Directors

Present: Jeff Nelson and Mark Emmerson.

CWD Directors

Absent: None.

SSWD Staff Present: General Manager Dan York, Assistant General Manager Matt Underwood, Heather Hernandez-Fort, Jeff Ott, Amy Bullock, Erik Flaa, and Susan Schinnerer.

CWD Staff Present: General Manager Cathy Lee.

Public Present: William Eubanks, Ted Costa, Greg Zlotnick, Kevin Thomas, Paul Helliker, Bob Wichert.

Announcements

None.

Public Comment

None.

Items for Discussion and/or Action

1. Introduction

Sacramento Suburban Water District General Manager Dan York (GM York) provided an introduction to the meeting.

2. Overview of Carmichael Water District and Sacramento Suburban Water District
GM York presented the staff report.

GM York and Carmichael Water District General Manager Cathy Lee (GM Lee) presented the PowerPoint presentation of a high level overview of the two Districts.

Director Emmerson inquired if there was an evaporation factor included in the depletion factor.

GM York expressed that there was very different type of calculation methodology that is utilized and that he was unsure if there was an evaporation factor utilized. GM York commented that he can provide the calculation factor at a future meeting.

GM York and GM Lee answered additional clarifying questions.

3. Goal of the 2X2 Ad Hoc Committee

GM York presented the staff report.

Director Emmerson expressed he was interested in whatever would be in the best interest of all rate payers involved. He further noted he was committed to the process, but not to any direct result, as he wanted to see where the process lead. He wanted to develop the goals and objectives, noting that if it lead to a consolidation of the two Districts, he was open to that. He expressed he wanted to allow staff to create an environment that allowed for cooperation of projects and programs, and see where it naturally flowed to. He expressed he was interested in getting rid of any political boundaries, identifying how the Districts could work efficiently and effectively together, than seeing what that lead the efforts to.

Director Nelson agreed with Director Emmerson, noting he was interested in using some of the information that was gathered from the Regional Collaboration Study (RCS) to explore efficiencies by working together and sharing resources. He noted he was also interested in doing away with any political boundaries and exploring the operations of the two Districts. He further stated Carmichael Water District (CWD) was smaller than Sacramento Suburban Water District (SSWD) noting the discrepancy in efficiencies due to the limitations CWD has. He expressed he was interested in exploring meeting economies of scale.

Director Jones stated that SSWD was a very strong District and that in time, he was confident consolidation among several local agencies would be inevitable. He additionally expressed interest in using the information gathered from the RCS to aide in exploring consolidation between the two Districts.

Chair Locke noted he was interested in effectively utilizing the operations of both Districts, as he saw efficiencies of daily operations in both. He pointed out that SSWD has well capacity above its daily needs, expressing there was an opportunity for better shared water supply reliability. He noted that the 11 different water agencies in the region could be a stronger voice as a single entity.

GM York expressed he was additionally committed to the process with no defined end goal, expressing he wanted to go through the process and making sure they identified what would be best for all rate payers. He pointed out there would be a cost impact. He additionally requested to get comments from each Director and that staff would go over each of the ideas more thoroughly at the next meeting.

Chair Locke expressed he felt the next step would be to define the process and create an outline of the process.

Director Emmerson noted he wanted to identify the current projects and operations and look at the larger items, as well as any low hanging fruit, additionally identifying what is going to be the most identifiable benefit. He noted he was interested in the option of cross training staff, and wanted to be sure to get people excited about the potential opportunities. He ended with noting once all current projects and operations have been identified, consolidation would likely be an end result.

Director Jones inquired how they would be able to measure the benefit to the rate payers.

Director Emmerson suggested things such as cost, customer satisfaction surveys, as well as measure each Directors opinion on if they were obtaining their objectives.

GM York noted staff could additionally look into how other agencies have handled consolidation for assistance and reference.

GM Lee noted additional benefits would include the future groundwater and surface water recharge as well as water supply reliability.

William Eubanks (Mr. Eubanks) expressed concern over the politics of consolidation, noting he was not confident that a consolidation could happen unless the Districts decided to just do it.

Director Jones expressed he was most interested in consolidation, as they have already been discussing collaboration in the RCS.

Director Emmerson noted he saw consolidation as an end product, but not a beginning product, noting it needed to start at the bottom with looking at all options of collaboration first.

Chair Locke noted he was very interested in looking into moving water more efficiently between the two Districts, noting there were lots of functions to explore which have been identified in the RCS.

Director Emmerson additionally noted staff should list all the operations and projects, rate and evaluate them on criteria, and start at the most beneficial ones on the list.

Director Nelson noted he wanted to be sure the Committee was successful in making progress.

Chair Locke requested staff present a list of some of the projects and operations from each District at the next meeting.

4. Joint Discussion of Consolidation Opportunities

GM York presented the staff report, noting he was interested in being productive and make progress in the Committee by focusing on the process.

GM Lee added that in order to be successful, they should look at the following areas to analyze:

- Water Management/Supply
- Governance Comparison
- Fiscal Continuity
- Water Rights/Contract Rights
- Operations

GM York recommended the Committee consider looking into a consultant to assist with the process.

Director Emmerson noted he was interested in seeing what staff could find on past consolidations.

GM York expressed he and GM Lee would provide that information.

Director Jones agreed with GM Lee on looking further into the areas to analyze.

Director Emmerson expressed he was reluctant to hire a consultant at this time, noting he was interested in staff presenting information on past consolidations as well as getting through the process. Then, he expressed, the Committee should evaluate if there is a cost benefit in consolidation. He additionally suggested to review other criteria such as cross training of staff, storing water, and/or staffing benefits. Noting that down the road, there might be a need for a consultant, but at this time, he was not interested in it.

The Committee agreed with the staff recommendation.

Chair Locke additionally noted he was interested in discussing ASR wells.

5. Joint Discussion of Collaboration Opportunities

GM York presented the staff report and answered clarifying questions.

The Committee agreed with the staff recommendation to conduct an investigation of alternatives to consider the benefit of consolidating the Districts into one agency.

Chair Locke pointed out that he wanted to be sure there was a cost sharing between both Districts.

Ted Costa expressed one of the most important topics was banking water. He additionally noted that there was a concern of the AeroJet plume, as well as monitoring the position of Del Paso Manor Water District, and considering the County of Sacramento assessment fees as well, which all needed to be reviewed.

6. Next Meeting Date and Time

The Committee agreed to attempt to schedule the next meeting on Friday, July 23rd at 3:00 p.m., noting the next meeting would be at CWD.

7. Public Comment

None.

Adjournment

Chair Locke adjourned the meeting at 4:35 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District